Progress on Corporate Climate-related Disclosures—2024 Report

November 2024

Mr Klaas Knot
Chair
Financial Stability Board
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

Dear Chair Knot,

On behalf of the IFRS Foundation, it is my pleasure to present the 2024 report on progress on corporate climate-related disclosures. This report reflects progress made since the publication of the sixth and last status report by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD).

In July 2023 the FSB announced that the work of the TCFD had been completed, with the two inaugural Standards issued in June 2023 by the International Sustainability Standards Board (ISSB) marking the 'culmination of the work of the TCFD'. Having fulfilled its remit, the TCFD disbanded in October 2023, concurrent with the release of its 2023 status report.

The FSB has asked the IFRS Foundation to record companies' progress in making climate-related disclosures by monitoring:

- companies' early take-up of ISSB Standards; and
- the ISSB's progress in achieving interoperability between ISSB Standards and other standards and frameworks.

The IFRS Foundation is fulfilling the FSB's request by publishing this report.

As this report describes, companies continue to make progress in their climate-related disclosures and are preparing to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards.

The International Organization of Securities Commissions (IOSCO) endorsed ISSB Standards in July 2023. Since then, many jurisdictions have taken action to introduce sustainability-related disclosure requirements—including through the adoption or other use of ISSB Standards—in their legal and regulatory frameworks.

This report informs the work of the FSB, in co-ordination with IOSCO and the IFRS Foundation:

- to assist jurisdictions—through a broad capacity-building programme—to consider how they might adopt, apply or otherwise use ISSB Standards;
- to promote timely and widespread adoption of ISSB Standards, in line with jurisdictions' individual circumstances; and
- to continue to report annually to the G20 on jurisdictions' and companies' progress in implementing climate-related disclosures and reporting in line with international standards.[1]

As set out in its *Constitution*, the IFRS Foundation remains committed to promoting and facilitating the global adoption, use and rigorous application of ISSB Standards and to co-ordinating efforts with other international organisations (including the Monitoring Board of the IFRS Foundation, IOSCO and the FSB) for the provision of globally comparable information for capital markets.

Yours sincerely,

Erkki Liikanen

Chair of the Trustees of the IFRS Foundation

Terms defined in the Glossary are in *italics* the first time they appear in the Executive Summary and in Sections 1–5.

1 Financial Stability Board (FSB), *FSB Roadmap for Addressing Financial Risks from Climate Change Progress: 2023 Progress Report*, FSB, 2023, https://www.fsb.org/wp-content/uploads/P130723.pdf.

EXECUTIVE SUMMARY

Purpose of this report

This report presents progress on corporate climate-related disclosures. The report continues the work of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) to record the progress of companies reporting on its 11 recommended disclosures. Based on a sample of 3,814 public companies, in fiscal year 2023 82% of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures and 44% of companies with at least five of the recommended disclosures. Approximately 2–3% of companies reported in line with all 11 TCFD recommended disclosures.

The report shows that companies are making the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using the two inaugural Standards issued by the International Sustainability Standards Board (ISSB) in June 2023. Between October 2023 and March 2024, more than 1,000 companies referenced the ISSB in their reports.

This report also presents information about jurisdictions' progress in introducing sustainability-related disclosure requirements in their legal and regulatory frameworks, including through the *adoption or other use of ISSB Standards*.

As of September 2024 30 jurisdictions have decided to use or are taking steps to introduce *ISSB Standards* in their legal or regulatory frameworks. Together, these jurisdictions represent:

- approximately 57% of global gross domestic product;
- more than 40% of global market capitalisation; and
- more than half of global *greenhouse gas (GHG) emissions*.

Takeaways in numbers	
82%	of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures
2–3%	of companies reported in line with all 11 TCFD recommended disclosures
1,000+	companies referenced the ISSB in their reports
30	jurisdictions are on the journey to introducing ISSB Standards in their legal or regulatory frameworks

Background information

In June 2017 the TCFD released a framework to help companies develop more effective climate-related financial disclosures.[2]

To promote the use of the framework, the TCFD provided guidance, supported educational efforts, monitored companies' climate-related financial disclosure practices in terms of how they aligned with the TCFD recommendations, and prepared six annual status reports.[3]

In June 2023 the ISSB issued its first two Standards—IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.[4]

> The requirements in IFRS S2 integrate and are consistent with the TCFD's four core recommendations and 11 supporting recommended disclosures.
>
> The core content requirements in IFRS S1 also integrate the TCFD recommendations, requiring a company to provide information about its governance, strategy, risk management, and metrics and targets. However, IFRS S1 requires a company to disclose information about its sustainability-related risks and opportunities beyond climate-related financial disclosures, and therefore beyond the scope of the TCFD recommendations' climate focus.

Integrating the TCFD recommendations in ISSB Standards is an important evolution in climate-related financial reporting. ISSB Standards are designed to meet the needs of *investors*, although other parties, such as regulatory bodies, are expected to find information in the resulting sustainability-related financial disclosures useful. By ensuring that companies using ISSB Standards also provide the information covered by the TCFD recommendations, the ISSB has built on pre-existing practice, facilitating the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards.

Concurrent with the release of its 2023 status report in October 2023, the TCFD fulfilled its remit and disbanded as a consequence of the issuance of IFRS S2, which integrates the TCFD recommendations.

The FSB has asked the IFRS Foundation to record companies' progress in making climate-related disclosures since the TCFD 2023 status report, including information useful to monitor companies' take-up of ISSB Standards.

2 The TCFD framework consists of four core recommendations (related to governance, strategy, risk management, and metrics and targets), 11 supporting recommended disclosures and all-sector and sector-specific guidance. The guidance informs implementation of the recommendations but is not part of the formal recommendations.

3 The annual reports and other TCFD publications are available on the TCFD website: https://www.fsb-tcfd.org/publications. Although the TCFD's logo and resources are now retired, to reflect the TCFD's intention for its work to be available as a public good, stakeholders may use the content of the TCFD's reports in resources, educational materials, reports and communications. These materials are required to include proper attribution and should not be presented in a manner that could suggest any collaboration with the TCFD or any review or approval by the TCFD of the materials or any related disclosures, products or services. The TCFD published its sixth and final report on 12 October 2023: TCFD, *Task Force on Climate-related Financial Disclosures: 2023 Status Report*, TCFD, 2023, https://www.fsb.org/wp-content/uploads/P121023-2.pdf.

4 IFRS S1 and IFRS S2 are available on the IFRS Sustainability Standards Navigator.

Key takeaways and findings

Between October 2023 and March 2024, more than 1,000 companies referenced the ISSB in their reports. In Africa and Asia-Oceania, approximately half of the 554 companies that referenced the ISSB mentioned their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

> Companies continue to make progress in their climate-related disclosures and are preparing to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards.

Jurisdictions that have made progress in the past 12 months towards the adoption or other use of ISSB Standards include both:

- jurisdictions that have issued or proposed disclosure requirements aligned with the TCFD recommendations in previous years (14 jurisdictions); and
- jurisdictions, mainly in Africa, Latin America and the Caribbean, and Asia-Oceania, that have not issued or proposed disclosure requirements aligned with the TCFD recommendations in previous years and are introducing sustainability-related disclosure requirements for the first time (an additional 16 jurisdictions).

> Many jurisdictions have taken action to introduce sustainability-related disclosure requirements—including through the adoption or other use of ISSB Standards—in their legal and regulatory frameworks.

The TCFD recommendations served as the foundation for several jurisdictional and international climate-related disclosure requirements and standards, such as:

- IFRS S1 and IFRS S2;
- the European Sustainability Reporting Standards (ESRS) adopted by the European Commission in July 2023; and
- the final climate disclosure rule issued by the US Securities and Exchange Commission (US SEC) in March 2024.[5]

The shared foundation of these requirements and standards helps to ensure that ISSB Standards are interoperable with ESRS and the US SEC climate rule.

Table 1 summarises the key takeaways and findings of this report.

5 On 4 April 2024 the US SEC issued an order to stay the rule, pending completion of an ongoing judicial review.

Table 1—Summary of key takeaways and findings of this report

The requirements in IFRS S2 integrate and are consistent with the TCFD recommendations. **Companies using ISSB Standards provide the information covered by the TCFD recommendations**.[6]
The number of public companies disclosing TCFD-aligned information continues to grow, but more progress is necessary. **In fiscal year 2023 82% of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures** and 44% of companies with at least five of the recommended disclosures. Approximately 2–3% of companies reported in line with all 11 TCFD recommended disclosures.
Between October 2023 and March 2024, more than 1,000 companies referenced the ISSB in their reports. In Africa and Asia-Oceania, approximately half of the 554 companies that referenced the ISSB mentioned their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.
Most **asset managers and asset owners** who responded to survey questions about ISSB Standards **want or expect portfolio companies to make the transition** from disclosures prepared using the TCFD recommendations **to disclosures prepared using ISSB Standards**.
As **companies** take the necessary steps to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards, they also **get ready to provide sustainability-related financial information simultaneously with the *financial statements*** as part of their *general purpose financial reports*.
In May 2024 the IFRS Foundation published the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* to promote globally comparable climate and other sustainability-related disclosures for capital markets. **A growing number of jurisdictions** are using the guide to help them to **move ahead with their plans to adopt or otherwise use ISSB Standards**.
In the past 12 months **jurisdictions representing approximately 57% of global gross domestic product have made progress towards the adoption or other use of ISSB Standards**. These jurisdictions include jurisdictions that have issued or proposed disclosure requirements aligned with the TCFD recommendations previously (14 jurisdictions) and other jurisdictions, mainly in Africa, Latin America and the Caribbean, and Asia-Oceania, that are introducing sustainability-related disclosure requirements for the first time (an additional 16 jurisdictions).

6 It is not necessary to apply the TCFD recommendations in addition to ISSB Standards to obtain information in line with the TCFD recommendations. However, some companies may still be required to use the TCFD recommendations because of jurisdictional requirements.

Conclusion and next steps

Companies' progress in disclosing climate-related financial information using the TCFD recommendations or ISSB Standards is encouraging.

The support shown by governments, regulators and other relevant authorities in using the TCFD recommendations or ISSB Standards as a basis to develop laws, rules and standards on climate-related financial disclosures is also a positive development towards greater consistency and quality of disclosures.

Nevertheless, few companies are disclosing climate-related financial information that provides information about the company's governance, strategy, risk management, and metrics and targets—especially as it relates to the effect of climate change on their businesses, strategies and financial planning. This lack of information could hinder investors', lenders' and other creditors' ability to assess and price *climate-related risks and opportunities*. If the omitted information is material, the analysis summarised in this report and previous TCFD status reports provide evidence that this concern is valid.

The introduction of sustainability-related disclosure requirements into regulatory frameworks through the adoption or other use of ISSB Standards supports the provision of more comparable and reliable information about sustainability-related risks and opportunities for global capital markets.

The progress towards use of ISSB Standards by companies and adoption of ISSB Standards by jurisdictions is expected to be beneficial to the increased specificity about the information to be provided, the links to information in the financial statements and the trend towards disclosure being required to be provided rather than being recommended or subject to 'comply or explain' approaches.

As recognised by the TCFD, climate-related and other sustainability issues are dynamic. As more jurisdictions progress in the introduction of sustainability-related financial disclosures and more companies start to implement regulatory requirements, it remains paramount that investors', lenders' and other creditors' information needs are met.

Fragmentation in regulatory requirements caused by jurisdictional modifications to ISSB Standards, in particular modifications that result in removing or excluding requirements in ISSB Standards, could conflict with the objective of delivering timely and comparable sustainability-related financial information to capital markets. This fragmentation adds complexity to those using the information and adds costs and complexities to preparers of information subject to inconsistent regulatory requirements.

The IFRS Foundation has published the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* to support jurisdictions in balancing jurisdictional considerations (including their approach to scaling and phasing in of requirements) and to promote less variation in how ISSB Standards are adopted or otherwise used to reduce fragmentation in sustainability-related disclosure requirements.

The degree to which the jurisdictional disclosure requirements are aligned with ISSB Standards is an aspect to monitor to assess progress towards globally comparable information for capital markets.

External high-quality assurance plays an important role in enhancing trust and confidence in the integrity and reliability of sustainability-related financial information. Enhancing the quality of disclosures by introducing assurance requirements is also an area to monitor in the future.

Update on areas of continued focus and further work identified by the TCFD in its 2023 status report

In its 2023 status report the TCFD considered areas that warranted continued focus or further work by the ISSB or other appropriate bodies. Table 2 summarises progress in these areas since the TCFD 2023 status report.

Table 2—Update on areas of continued focus and further work identified by the TCFD

Interoperability	
	Ensuring **interoperability of ISSB Standards with jurisdictional frameworks** to support consistent company reporting among jurisdictions and to avoid the need for companies to report through more than one disclosure framework.
2024 update	The IFRS Foundation and the ISSB are working to support the adoption of ISSB Standards. The Jurisdictional Guide intends to bring transparency on the level of compliance of the local standards with ISSB Standards. Consistency in company and jurisdictional reporting and avoidance of duplicative reporting is best achieved when companies use ISSB Standards and jurisdictions adopt ISSB Standards without modifications, while potentially building from them for their own broader reporting objectives. When this is not the case, the ISSB works to ensure ISSB Standards are interoperable with the work of others. For example: • in January 2024 the IFRS Foundation and the Global Reporting Initiative (GRI) published *Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards*. • in May 2024 the IFRS Foundation and EFRAG published the *ESRS–ISSB Standards—Interoperability Guidance*, which explains the alignment and interoperability between ESRS and ISSB Standards. The document describes how a company can improve alignment in its disclosures and avoid duplication in reporting. In May 2024 the ISSB and GRI committed to jointly identify and align common disclosures that provide needed information under the distinct scopes and purposes of their respective standards, for both thematic and sector-based standard-setting.

continued ...

Guidance

Developing **guidance** on topics such as climate-related physical-risk assessment and adaptation planning, climate-related *scenario analysis* at a sector or industry level and Scope 3 GHG emissions measurement at a sector or industry level.

2024 update

The ISSB continues to prioritise supporting the implementation of ISSB Standards, including via the publication of educational material, to help ensure companies, regulators and other stakeholders are well prepared to use ISSB Standards.

The IFRS Foundation and its supporting partners have developed educational resources for preparers of sustainability-related financial disclosures, such as a course for intermediate preparers that the IFRS Foundation has developed with the United Nations Sustainable Stock Exchanges Initiative and the Fundamentals of Sustainability Accounting (FSA) Credential® designed for all professionals who would benefit from understanding the link between sustainability and financial performance.

The IFRS Sustainability knowledge hub hosts content developed by the IFRS Foundation and more than 100 resources developed by third-party organisations.

Disclosing resilience of strategy under different climate-related scenarios

Continuing to focus on companies' disclosure of the **resilience of their strategies under various climate-related scenarios**, such as a climate-related scenario aligned with the *latest international agreement on climate change*.

2024 update

IFRS S2 requires a company to disclose information about the resilience of its strategy to climate-related risks and that this disclosure be informed by scenario analysis. The application guidance accompanying IFRS S2 helps companies in determining an approach to climate-related scenario analysis that is commensurate with their circumstances.

This report shows that companies continue to disclose the resilience of their strategies under various climate-related scenarios, such as a scenario aligned with the latest international agreement on climate change referred to in the TCFD recommended disclosures.

IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis. IFRS S2 requires a company to select scenarios that are relevant to its circumstances in order to provide useful information to *users of general purpose financial reports*.

Additional resources about scenario analysis are available in the IFRS Sustainability knowledge hub.

continued ...

Decision-useful disclosure on other sustainability topics

Continuing to focus on **decision-useful disclosure on other sustainability topics**—such as biodiversity, water and social issues—and considering the links between climate-related and other sustainability issues (for example, in the context of companies' transition plans).

2024 update

In December 2023 the IFRS Foundation published *Educational material—Nature and social aspects of climate-related risks and opportunities*, as part of its efforts to support application of IFRS S1 and IFRS S2.

The educational material illustrates how nature and social aspects can be relevant climate-related risks and opportunities using three examples that illustrate disclosures when applying IFRS S2.

IFRS S1 already requires a company to disclose material information about the sustainability-related risks and opportunities reasonably expected to affect its prospects and to provide information about connections between various sustainability-related risks and opportunities.

In 2024 the ISSB agreed on its future work plan. That work plan includes work to enhance the SASB Standards, which provide information on a range of sustainability-related risks and opportunities. The work plan also includes projects to research disclosure about a company's risks and opportunities associated with:

- biodiversity, ecosystems and ecosystem services; and
- human capital.

This research is considering additional specific disclosure requirements that would complement the requirements in IFRS S1.

Climate-related disclosure by sovereigns

Developing a **consistent climate-related financial disclosure framework for use by countries and other sovereign entities** to support companies in preparing comprehensive TCFD-aligned disclosures and transition plans that appropriately reflect their operating environment.

2024 update

The International Public Sector Accounting Standards Board (IPSASB) is developing a climate-related disclosure standard for the public sector, with the support of the World Bank. In October 2024 the IPSASB published a draft standard for consultation, building on IFRS S2.

Contents

from page

SECTION 1—STATE OF CLIMATE-RELATED FINANCIAL DISCLOSURES

1.1—Introduction

Consistent with previous annual status reports prepared by the Task Force on Climate-related Financial Disclosures (TCFD), the IFRS Foundation reviewed thousands of public companies' reports for climate-related financial information. The review was performed using the artificial intelligence (AI) technology developed by Bloomberg L.P. for the TCFD 2023 status report.[7]

The AI technology was used to determine whether the reports include information that appears to align with the 11 TCFD recommended disclosures, organised into four disclosure pillars related to governance, strategy, risk management, and metrics and targets (see Table 1.2). Historically, the information on climate-related financial disclosures resulting from the AI reviews has been helpful for companies and *investors* in understanding current reporting practices. Other stakeholders have also expressed interest in understanding changes and trends in climate-related financial disclosures over time.

To assess the current state and evolution of climate-related financial disclosures, the IFRS Foundation used the AI technology to review the reports of 3,814 public companies over a two-year period—fiscal years 2022 and 2023—as described in Section 1.2—*TCFD-aligned reporting by public companies*.[8]

Given the growing number of jurisdictions around the world using the TCFD recommendations or planning to *adopt or otherwise use ISSB Standards* in climate-related reporting requirements, the IFRS Foundation analysed reporting practices by industry for five regions—Africa, Latin America and the Caribbean, North America, Asia-Oceania and Europe. The insights from the analysis are described in Section 1.3—*TCFD-aligned reporting by public companies by region*.

Because many companies are preparing to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards, the IFRS Foundation reviewed the publicly available reports of listed and private companies to collect, categorise and analyse references to the use (or planned use) of ISSB Standards. Reference categories include general reference, planned alignment and stated alignment. The results are discussed in Section 1.4—*Companies referencing ISSB Standards*.

Consistent with prior TCFD status reports, the IFRS Foundation also collected information on asset managers' and asset owners' reporting to their clients and beneficiaries and a broader range of stakeholders. These financial institutions were excluded from the AI review because the types of reports required for analysis were not always publicly available. Instead, the IFRS Foundation carried out a survey to gain insights into the asset managers' and asset owners' climate-related reporting practices. The results are described in Section 1.5—*Reporting by asset managers and asset owners*.

Table 1.1 summarises the key takeaways of Section 1.

7 The IFRS Foundation acknowledges the support of Bloomberg Philanthropies in connection with this report. Neither the IFRS Foundation, Bloomberg Philanthropies nor their affiliates provide any guarantee or representation as to the correctness or completeness of any part of this work; nor shall any such party be responsible for or have any liability to any person whatsoever with respect thereto.

8 In this report, references to years are to fiscal year reporting unless the context specifies otherwise.

1.1.1—Key takeaways

Table 1.1—Key takeaways

The number of public companies disclosing TCFD-aligned information continues to grow, but more progress is necessary. In fiscal year 2023 82% of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures and 44% of companies with at least five of the recommended disclosures. Approximately 2–3% of companies reported in line with all 11 TCFD recommended disclosures.
The percentage of companies disclosing in line with each of the 11 TCFD recommended disclosures increased from 2022 to 2023. The largest increase in reporting was for companies reporting on their *greenhouse gas (GHG) emissions* and climate-related metrics, at 10 and eight percentage points respectively. In fiscal year 2023 the most frequently disclosed recommended disclosure was about GHG emissions, made by 63% of the companies reviewed.
The least disclosed recommended disclosure for both 2022 and 2023 was the resilience of companies' strategies under different climate-related scenarios, with 11% of companies disclosing this information in 2023.
Companies were more likely to disclose climate-related financial information in their climate or *sustainability reports* than in their *financial filings*. However, the number of companies that included TCFD-aligned information in their financial filings increased from 2022 to 2023. ISSB Standards require companies to provide sustainability-related financial information simultaneously with the *financial statements* as part of their *general purpose financial reports*. Accordingly, the location of reported information is expected to change in the future as more companies start to use ISSB Standards.
Between October 2023 and March 2024, more than 1,000 companies referenced the ISSB in their reports. In Africa and Asia-Oceania, approximately half of the 554 companies that referenced the ISSB mentioned their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.
Most asset managers and asset owners who responded to survey questions about the ISSB Standards want or expect portfolio companies to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards. These respondents cited the integration of the TCFD recommendations into ISSB Standards, the comparability of information provided in accordance with ISSB Standards and increasing jurisdictional adoption of ISSB Standards as the primary reasons in support of the transition.

Table 1.2—Four core TCFD recommendations and 11 supporting recommended disclosures[9]

1—Governance	2—Strategy	3—Risk management	4—Metrics and targets
Disclose the company's governance around *climate-related risks and opportunities*.	**Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy and financial planning where such information is material.**	**Disclose how the company identifies, assesses and manages climate-related risks.**	**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**
a) Describe the board's oversight of climate-related risks and opportunities. 1	a) Describe the climate-related risks and opportunities the company has identified over the short, medium and long term. 3	a) Describe the company's processes for identifying and assessing climate-related risks. 6	a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process. 9
b) Describe management's role in assessing and managing climate-related risks and opportunities. 2	b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning. 4	b) Describe the company's processes for managing climate-related risks. 7	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks. 10
	c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 5	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management. 8	c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets. 11

9 Table 1.2 reflects the wording in the TCFD recommendations. The ISSB Standards integrate the TCFD recommendations, although some changes have been made to the wording and detailed requirements. Refer to Section 2.2—*Reconciliation between TCFD recommendations and requirements in ISSB Standards* for a comparison of IFRS S2 and TCFD recommendations.

1.2—TCFD-aligned reporting by public companies

This section summarises the scope of the review and the approach used to examine how public companies reporting for fiscal years 2022 and 2023 aligns with the 11 TCFD recommended disclosures. The section then presents the results and key findings from the review.

1.2.1—Scope and approach

For this report, the IFRS Foundation sought to maintain as much methodological consistency as possible with the TCFD 2023 status report.[10] Accordingly, the IFRS Foundation followed the approach discussed in the TCFD 2023 status report to identify industries, regions and companies' relevant reports for the analysis.

Consistent with the approach in the TCFD 2023 status report, the IFRS Foundation reviewed financial filings, *annual reports*, *integrated reports*, sustainability reports and other relevant reports by public companies from five regions (Africa, Latin America and the Caribbean, North America, Asia-Oceania and Europe) and in eight industries (banking, insurance, energy, materials and buildings, transportation, agriculture, food and forest, technology and media, and consumer goods).[11]

Six of the eight industries correspond to industry groups in the TCFD 2017 status report: banking, insurance, energy, materials and buildings, transportation, and agriculture, food and forest products.[12] Of these industry groups, the TCFD identified four non-financial industries as those potentially most affected by climate change and the transition to a low-carbon economy. Beginning with the TCFD 2019 status report, the TCFD added two additional industries to the review process to consider other companies that might be exposed to climate-related risks and opportunities—technology and media and consumer goods.[13,14] Starting in 2023, in addition to analysing a smaller set of larger and less geographically diverse companies, the TCFD status report included an expanded and more geographically diverse set of public companies in the eight industries and five regions (3,110 companies). For this year's report, the IFRS Foundation focuses on the analysis of a larger set of geographically diverse companies in the eight industries and five regions.

---

10 TCFD, *Task Force on Climate-related Financial Disclosures: 2023 Status Report*, TCFD, 2023, https://www.fsb.org/wp-content/uploads/P121023-2.pdf.

11 Note, in this year's report, the IFRS Foundation used a definition of regions that differs from that in the TCFD 2023 status report in two main aspects: first, the Middle East is part of Asia-Oceania and, second, Mexico is part of Latin America and the Caribbean. This definition aligns with jurisdictional groupings used by the IFRS Foundation.

12 TCFD, *Final Report—Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD, 2017, https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf.

13 TCFD, *Task Force on Climate-related Financial Disclosures: 2019 Status Report*, TCFD, 2019, https://assets.bbhub.io/company/sites/60/2020/10/2019-TCFD-Status-Report-FINAL-0531191.pdf.

14 Note that in March 2023, changes were implemented to the Global Industry Classification Standard. These changes were considered in this year's report when grouping companies into industries. See S&P Dow Jones Indices, 'S&P Dow Jones Indices and MSCI announce revisions to the Global Industry Classification Standard (GICS®) structure in 2023', S&P Global, 2022, https://www.msci.com/documents/1296102/29559863/GICS_Press_Release_31_March_2022.pdf/f0ac4118-d6c3-4456-3c7b-2b0174099e4e?t=1648760411652.

The IFRS Foundation used the same AI technology for this year's review as the TCFD used for the review in the 2023 status report. Using the same AI technology facilitates comparability between this year's results and the previous year's results. More information on the review methodology is provided in Appendix 1—*Company selection and AI review methodology*. Because the AI technology cannot process reports in languages other than English, the number of companies that could be included in the review was smaller for some jurisdictions located in Africa, Latin America and the Caribbean, Asia-Oceania and Europe.

Importantly, consistent with previous TCFD status reports, the AI review was not designed to assess the quality of companies' climate-related financial disclosures, but instead to analyse whether companies include climate-related financial disclosures that align with the 11 TCFD recommended disclosures.

Table 1.3 summarises the sample of companies analysed by industry. The final population for this year's AI review comprises 3,814 companies, resulting in the analyses of 25,127 reports in 2022 and 26,637 reports in 2023, after excluding companies without available reports in English for 2022 and 2023. As such, the reports analysed correspond to available financial filings, annual reports, integrated reports, sustainability reports and other relevant reports for a given company, all of which are in English. Notably, this year's sample is an approximate 23% increase from the expanded population of 3,110 companies analysed in the TCFD 2023 status report. The AI technology was employed to determine whether company reports included information that appeared to align with one or more of the 11 TCFD recommended disclosures.

Table 1.3—AI review population size

Industry	Number of companies
Banking	534
Insurance	150
Energy	444
Materials and buildings	1,398
Transportation	242
Agriculture, food and forest products	288
Technology and media	364
Consumer goods	394
Total	**3,814**

1.2.2—Summary of AI review results

Overall trends

This section summarises the results and findings from the AI review of public companies' reports for fiscal years 2022 and 2023 in terms of alignment with the 11 TCFD recommended disclosures.

Key takeaway

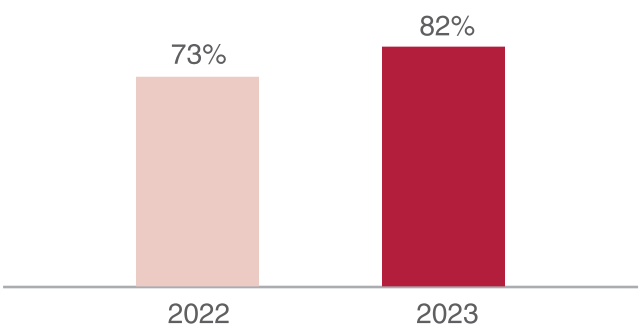
In the two years reviewed, 2022 and 2023, and considering the findings in the TCFD 2023 status report, disclosure of climate-related information continues to increase but more progress is needed.

Overall, the percentage of companies disclosing information in line with the TCFD recommendations increased in 2023 relative to 2022, as did the amount of TCFD-aligned information that companies disclosed. The results of this report and of previous TCFD annual status reports are that the percentage of companies disclosing climate-related information continues to increase, but more progress is necessary.

For example, as shown in Figure 1.1, the percentage of companies disclosing information in line with at least one of the 11 TCFD recommended disclosures is 82% in 2023—up from 73% in 2022. Similarly, 44% of companies disclosed information in line with at least five of the 11 TCFD recommended disclosures in 2023—up from 38% in 2022. Approximately 2–3% of companies disclosed in line with all 11 recommended disclosures. Furthermore, the average number of the recommended disclosures made per company in 2022 was 5.1 and increased in 2023 to 5.2.

Figure 1.1—AI review results for fiscal years 2022 and 2023

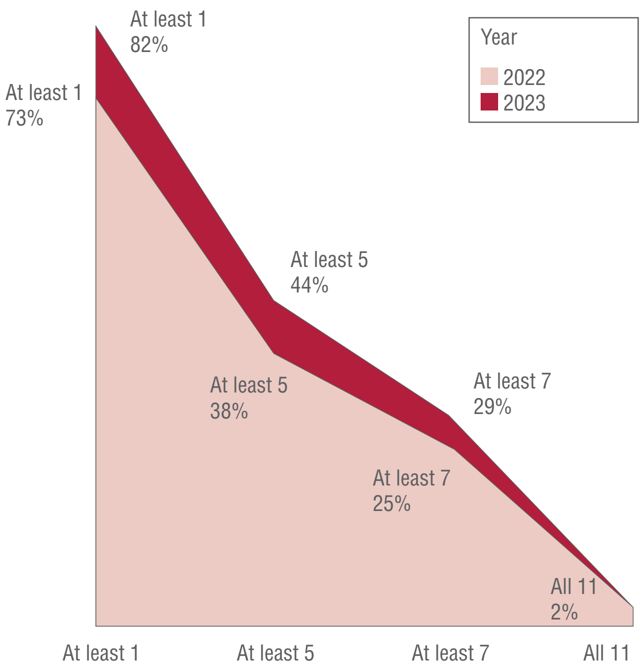
Percentage of companies reporting on at least one TCFD recommended disclosure



Base size: 3,814

Percentage of companies disclosing

Number of recommended disclosures



Base size: 3,814

As shown in Figure 1.2, the percentage of companies disclosing information in line with each of the 11 TCFD recommended disclosures increased from 2022 to 2023. The largest increase in reporting was for companies reporting on their GHG emissions and climate-related metrics, at 10 and eight percentage points respectively. Reporting on board oversight of climate-related issues saw the third-largest increase, at seven percentage points.

Key takeaway

From 2022 to 2023 the recommended disclosure that saw the largest increase in reporting by companies was for GHG emissions and climate-related metrics, followed by board oversight of climate-related disclosures.

In general, reporting on climate-related metrics and targets was higher than for the other three core TCFD recommendations. In 2023, more than 60% of the reviewed companies disclosed their GHG emissions (Metrics and targets b). In addition, more than 50% of the companies reported on climate-related metrics and targets. Notably, the percentage of companies reporting on governance, specifically, board oversight of climate-related disclosures, was also more than 50%.

Key takeaway

Companies reported on climate-related metrics and targets and board oversight more than other recommended disclosures.

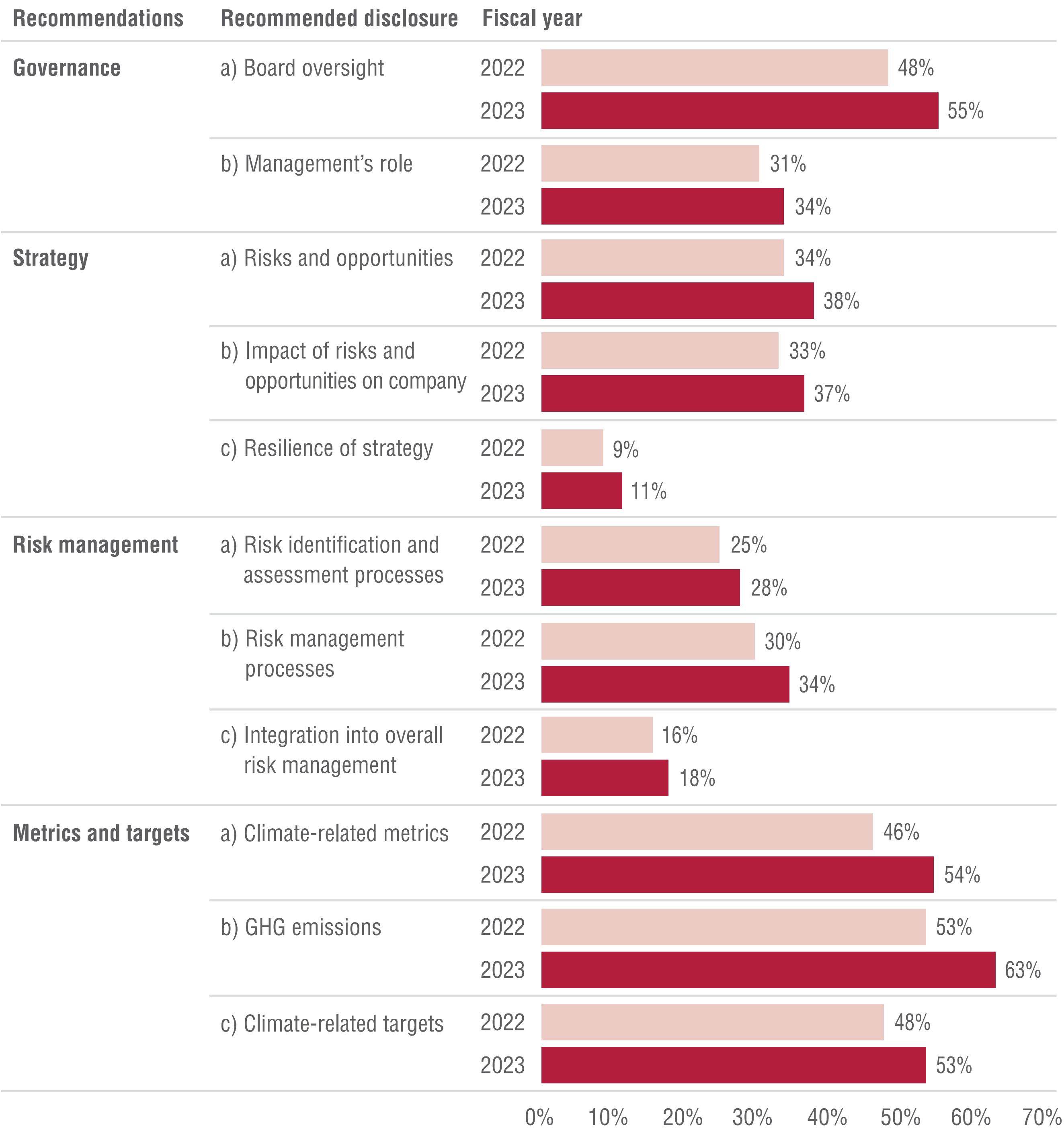
In contrast, 11% of the reviewed companies disclosed the resilience of their strategy (Strategy c) for the fiscal year 2023, compared with 9% in fiscal year 2022. A 2022 TCFD survey of more than 200 companies found that almost 90% of the surveyed companies rated this recommended disclosure as somewhat difficult or very difficult to implement, which might help explain the lower frequency of reporting for this recommendation.[15] Similarly, 18% of the companies reviewed in 2023 discussed how the processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management (Risk management c), up from 16% in fiscal year 2022.

Key takeaway

In the two years reviewed, the least-reported recommended disclosures were the resilience of the company's strategy under different climate-related scenarios and the integration of climate-related risks and opportunities into overall risk management.

15 See TCFD, *Task Force on Climate-related Financial Disclosures: 2022 Status Report*, TCFD, 2022, https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf.

Figure 1.2—TCFD-aligned disclosures by fiscal year for 2022 and 2023



Base size: 3,814

Location of disclosure

Key takeaway

Companies were more likely to disclose TCFD-aligned information in their climate or sustainability reports than in their financial filings.

Although companies disclosed information in various types of reports (for example, financial filings, annual reports, and climate and sustainability reports), they were more likely to disclose TCFD-aligned information for fiscal year 2023 in their climate or sustainability reports than in financial filings. For example, for all TCFD recommended disclosures, companies were approximately twice as likely to provide information in their climate or sustainability reports than in their financial filings. However, the number of companies that included TCFD-aligned information in their financial filings increased from 2022 to 2023. For reviewed climate or sustainability reports, the most frequently reported TCFD recommended disclosure was the disclosure of GHG emissions information (Metrics and targets b). For reviewed annual reports, the most frequently reported TCFD recommended disclosure was the disclosure about the board's oversight of climate-related risks and opportunities (Governance a). For reviewed financial filings, the most frequently reported TCFD recommended disclosure was the disclosure about the company's climate-related risks and opportunities (Strategy a). In contrast, the least disclosed recommendation in all three types of reports was information about the resilience of the company strategy in different climate-related scenarios (Strategy c).

Trends by industry

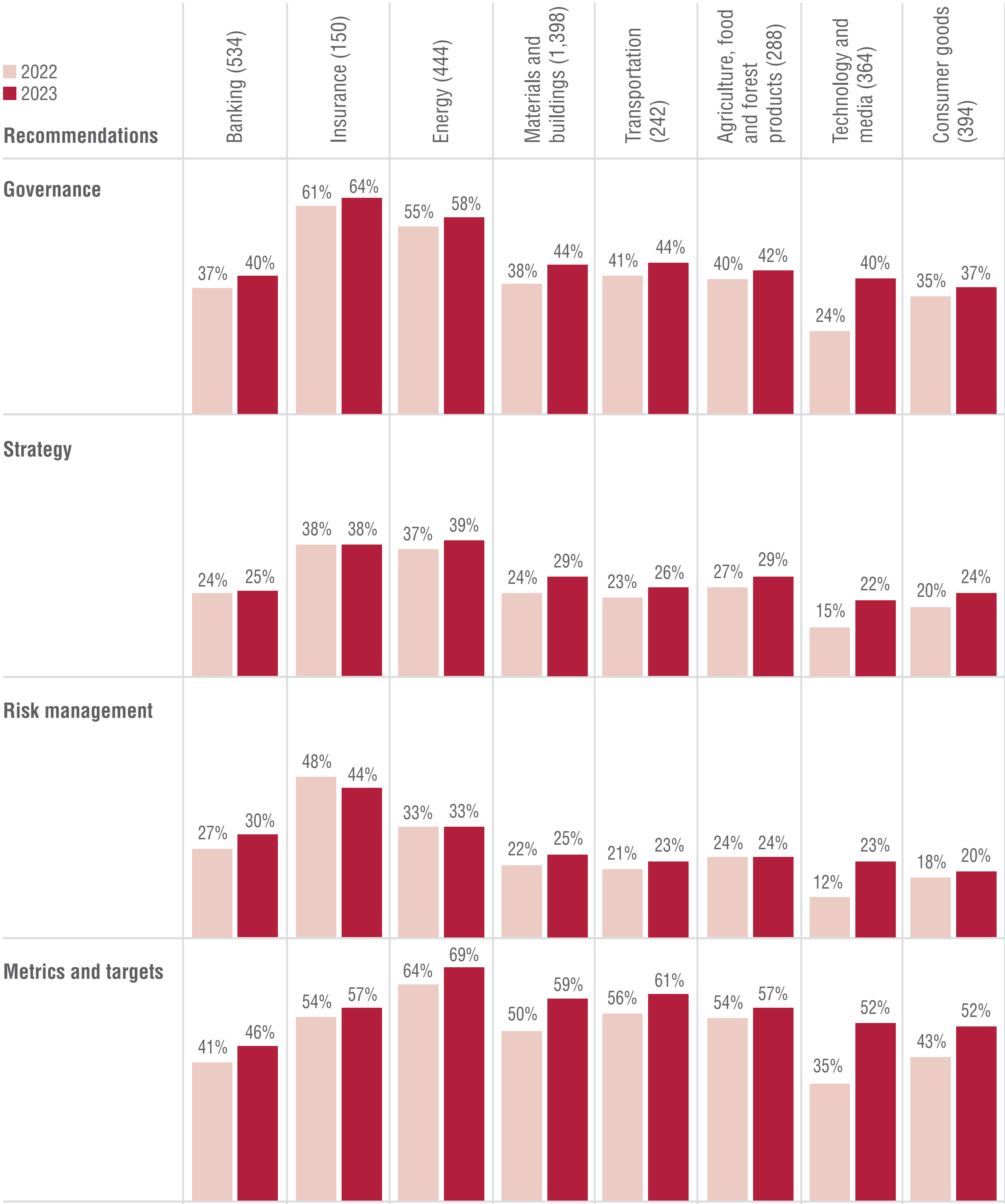
This section summarises the results of alignment with the 11 TCFD recommended disclosures by industry for fiscal years 2022 and 2023.

Key takeaway

Companies in all reviewed industries continue to increase disclosures that align with the TCFD recommendations. The largest increase in reporting aligned with the TCFD recommendations was for companies in the technology and media industry.

The comparison of reporting by industry for fiscal years 2022 and 2023 shows an increase in disclosures for nearly all TCFD recommendations and by nearly all industries (see Figure 1.3). The largest increase in reporting aligned with the TCFD recommendations was for companies in the technology and media industry, which historically had comparatively low reporting rates (see, for example, the TCFD 2023 status report). Specifically, technology and media companies reporting increased by 16 percentage points for the governance recommendation, by seven percentage points for the strategy recommendation, by 11 percentage points for the risk management recommendation and by 17 percentage points for disclosure of climate-related metrics and targets. The banking and insurance industries and agriculture, food and forest products companies had consistent levels of disclosure or showed moderate increases in reporting for some of the TCFD recommendations.

Figure 1.3—TCFD-aligned disclosures by industry for fiscal years 2022 and 2023



The numbers in parentheses represent the size of the review population.

Key takeaway

Energy and insurance companies disclosed more information aligned with the TCFD recommendations than companies in other industries.

Energy and insurance companies, on average, reported on approximately 5.5 of the 11 recommended disclosures in 2023, and materials and buildings companies reported on 4.3; companies in the technology and media and consumer goods industries, on average, reported on the fewest recommended disclosures (see Table 1.4).

Table 1.4—Average number of recommended disclosures per company for fiscal year 2023, by industry

Industry	Number of disclosures
Insurance	5.5
Energy	5.4
Materials and buildings	4.3
Transportation	4.2
Agriculture, food and forest products	4.1
Banking	3.8
Technology and media	3.7
Consumer goods	3.6

Companies in the energy and insurance industries also had the highest rates of reporting on five of the 11 recommended disclosures. Specifically, energy companies were the industry with the highest rate of reporting on the impact of risks and opportunities on the company, resilience of strategy, climate-related metrics, GHG emissions and climate-related targets. Insurance companies had the highest rate of reporting on board oversight, management's role, risks and opportunities, risk identification and assessment processes, risk management processes and integration into overall risk management. Banks had comparatively high rates of reporting on the risk management recommendation, which might reflect financial regulators' emphasis on risk management processes (see Table 1.5).

Companies in the consumer goods and technology and media industries made fewer of the recommended disclosures than companies in other industries. As noted previously, these two industries were added to the review to examine other companies that might be exposed to climate-related risks. The other four non-financial industries—energy, materials and buildings, transportation, and agriculture, food and forest products—were included in previous TCFD status reports because they were considered most likely to be affected by climate change. Consumer goods and technology and media industries' lower risk of exposure to climate-related risks might explain why companies in these two industries make relatively fewer recommended disclosures.

In general, reporting on climate-related metrics and targets, including the disclosure of GHG emissions, and board oversight is considerably higher than reporting on other recommended disclosures in all industries reviewed (see Table 1.5).

Table 1.5—Disclosure by industry for fiscal year 2023

Percentage of companies Recommendation	Recommended disclosure	Banking (534)	Insurance (150)	Energy (444)	Materials and buildings (1,398)	Transportation (242)	Agriculture, food and forest products (288)	Technology and media (364)	Consumer goods (394)
Governance	a) Board oversight	47%	71%	70%	54%	55%	51%	55%	48%
	b) Management's role	33%	57%	46%	33%	34%	33%	25%	27%
Strategy	a) Risks and opportunities	41%	57%	50%	37%	31%	33%	25%	35%
	b) Impact of risks and opportunities on company	26%	44%	49%	40%	40%	39%	34%	31%
	c) Resilience of strategy	7%	15%	18%	11%	7%	13%	7%	8%
Risk management	a) Risk identification and assessment processes	31%	48%	34%	27%	24%	26%	23%	22%
	b) Risk management processes	33%	53%	42%	33%	29%	31%	33%	24%
	c) Integration into overall risk management	27%	31%	24%	15%	17%	14%	13%	14%
Metrics and targets	a) Climate-related metrics	45%	50%	68%	57%	61%	51%	48%	49%
	b) GHG emissions	52%	61%	75%	66%	62%	62%	60%	58%
	c) Climate-related targets	40%	59%	65%	54%	60%	59%	49%	48%

The numbers in parentheses represent the size of the review population.

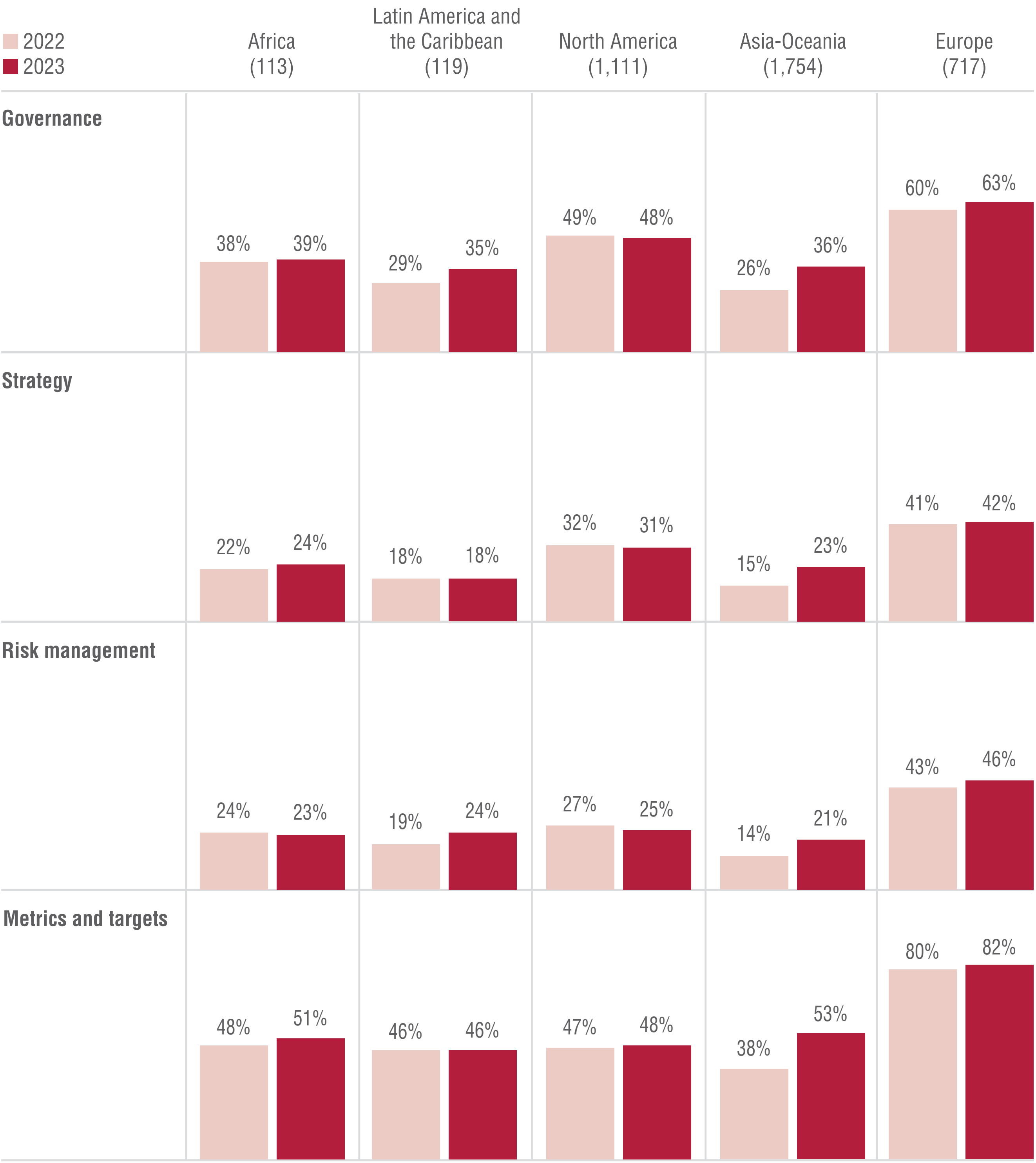
Trends by region

Key takeaway

The region with the largest increase in disclosures aligned with the TCFD recommendations was Asia-Oceania. Other regions had generally consistent levels of disclosure.

The comparison of reporting by regions for fiscal years 2022 and 2023 shows an increase in or consistent levels of disclosures in nearly all regions for the four core TCFD recommendations (see Figure 1.4). The largest increase in disclosures aligned with the TCFD recommendations was by companies operating in Asia-Oceania, which historically had moderate reporting rates (see, for example, the TCFD 2023 status report). Specifically, the reporting of reviewed companies in Asia-Oceania increased by 10% for the governance recommendation, by 8% for the strategy recommendation, by 7% for the risk management recommendation and by 15% for disclosure of climate-related metrics and targets. Companies in Africa, Latin America and the Caribbean, North America and Europe had relatively consistent levels of disclosure or moderate increases or decreases in reporting for some of the TCFD recommendations.

Figure 1.4—TCFD-aligned disclosures by region for fiscal years 2022 and 2023



The numbers in parentheses represent the size of the review population.

Key takeaway

Companies in Europe had the highest reporting rates for each of the 11 recommended disclosures.

As in 2022, in 2023 the highest level of reporting aligned with the TCFD recommendations was by European companies. Approximately 80% of companies in Europe reported on climate-related metrics and targets, including reporting on GHG emissions at 84%, followed by 70% reporting on board oversight (see Table 1.7). The reviewed European companies, on average, reported on 6.4 of the 11 recommended disclosures in 2023 (see Table 1.6).

In comparison, reporting by companies in Africa, Latin America and the Caribbean, North America and Asia-Oceania on climate-related metrics and targets was approximately 20–30 percentage points lower than by companies in Europe (see Table 1.7). Section 1.3—*TCFD-aligned reporting by public companies by region* provides more details for the amount of TCFD-aligned disclosures for each region.

In all regions, the lowest reporting rates were on the resilience of the company's strategy under different climate-related scenarios (Strategy c) and on the integration of climate-related risks into overall risk management (Risk management c).

Table 1.6—Average number of recommended disclosures per company for fiscal year 2023, by region

Region	Number of disclosures
Europe	6.4
North America	4.1
Africa	3.7
Asia-Oceania	3.6
Latin America and the Caribbean	3.3

Table 1.7—Disclosure by region for fiscal year 2023

Percentage of companies

Recommendation	Recommended disclosure	Africa (113)	Latin America and the Caribbean (119)	North America (1,111)	Asia-Oceania (1,754)	Europe (717)
Governance	a) Board oversight	50%	43%	59%	47%	70%
	b) Management's role	29%	28%	38%	24%	56%
Strategy	a) Risks and opportunities	28%	27%	53%	24%	52%
	b) Impact of risks and opportunities on company	34%	23%	31%	37%	52%
	c) Resilience of strategy	9%	4%	8%	8%	22%
Risk management	a) Risk identification and assessment processes	21%	23%	25%	19%	57%
	b) Risk management processes	30%	29%	29%	30%	50%
	c) Integration into overall risk management	17%	20%	20%	13%	29%
Metrics and targets	a) Climate-related metrics	50%	44%	42%	52%	80%
	b) GHG emissions	56%	50%	52%	62%	84%
	c) Climate-related targets	47%	43%	49%	45%	83%

The numbers in parentheses represent the size of the review population.

Trends by market capitalisation

Key takeaway

Companies with a market capitalisation of at least US$3.2 billion were more likely to disclose TCFD-aligned information than those with a market capitalisation of less than US$3.2 billion.

Companies with larger market capitalisation were more likely to disclose TCFD-aligned information than companies with smaller market capitalisation. The comparison of reporting for TCFD recommendations for companies of differing sizes for fiscal years 2022 and 2023 shows an increase or consistent levels of disclosures for all four core recommendations (see Figure 1.5). The increase in disclosures aligned with the TCFD recommendations was the largest for companies with a market capitalisation of at least US$3.2 billion, which historically had higher reporting rates (see, for example, the TCFD 2023 status report).

For example, reporting of companies with a market capitalisation of at least US$12.3 billion increased by 6% for the governance recommendation, by 4% for the strategy recommendation, by 3% for the risk management recommendation and by 11% for disclosure of climate-related metrics and targets. In comparison, companies with a market capitalisation of less than US$3.2 billion had relatively consistent levels of disclosure or a moderate increase in reporting across some of the TCFD recommendations.

Tables 1.8 and 1.9 delve deeper into reporting that aligns with the 11 TCFD recommended disclosures for fiscal year 2023. Companies with a market capitalisation of at least US$12.3 billion reported on an average of 4.6 of the 11 recommended disclosures in 2023. Companies with market capitalisation in the range US$3.2–12.3 billion reported on an average of 4.5 recommended disclosures, whereas companies with less than US$3.2 billion in market capitalisation reported on an average of 3.4 recommended disclosures. These findings are consistent with the findings in the previous TCFD annual status reports.

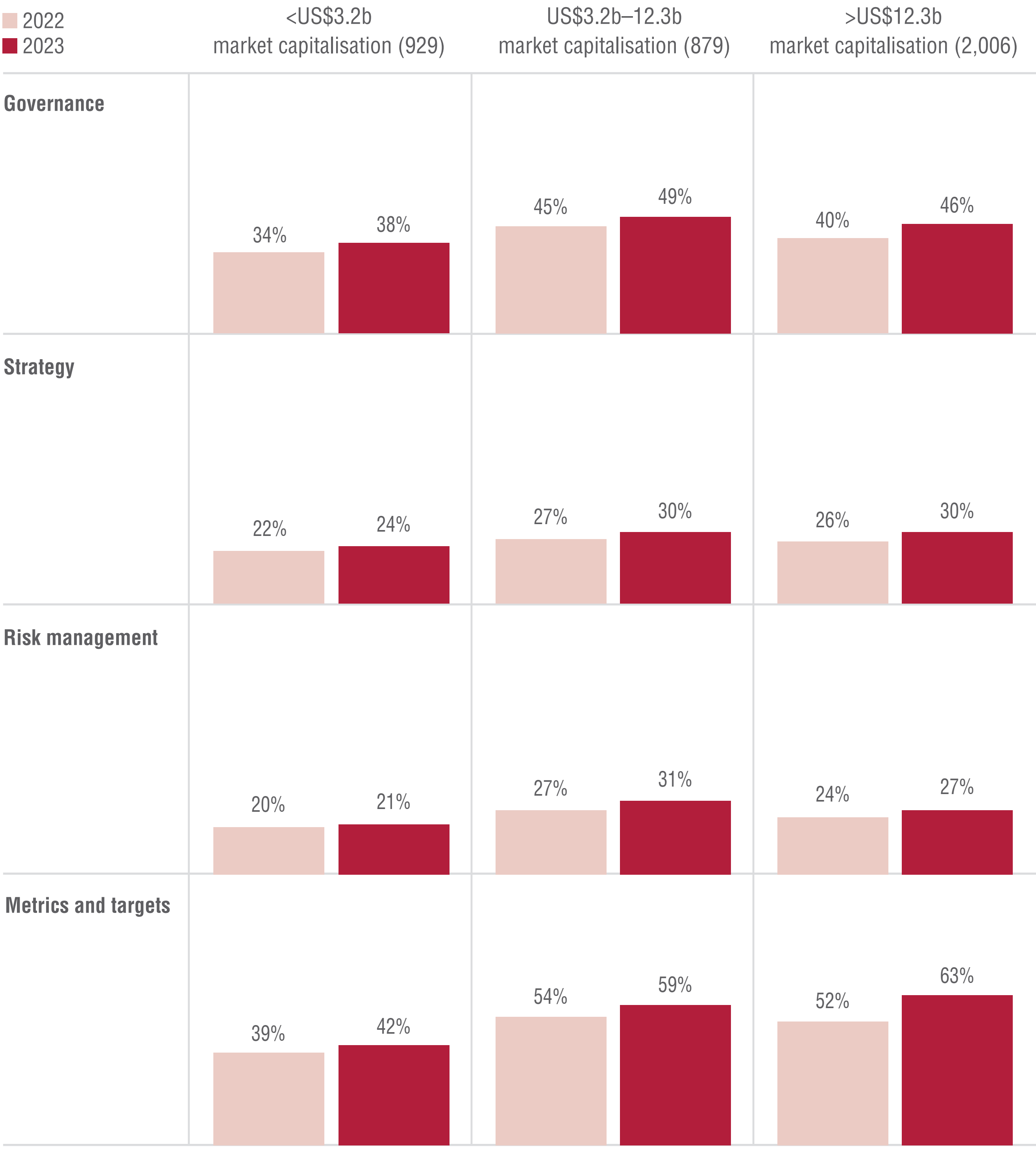
The highest rates of reporting by companies with a market capitalisation of at least US$12.3 billion were for GHG emissions, at 70%, followed by climate-related metrics and targets at approximately 60% (see Table 1.9). Similarly, companies with market capitalisation in the range US$3.2–12.3 billion reported most frequently on GHG emissions at 65% and on climate-related metrics and targets at 56%. Reporting of GHG emissions by companies with market capitalisation of less than US$3.2 billion was at 46%, whereas the rate of reporting on climate-related metrics and targets was at 40%. Relatively similar rates of reporting on climate-related metrics and targets for each size group may be due to companies reporting on climate-related metrics because of their net-zero or other GHG emissions reduction commitments.

In addition, companies of all sizes reported on board oversight of climate-related risks and opportunities at approximately 50% or higher. Reporting on resilience of strategy and integration of climate-related risks into overall risk management was the lowest for all company sizes. These results are consistent with the overall trends in this report and in previous TCFD annual status reports.

Table 1.8—Average number of recommended disclosures per company for fiscal year 2023, by market capitalisation

Market capitalisation (US$ billion)	Number of disclosures
>12.3	4.6
3.2–12.3	4.5
<3.2	3.4

Figure 1.5—TCFD-aligned disclosures by market capitalisation for fiscal years 2022 and 2023



The numbers in parentheses represent the size of the review population.

Table 1.9—Disclosure by company size for fiscal year 2023

Percentage of companies

Recommendation	Recommended disclosure	<US$3.2b market capitalisation (929)	US$3.2b–12.3b market capitalisation (879)	>US$12.3b market capitalisation (2,006)
Governance	a) Board oversight	48%	61%	56%
	b) Management's role	29%	36%	36%
Strategy	a) Risks and opportunities	39%	42%	35%
	b) Impact of risks and opportunities on company	24%	38%	43%
	c) Resilience of strategy	8%	10%	12%
Risk management	a) Risk identification and assessment processes	24%	33%	28%
	b) Risk management processes	25%	36%	36%
	c) Integration into overall risk management	15%	23%	17%
Metrics and targets	a) Climate-related metrics	40%	56%	60%
	b) GHG emissions	46%	65%	70%
	c) Climate-related targets	40%	56%	58%

The numbers in parentheses represent the size of the review population.

1.3—TCFD-aligned reporting by public companies by region

This section provides insights into TCFD-aligned reporting practices by industry for each region—Africa, Latin America and the Caribbean, North America, Asia-Oceania and Europe.

1.3.1—Africa

The AI review of companies headquartered in Africa included 113 companies in 13 jurisdictions. The three jurisdictions with the largest number of companies reviewed were South Africa (69 companies), Nigeria and Egypt (10 companies in each), as shown in Table 1.10.

Table 1.10—Number of reviewed companies in Africa by jurisdiction

South Africa	69	Zambia	3
Nigeria	10	Botswana	2
Egypt	10	Ghana	2
Kenya	7	Mauritius	2
Morocco	3	Zimbabwe	2
In addition, there was one company each from Sudan, Togo and Uganda.			

As discussed in Section 4.2—*Issued and proposed disclosure requirements aligned with the TCFD recommendations*, TCFD-aligned disclosure requirements were in effect in Egypt, Kenya and Mauritius for fiscal year 2023.

Table 1.11 provides descriptive statistics for seven out of eight industry groups in Africa, including an indication of companies' size based on total assets for financial institutions and total revenues for non-financial companies. The median assets for reviewed banks and insurance companies were US$20.9 billion and US$4.9 billion, respectively. The non-financial companies had median revenues ranging from approximately US$300 million to US$3 billion.

Table 1.11—Demographics of reviewed companies in Africa

Number of companies and size range by industry				
		Total assets (US$ billion)		
Financial institutions	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Banking	15	3.6	20.9	66.8
Insurance	10	1.4	4.9	36.2
		Revenue (US$ billion)		
Non-financial companies	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Agriculture, food and forest products	21	0.4	0.6	0.8
Consumer goods	19	1.1	3.0	6.0
Energy	13	0.6	0.9	1.7
Materials and buildings	26	0.8	1.7	4.7
Technology and media[(a)]	1	–	–	–
Transportation	7	<0.1	0.3	1.0

(a) There were not enough companies to calculate statistics.

As shown in Table 1.12, materials and buildings companies, on average, reported on more TCFD recommended disclosures than companies in other industries (5.4 out of 11 recommended disclosures on average). The banking and insurance industries also had comparatively similar levels of reporting aligned with the TCFD recommendations—these companies reported on average on 5.3 and 4.8 out of 11 recommended disclosures. These three industries also had the highest rates of reporting on all 11 recommended disclosures, respectively (see Table 1.13). Specifically, insurance companies had the highest levels of reporting on board oversight and climate-related targets—at 80% and 70%. Materials and buildings had the highest rates of reporting on climate-related metrics at 73%, GHG emissions at 81% and lower rates of reporting on climate-related targets at 62%. Companies in the transportation industry, on average, reported in line with one of the 11 recommended disclosures. There was no reporting on five of the 11 recommended disclosures for the transportation industry (see Table 1.13). The lowest level of reporting in each of the industries was on resilience of the company's strategy under different climate-related scenarios (Strategy c). In fact, none of the reviewed insurance, transportation or consumer goods companies reported in line with Strategy c.

Table 1.12—Average number of recommended disclosures per company in Africa

Industry	Number of disclosures
Materials and buildings	5.4
Banking	5.3
Insurance	4.8
Consumer goods	2.9
Energy	2.9
Agriculture, food and forest products	2.3
Transportation	1.1

Table 1.13—TCFD-aligned disclosures by industry for fiscal year 2023

Percentage of companies in Africa

Recommendation	Recommended disclosure	Banking (15)	Insurance (10)	Energy (13)	Materials and buildings (26)	Transportation (7)	Agriculture, food and forest products (21)	Consumer goods (19)
Governance	a) Board oversight	73%	80%	31%	69%	14%	24%	47%
	b) Management's role	53%	60%	15%	38%	0%	19%	16%
Strategy	a) Risks and opportunities	27%	50%	23%	50%	0%	14%	21%
	b) Impact of risks and opportunities on company	47%	30%	31%	54%	14%	19%	26%
	c) Resilience of strategy	13%	0%	15%	19%	0%	5%	0%
Risk management	a) Risk identification and assessment processes	40%	20%	15%	35%	0%	10%	16%
	b) Risk management processes	47%	40%	23%	42%	14%	19%	21%
	c) Integration into overall risk management	53%	20%	8%	15%	0%	5%	16%
Metrics and targets	a) Climate-related metrics	53%	50%	46%	73%	29%	38%	42%
	b) GHG emissions	67%	60%	46%	81%	29%	43%	47%
	c) Climate-related targets	60%	70%	38%	62%	14%	33%	42%

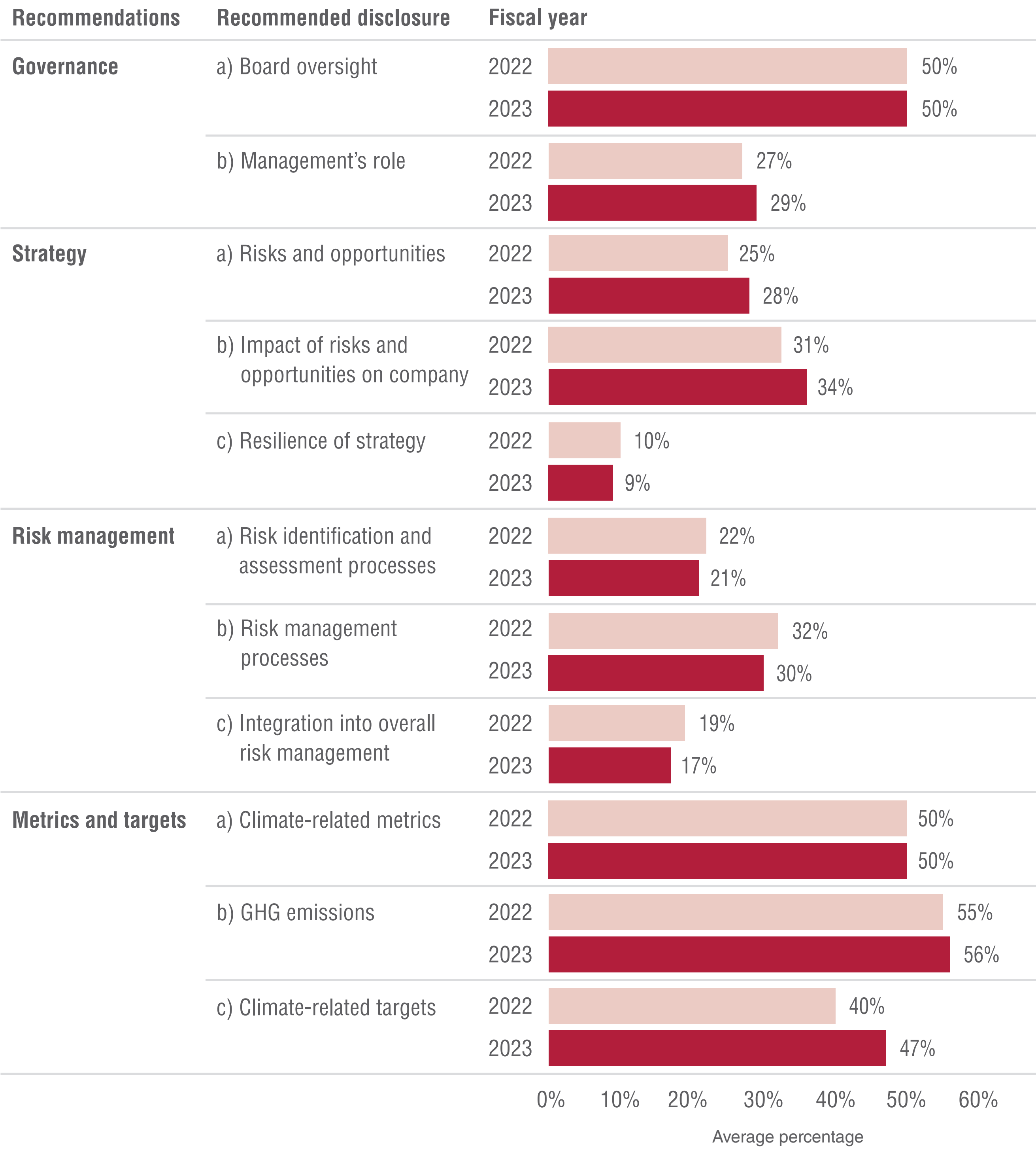
The numbers in parentheses represent the size of the review population.

The review of reporting by companies in Africa for fiscal years 2022 and 2023 shows an increase in or nearly consistent levels of disclosures for all TCFD recommended disclosures (see Figure 1.6).

The largest increase—approximately seven percentage points—was for disclosures of climate-related targets (Metrics and targets c), whereas the reporting on climate-related metrics (Metrics and targets a) and board oversight (Governance a) remained unchanged.

Figure 1.6—TCFD-aligned disclosures in Africa for fiscal years 2022 and 2023

Percentage of companies in Africa



Base size: 113

1.3.2—Latin America and the Caribbean

The AI review of companies headquartered in Latin America and the Caribbean consisted of 119 companies reviewed in 10 jurisdictions. The jurisdictions with the highest number of companies were Brazil (52 companies), Mexico (20 companies) and Chile (18 companies), as shown in Table 1.14.

As discussed in Section 4.2—*Issued and proposed disclosure requirements aligned with the TCFD recommendations*, TCFD-aligned disclosure requirements were in effect in Brazil, Chile and Colombia for fiscal year 2023.

Table 1.15 provides descriptive statistics for seven of eight industry groups in Latin America and the Caribbean, including an indication of the companies' sizes based on total assets for financial institutions and total revenues for non-financial companies. The median assets for reviewed banks and insurance companies were US$34.7 billion and US$16.2 billion. The non-financial companies had median revenues ranging from approximately US$1.4 billion to US$13.4 billion.

Table 1.14—Number of reviewed companies in Latin America and the Caribbean by jurisdiction

Brazil	52	Colombia	3
Mexico	20	Puerto Rico	3
Chile	18	Cayman Islands	2
Argentina	9	Jamaica	2
Bermuda	9	Peru	1

Table 1.15—Demographics of companies reviewed in Latin America and the Caribbean

Number of reviewed companies and size range by industry				
		Total assets (US$ billion)		
Financial institutions	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Banking	18	12.2	34.7	64.8
Insurance	8	10.0	16.2	41.3
		Revenue (US$ billion)		
Non-financial companies	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Agriculture, food and forest products	18	1.6	4.3	12.5
Consumer goods	10	2.8	13.4	16.8
Energy	25	0.7	1.4	4.8
Materials and buildings	29	0.6	2.6	6.3
Technology and media[(a)]	–	–	–	–
Transportation	10	0.9	1.4	2.2

(a) There were not enough companies to calculate statistics.

The AI review results for Latin America and the Caribbean are shown in Tables 1.16–1.17.

The reviewed insurance companies reported on more of the TCFD recommended disclosures than companies in other industries. Insurance companies also had the highest rates of reporting on all the recommended disclosures except two—climate-related targets (Metrics and targets c) and the resilience of the company's strategy under different climate-related scenarios (Strategy c).

In addition, insurance companies had the highest rate of reporting on board oversight and integration of climate-related risks into overall risk management, both at 88%, which is consistent with the AI review results for the region in previous TCFD annual status reports.

Of the seven industries reviewed in Latin America and the Caribbean, transportation companies had the highest rates of reporting on climate-related targets (Metrics and targets c) at 70%, and lower rates of reporting on strategy and risk management recommendations. In general, there was minimal to no reporting on the resilience of companies' strategies under different climate-related scenarios and on integration of climate-related risks into overall risk management (Risk management c).

Table 1.16—Average number of recommended disclosures per company in Latin America and the Caribbean

Industry	Number of disclosures
Insurance	6.9
Materials and buildings	3.8
Consumer goods	3.4
Banking	3.1
Energy	3.0
Agriculture, food and forest products	2.4
Transportation	2.2

Table 1.17—TCFD-aligned disclosures by industry for fiscal year 2023

Percentage of companies in Latin America and the Caribbean

Recommendation	Recommended disclosure	Banking (18)	Insurance (8)	Energy (25)	Materials and buildings (29)	Transportation (10)	Agriculture, food and forest products (18)	Consumer goods (10)
Governance	a) Board oversight	56%	88%	48%	41%	20%	22%	40%
	b) Management's role	22%	75%	16%	34%	20%	17%	40%
Strategy	a) Risks and opportunities	33%	75%	32%	14%	0%	28%	30%
	b) Impact of risks and opportunities on company	6%	50%	28%	31%	10%	22%	10%
	c) Resilience of strategy	0%	0%	0%	14%	0%	0%	10%
Risk management	a) Risk identification and assessment processes	17%	50%	24%	31%	0%	17%	20%
	b) Risk management processes	22%	63%	24%	41%	0%	17%	40%
	c) Integration into overall risk management	22%	88%	16%	24%	10%	0%	10%
Metrics and targets	a) Climate-related metrics	39%	75%	40%	48%	40%	33%	50%
	b) GHG emissions	56%	75%	44%	52%	50%	44%	50%
	c) Climate-related targets	33%	50%	32%	48%	70%	44%	40%

The numbers in parentheses represent the size of the review population.

The comparison of reporting by companies in Latin America and the Caribbean for fiscal years 2022 and 2023 shows an increase in or generally consistent levels of disclosures for all TCFD recommended disclosures (see Figure 1.7). The largest increase—approximately seven percentage points—was for disclosures of integration of climate-related risks into overall risk management (Risk management c), followed by management and board oversight—approximately five to seven percentage points (Governance a and b). There was a slight decrease in reporting on climate-related targets (Metrics and targets c).

Figure 1.7—TCFD-aligned disclosures in Latin America and the Caribbean for fiscal years 2022 and 2023

Percentage of companies in Latin America and the Caribbean

Recommendation	Recommended disclosure	Fiscal year	
Governance	a) Board oversight	2022	36%
		2023	43%
	b) Management's role	2022	23%
		2023	28%
Strategy	a) Risks and opportunities	2022	28%
		2023	27%
	b) Impact of risks and opportunities on company	2022	24%
		2023	23%
	c) Resilience of strategy	2022	4%
		2023	4%
Risk management	a) Risk identification and assessment processes	2022	18%
		2023	23%
	b) Risk management processes	2022	27%
		2023	29%
	c) Integration into overall risk management	2022	13%
		2023	20%
Metrics and targets	a) Climate-related metrics	2022	43%
		2023	44%
	b) GHG emissions	2022	49%
		2023	50%
	c) Climate-related targets	2022	45%
		2023	43%

0% 10% 20% 30% 40% 50% 60%

Base size: 119

1.3.3—North America

The AI review of companies headquartered in North America included 1,111 companies, with the majority headquartered in the United States (946 companies) and the remainder in Canada (165 companies), as shown in Table 1.18.

As discussed in Section 4.2—*Issued and proposed disclosure requirements aligned with the TCFD recommendations*, no TCFD-aligned disclosure requirements were in effect in fiscal year 2023 in Canada or the US.

Table 1.19 provides descriptive statistics for reviewed companies in eight industry groups along with an indication of their size based on total assets for financial institutions and total revenue for non-financial companies. The median assets for reviewed banks and insurance companies were US$14.9 billion and US$34.3 billion, respectively. The non-financial companies had median revenues ranging from approximately US$2.7 billion to US$7 billion.

Table 1.18—Number of reviewed companies in North America by jurisdiction

US	946
Canada	165

Table 1.19—Demographics of reviewed companies in North America

Number of reviewed companies and size range by industry				
		Total assets (US$ billion)		
Financial institutions	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Banking	224	7.5	14.9	43.1
Insurance	52	6.9	34.3	93.0
		Revenue (US$ billion)		
Non-financial companies	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Agriculture, food and forest products	56	2.0	7.0	12.5
Consumer goods	128	2.7	6.7	18.1
Energy	184	1.1	2.9	10.5
Materials and buildings	336	1.2	2.7	6.8
Technology and media	75	1.0	2.8	9.2
Transportation	56	3.0	6.6	13.6

The AI review results for North America are shown in Tables 1.20–1.21. The reviewed energy companies reported, on average, in line with six of the 11 recommended disclosures—the highest of all industries reviewed. They were followed by insurance companies, which disclosed an average of 4.7 of the 11 recommended disclosures. Energy companies also had the highest rates of reporting among the reviewed industries, reporting on eight of the 11 recommended disclosures. The exceptions were reporting on the three recommended disclosures related to risk management. For these recommended disclosures, the reviewed insurance companies had the highest rates of reporting.

Banks, consumer goods companies and technology and media companies reported less climate-related information than companies in the other reviewed industries. On average, these companies reported on two to three of the 11 recommended disclosures. The reporting on targets of the reviewed North American banks was at 23%, compared with the 79% reporting rate of the reviewed European banks (see Table 1.29).

The highest rates of reporting by companies in the energy, insurance, transportation and agriculture, food and forest products industries were on their boards' oversight of climate-related issues (Governance a), whereas the highest rate of reporting by banks was on their climate-related risks and opportunities (Strategy a). In five of the eight reviewed industries, more than 50% of the companies reported on climate-related risks and opportunities (Strategy a).

In six of the eight industries, close to or more than 50% of the reviewed companies reported on GHG emissions (Metrics and targets b). For all eight industries, the lowest rates of reporting were on the resilience of the company's strategy under different climate-related scenarios (Strategy c).

Table 1.20—Average number of recommended disclosures per company in North America

Industry	Number of disclosures
Energy	6.0
Insurance	4.7
Transportation	4.4
Agriculture, food and forest products	4.3
Materials and buildings	4.2
Technology and media	3.4
Consumer goods	3.3
Banking	2.8

Table 1.21—TCFD-aligned disclosures by industry for fiscal year 2023

Percentage of companies in North America

Recommendation	Recommended disclosure	Banking (224)	Insurance (52)	Energy (184)	Materials and buildings (336)	Transportation (56)	Agriculture, food and forest products (56)	Technology and media (75)	Consumer goods (128)
Governance	a) Board oversight	36%	75%	82%	62%	64%	66%	52%	52%
	b) Management's role	26%	60%	61%	35%	41%	39%	29%	26%
Strategy	a) Risks and opportunities	53%	58%	66%	52%	43%	48%	37%	51%
	b) Impact of risks and opportunities on company	17%	35%	51%	34%	39%	34%	27%	20%
	c) Resilience of strategy	3%	8%	19%	8%	5%	9%	8%	5%
Risk management	a) Risk identification and assessment processes	21%	46%	32%	25%	27%	25%	19%	18%
	b) Risk management processes	23%	50%	41%	30%	38%	23%	25%	13%
	c) Integration into overall risk management	23%	31%	26%	15%	27%	20%	12%	12%
Metrics and targets	a) Climate-related metrics	22%	23%	68%	47%	48%	41%	37%	38%
	b) GHG emissions	29%	44%	79%	55%	54%	59%	49%	50%
	c) Climate-related targets	23%	37%	74%	51%	59%	66%	48%	46%

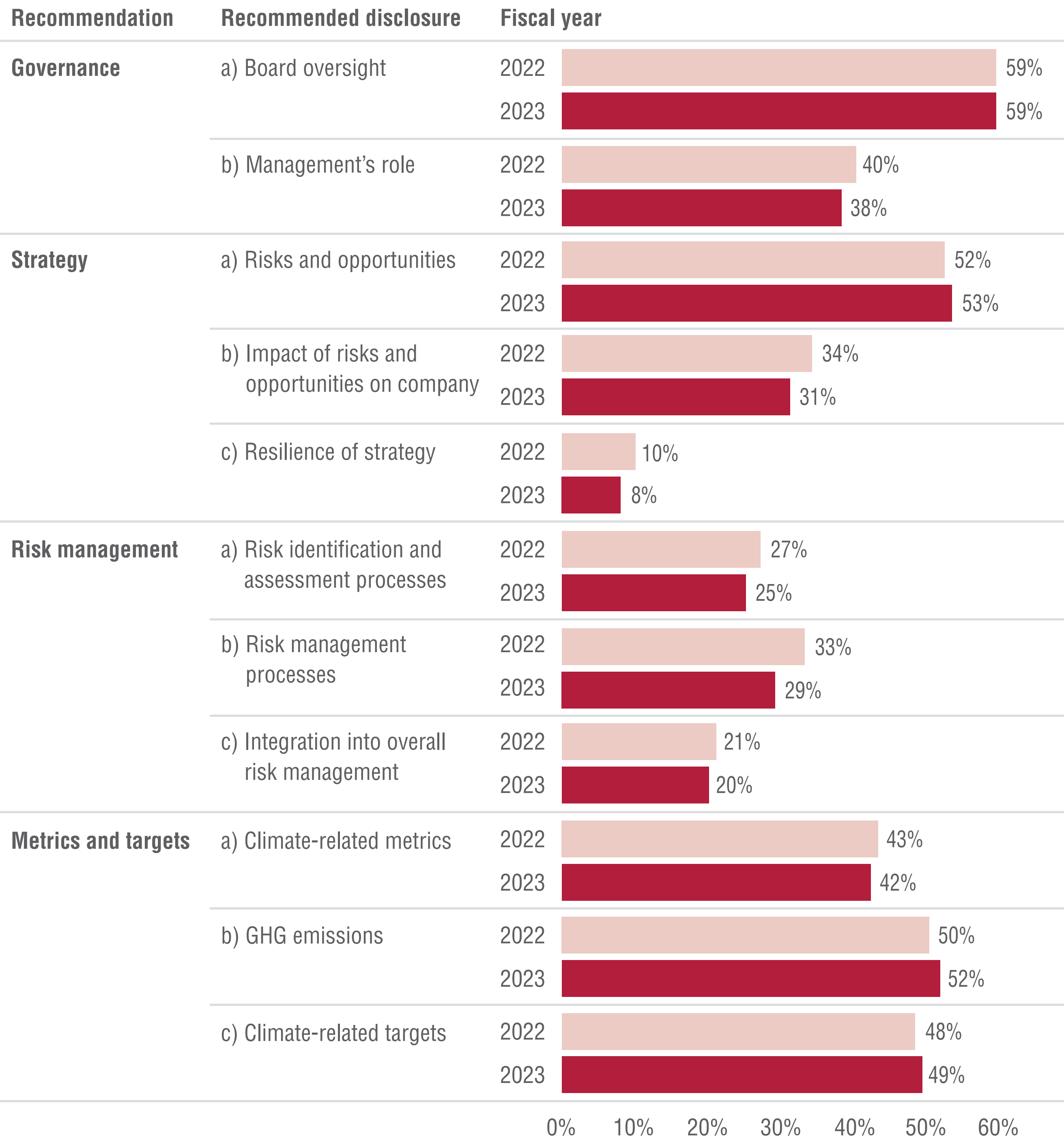
The numbers in parentheses represent the size of the review population.

The comparison of reporting by companies in North America for fiscal years 2022 and 2023 shows generally consistent levels of TCFD-aligned disclosures, with some recommended disclosures experiencing slight increases or decreases (see Figure 1.8).

The largest increase—approximately three percentage points—was for disclosures of GHG emissions (Metrics and targets b), followed by an increase in reporting on climate-related targets of one percentage point (Metrics and targets c). Reporting on risk management processes (Risk management b) decreased by approximately four percentage points and reporting on management's role (Governance a) and impact of climate-related risks and opportunities on the company (Strategy b) both decreased by approximately two percentage points.

Figure 1.8—TCFD-aligned disclosures in North America, fiscal years 2022 and 2023

Percentage of companies in North America



Base size: 1,111

1.3.4—Asia-Oceania

The AI review of companies headquartered in Asia-Oceania included 1,754 companies in 19 jurisdictions. As shown in Table 1.22, the jurisdictions with the highest number of reviewed companies were Japan (359 companies), India (311 companies), Chinese Taipei (308 companies), China (125 companies) and Australia (118 companies).

As discussed in Section 4.2—*Issued and proposed disclosure requirements aligned with the TCFD recommendations*, Chinese Taipei, Japan, New Zealand, Philippines, Singapore and Thailand have introduced TCFD-aligned disclosure requirements in effect in fiscal year 2023.

Table 1.22—Number of reviewed companies in Asia-Oceania by jurisdiction

Japan	359	South Korea	55
India	311	Singapore	27
Chinese Taipei	308	United Arab Emirates	21
China	125	Philippines	21
Australia	118	Kuwait	18
Hong Kong SAR	94	Qatar	14
Thailand	74	Israel	9
Saudi Arabia	68	Bahrain	4
Indonesia	63	New Zealand	4
Malaysia	61		

Table 1.23 provides descriptive statistics for companies in eight industry groups, including an indication of companies' sizes based on total assets for financial institutions and total revenues for non-financial companies. The median assets for reviewed banks and insurance companies were US$18.5 billion and US$18.3 billion. The non-financial companies had median revenues ranging from approximately US$700 million to US$2.1 billion.

Table 1.23—Demographics of reviewed companies in Asia-Oceania

Number of reviewed companies and size range by industry				
		Total assets (US$ billion)		
Financial institutions	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Banking	171	3.2	18.5	68.0
Insurance	44	2.1	18.3	166.5
		Revenue (US$ billion)		
Non-financial companies	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Agriculture, food and forest products	136	0.5	1	3.1
Consumer goods	160	0.5	1.3	3.3
Energy	141	0.9	2.1	6.6
Materials and buildings	732	0.4	0.9	2.9
Technology and media	251	0.2	0.7	2.2
Transportation	119	0.7	2	6.9

The AI review results for Asia-Oceania are shown in Tables 1.24–1.25.

On average, companies in the energy, insurance and transportation industries disclosed more information in line with the TCFD recommendations than companies in the other industries. In comparison, companies in the consumer goods industry provided less information in line with the TCFD recommended disclosures, reporting on an average of 2.9 out of 11 recommended disclosures (see Table 1.24).

Energy companies, on average, reported in line with 4.4 of the 11 recommended disclosures. They also had the highest rates of reporting on four of the 11 recommended disclosures, with the highest being reporting on GHG emissions (Metrics and targets b) at 72%, which is 10 percentage points higher than the average for the region (see Table 1.7). Insurance companies had higher levels of reporting on risk management, with the highest being reporting on risk management processes at 50%, which is 20 percentage points higher than the average for the region (see Table 1.7).

The highest rates of reporting were on climate-related metrics and targets, notably reporting on GHG emissions, followed by reporting on board oversight. Reporting on the resilience of strategy and on integration of climate-related risks into overall risk management was consistently low for all industries in Asia-Oceania.

Table 1.24—Average number of recommended disclosures per company in Asia-Oceania

Industry	Number of disclosures
Energy	4.4
Insurance	4.3
Transportation	4.1
Agriculture, food and forest products	3.6
Technology and media	3.6
Materials and buildings	3.5
Banking	3.3
Consumer goods	2.9

Table 1.25—TCFD-aligned disclosures by industry for fiscal year 2023

Percentage of companies in Asia-Oceania

Recommendation	Recommended disclosure	Banking (171)	Insurance (44)	Energy (141)	Materials and buildings (732)	Transportation (119)	Agriculture, food and forest products (136)	Technology and media (251)	Consumer goods (160)
Governance	a) Board oversight	41%	52%	57%	45%	51%	45%	57%	38%
	b) Management's role	23%	32%	29%	24%	31%	26%	22%	16%
Strategy	a) Risks and opportunities	19%	34%	32%	24%	28%	22%	21%	21%
	b) Impact of risks and opportunities on company	25%	39%	45%	38%	45%	38%	36%	29%
	c) Resilience of strategy	8%	16%	10%	8%	9%	10%	7%	6%
Risk management	a) Risk identification and assessment processes	24%	30%	23%	17%	18%	18%	21%	14%
	b) Risk management processes	29%	50%	38%	29%	26%	28%	36%	20%
	c) Integration into overall risk management	18%	18%	16%	10%	15%	12%	12%	15%
Metrics and targets	a) Climate-related metrics	52%	52%	67%	53%	63%	48%	46%	45%
	b) GHG emissions	61%	59%	72%	64%	65%	60%	61%	53%
	c) Climate-related targets	36%	52%	49%	44%	55%	51%	47%	36%

The numbers in parentheses represent the size of the review population.

The comparison of reporting in Asia-Oceania for fiscal years 2022 and 2023 shows an increase in reporting for all TCFD recommended disclosures (see Figure 1.9). The largest increase—approximately 19 percentage points—was for disclosures of GHG emissions (Metrics and targets b), followed by an increase in reporting of climate-related metrics (Metrics and targets a), board oversight (Governance a) and impact of climate-related risks and opportunities on the company (Strategy b).

In comparison, the reporting on the resilience of strategy (Strategy c) and the integration of climate-related risks into the overall risk management (Risk management c) had the smallest increase at approximately three to five percentage points. The increasing rates of disclosures in Asia-Oceania might be related to the introduction of TCFD-aligned disclosure requirements in Japan, New Zealand, Singapore, Chinese Taipei and Thailand, starting with the fiscal year 2023; untabulated analyses for these jurisdictions support this inference.

Figure 1.9—TCFD-aligned disclosures in Asia-Oceania, fiscal years 2022 and 2023

Percentage of companies in Asia-Oceania

Recommendations	Recommended disclosure	Fiscal year	
Governance	a) Board oversight	2022	35%
		2023	47%
	b) Management's role	2022	17%
		2023	24%
Strategy	a) Risks and opportunities	2022	16%
		2023	24%
	b) Impact of risks and opportunities on company	2022	25%
		2023	37%
	c) Resilience of strategy	2022	5%
		2023	8%
Risk management	a) Risk identification and assessment processes	2022	13%
		2023	19%
	b) Risk management processes	2022	21%
		2023	30%
	c) Integration into overall risk management	2022	8%
		2023	13%
Metrics and targets	a) Climate-related metrics	2022	36%
		2023	52%
	b) GHG emissions	2022	43%
		2023	62%
	c) Climate-related targets	2022	36%
		2023	45%

0% 10% 20% 30% 40% 50% 60% 70%

Base size: 1,754

1.3.5—Europe

The AI review of companies headquartered in Europe included 717 companies in 23 jurisdictions. The jurisdictions with the highest number of companies reviewed were the United Kingdom (144 companies), Germany (78 companies), Sweden (75 companies) and Switzerland (69 companies), as shown in Table 1.26.

Table 1.27 provides descriptive statistics for companies in eight industry groups in Europe, including an indication of companies' sizes based on total assets for financial institutions and total revenues for non-financial companies. The median assets for reviewed banks and insurance companies was US$37.9 billion and US$113.2 billion. The non-financial companies had median revenues ranging from approximately US$800 million to US$5.2 billion.

Table 1.26—Number of reviewed companies in Europe by jurisdiction

UK	144	Denmark	25
Germany	78	Türkiye	24
Sweden	75	Finland	20
Switzerland	69	Ireland	17
France	50	Belgium	16
Italy	45	Austria	13
Norway	36	Greece	13
Spain	31	Poland	11
Netherlands	28	Portugal	9
The review also included five companies in Luxembourg; three companies in Monaco; two companies in Czechia and Jersey; and one company in Faroe Islands.			

Table 1.27—Demographics of reviewed companies in Europe

Number of companies and size range by industry				
		Total assets (US$ billion)		
Financial institutions	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Banking	106	7.9	37.9	288.2
Insurance	36	28.8	113.2	295.2
		Revenue (US$ billion)		
Non-financial companies	**Number of companies**	**First quartile**	**Median**	**Third quartile**
Agriculture, food and forest products	57	2.1	4.5	9.6
Consumer goods	77	1.4	5.2	11.8
Energy	81	0.8	3.8	18.4
Materials and buildings	275	1.2	3.6	7.7
Technology and media	35	0.5	0.8	2.0
Transportation	50	1.1	3.0	15.9

As described in this report and previous TCFD annual status reports, European companies have higher average rates of reporting on TCFD recommended disclosures than companies in the other four regions (see Table 1.7).[16] European companies, governments and regulators have focused on climate-related reporting issues for many years, well before the TCFD recommendations were published, which might explain these higher rates of reporting. Most jurisdictions in Europe have requirements that are already in effect.

16 See TCFD, *Task Force on Climate-related Financial Disclosures: 2023 Status Report*, TCFD, 2023, https://www.fsb.org/wp-content/uploads/P121023-2.pdf; TCFD, *Task Force on Climate-related Financial Disclosures: 2022 Status Report*, TCFD, 2022, https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf, page 16; TCFD, *Task Force on Climate-related Financial Disclosures: 2021 Status Report*, TCFD, 2021, https://www.fsb.org/wp-content/uploads/P141021-1.pdf, pages 34–35; and TCFD, *Task Force on Climate-related Financial Disclosures: 2020 Status Report*, TCFD, 2020, https://www.fsb.org/wp-content/uploads/P291020-1.pdf, page 14.

The European Union issued requirements in late 2014 for large companies to disclose information on environmental (including climate-related) and other matters beginning in their 2017 fiscal year reports.[17] More recently, the EU issued a directive on corporate sustainability reporting that builds on the requirements issued in 2014. In May 2024 the IFRS Foundation and EFRAG published guidance illustrating the high degree of alignment, with a detailed analysis of the alignment in climate-related disclosures, between the ISSB Standards and the European Sustainability Reporting Standards (ESRS), and offering practical guidance on how a company can apply both sets of standards.[18] The UK and Switzerland have also issued climate-related disclosure requirements. Section 4.3—*Introduction of TCFD recommendations or ISSB Standards in regulatory frameworks by region* provides an update on jurisdictional efforts and developments in Europe to support the implementation of the TCFD recommendations or the use of ISSB Standards.

The AI review results for Europe are shown in Tables 1.28–1.29. Overall, companies in all eight reviewed industries disclosed information in line with at least five of the 11 recommended disclosures. Companies in the insurance industry reported an average of 7.8 of the 11 recommended disclosures and companies in the banking and energy industries reported on an average of 6.8 of the 11 recommended disclosures. Reporting by companies in the transportation industry was lower, with an average of 5.1 of the 11 recommended disclosures. Reporting by companies in the technology and media industry was similar, with an average of 5.2 of the 11 recommended disclosures. This finding is consistent with the overall lower reporting rates for technology and media companies.

The highest rates of reporting for each of the eight industries were on the three recommended disclosures related to metrics and targets. More than 77% of the companies in all eight reviewed industries reported their climate-related metrics (Metrics and targets a) and more than 74% reported on their GHG emissions (Metrics and targets b). All reviewed insurance companies reported on climate-related targets. Reporting on targets in other industries was also high, ranging from 71% for the technology and media companies to 88% for the agriculture, food and forest products companies.

The lowest rate of reporting in six of the eight industries was on the resilience of the company's strategy under different climate-related scenarios (Strategy c), which is consistent with the AI review results for the other regions and in the previous TCFD annual status reports.

Table 1.28—Average number of disclosures per company in Europe

Industry	Number of disclosures
Insurance	7.8
Energy	6.9
Banking	6.8
Agriculture, food and forest products	6.5
Materials and buildings	6.3
Consumer goods	5.9
Technology and media	5.2
Transportation	5.1

17 See European Parliament and European Council, Non-Financial Reporting Directive, 22 October 2014, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095. On 17 June 2019 the European Commission published additional guidelines that referenced the TCFD recommendations—European Commission, *Guidelines on Reporting Climate-related Information*, European Commission, 2019, https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf.

18 See *ESRS–ISSB Standards: Interoperability Guidance*, the IFRS Foundation and EFRAG, 2024, https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/esrs-issb-standards-interoperability-guidance.pdf.

Table 1.29—TCFD-aligned disclosures by industry for fiscal year 2023

Percentage of companies in Europe									
Recommendation	**Recommended disclosure**	Banking (106)	Insurance (36)	Energy (81)	Materials and buildings (275)	Transportation (50)	Agriculture, food and forest products (57)	Technology and media (35)	Consumer goods (77)
Governance	a) Board oversight	75%	81%	77%	69%	66%	70%	54%	64%
	b) Management's role	62%	78%	58%	56%	40%	54%	40%	51%
Strategy	a) Risks and opportunities	55%	81%	58%	55%	38%	54%	31%	40%
	b) Impact of risks and opportunities on company	48%	67%	59%	50%	38%	60%	40%	57%
	c) Resilience of strategy	17%	31%	35%	22%	4%	33%	9%	19%
Risk management	a) Risk identification and assessment processes	66%	81%	62%	56%	46%	58%	43%	47%
	b) Risk management processes	59%	64%	62%	47%	32%	54%	34%	49%
	c) Integration into overall risk management	46%	36%	36%	27%	16%	19%	26%	18%
Metrics and targets	a) Climate-related metrics	83%	81%	80%	80%	78%	77%	86%	78%
	b) GHG emissions	86%	86%	83%	83%	74%	82%	89%	86%
	c) Climate-related targets	79%	100%	80%	85%	78%	88%	71%	78%

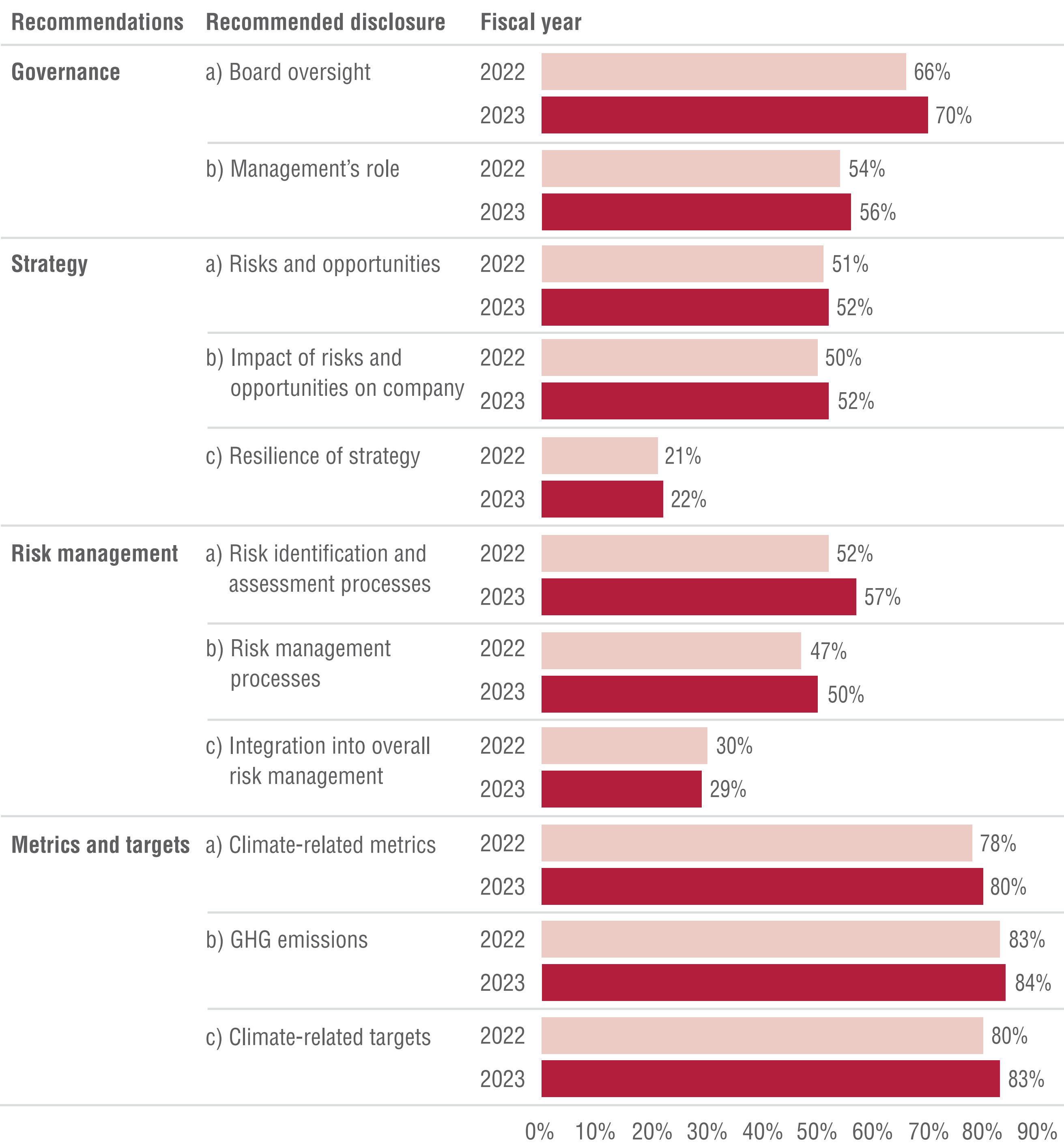
The numbers in parentheses represent the size of the review population.

The comparison of reporting by companies in Europe for fiscal years 2022 and 2023 shows generally consistent or increasing levels of disclosure for all TCFD recommended disclosures (see Figure 1.10). The largest increase—approximately six percentage points—was for disclosures of risk identification and assessment processes (Risk management a), followed by increases in reporting on board oversight (Governance a), risk management processes (Risk management b) and climate-related metrics and targets (Metrics and targets a and c).

In comparison, reporting on risks and opportunities (Strategy a), the resilience of strategy (Strategy c) and GHG emissions (Metrics and targets b) had the smallest increases.

Figure 1.10—TCFD-aligned disclosures in Europe for fiscal years 2022 and 2023

Percentage of companies in Europe



Base size: 717

1.4—Companies referencing ISSB Standards

To understand companies' progress in preparing to use ISSB Standards, the IFRS Foundation reviewed publicly available reports of some listed and private companies. The findings from this review provide insights into the state of corporate reporting practices and the progress being made towards the use of ISSB Standards in various regions and sectors.

The IFRS Foundation collected, categorised and analysed references to the ISSB in those reports to analyse the companies' level of commitment to using ISSB Standards, using three reference categories.

The reference categories include general reference to the ISSB, planned alignment and stated alignment with the sustainability-related disclosure requirements in ISSB Standards.[19]

Table 1.30 provides definitions and examples for each category.

Table 1.30—Reference categories and examples

	Reference category	Reference example
1	**General reference**—a company referenced the ISSB: • as a standard-setter in the sustainability disclosure landscape, without stating that it had applied or intended to apply ISSB Standards to disclose information; • to describe its past, current or future participation in activities organised by the ISSB or the IFRS Foundation; • to voice its support for the global baseline, without stating it intends to align its disclosures with ISSB Standards; or • in the context of its current or planned alignment with the SASB Standards or the Integrated Reporting Framework, not ISSB Standards.	*'Various global regulators and standard setting bodies, including the ISSB, are publishing guidelines and standards aligned with the TCFD recommendations.'* *'We support the ISSB in its aim to develop consistent, comparable and reliable global sustainability standards.'* *'We remain vocal in our support and active in an engagement that endorses efforts toward further harmonisation and standardisation of sustainability reporting. In line with this, we continue participating in consultations with the ISSB.'* *'In addition, the company responds in this report to the indicators identified for the "Electric Utilities and Power Generators" and "Gas Utilities and Distributors" sectors by the SASB Standards, which are under the supervision of the ISSB.'* *continued ...*

19 The review of the references is an analysis of references companies made about their use or planned use of ISSB Standards rather than an analysis of information provided by companies.

	Reference category	Reference example
2	**Planned alignment**—a company referenced the ISSB in the context of its future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.	*'We are in the early stages of aligning our climate-related disclosures with the IFRS S2 requirements.'* *'We are pleased to share that our 2024 financial report will align to IFRS S1 and IFRS S2 to disclose sustainability-related financial information.'*
3	**Stated alignment**—a company referenced the ISSB in the context of its current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.	*'We have started to align our reporting with the ISSB Standards.'* *'This year, the company also considered the new ISSB Standards in completing this report and included relevant indicators.'*

The sample of companies analysed consisted of companies, both listed and private, available within the data providers' platforms that referenced the ISSB between October 2023 and March 2024.

When a company made multiple references to the ISSB during the period, the IFRS Foundation selected the reference demonstrating the highest level of commitment to use ISSB Standards based on the reference categories to ensure the results accurately present the current state of commitment to using ISSB Standards.

1.4.1—ISSB reference analysis by region

Table 1.31 provides a breakdown of the number of companies that referenced the ISSB between October 2023 and March 2024, by region.

Table 1.32 provides a detailed breakdown by region of these companies, using the three reference categories and analysing for each region the five jurisdictions with the highest number of companies that referenced the ISSB.

Table 1.31—Number of companies referencing the ISSB by region

Region	Number of companies
Africa	80
Latin America and the Caribbean	115
North America	186
Asia-Oceania	474
Europe	296
Total	**1,151**

In Africa, out of the 80 companies that referenced the ISSB, more than 50% mentioned current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. Among the 44 South African companies that referenced the ISSB, 43% mentioned the ISSB in the context of their future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 5% did so in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

Among the 11 Nigerian companies that referenced the ISSB, 64% did so in the context of current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. Four companies from Kenya that referenced the ISSB between October 2023 and March 2024 recognised the ISSB as a standard-setter in the sustainability disclosure landscape, but did not specify the use or intended use of ISSB Standards to disclose information.

Out of the 115 companies that referenced the ISSB in Latin America and the Caribbean, 35% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 65% provided a general reference to the ISSB. Among the 38 Brazilian companies that referenced the ISSB, 50% mentioned the ISSB in the context of their future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 5% did so in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. The majority of the companies in Costa Rica and Chile that referenced the ISSB provided a general reference without stating their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

Out of the 186 companies that referenced the ISSB in North America, 60% provided a general reference and 40% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. Among the 107 Canadian companies that referenced the ISSB, more than 50% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. The majority of the companies in the US that referenced the ISSB provided a general reference.

Out of the 474 companies that referenced the ISSB in Asia-Oceania, 49% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 51% provided a general reference to the ISSB. Among the 81 Australian companies that referenced the ISSB, 64% mentioned the ISSB in the context of their future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 6% did so in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. The majority of the 39 Japanese companies that referenced the ISSB provided a general reference.

Out of the 296 companies that referenced the ISSB in Europe, 62% provided a general reference and 38% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. Among the 119 UK companies that referenced the ISSB, 49% mentioned the ISSB in the context of their future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 2% did so in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards. The majority of the 24 French companies that referenced the ISSB provided a general reference. Eighteen companies in Spain provided a general reference to the ISSB.

In Africa and Asia-Oceania, approximately half of the 554 companies that referenced the ISSB mentioned their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

Table 1.32—Companies referencing ISSB Standards by the top five jurisdictions represented in the review in each region (October 2023 to March 2024)

Percentage of companies that referenced the ISSB

Region	Jurisdiction	Number of companies	General reference	Planned alignment	Stated alignment
Africa (80)	South Africa	(44)	52%	43%	5%
	Nigeria	(11)	18%	18%	64%
	Mauritius	(7)	43%	57%	0%
	Kenya	(4)	100%	0%	0%
	Zambia	(3)	33%	0%	67%
	Region total average		**45%**	**38%**	**17%**
Latin America and the Caribbean (115)	Brazil	(38)	45%	50%	5%
	Chile	(30)	87%	13%	0%
	Mexico	(14)	64%	36%	0%
	Costa Rica	(8)	87%	13%	0%
	Colombia	(7)	57%	43%	0%
	Region total average		**65%**	**33%**	**2%**
North America (186)	Canada	(107)	48%	42%	10%
	United States	(79)	77%	18%	5%
	Region total average		**60%**	**32%**	**8%**
Asia-Oceania (474)	Australia	(81)	30%	64%	6%
	China	(59)	46%	30%	24%
	Malaysia	(54)	64%	30%	6%
	Singapore	(39)	48%	49%	3%
	Japan	(39)	85%	10%	5%
	Region total average		**51%**	**40%**	**9%**
Europe (296)	UK	(119)	49%	49%	2%
	France	(24)	84%	8%	8%
	Switzerland	(21)	62%	33%	5%
	Italy	(20)	75%	15%	10%
	Spain	(18)	100%	0%	0%
	Region total average		**62%**	**35%**	**3%**

The numbers in parentheses represent the size of the review population.

Base size: 1,151

1.4.2—ISSB reference analysis by Sustainable Industry Classification System sectors

Table 1.33 provides a breakdown of the number of companies that referenced the ISSB between October 2023 and March 2024 in 11 sectors defined according to the Sustainable Industry Classification System® (SICS®).[20]

Table 1.33—Number of companies referencing the ISSB by sector

Sector	Number of companies
Consumer goods	49
Extractives and minerals processing	168
Financials	372
Food and beverage	69
Healthcare	44
Infrastructure	181
Renewable resources and alternative energy	18
Resource transformation	91
Services	52
Technology and communications	62
Transportation	45
Total	**1,151**

Table 1.34 provides a detailed breakdown by sector of these companies, using the three reference categories and analysing for each sector the five industries with the highest number of companies that referenced the ISSB. The way companies referenced the ISSB varied between sectors. For example, out of the 52 companies that referenced the ISSB in the services sector, 49% provided a general reference, 47% mentioned the ISSB in the context of their future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards and 4% mentioned the ISSB in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

Out of the 372 companies that referenced the ISSB in the financials sector, 65% provided a general reference, 28% mentioned the ISSB in the context of their future alignment in reporting with sustainability-related disclosure requirements in ISSB Standards and 7% mentioned the ISSB in the context of their current alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

Out of the 18 companies that referenced the ISSB in the renewable resources and alternative energy sector, 78% provided a general reference and 22% mentioned the ISSB in the context of their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.

The way companies referenced the ISSB varied between sectors.

20 SASB, Sustainable Industry Classification System® (SICS®) is available at https://sasb.ifrs.org/find-your-industry. As discussed in Appendix 1—*Company selection and AI review methodology*, the industries and sub-industries used for the analysis in Section 1.2—*TCFD-aligned reporting by public companies* and Section 1.3—*TCFD-aligned reporting by public companies by region* are on the Global Industry Classification Standard® (GICS®); the GICs sectors and sub-industries differ from those in SICS.

Table 1.34—Public companies referencing ISSB Standards by the top five SICS industries in each SICS sector (October 2023 to March 2024)

Percentage of companies that referenced the ISSB					
Sector[(a)]	Industry[(a)]	Number of companies	General reference	Planned alignment	Stated alignment
Consumer goods (49)	Multiline and specialty retailers and distributors	(23)	74%	22%	4%
	Building products and furnishings	(8)	37%	63%	0%
	Apparel, accessories and footwear	(7)	86%	14%	0%
	Household and personal products	(7)	72%	14%	14%
	Appliance manufacturing	(3)	0%	100%	0%
	Sector total average		**65%**	**31%**	**4%**
Extractives and minerals processing (168)	Metals and mining	(58)	41%	54%	5%
	Oil and gas—exploration and production	(49)	63%	33%	4%
	Construction materials	(16)	87%	13%	0%
	Oil and gas—services	(14)	64%	22%	14%
	Oil and gas—refining and marketing	(10)	40%	60%	0%
	Sector total average		**56%**	**39%**	**5%**
Financials (372)	Commercial banks	(190)	66%	29%	5%
	Asset management and custody activities	(63)	68%	27%	5%
	Insurance	(61)	62%	35%	3%
	Investment banking and brokerage	(38)	61%	21%	18%
	Consumer finance	(8)	75%	12%	13%
	Sector total average		**65%**	**28%**	**7%**
Food and beverage (69)	Processed foods	(16)	44%	37%	19%
	Agricultural products	(14)	57%	43%	0%
	Meat, poultry and dairy	(13)	62%	38%	0%
	Food retailers and distributors	(10)	40%	50%	10%
	Non-alcoholic beverages	(5)	80%	20%	0%
	Sector total average		**53%**	**40%**	**7%**

continued ...

Percentage of companies that referenced the ISSB					
Sector[a]	Industry[a]	Number of companies	General reference	Planned alignment	Stated alignment
Healthcare (44)	Biotechnology and pharmaceuticals	(23)	70%	13%	17%
	Healthcare delivery	(8)	62%	38%	0%
	Medical equipment and supplies	(8)	50%	12%	38%
	Drug retailers	(4)	75%	0%	25%
	Managed care	(1)	0%	100%	0%
	Sector total average		**64%**	**18%**	**18%**
Infrastructure (181)	Real estate	(80)	53%	41%	6%
	Electric utilities and power generators	(48)	71%	21%	8%
	Engineering and construction services	(33)	79%	12%	9%
	Gas utilities and distributors	(6)	67%	33%	0%
	Real estate services	(5)	60%	40%	0%
	Sector total average		**63%**	**30%**	**7%**
Renewable resources and alternative energy (18)	Solar technology and project developers	(7)	86%	14%	0%
	Pulp and paper products	(5)	80%	20%	0%
	Fuel cells and industrial batteries	(2)	0%	0%	100%
	Wind technology and project developers	(2)	100%	0%	0%
	Biofuels	(1)	100%	0%	0%
	Sector total average		**78%**	**11%**	**11%**
Resource transformation (91)	Chemicals	(37)	65%	22%	13%
	Industrial machinery and goods	(37)	40%	49%	11%
	Aerospace and defence	(7)	86%	14%	0%
	Containers and packaging	(5)	40%	40%	20%
	Electrical and electronic equipment	(5)	60%	0%	40%
	Sector total average		**55%**	**32%**	**13%**

continued ...

Percentage of companies that referenced the ISSB

Sector[a]	Industry[a]	Number of companies	General reference	Planned alignment	Stated alignment
Services (52)	Professional and commercial services	(24)	63%	29%	8%
	Casinos and gaming	(8)	37%	63%	0%
	Hotels and lodging	(8)	50%	50%	0%
	Media and entertainment	(5)	40%	60%	0%
	Advertising and marketing	(4)	0%	100%	0%
	Sector total average		**49%**	**47%**	**4%**
Technology and communications (62)	Telecommunication services	(26)	46%	35%	19%
	Software and IT services	(21)	71%	29%	0%
	Hardware	(6)	100%	0%	0%
	Semiconductors	(5)	60%	20%	20%
	Internet media and services	(4)	25%	75%	0%
	Sector total average		**59%**	**31%**	**10%**
Transportation (45)	Marine transportation	(13)	62%	38%	0%
	Auto parts	(7)	57%	29%	14%
	Air freight and logistics	(6)	67%	33%	0%
	Airlines	(6)	50%	50%	0%
	Automobiles	(4)	25%	75%	0%
	Sector total average		**55%**	**42%**	**3%**

The numbers in parentheses represent the size of the review population.

Base size: 1,151

(a) Sectors and industries are defined according to the Sustainable Industry Classification System® (SICS®).

1.5—Reporting by asset managers and asset owners

1.5.1—Introduction

The TCFD conducted annual surveys of asset managers and asset owners to explore their approaches to climate-related financial reporting. In 2024 the IFRS Foundation undertook a similar survey not only to continue to assess asset managers' and asset owners' perspectives with respect to climate-related financial reporting using the TCFD recommendations, but also to understand how asset managers and asset owners use (or plan to use) ISSB Standards.

Table 1.35 provides background information about the activities of asset managers and asset owners.

Asset managers' and asset owners' reporting is intended to satisfy the needs of clients, beneficiaries, regulators and oversight bodies, and often follows a format different from that of corporate financial reporting.

To gain insight into how asset managers and asset owners use the TCFD recommendations (or ISSB Standards), the IFRS Foundation focused on asset managers' and asset owners' reporting to their clients and beneficiaries. However, the IFRS Foundation also recognised that many asset managers and asset owners report climate-related financial information to a broader range of stakeholders. Asset managers that are public companies have two distinct audiences for their climate-related financial information. The first audience is shareholders (who need to understand enterprise-level risks and opportunities and how the asset manager manages those risks and opportunities) and the second is clients (for whom product-, investment strategy- or client-specific disclosures are more relevant).

The IFRS Foundation recognised that asset owners sit at the top of the investment chain and their disclosure of information on climate-related information—to the extent possible given data and method constraints—allows beneficiaries and other audiences to assess the asset owners' investment considerations and approaches to climate change.

The IFRS Foundation excluded asset managers and asset owners from the AI review because the types of reports required for analysis were not always publicly available. Instead, in early 2024 the IFRS Foundation surveyed asset managers and asset owners to gain insight into how they report climate-related financial information to their clients and beneficiaries, consistent with the approach previously taken by the TCFD.

This section:

- describes the scope of the review and the approach used to collect information on asset managers' and asset owners' reporting practices; and
- summarises the results from the survey and highlights key findings related to the results.

Table 1.35—What is an asset manager or asset owner?

Asset manager	Asset owner
An asset manager, also known as an investment manager, is hired by a client to invest assets on the client's behalf. In this role, an asset manager acts as a fiduciary. An asset manager invests within the guidelines specified by its client for a given mandate set out in an investment management agreement or product specification. Importantly, the investment results, whether positive or negative, belong to the client. Additionally, some asset managers issue debt or equity and may be required to provide additional reporting for capital markets. **Asset managers' reporting to clients varies depending on regulatory requirements, a client's requirements and the types of investments made.**	An asset owner might be a public- or private-sector pension plan, an insurance or reinsurance company, an endowment or a foundation. An asset owner invests assets on its own behalf or on behalf of its beneficiaries and according to a mandate or investment strategy set out by its oversight body or beneficiaries. Asset owners have various investment horizons that influence their risk tolerance and investment strategies. Many asset owners have investment portfolios that contain broadly diversified investment strategies, asset classes and regions, and portfolios with thousands of underlying individual company and government exposures. An asset owner might hire an asset manager to invest on its behalf. Like asset managers, some asset owners issue debt or equity and may be required to provide additional reporting for capital markets. **Asset owners' reporting requirements and practices vary widely and differ from what is required of companies with public debt or equity. Some asset owners provide no public reporting, whereas others provide extensive public reporting.**

1.5.2—Scope and approach: survey of asset managers and asset owners

Between February and April 2024 the IFRS Foundation surveyed asset managers and asset owners to understand how their climate-related financial reporting aligns with the TCFD recommendations, how they use (or plan to use) ISSB Standards and the challenges they anticipate with the implementation of ISSB Standards.

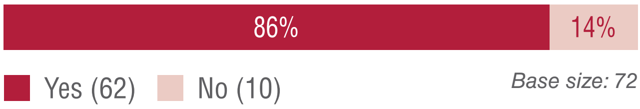
The survey was distributed to more than 500 financial institutions through the IFRS Foundation's investor network, resulting in 72 responses from asset managers, asset owners and insurance companies.[21]

As shown in Figure 1.11, of these responses:

- 62 respondents stated that they currently report or plan to report climate-related information, with these respondents representing approximately US$30 trillion in assets under management (AUM); and
- 10 respondents stated they currently do not report or do not plan to report climate-related information.

Figure 1.11—Composition of asset manager and asset owner survey respondents

Is your organisation implementing TCFD recommendations or ISSB Standards?



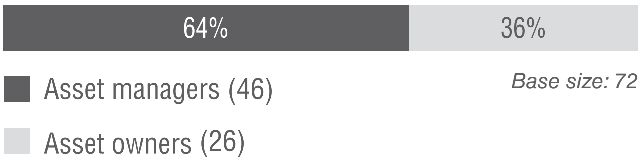
The numbers in parentheses represent the number of respondents.

Respondents that said 'Yes' currently report climate-related information or plan to do so.

Figure 1.12 provides an overview of the composition of the asset managers and asset owners that responded to the survey. Asset managers represented 64% of the respondents (46 respondents) and asset owners (including insurance companies) represented 36% of the respondents (26 respondents).

Figure 1.12—Composition of asset manager and asset owner survey respondents

Organisation type



The numbers in parentheses represent the number of respondents.

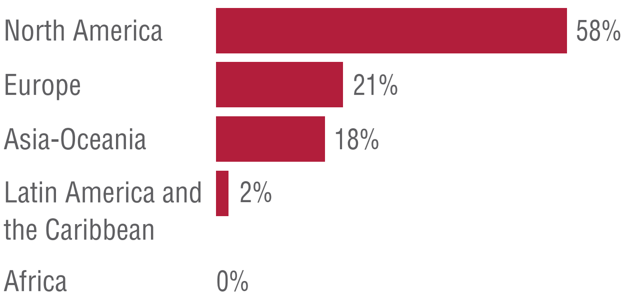
21 A similar survey distributed by the TCFD in 2023 to approximately 1,300 financial institutions resulted in 150 responses from asset managers and asset owners. Although the IFRS Foundation's 2024 survey received fewer responses, the response rate between the two surveys is comparable (12% in 2023 and 14% in 2024).

Figure 1.13 shows the geographical distribution of respondents that currently report or plan to report climate-related information. Most respondents were headquartered in North America (58%), followed by Europe (21%), Asia-Oceania (18%) and Latin America and the Caribbean (2%). No responses were received from asset managers or asset owners based in Africa.

Figure 1.13—Composition of asset manager and asset owner survey respondents that currently report or plan to report climate-related information

Geographical distribution of respondents

Percentage of respondents by region



Top five jurisdictions by number of respondents

	2024 survey (IFRS Foundation)	2023 survey (TCFD)
US	26	31
Canada	10	11
UK	8	24
Japan	6	9
Australia	2	9

The survey asked asset managers and asset owners about how they disclose information aligned with the TCFD recommendations (or ISSB Standards) and what challenges they face in making such disclosures.

The survey also included questions relating to providing information in accordance with ISSB Standards and anticipated implementation challenges.

Other topics covered include the types of reports in which asset managers and asset owners provide climate-related financial information, the amount of their AUM and information about whether they are implementing or are planning to implement ISSB Standards.

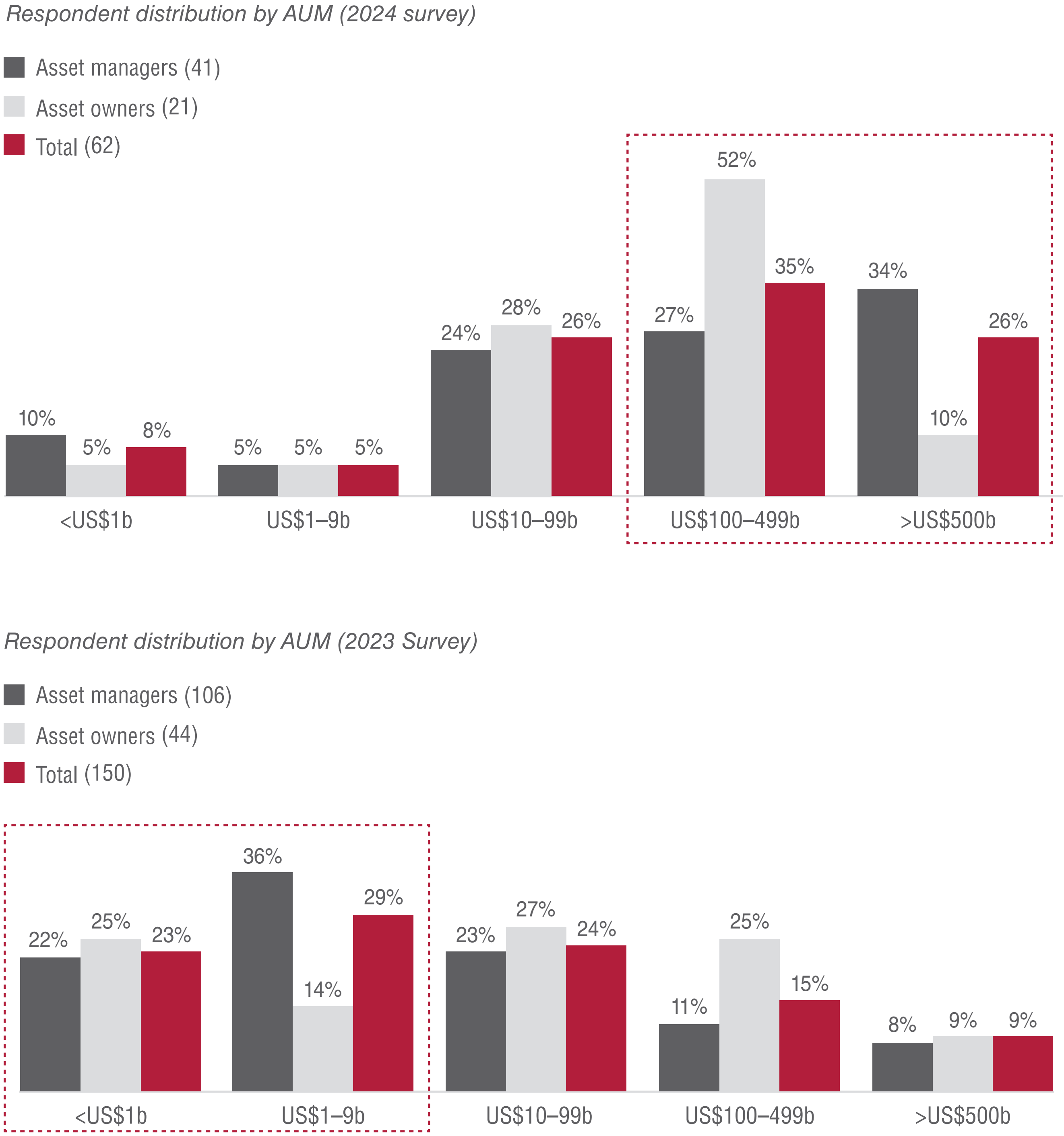
Figure 1.14 provides an analysis of the size of the asset managers and asset owners that responded to the survey that currently report or plan to report climate-related information (62 respondents).

The majority of respondents to the 2024 IFRS Foundation survey had US$100 billion or more in AUM.

In contrast, the majority of respondents to a similar survey carried out by the TCFD in 2023 had less than US$10 billion in AUM.

On average, the respondents to the 2024 IFRS Foundation survey are larger in terms of AUM than the respondents to the 2023 TCFD survey.

Figure 1.14—Analysis of asset manager and asset owner survey respondents



The survey asked asset managers who currently report or plan to report climate-related information about the types of services they offer (see Figure 1.15). Of the 88% that offered more than one service, 67% said they offered fiduciary management or other outsourced discretionary fund allocation; 33% offered fund of funds, manager of managers or sub-advised products; 22% offered wealth management; and 33% offered other types of services.

Figure 1.15—Services offered by asset manager respondents

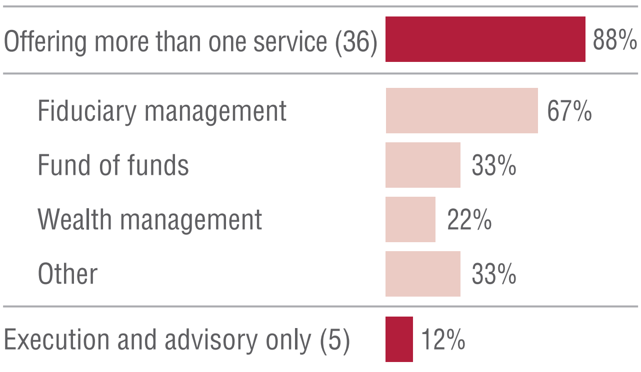
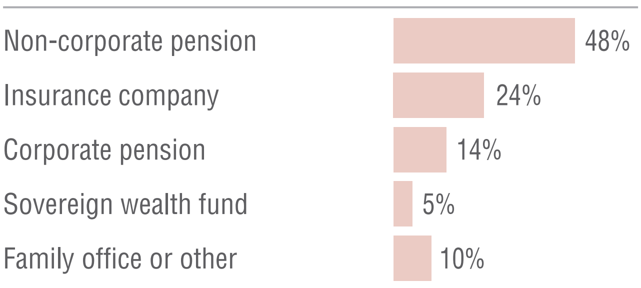


Figure 1.16 provides information about what type of asset owners responded to the survey.

Figure 1.16—Types of asset owner respondents



1.5.3—Summary of reporting of climate-related information

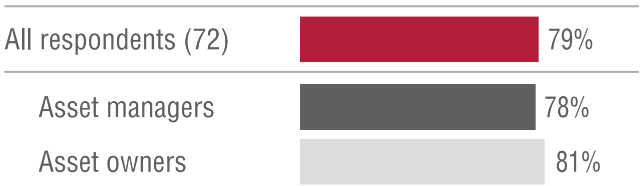
The survey asked asset managers and asset owners whether they currently report, plan to report or do not plan to report climate-related information to their clients and beneficiaries.

As shown in Figure 1.17, most respondents currently report climate-related information to their clients or beneficiaries—78% of asset managers and 81% of asset owners—and most of the remainder plan to report climate-related information.

Figure 1.17—Reporting of climate-related information to clients and beneficiaries

Status of reporting

Percentage of those that currently report



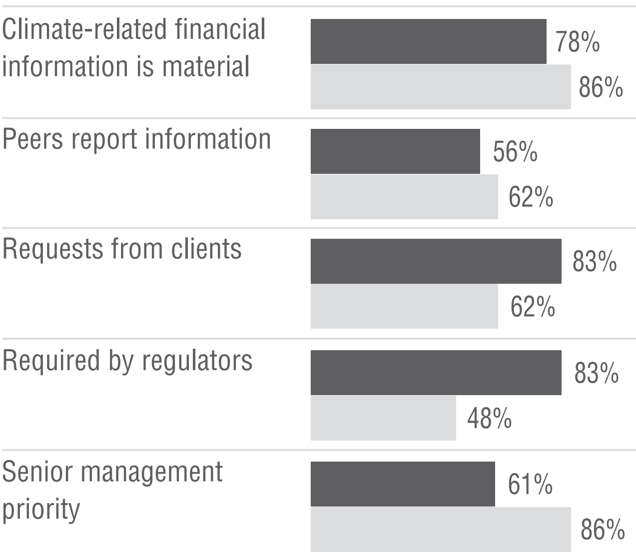
Respondents that said they do not plan to report climate-related information to their clients or beneficiaries—11% of asset managers (5) and 19% of asset owners (5)—were not asked to answer questions about their reporting on information aligned with the TCFD recommended disclosures (or ISSB Standards).

Figure 1.18 shows the reasons asset managers and asset owners report or plan to report climate-related information to their clients and beneficiaries. The most cited reasons by asset managers for reporting were ‘Requests from clients (including in investment mandates)’ and ‘Required by regulators’ followed by ‘Climate-related financial information is material’. Asset owners cited ‘Climate-related financial information is material’ and ‘Senior management priority’ as the main reasons they report or plan to report climate-related information.

Figure 1.18—Reporting of climate-related information to clients and beneficiaries

Reasons for reporting[(a)]

(respondents could select more than one reason)



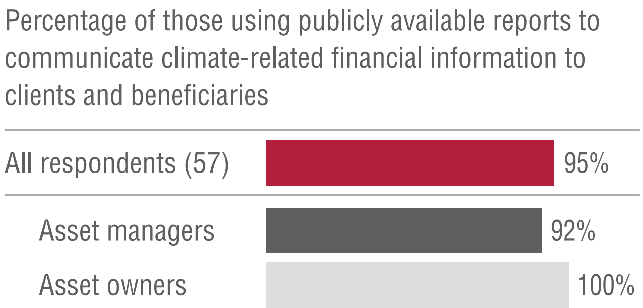
(a) Only respondents that said they currently report climate-related information to their clients and beneficiaries were asked this question.

The IFRS Foundation found that of asset managers and asset owners that said one of the reasons for reporting is because of regulatory requirements, 48% were in North America, 32% in Europe and the remaining 20% in Asia-Oceania.

Figure 1.19 shows two common reporting channels asset managers and asset owners use to report climate-related information to their clients and beneficiaries—reports that are publicly available and reports that are made available to clients or beneficiaries only.

Figure 1.19—Reporting of climate-related information to clients and beneficiaries

Channels for reporting to clients and beneficiaries[(a)]



(a) Only respondents that said they currently report climate-related information to their clients and beneficiaries were asked this question.

The vast majority of asset managers (92%) said they use publicly available reports to communicate climate-related financial information to their stakeholders with the remainder (8%) saying that they only use reports that are made available to clients or beneficiaries only to communicate climate-related financial information. All asset owners (100%) who responded to the survey said they communicate climate-related information to their stakeholders via publicly available reports.

1.5.4—Reporting of climate-related information by asset managers

Almost 78% of the asset manager respondents said they currently report information in line with the TCFD recommendations and, of those, 37% said they currently report on all 11 TCFD recommended disclosures.

Table 1.36 shows the percentages of asset manager respondents that currently report, plan to report, or are undecided about reporting to their clients on the TCFD recommended disclosures.

Those that report on the recommended disclosures most commonly report on management's role (Governance b), at 86%. The next highest rates of reporting were on board oversight (Governance a) at 83% and on risks and opportunities (Strategy a) at 80%. The lowest rate of reporting—at 42%—was on the resilience of the company's strategy under different climate-related scenarios (Strategy c), with 34% of asset managers saying they plan to report on this recommended disclosure.

Table 1.36—Asset managers: rates of reporting on recommended disclosures

Recommendation	Recommended disclosures	Percentage for each reporting option		
		Currently report	Plan to report	Undecided / other
Governance	a) Board oversight	83%	12%	5%
	b) Management's role	86%	12%	2%
Strategy	a) Risks and opportunities	80%	15%	5%
	b) Impact of risks and opportunities on company	68%	22%	10%
	c) Resilience of strategy	42%	34%	24%
Risk management	a) Risk identification and assessment processes	76%	17%	7%
	b) Risk management processes	78%	15%	7%
	c) Integration into overall risk management	76%	20%	4%
Metrics and targets	a) Climate-related metrics	76%	20%	4%
	b) GHG emissions	71%	20%	9%
	c) Climate-related targets	49%	22%	29%

Base size: 41

The survey also asked respondents about seven specific climate-related metrics and targets, as shown in Figure 1.20. The IFRS Foundation was interested in the level of reporting on some metrics included in the TCFD supplemental guidance, including GHG emissions associated with AUM and the weighted average carbon intensity for each product or investment strategy.[22]

Figure 1.20 shows the percentage of asset managers that currently report on each of the seven metrics to their clients. More than half of the asset managers (61%) said they report on the GHG emissions associated with their AUM and on targets related to GHG emissions. These metrics are followed by other climate metrics (59%) and weighted average carbon intensity for each product or investment strategy (54%). The least-reported metrics were the extent to which AUM align with a well-below 2°C scenario (39%) and other climate-related targets (32%).

> Compared with the 2023 TCFD survey, asset manager respondents in 2024 had much higher rates of reporting on all metrics and targets. It is noted that these rates might reflect the size of respondents compared with the respondents in the previous year. Overall, the respondents to the 2024 IFRS Foundation survey are larger in terms of AUM than the respondents to the 2023 TCFD survey.

Figure 1.20—Asset managers that currently report on specific metrics and targets

Metrics and targets	Percentage responding
(a) Alignment with <2°C scenario: AUM[(a)]	46%
Alignment with <2°C scenario: products and strategies	39%
Other climate-related metrics	59%
(b) GHG emissions of AUM	61%
Weighted average carbon intensity: products and investment strategies	54%
(c) Targets related to GHG emissions	61%
Other climate-related targets	32%

Base size: 41

(a) As discussed in Section 2.2—*Reconciliation between TCFD recommendations and requirements in ISSB Standards*, IFRS S2 is broadly consistent with TCFD recommended disclosure c) about describing the resilience of a company's strategy. However, IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis and therefore does not require a company to use a below 2°C scenario.

22 TCFD, *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf, pages 48–49.

Along with asking asset managers about the types of climate-related information they report to their clients, the survey asked asset managers about the challenges they face in reporting information on the TCFD core content recommendations.

Table 1.37 lists the challenges reported by asset managers. A lack of resources and concerns about negative regulatory or other stakeholder scrutiny were the two most frequently cited challenges.

Almost 40% of asset manager respondents said a lack of resources is a challenge for their reporting in general and especially for reporting on strategy and metrics and targets. Overall, 29% cited concern about negative regulatory or other stakeholder scrutiny as a challenge, particularly in reporting on metrics and targets. Insufficient information from companies was less of a challenge for those surveyed this year compared with respondents in prior years. The survey asked respondents whether the issue of insufficient information related to public companies, private investments, other sources or some combination of the three options (respondents could select more than one option). Of asset managers that cited insufficient information as a challenge, 78% said the issue related to private investments, 68% said to public companies and 63% said to other sources.

Table 1.37—Asset managers: challenges reporting climate-related information

Challenge	Governance	Strategy	Risk management	Metrics and targets	Overall
Lack of resources	5%	29%	15%	24%	**39%**
Concern about negative scrutiny	15%	17%	12%	22%	**29%**
Insufficient information from companies	7%	15%	20%	27%	**27%**
Lack of expertise or capabilities	0%	12%	5%	7%	**15%**
Lack of methodologies	0%	5%	5%	7%	**15%**
Lack of board or senior management support	5%	5%	0%	7%	**12%**

Base size: 41

The IFRS Foundation also reviewed asset managers' reporting on information based on their size using AUM. Table 1.38 shows the percentage of asset managers in each AUM size category that currently report on the recommended disclosures.

These results are generally consistent with those for the AI review of public companies, which showed that a higher percentage of larger companies than smaller companies disclosed climate-related information.

Table 1.38—Asset managers: currently report climate-related information by AUM

Recommendation	Recommended disclosure	<US$1b (4)	US$1–9b (2)	US$10–99b (10)	>US$100b (25)
Governance	a) Board oversight	50%	100%	90%	84%
	b) Management's role	75%	50%	90%	88%
Strategy	a) Risks and opportunities	75%	50%	80%	84%
	b) Impact of risks and opportunities on company	75%	50%	70%	68%
	c) Resilience of strategy	50%	0%	40%	44%
Risk management	a) Risk identification and assessment processes	50%	100%	70%	80%
	b) Risk management processes	75%	100%	70%	80%
	c) Integration into overall risk management	75%	50%	60%	84%
Metrics and targets	a) Climate-related metrics	50%	100%	60%	84%
	b) GHG emissions	50%	100%	60%	76%
	c) Climate-related targets	50%	0%	50%	52%

The numbers in parentheses represent the number of respondents.

Base size: 41

Table 1.39 provides a breakdown of the types of reports in which asset managers currently report climate-related information to their clients. Most asset managers currently report in sustainability reports (75%) or reports available to only their clients (at 73%).

For asset managers that do not currently provide climate-related information to their clients (that is, plan to report, do not plan to report or are undecided), Table 1.39 provides information about the types of reports in which asset managers stated they would report climate-related information to their clients if they had done so.

More than 65% of asset managers currently report through climate-specific reports and 22% are planning to report to clients in this way, with 20% saying they report to clients through financial filings and 10% that they plan to report this way.

Table 1.39—Asset managers: location of climate-related reporting

(Respondents could select more than one report type)

	Reporting status			
Report type	**Currently report**	**Plan to report**	**Do not plan to report**	**Undecided**
Sustainability report	75%	12%	5%	5%
Client report	73%	15%	2%	7%
Climate-specific report	68%	22%	5%	5%
Annual report	27%	7%	27%	15%
Financial filing	20%	10%	27%	20%
Other	12%	2%	0%	2%

Base size: 41

1.5.5—Reporting of climate-related information by asset owners

Almost 77% of asset owner respondents currently report information in line with the TCFD recommendations (or ISSB Standards) and 38% report on all 11 TCFD recommended disclosures.

Table 1.40 shows the percentages of asset owner respondents that currently report, plan to report, or are undecided about reporting to their beneficiaries on the recommended disclosures.

Those who report on the recommended disclosures most commonly reported on governance, specifically board oversight and management's role (both 95%) and on impact of climate-related risks and opportunities on the company (Strategy b) and risk identification and assessment processes (Risk management a, both 95%). The lowest level of reporting—at 57%—was on the resilience of the company's strategy under different climate-related scenarios (Strategy c), with 19% of asset owners saying they plan to report on this disclosure.

Table 1.40—Asset owners: rates of reporting on recommended disclosures

Recommendation	Recommended disclosure	Percentage for each reporting option		
		Currently report	Plan to report	Undecided
Governance	a) Board oversight	95%	0%	5%
	b) Management's role	95%	0%	5%
Strategy	a) Risks and opportunities	90%	5%	5%
	b) Impact of risks and opportunities on company	95%	0%	5%
	c) Resilience of strategy	57%	19%	24%
Risk management	a) Risk identification and assessment processes	95%	0%	5%
	b) Risk management processes	90%	5%	5%
	c) Integration into overall risk management	85%	5%	10%
Metrics and targets	a) Climate-related metrics	80%	10%	10%
	b) GHG emissions	90%	5%	5%
	c) Climate-related targets	71%	10%	19%
				Base size: 21

The survey also asked respondents about seven specific climate-related metrics and targets included in the TCFD supplemental guidance, as shown in Figure 1.21. The IFRS Foundation was interested in the rate of reporting on these particular metrics, including GHG emissions and the weighted average carbon intensity for each product or investment strategy.[23]

Figure 1.21 shows the percentage of asset owners that currently report on these seven metrics to their beneficiaries. More than two thirds of asset owners report on GHG emissions (71%) and targets related to GHG emissions (76%). These metrics were the most frequently reported on, followed by other climate-related metrics (67%) and climate-related targets (43%). The least-reported metric—at 14%—was the extent to which products and strategies align with a well-below 2°C scenario.

Figure 1.21—Asset owners that currently report on specific metrics and targets

Metrics and targets	Percentage responding
(a) Alignment with <2°C scenario: AUM[(a)]	29%
Alignment with <2°C scenario: products and strategies	14%
Other climate-related metrics	67%
(b) GHG emissions of AUM	71%
Weighted average carbon intensity: products and investment strategies	38%
(c) Targets related to GHG emissions	76%
Other climate-related targets	43%

Base size: 21

(a) As discussed in Section 2.2—*Reconciliation between TCFD recommendations and requirements in ISSB Standards*, IFRS S2 is broadly consistent with TCFD recommended disclosure c) about describing the resilience of a company's strategy. However, IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis and therefore does not require a company to use a below 2°C scenario.

23 TCFD, *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf, pages 41–42.

Along with asking asset owners about the types of climate-related information they report to their beneficiaries, the survey asked asset owners about the challenges they face in reporting information on the TCFD core content recommendations.

Table 1.41 lists the challenges identified by asset owners. Consistent with the 2023 TCFD survey, insufficient information from investee companies was the most frequently cited challenge.

Almost 30% of asset owner respondents said insufficient information from investee companies is a challenge for their reporting in general and especially for reporting on metrics and targets. Anticipating that insufficient information would be identified as a significant challenge again this year, the IFRS Foundation's 2024 survey asked respondents whether the issue of insufficient information related to public companies, private investments, other sources or some combination of the three options (respondents could select more than one option). Of asset owners that cited insufficient information from investee companies as a challenge, most said the issue related to private investments (76%) and approximately half said the issue related to public companies or other sources (52%).

A further 24% cited jurisdictional requirements as a challenge. Those who cited jurisdictional requirements as a challenge highlighted the inconsistency of standards, the varying pace of adoption of some standards by national regulators, the varying levels of clarity and detail in regulations, integration challenges with local regulations and inconsistent methods.

Table 1.41—Asset owners: challenges reporting climate-related information

Challenge	Governance	Strategy	Risk management	Metrics and targets	Overall
Insufficient information from investee companies	0%	10%	10%	29%	**29%**
Jurisdictional requirements	14%	19%	14%	24%	**24%**
Lack of resources	0%	10%	14%	19%	**19%**
Concern about negative scrutiny	10%	14%	10%	14%	**19%**
Lack of methodologies	0%	5%	5%	5%	**5%**
Lack of expertise or capabilities	0%	5%	5%	5%	**5%**
Lack of board or senior management support	0%	0%	0%	0%	**0%**

Base size: 21

Table 1.42 provides a breakdown of the types of reports in which asset owners currently report climate-related information to their beneficiaries. Most asset owners currently report in sustainability reports (67%), climate-specific reports (57%) or annual reports (57%). Reporting of climate-related information in financial filings or in direct client reports is used by 10% of asset owners who responded to the survey.

For asset owners that do not currently report climate-related information to their beneficiaries (that is, plan to report, do not plan to report or are undecided), Table 1.42 provides information about the types of reports in which asset owners stated they would report climate-related information to their beneficiaries if they had done so.

Table 1.42—Asset owners: location of climate-related reporting

(Respondents could select more than one report type)

	Reporting status			
Report type	**Currently report**	**Plan to report**	**Do not plan to report**	**Undecided**
Financial filing	10%	10%	24%	14%
Annual report	57%	10%	10%	10%
Sustainability report	67%	0%	10%	10%
Climate-specific report	57%	5%	14%	14%
Client report	10%	0%	24%	24%
Other	14%	5%	5%	5%

Base size: 21

1.5.6—ISSB-specific questions

As mentioned previously, the IFRS Foundation also included questions in the survey to better understand asset managers' and asset owners' reporting practices in relation to ISSB Standards. The IFRS Foundation's findings are shown in Figure 1.22.

> Of those asset managers and asset owners that responded to the optional questions about ISSB Standards, 84% of asset managers and 100% of asset owners want or expect portfolio companies to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards.

These respondents cited the integration of the TCFD recommendations into ISSB Standards, the comparability of information provided through use of ISSB Standards and jurisdictional adoption of ISSB Standards as primary reasons for their expectations.

The most common factors respondents gave that could accelerate the adoption of ISSB Standards were:

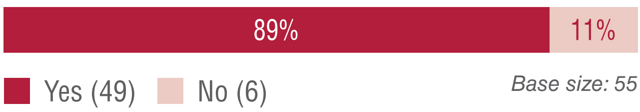
- regulatory factors and action;
- more guidance on implementation; and
- examples of reporting in accordance with ISSB Standards in practice.

Respondents also emphasised the critical importance of interoperability between ISSB Standards and other established standards and frameworks to streamline and enhance the quality of sustainability reporting. Many respondents expressed strong support for the information required by ISSB Standards to be consistent with that required by other standards that already have widespread use, such as ESRS. This response emphasises that interoperability is vital for maintaining consistency between reporting regimes and reducing the compliance burden on companies (see Section 4.4—*Interoperability of ISSB Standards with other standards and initiatives*).

Furthermore, some respondents said it would be helpful for jurisdictions that require companies to comply with particular standards to permit the use of ISSB Standards to reduce the reporting burden on companies.

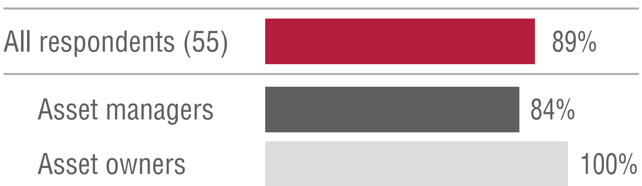
Figure 1.22—Asset manager and asset owner respondents' comments about the transition from TCFD recommendations to ISSB Standards

Percentage wanting or expecting portfolio companies to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards



The numbers in parentheses represent the number of respondents that answered optional questions pertaining to ISSB Standards and the TCFD recommendations.

Percentage wanting or expecting portfolio companies to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards by organisation type



SECTION 2—FROM TCFD RECOMMENDATIONS TO ISSB STANDARDS

2.1—Introduction

The TCFD recommendations and overall framework for climate-related financial disclosure were well received by both the private sector and the public sector. These recommendations served as the foundation for several jurisdictional and international climate-related disclosure requirements and standards.

The requirements in IFRS S2 *Climate-related Disclosures* are aligned with the TCFD recommendations. IFRS S2 is accompanied by the *Industry-based Guidance on Implementing IFRS S2* (Industry-based Guidance), which was derived from the industry-based requirements in the SASB Standards, to enable a company to identify risks and opportunities and to provide decision-useful information for investors in accordance with the requirements in IFRS S2 to provide industry-based information.

The alignment between the TCFD recommendations and ISSB Standards marked a pivotal moment in corporate sustainability reporting.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 are both structured based on the four pillars in the TCFD recommendations of governance, strategy, risk management, and metrics and targets, with IFRS S2 specifically setting out disclosure requirements about climate-related risks and opportunities. The IFRS Foundation's *Comparison—IFRS S2 Climate-related Disclosures with the TCFD Recommendations* underscores this alignment, highlighting the comprehensive coverage of climate-related disclosures that companies using ISSB Standards will achieve, building on and including the disclosures set out in the TCFD recommendations, as described in Section 2.2—*Reconciliation between TCFD recommendations and requirements in ISSB Standards*.

The transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards is made more straightforward by the decision to use the TCFD recommendations as a basis for the requirements in IFRS S2. This decision also enables companies using ISSB Standards to provide the information covered by the TCFD recommendations.

The comparison document also describes areas in which IFRS S2 extends beyond the TCFD's initial disclosures, including requiring the provision of industry-specific metrics, such as those pertinent to asset managers.

The TCFD set the groundwork for climate-related financial disclosures through its four core recommendations encompassing governance, strategy, risk management, and metrics and targets, complemented by 11 supporting recommended disclosures. These recommendations guide companies worldwide in disclosing information about climate-related risks and opportunities that affect their prospects.

IFRS S2 not only integrates and builds on these foundation elements but also introduces new dimensions to reporting on climate-related financial information. It requires disclosure of industry-based metrics, ensuring relevant information is provided about sustainability-related risks and opportunities given a company's activities. Moreover, IFRS S2 requires disclosures about companies' climate-related targets, including information about the planned use of carbon credits to achieve any net emissions target. Additionally, it expands the transparency around financed emissions, a critical aspect for financial institutions in understanding the climate-related transition risks and opportunities related to their lending and investment activities.

Integrating the TCFD recommendations in ISSB Standards is an important evolution in climate-related financial reporting. ISSB Standards are designed to meet the needs of investors, although other parties, such as regulatory bodies, are expected to find information in the resulting sustainability-related financial disclosures useful. By ensuring that companies using ISSB Standards also provide the information covered by the TCFD recommendations, the ISSB has built on pre-existing practice, facilitating the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards. This transition requires a strategic approach as discussed in Section 2.3—*Transition from TCFD recommendations to ISSB Standards*.

In developing other climate-related disclosure requirements, notably ESRS and the US Securities and Exchange Commission (US SEC) climate rule, other organisations have also built on the TCFD recommendations. This common basis assists in achieving interoperability for companies that need or want to use those requirements in addition to using ISSB Standards.

The ISSB Taxonomy enables companies to consistently tag information prepared using ISSB Standards and can be used with other digital taxonomies. It supports the dialogue between companies and investors, enabling investors to digitally process sustainability-related financial disclosures as discussed in Section 2.4—*The role of digital taxonomies and digital reporting for climate-related data*.

2.1.1—Key takeaways

Table 2.1 summarises the key takeaways of Section 2.

Table 2.1—Key takeaways

	The requirements in IFRS S2 integrate and are consistent with the TCFD recommendations. Companies using ISSB Standards provide the information covered by the TCFD recommendations.[24]
	Areas in which IFRS S2 differs from the TCFD recommendations reflect differences between IFRS S2 and the TCFD's guidance, not the TCFD's core recommendations or recommended disclosures.
	Making the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards requires a step-by-step approach, starting from understanding the ISSB Standards.
	Digital taxonomies enable digital reporting of climate-related information, which in turn reduces the costs of searching through documents, enables automated data collection, leads to more efficient information processing and facilitates the consumption of information by investors for their investment decisions.

24 It is not necessary to apply the TCFD recommendations in addition to ISSB Standards to obtain information in line with the TCFD recommendations. However, some companies may still be required to use the TCFD recommendations because of jurisdictional requirements.

2.2—Reconciliation between TCFD recommendations and requirements in ISSB Standards

IFRS S2 builds upon the TCFD recommendations by introducing more specific requirements and guidance to facilitate the enforceability of IFRS S2 and to support comparability in climate-related financial information. The main difference between IFRS S2 and the TCFD recommendations is that IFRS S2 contains additional requirements and guidance, to explain the information that a company is required to disclose.

In addition, to support its global application, IFRS S2 provides additional guidance to ensure that the requirements are proportionate and scalable to meet companies' varying circumstances. For example, IFRS S2 requires a company to provide disclosures about its resilience and that these disclosures be informed by *scenario analysis* using an approach to resilience analysis that is based on the company's skills, capabilities and resources.

Building on the core content of the TCFD recommendations, IFRS S1 extends to cover the provision of material information on all sustainability-related risks and opportunities reasonably expected to affect a company's cash flows, its access to finance or cost of capital over the short, medium or long term. IFRS S1 also sets out how disclosures about those risks and opportunities relate to a company's financial statements, including that the sustainability-related financial disclosures be included as part of the general purpose financial reports.

The requirements in IFRS S2 integrate, and are consistent with, the TCFD's four core recommendations and 11 supporting recommended disclosures. Areas in which IFRS S2 differs from the TCFD recommendations reflect differences between IFRS S2 and the TCFD's guidance, not the TCFD's core recommendations or recommended disclosures.

Tables 2.2–2.6 summarise similarities and differences between IFRS S2 and the TCFD's core recommendations, recommended disclosures and guidance. For aspects that differ, differences take three forms. Specifically, IFRS S2:

- uses different wording to capture the same information as the TCFD recommendations. In these instances, the requirements in IFRS S2 are broadly consistent with the TCFD recommendations.
- requires the provision of information that is in line with the TCFD recommendations, but that is more detailed.
- differs from the TCFD guidance—but not from the TCFD's overall recommendations—mainly by providing some additional requirements and guidance.

Table 2.2—Overall comparison of IFRS S2 and TCFD recommendations

TCFD's four core recommendations	IFRS S2 summary comparison
1—Governance	• Broadly consistent.
2—Strategy	• Requires a company to consider and refer to its **Industry-based Guidance**. • Requires disclosure of **additional information** regarding resilience. • Does not specify which **climate-related scenarios** to use. • Provides additional **application guidance and reliefs**.
3—Risk management	• Requires additional disclosures on the processes a company uses to identify, assess, prioritise and monitor **opportunities**.
4—Metrics and targets	• Requires disclosure of industry-based metrics. • Requires disclosure of information about **Scope 1 and Scope 2 GHG emissions** only if it is material. • Requires **additional disclosures** related to a company's GHG emissions and planned use of carbon credits. • Provides additional **application guidance and reliefs**.

In Tables 2.3–2.6, formatted text is used in the right-hand column of the table to illustrate differences between IFRS S2 and the TCFD recommendations:

- **black bold text** indicates a requirement in IFRS S2 that is in line with the TCFD recommendations but is more detailed; and
- **black bold text highlighted in grey** indicates a requirement in IFRS S2 that is not in the TCFD recommendations.

Table 2.3—Detailed comparison of IFRS S2 and TCFD recommendations on governance

	TCFD recommendations, recommended disclosures and guidance	IFRS S2
	1—Governance	
	Disclose the company's governance around climate-related risks and opportunities.	Disclose information that enables *users of general purpose financial reports* to understand the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.
1	**Recommended disclosure a)** **Board oversight** Describe the board's oversight of climate-related risks and opportunities.	IFRS S2 is broadly consistent with recommended disclosure a). IFRS S2 requires the disclosure of **more detailed information**—for example, how a governance body's or individual's responsibilities for climate-related risks and opportunities are reflected in terms of reference, mandates, role descriptions and other related policies applicable to that body or individual.
2	**Recommended disclosure b)** **Management's role** Describe management's role in assessing and managing climate-related risks and opportunities.	IFRS S2 is broadly consistent with recommended disclosure b).

Table 2.4—Detailed comparison of IFRS S2 and TCFD recommendations on strategy

	TCFD recommendations, recommended disclosures and guidance	IFRS S2
	2—Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy and financial planning where such information is material.	Disclose information that enables users of general purpose financial reports to understand a company's strategy for managing climate-related risks and opportunities.
3	**Recommended disclosure a)** **Risks and opportunities** Describe the climate-related risks and opportunities the company has identified over the short, medium and long term.	IFRS S2 is broadly consistent with recommended disclosure a). IFRS S2 also requires a company to refer to and consider the applicability of **industry-based disclosure topics in its industry-based guidance** in identifying climate-related risks and opportunities. IFRS S2 also requires disclosure of **more detailed information** about where in the company's business model and value chain risks and opportunities are concentrated
4	**Recommended disclosure b)** **Impact of risks and opportunities on company** Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	IFRS S2 is broadly consistent with recommended disclosure b). IFRS S2 requires disclosure of **more detailed information** describing the effects of climate-related risks and opportunities. For example, how a company has responded to, and plans to respond to, the identified risks and opportunities, any transition plans it has and how it plans to achieve its climate-related targets. In the requirements related to the current and anticipated effects of climate-related risks and opportunities on a company's financial position, financial performance and cash flows, IFRS S2 sets out **criteria for circumstances in which quantitative and qualitative information is required**. Companies are permitted to disclose only qualitative information in some circumstances—for example, if a company **cannot separately identify the effects of the risk or opportunity or if the level of measurement uncertainty involved is too high**. IFRS S2 requires a company preparing disclosures on the anticipated financial effects of climate-related risks and opportunities to use **all reasonable and supportable information that is available at the reporting date without undue cost or effort. IFRS S2 also provides that a company use an approach that is commensurate with the company's circumstances** in preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity.

continued ...

TCFD recommendations, recommended disclosures and guidance		IFRS S2
5	**Recommended disclosure c)** **Resilience of strategy** Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	IFRS S2 is broadly consistent with recommended disclosure c). However, **IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis**.[(a)] IFRS S2 requires a company to provide **additional information** regarding its resilience on: • significant areas of uncertainty the company has considered in its assessment; • the company's capacity to adjust and adapt its strategy and business model over time; and • how and when the company has carried out its climate-related scenario analysis. IFRS S2 provides that a company carrying out climate-related scenario analysis **use an approach that is commensurate with the company's circumstances and consider all reasonable and supportable information that is available at the reporting date without undue cost or effort**.

(a) IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis because the relevant scenarios would depend on the company's facts and circumstances, including the nature and location of its operations and the physical and transition risks to which it is exposed. IFRS S2 requires a company to select scenarios that are relevant to its circumstances in order to provide useful information to users of general purpose financial reports and to explain which climate-related scenarios it has used, including whether they are related to transition or physical risks and whether the company used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.

Table 2.5—Detailed comparison of IFRS S2 and TCFD recommendations on risk management

	TCFD recommendations, recommended disclosures and guidance	IFRS S2
	3—Risk management Disclose how the company identifies, assesses and manages climate-related risks.	Disclose information that enables users of general purpose financial reports to understand the processes a company has used to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the company's overall risk management process.
6	**Recommended disclosure a)** **Risk identification and assessment processes** Describe the company's processes for identifying and assessing climate-related risks.	IFRS S2 is broadly consistent with recommended disclosure a). IFRS S2 requires disclosure of **more detailed information**—for example: • what input parameters a company uses to identify risks (such as data sources, the scope of operations covered and the detail used in assumptions); • whether and how the company uses climate-related scenario analysis to inform its identification of risks; and • whether the company has changed the processes used to identify, assess, prioritise and monitor risks compared with the prior reporting period. IFRS S2 also requires **additional disclosures** on the processes a company uses to identify, assess, prioritise and monitor **opportunities**.
7	**Recommended disclosure b)** **Risk management processes** Describe the company's processes for managing climate-related risks.	IFRS S2 is broadly consistent with recommended disclosure b). The risk management disclosure requirements in IFRS S2 focus on a company providing information about the processes it uses to identify, assess, prioritise and monitor climate-related risks and **opportunities**.[(a)]
8	**Recommended disclosure c)** **Integration into overall risk management** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	IFRS S2 is broadly consistent with recommended disclosure c). IFRS S2 requires **additional disclosures** on the extent to which, and how, the processes a company uses to identify, assess, prioritise and monitor **opportunities** are integrated into and inform the company's overall risk management process.

(a) Information that enables users of general purpose financial reports to understand a company's strategy for managing risks and opportunities is required by the strategy disclosure requirements of IFRS S2.

Table 2.6—Detailed comparison of IFRS S2 and TCFD recommendations on metrics and targets

	TCFD recommendations, recommended disclosures and guidance	IFRS S2
	4—Metrics and targets	
	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose information that enables users of general purpose financial reports to understand a company's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.
9	**Recommended disclosure a)** **Climate-related metrics** Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	IFRS S2 requires the same categories of cross-industry metrics as the TCFD guidance. IFRS S2 also requires disclosure of **industry-based metrics** relevant to a company's business model and activities. The *Industry-based Guidance on Implementing IFRS S2* is required to be considered in providing this information.
10	**Recommended disclosure b)** **GHG emissions** Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	IFRS S2 is broadly consistent with recommended disclosure b). **However, whereas the TCFD recommendations include the disclosure of Scope 1 and Scope 2 GHG emissions 'independent of materiality', and Scope 3 GHG emissions 'as appropriate', ISSB Standards require a company to disclose information only if it is material.**[a] IFRS S2 requires **additional disclosures** related to a company's GHG emissions, including: • separate disclosure of Scope 1 and Scope 2 GHG emissions for (1) the consolidated accounting group and (2) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in the consolidated accounting group; • disclosure of Scope 2 GHG emissions using a location-based approach and providing information about any contractual instruments that is necessary to inform users' understanding; • disclosure of Scope 3 GHG emissions, including **additional information** about the company's **financed emissions** if the company has activities in asset management, commercial banking or insurance; and • information about the measurement approach, inputs and assumptions the company has used in measuring Scope 3 GHG emissions. IFRS S2 also sets out a **Scope 3 measurement framework** to provide guidance for preparing Scope 3 GHG emissions disclosures. IFRS S2 does not require a company to disaggregate its GHG emissions disclosures by the constituent gases. However, IFRS S1 includes requirements on disaggregation that would result in the disclosure of the constituent gases being required if such disaggregation provides material information.

(a) The TCFD provided guidance to support companies in developing climate-related financial disclosures consistent with the recommendations and recommended disclosures it published in 2017. In 2021 the TCFD updated its guidance *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures* to encourage companies to disclose information about Scope 1 and Scope 2 GHG emissions independent of an assessment of materiality.

continued ...

TCFD recommendations, recommended disclosures and guidance		IFRS S2
11	**Recommended disclosure c)** **Climate-related targets** Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	IFRS S2 is broadly consistent with recommended disclosure c). IFRS S2 **differs from the TCFD guidance** in, for example, requiring disclosures about how the *latest international agreement on climate change* has informed the target and whether the target has been validated by a third party. IFRS S2 requires disclosure of **more detailed information** on GHG emissions targets, including **additional information** about a company's **planned use of carbon credits** to achieve its net GHG emissions targets. IFRS S2 also includes **additional requirements** to disclose information about the approach to setting and reviewing each target, and how the company monitors progress against each target, including whether the target was derived using a **sectoral decarbonisation approach**.

2.3—Transition from TCFD recommendations to ISSB Standards

Companies could benefit considerably from applying ISSB Standards. The ISSB Standards focus on critical information that investors need for decision making. They integrate and build upon the core elements of the TCFD framework and other widely used sustainability frameworks and standards to streamline the corporate sustainability reporting process.

The implementation of ISSB Standards not only boosts the quality of information disclosed by companies but also increases the transparency of that information, helping companies attract investment more effectively and at reduced costs. In providing information necessary for reporting it also enhances corporate strategic planning and coordination among employees, suppliers and customers.

Adoption or other use of ISSB Standards facilitates more cost-effective reporting in jurisdictions.

Companies that have provided information using the TCFD recommendations are well positioned to use the ISSB Standards. However, making the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards requires a strategic approach. The next paragraphs include a step-by-step guide to help companies to manage this transition smoothly.

2.3.1—Understanding ISSB Standards

Read and familiarise

Begin by thoroughly reading both IFRS S1 and IFRS S2. These documents lay the foundation for sustainability-related financial disclosures, including climate-related disclosures using ISSB Standards. IFRS S1 provides crucial context for applying IFRS S2, such as the requirements to provide sustainability-related financial information with the financial statements as part of general purpose financial reports and, at the same time, reporting of connected information and the definition of material information. More information related to IFRS S1 and IFRS S2 can be found via the IFRS Sustainability Standards Navigator.

Comparison analysis

Refer to Tables 2.3–2.6 for a detailed comparison of the TCFD recommendations and IFRS S2 to understand the similarities and differences between the two.

2.3.2—Gap analysis

Identify gaps

Compare the company's current climate-related disclosures with the requirements in IFRS S2. Make a note of any gaps in disclosures, especially in areas for which the requirements in IFRS S2 go beyond the TCFD recommendations, such as industry-based metrics, use of carbon credits, additional information on targets, GHG emissions including financed emissions and Scope 3 GHG emissions, and use of scenario analysis to assess climate resilience.

Consider whether the climate-related risks and opportunities and value chain considered are aligned with the reporting entity concept as set out in IFRS S1. For example, the information provided with consolidated financial statements needs to provide information regarding the climate-related risks and opportunities for the consolidated group.

Close gaps

Develop a plan to close these gaps, which might involve gathering new data, improving reporting processes or developing new ones.

2.3.3—Governance, risk management and strategy

Governance

Review the company's governance structures and processes to prepare for the enhanced transparency and comparability required by IFRS S1 and IFRS S2, and possible assurance of sustainability-related financial disclosures.

Risk management

Review the company's risk management processes and policies to understand sustainability-related risks and opportunities over the short, medium and long term as required by IFRS S1 and IFRS S2.

Strategy

Review the company's strategy to assess sustainability-related risks, set and meet emissions and other targets, and communicate long-term sustainability goals.

2.3.4—Update reporting processes

Sustainability reporting

Align the company's reporting processes with the requirements in IFRS S1 and IFRS S2, ensuring that financial statements and sustainability-related financial disclosures are published simultaneously. Be mindful of the transition relief available in the first year of preparing sustainability-related financial disclosures in accordance with IFRS S1.

Continuous improvement

Implement processes for continuous monitoring and updating of disclosures to allow for evolving standards and stakeholder expectations.

2.3.5—Training and internal communication

Internal training

Provide training for relevant internal stakeholders on the similarities and differences between the TCFD recommendations and the requirements in IFRS S2, and on the importance of the disclosures in enhancing investor–company dialogue.

Internal buy-in

Foster a culture of sustainability within the company, emphasising the role of enhanced disclosures in improving access to and lowering the cost of capital.

2.3.6—External communication and engagement

Stakeholder engagement

Communicate with investors and other stakeholders on how the company plans to enhance the quality and comparability of sustainability-related financial disclosures.

External assurance

Consider obtaining external assurance for the company's sustainability-related financial disclosures to enhance their credibility and reliability.

2.3.7—Monitor regulatory developments

Stay informed

Keep abreast of further developments from the ISSB and regulatory changes in jurisdictions that might affect sustainability-related disclosure requirements.

> Ultimately, the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards is not just about compliance, but about seizing the opportunity to lead in sustainability reporting and create long-term value for all stakeholders.

2.4—The role of digital taxonomies and digital reporting for climate-related data

In addition to standard-setting work, the ISSB has prioritised the development of a digital taxonomy to enable the digital reporting of sustainability-related financial information.

The ISSB believes the primary benefit of digital reporting, compared to paper-based reporting, is the improved ability to search, extract and compare reported information.

The IFRS Foundation's website contains more information regarding the IFRS Foundation's efforts to increase the availability and usage of digital information, including the introductory article *Digital Financial Reporting—Facilitating digital comparability and analysis of financial reports* published in April 2024.

In addition to posing challenges for companies and their executives, factoring in climate-related information has imposed substantial information processing costs on investors, creditors, data providers, assurance providers, regulators and other consumers of information. Investors interested in climate-related data have often had to engage in time consuming, manual efforts to gather data from disparate sources available at different times. Such constraints make comparison of climate-related information among companies a real challenge. Users of climate-related information can benefit from having relevant information presented in a digital format.

For example, similar to the approach used for the analysis discussed in Section 1.2—*TCFD-aligned reporting by public companies*, some investors and other stakeholders interested in examining the extent and quality of companies' climate reporting develop machine learning or AI models to examine large volumes of relevant reports for many companies simultaneously. However, the quality of the model-generated output is highly dependent on the quality and structure of the underlying data, which can be improved through the adoption of digital reporting practices.

Digital taxonomies like the ISSB Taxonomy will enable digital reporting of climate-related information, which in turn will reduce the costs of searching through documents, enable automated data collection, lead to more efficient information processing and help expand the population of possible global investment targets.

> Digital taxonomies and *digital financial reporting* are major steps forward in enhancing the availability, accessibility and comparability of data. Additionally, by reducing the costs associated with searching and processing information, these advancements might facilitate more efficient and effective analysis and help to improve market oversight.

In addition, as emphasised in the 2023 TCFD status report, having central access to digital reports plays an important role. Central access to digital reports can help reporting companies and their investors carry out more efficient and accurate benchmarking and peer analyses. More broadly, the availability of digital reports will result in more efficient market oversight and enforcement reviews, enable automated validation checks and technology-driven monitoring and improve overall data sharing in the market.

Advancements in digital reporting not only build upon the work of the TCFD and of the ISSB, but also support the establishment of central, globally comparable sustainability data repositories. The development of a global open repository for climate data will provide free, public access to a central source of climate-related information, in line with the TCFD recommendations and the requirements in IFRS S2.

2.4.1—What is the ISSB Taxonomy?

The ISSB Taxonomy provides a list of defined elements (commonly referred to as tags) needed to make computer-readable information prepared in accordance with IFRS S1 and IFRS S2. As such, the ISSB Taxonomy provides a structure and classification for consistently and comparably rendering sustainability-related information (including climate-related information) computer-readable.

The ISSB Taxonomy:

- is derived from ISSB Standards and reflects both the requirements in the Standards and the accompanying materials;
- can be used with XBRL (eXtensible Business Reporting Language) and other digital reporting formats;
- is regularly updated to reflect amendments to ISSB Standards or new ISSB Standards; and
- is distinct from the 'green' taxonomies used for assessing or categorising the sustainability ratings or attributes of a company or product or the sustainability attributes of economic activities.

The IFRS Foundation also maintains the SASB Standards Taxonomy, which companies can use to make computer-readable information reported in accordance with the industry-based SASB Standards.

Without a digital taxonomy, companies might use various descriptions to refer to the same concepts or use the same description for diverse concepts. For example, companies might use 'Scope 1 greenhouse gas emissions' to refer to both absolute and relative emissions. Without additional context from each company's disclosures, users of climate-related information would need to invest additional effort in determining the measurement unit of the concept along with the level of rounding. However, if each company tags its disclosure with the 'AbsoluteGrossScope1GHGEmissions' element from the ISSB Taxonomy, a computer will be able to determine the concept a company is referring to and its unit of measurement. In other words, tags contain information (metadata) about the reporting period to which information relates and, if applicable, the currency, unit of measurement and level of rounding of reported information. Tags also contain references to the related requirements in ISSB Standards. These references allow users of climate-related information:

- to identify the specific reporting requirements to which information relates; and
- to automatically search digitally tagged general purpose financial reports for information that relates to a specific requirement.

Figure 2.1 provides an example of information tagging as per the ISSB Taxonomy.

Table 2.7 summarises why digital financial reporting is important.

Figure 2.1—Illustration of ISSB Taxonomy for absolute gross Scope 1 emissions

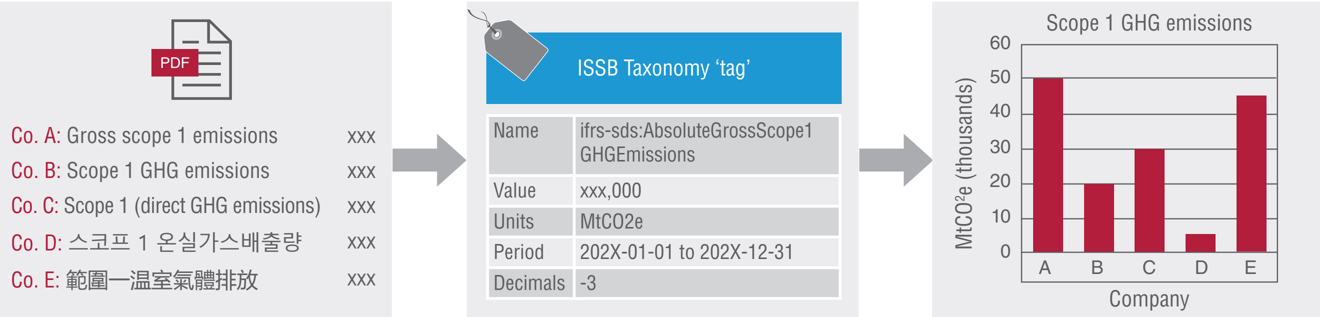


Table 2.7—Why digital financial reporting is important

Investors benefit from	• automated data collection and reduced search costs • more efficient information processing • reduced information asymmetry
Companies benefit from	• increased analyst coverage and access to capital, including foreign investment, fostering a broad and stable investor base • more efficient and accurate benchmarking and peer analysis • reduced burden of submitting the same information to more than one organisation or government agency
Regulators benefit from	• increased capital formation • more efficient market oversight and enforcement reviews • automated validation checks and technology-driven monitoring • improved data sharing between regulators and government agencies

Digital financial reporting can improve capital market transparency and efficiency. Improved transparency promotes capital formation and allows companies to raise capital at a lower cost. This opens up greater opportunities for investment, which in turn leads to economic growth and development. Research suggests that introducing digital financial reporting requirements has led to economic and other benefits for a multitude of stakeholders.[25]

What is needed to realise the benefits of digital climate-related reporting?

Companies' financial reports may or may not be digital. If they are, they vary in how they are rendered computer-readable, data quality and accessibility. Consequently, investors often cannot digitally extract and compare company reports from various jurisdictions—or even from the same jurisdiction.

For investors and other stakeholders to realise the full benefits of digitally tagged information, digital reports should be:

- a complete and accurate representation of reported information;
- structured in a digitally comparable format;
- publicly available at the same time as reported information; and
- centrally accessible in an easy-to-use format.

The ISSB plays an important role in realising these benefits by developing the ISSB Taxonomy to help investors and other stakeholders digitally compare and analyse sustainability-related financial disclosures.

Overcoming the challenges associated with digital financial reporting will require effort from regulators and other stakeholders to ensure that:

- digital financial reports are prepared using the ISSB Taxonomy alongside ISSB Standards;
- digital financial reports are assured by auditors and reviewed by regulators (including validation checks) to give investors confidence in the quality of the reports;
- digital financial reporting mandates require all information in sustainability-related financial disclosures to be publicly and centrally accessible in a computer-readable, structured data format at the same time that reported information is available in other formats; and
- materials are made available to explain how data from digital financial reporting repositories can be accessed, searched and extracted.

25 For example, since 2009, the US Securities and Exchange Commission (US SEC) has gradually introduced requirements for listed companies to file their financial statements in eXtensible Business Reporting Language (XBRL), a computer-readable, structured data format. In 2019, the US SEC started to introduce requirements for listed companies to file their financial statements in Inline XBRL (iXBRL), a computer- and human-readable format. Foreign private issuers that report in the US using IFRS Accounting Standards are required to apply the IFRS Accounting Taxonomy. Public digital filings with the US SEC can be accessed through the Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) at https://www.sec.gov/edgar/search. For a summary of academic research on benefits, see I. Troshani and N. Rowbottom, 'Digital corporate reporting: Research developments and implications', *Australian Accounting Review*, vol 31, no 3, September 2021, pages 213–232 https://doi.org/10.1111/auar.12334 and I. Goldstein, S. Yang and L. Zuo, 'The real effects of modern information technologies: Evidence from the EDGAR implementation', *Journal of Accounting Research*, vol 61, no 5, pages 1699–1733, June 2023, https://onlinelibrary.wiley.com/doi/abs/10.1111/1475-679X.12496.

2.5—Examples of companies preparing to move from TCFD recommendations to ISSB Standards

This section provides examples of companies that are preparing the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards. The information in the examples is extracted from the companies' public reports for fiscal year 2023.

Additional examples of companies preparing to use ISSB Standards are included in Section 1.4—*Companies referencing ISSB Standards*.

The examples are not intended to assess the quality of companies' disclosures' alignment with the TCFD recommendations or with sustainability-related disclosure requirements in ISSB Standards, but instead to illustrate how companies are preparing to use ISSB Standards.

About Company A

Company A is a publicly traded property and casualty insurance company. With operations in more than 50 jurisdictions, it provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. The parent company is listed on the New York Stock Exchange. It maintains executive offices in several locations and employs approximately 40,000 people worldwide.

Extract from Company A's 2023 Climate-related financial disclosure report[(a)]

We are proud to present our third annual TCFD Report, which reflects our ongoing work to manage our climate risks and opportunities and take an evidence-based approach to addressing climate change. We remain firmly committed to our responsibility to encourage the transition to a net-zero economy while recognising the ongoing energy needs of the global economy. We will continue to be guided by the fundamental underwriting principles that underlie our business and the best available climate science as we seek to work with our clients and provide essential risk transfer capacity to support the net-zero transition.

We actively assess new climate disclosure recommendations as they arise to identify emerging trends. In the preparation of this year's report, we have reviewed ISSB Standards, the SASB Standards for insurance and the Net Zero Insurance Alliance's Target Setting Protocol. While we have some substantive and process concerns about the proliferation of various climate disclosure regimes, we have endeavoured to include relevant and applicable data responsive to these standards.

continued ...

Extract from Company A's 2023 Climate-related financial disclosure report[a]

Over the last year, a number of approaches to climate disclosure have been newly promulgated or elevated in prominence. We actively evaluate new approaches to climate disclosures to assess their alignment with our broader business strategy. Our assessment of frameworks and methods turns on (1) alignment with our broader climate strategy, (2) assessment of potential financial materiality of information and (3) assessment of whether the framework or methodology helps us to evaluate our role in facilitating the transition to the net-zero economy. We favour approaches that allow us to focus on financially material issues and facilitating the reduction of GHG emissions in the real economy over those that remain narrowly focused on counting or are overly reliant on estimation of data. Our views on key emerging climate disclosure frameworks and methodologies are as follows.

IFRS S2: we appreciate the work of the ISSB and its ongoing focus on providing material information to investors. We agree with the ISSB's adoption of the TCFD framework as a useful tool to identify and report financially material information to investors. We are continuing to work to evaluate and understand the ISSB's specific requirements for the calculation of financed emissions, and their applicability to our business. In considering materiality metrics that may apply to climate and sustainability reporting, we believe that financial materiality is the most appropriate.

SASB Insurance Sector Standard: ISSB Standards encourage adoption of the SASB sector-specific Standards. We are currently in the process of evaluating the SASB Standards and their materiality for our business.

(a) Some minor edits have been made to the language in this extract.

About Company B

Company B is a prominent life insurance group publicly listed on the Hong Kong Stock Exchange. It operates throughout Asia-Oceania, providing life insurance, pensions, and accident and health insurance to a diverse client base. With strategic executive offices established in several locations, Company B employs a vast workforce committed to delivering security and wellbeing to its customers. It employs approximately 23,000 people worldwide.

Extract from Company B's 2023 ESG report[a]

We embrace our role to address climate change as an insurer, asset owner and responsible business. This commitment is evident in our formulation and implementation of our ESG Strategy and Climate Transition Plan launched in 2023. Our emission reduction levers enable us to effectively identify, assess and manage climate-related risks and opportunities across our Operations, Investments and Life and Health insurance portfolio. Our goal is to achieve net-zero greenhouse gas (GHG) emissions by 2050.

continued ...

Extract from Company B's 2023 ESG report[a]

We are dedicated to setting credible targets to address climate risks and opportunities, reinforcing our support for global efforts towards a net-zero economy. Since 2018 we have supported the voluntary adoption of the TCFD recommendations and continue to respond to and participate in regulatory consultations in many markets to align with the TCFD recommendations. These efforts have extended to markets such as Australia, Malaysia, Singapore, Hong Kong and New Zealand. This report's climate-related disclosures adhere to the TCFD's *Guidance for All Sectors* and the *Supplemental Guidance for the Financial Sector*.

IFRS S1 and IFRS S2: we responded in general support of the proposed ISSB Standards and are committed to demonstrating progress towards adhering to the ISSB's IFRS S1 (*General Requirements for Disclosure of Sustainability-related Financial Information*) and IFRS S2 (*Climate-related Disclosures*). This commitment is reflected in our detailed presentation of our climate risk and opportunity management processes in this report. The global adoption of ISSB Standards by regulatory reporting bodies underscores their importance in guiding companies towards transparent and comprehensive sustainability performance disclosures.

(a) Some minor edits have been made to the language in this extract.

About Company C

Company C is a mobile network operator listed on the Johannesburg Stock Exchange. Serving over 270 million subscribers in 20 markets in Africa and the Middle East, Company C offers voice, data, fintech, digital, enterprise, wholesale and API services.

Extract from Company C's 2023 sustainability report[a]

To support the widespread adoption of the new investor-focused standards, IFRS S1 and IFRS S2, by the International Sustainability Standards Board, our company has pledged to begin the journey of adopting these standards. We will have built upon our work on TCFD and have reported against IFRS S2 rather than TCFD this year. This is because IFRS S1 and IFRS S2 disclosures meet the TCFD disclosure requirements as these have been fully integrated.

While understanding sustainability-related risks and opportunities is a complex and iterative process, we have developed significant processes around TCFD. These processes are now applied with respect to IFRS S2. While we mature our alignment to IFRS S2, we are working proactively to prepare for IFRS S1.

continued ...

Extract from Company C's 2023 sustainability report[a]

We understand that IFRS S2 needs to be applied in conjunction with IFRS S1. This is because an entity is required to apply IFRS S2 in accordance with the conceptual foundations, general requirements and the requirements related to judgements, uncertainties and errors in IFRS S1.

Our company embarked on this journey, following the publication of IFRS S1 and IFRS S2 in 2023, aiming to mature our understanding of sustainability-related risks and opportunities and work towards compliance with the framing required by ISSB Standards.

IFRS S1 and IFRS S2: to ensure group-wide alignment, we provided capacity development sessions to our group executives and operating companies, outlining the implications of the new disclosure guidance and its impact on our stakeholder communications through reporting. We have commenced the process of aligning our reporting suite with IFRS S2 disclosure guidance, as demonstrated in our 2023 Climate Report.

(a) Some minor edits have been made to the language in this extract.

About Company D

Company D is a regional multilateral development bank that promotes the development of the private sector and entrepreneurial initiative in more than 35 economies across three continents. The bank is owned by more than 70 countries and public organisations. Its investments are aimed at making the economies in its regions competitive, well governed, green, inclusive, resilient and integrated.

Extract from Company D's 2023 TCFD report[a]

In 2023 the bank continued to act as a catalyst for the low-carbon transition across the economies in which it operates. As a leading provider of climate finance, with established governance overseeing climate-related risks and opportunities, the bank considers and assesses climate adaptation and mitigation in all of its investment decisions.

The bank has been committed to applying the recommendations of the TCFD and reporting on its progress since 2020. As climate risk practices continue to develop, the availability of sophisticated tools and comprehensive datasets increases and regulatory frameworks become more established, the bank will continue to reflect evolving expectations and guidance.

continued ...

Extract from Company D's 2023 TCFD report[(a)]

The 2023 climate disclosure showcases how the bank continues to mainstream policies and procedures to meet its climate strategy and the expectations of shareholders and stakeholders in the economies where it operates but is conscious that more needs to be done. In line with the core TCFD pillars of governance, strategy, risk management, and metrics and targets, some key highlights of this report are:

- all bank's investment activities are aligned with the Paris Agreement approach agreed by multilateral development banks and green finance accounts for at least 50% of the bank's annual investment.
- every bank's investment is assessed for climate risk and reviewed periodically. The assessment, review and monitoring process will continue to develop, in line with the bank's planned reporting in line with ISSB Standards.
- the bank continuously refines its methodologies and procedures for assessing and managing carbon transition and physical climate risks for all types of financing instrument.
- the carbon transition stress-testing exercise now covers 75% of the corporate and sub-sovereign portfolio, using both a long-term Network for Greening the Financial System scenario and an in-house short-term scenario. The bank also conducted a pilot physical risk stress test.
- as well as measuring and monitoring its own emissions, the bank increased coverage of its financed emissions measurement.

While the regulatory environment continues to evolve more needs to be done to ensure that disclosures lead to better decisions by investors. The bank closely observes emerging international standards and regulatory developments, particularly in the EU and internationally, and promotes good corporate sustainability practices. The bank expects to report under ISSB Standards for the 2025 financial year, at the latest.

(a) Some minor edits have been made to the language in this extract.

SECTION 3—CLIMATE-RELATED INFORMATION AND FINANCIAL STATEMENTS

3.1—Introduction

The TCFD recommended that companies include climate-related financial information in their annual financial filings—that is, the annual reporting packages in which companies are required to deliver their audited financial results under the corporate, compliance or securities laws of the jurisdictions in which they operate. Although reporting requirements vary internationally, financial filings generally contain financial statements and other information such as governance statements and management commentary.

The TCFD 2017 status report suggested that the TCFD recommendations could be useful to help companies to comply more effectively with their disclosure obligations and enhance shareholder engagement and broader use of climate-related financial disclosures, thereby promoting a more informed understanding of climate-related risks and opportunities among investors and other stakeholders.[26] In monitoring companies' progress in disclosing information aligned with its recommendations, the TCFD found that companies were more likely to disclose such information in their sustainability reports or in their annual or integrated reports than in their financial filings. In 2023 the TCFD concluded that:

- despite an increase in the amount of climate-related financial information included by companies in their financial filings, more progress is necessary; and
- companies need to focus on reporting the impact of climate-related matters on their businesses, strategies and financial planning.

The findings in this report show similar disclosure patterns—for example, lower levels of disclosure on climate-related risk management processes and strategy. However, the report also states that more companies are including climate-related disclosures in their financial filings—climate-related risks and opportunities are becoming part of companies' routine annual financial reporting (see Section 1—*State of climate-related financial disclosures*).

As many companies prepare to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards, more progress is expected in climate-related financial disclosures and financial statements being connected.

Specifically, ISSB Standards require:

- material climate-related information to be disclosed and the information provided in general purpose financial reports;
- sustainability-related financial information to be provided at the same time as financial statements; and
- information to be provided about the effects of climate and other sustainability-related risks and opportunities on both current and anticipated financial statements.

26 TCFD, *Final Report—Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD, 2017, https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf, pages 33–34.

ISSB Standards and general purpose financial reports

ISSB Standards require companies to provide sustainability-related financial information simultaneously with the financial statements as part of their general purpose financial reports.

This section discusses:

- climate-related financial information, IFRS Accounting Standards and financial statements; and
- the ISSB's progress in ensuring climate-related financial disclosures and financial statements are connected.

3.1.1—Key takeaways

Table 3.1 summarises the key takeaways of Section 3.

Table 3.1—Key takeaways

Investors and other stakeholders are increasingly concerned about climate change's effect on business models, cash flows, financial position and financial performance, necessitating better climate-related disclosures in financial statements.
More guidance is available for companies as they assess the effects of climate-related matters on their financial statements. The International Accounting Standards Board (IASB) proposed eight examples illustrating how a company applies IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements.
As companies take the necessary steps to make the transition from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards, they also get ready to provide sustainability-related financial information simultaneously with the financial statements as part of their general purpose financial reports.
Companies applying ISSB Standards include in their sustainability-related disclosures financial data and assumptions that are consistent with those used in the financial statements, to the extent possible, considering the requirements in IFRS Accounting Standards or other relevant generally accepted accounting principles.

3.2—Climate-related financial information, IFRS Accounting Standards and financial statements

Investors and other stakeholders show growing interest in understanding the potential effects of climate change on companies' business models, cash flows, financial position and financial performance. Climate change affects, or is likely to affect, all economic sectors. According to a report by the Intergovernmental Panel on Climate Change, many climate-related risks are higher than previously thought and the long-term effects of climate-related risks are projected to be much greater than currently experienced.[27] The report also suggested that the projected adverse effects and related losses and damages resulting from climate change would escalate with every increment of global warming.

Given these findings, companies must consider climate-related matters in preparing their financial statements and disclose information about the effects of these matters when that information is material.

> IFRS Accounting Standards do not refer explicitly to climate-related matters. However, companies must consider climate-related matters in applying IFRS Accounting Standards when the effect of those matters is material in the context of the financial statements taken as a whole.

Moreover, a company applying IFRS Accounting Standards needs to disclose additional information beyond that specifically required by the IFRS Accounting Standards if such information is necessary to enable investors to understand the effects of climate-related matters on the company's financial position and financial performance.

3.2.1—IFRS Foundation guidance on climate-related matters in financial statements

The IFRS Foundation has developed educational material to help companies applying IFRS Accounting Standards determine how to consider climate-related matters in preparing their financial statements:

- *Effects of climate-related matters on financial statements* (republished in July 2023)—educational material published by the IFRS Foundation reminding stakeholders of the long-standing requirements in IFRS Accounting Standards to report on the effects of climate-related matters in the financial statements if those effects are material.
- *Effects of climate-related matters on financial statements prepared in accordance with the* IFRS for SMEs *Accounting Standard*—educational material published by the IFRS Foundation similar to the *Effects of climate-related matters on financial statements* but tailored to companies without public accountability that publish general purpose financial statements for external users.

27 Intergovernmental Panel on Climate Change, *Climate Change 2023—Synthesis Report—Summary for Policymakers*, Intergovernmental Panel on Climate Change, 2023, https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf.

3.2.2—IASB's project on climate-related and other uncertainties in the financial statements

In March 2023 the IASB started a project to explore targeted actions to improve the reporting of the effects of climate-related risks in the financial statements (see *Connectivity in practice: the IASB's new project on Climate-related Risks in the Financial Statements*, published by the IASB in March 2023).

The project started in response to strong demand from investors and other stakeholders that were concerned that the information about the effects of climate-related risks in the financial statements was sometimes insufficient or appeared to be inconsistent with the information provided outside the financial statements. Specifically, stakeholders raised questions such as:

- why do companies that are expected to be affected by climate-related risks not provide information about these effects in their financial statements;
- why do companies that have made net-zero commitments not recognise liabilities or impair the value of their assets as a result of those commitments; and
- how should companies factor long-term uncertainties into the measurement of amounts in the financial statements?

The IASB carried out research to understand the nature and causes of stakeholder concerns about reporting the effects of climate-related risks in the financial statements.

Based on this research, the IASB decided:

- to generalise the project's objective to cover climate-related and other uncertainties; and
- to propose examples to illustrate how a company applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements.

In July 2024 the IASB published the Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements* proposing eight examples that illustrate how a company applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The illustrative examples focus on how a company:

- determines whether information about how climate-related and other uncertainties affected its financial position and financial performance is material, including considering connections to information it provides in other general purpose financial reports (Examples 1–2 in the Exposure Draft);
- discloses information about how climate-related assumptions and other sources of estimation uncertainty affected the carrying amounts of its assets and liabilities (Examples 3–7 in the Exposure Draft); and
- disaggregates information about its assets and liabilities based on dissimilar climate-related risk characteristics (Example 8 in the Exposure Draft).

Although the examples predominantly focus on climate-related uncertainties, the illustrated principles and requirements are equally applicable to other types of uncertainties. The IASB expects that these proposed illustrative examples will enhance the reporting of the effects of climate-related and other uncertainties in financial statements and strengthen the connections between a company's general purpose financial reports.

As the next steps, the IASB will review the feedback on the Exposure Draft and decide whether to move forward with the proposed illustrative examples.

Throughout its work on the project, the IASB has collaborated with members and technical staff of the ISSB. The goal of this collaboration was to help strengthen the connections between the information a company provides in its financial statements and the information it provides in other parts of its general purpose financial reports.

Key takeaway

Investors and other stakeholders increasingly consider climate-related risks in their investment decisions. IFRS Accounting Standards already require companies to consider those risks in preparing financial statements. The IASB's proposed illustrative examples are expected to help improve the application of IFRS Accounting Standards and the reporting of the effects of climate-related and other uncertainties in the financial statements.

3.3—ISSB's progress in ensuring climate-related financial disclosures and financial statements are connected

The ISSB has made substantial progress in ensuring that climate and other sustainability-related financial disclosures and financial statements are connected. This progress has been achieved by using materials from the IFRS Accounting Standards and concepts from the Integrated Reporting Framework. These connections will however be achieved whether a company uses IFRS Accounting Standards or other generally accepted accounting principles.

1 *Material information*

The ISSB and the IASB use an aligned definition of 'material information', ensuring that companies applying ISSB Standards and IFRS Accounting Standards provide information necessary to inform investor decisions.

According to both boards, information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence investor decisions.

2 *Reasonable and supportable information*

IFRS S1 and IFRS S2 include the concept of 'reasonable and supportable information available at the reporting date without undue cost or effort'. This concept is also present in IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts*, and allows companies to disclose information that is less costly to obtain as long as that information is reasonable and supportable.

3 *Connected information*

The ISSB has built concepts from the Integrated Reporting Framework into IFRS S1 and introduced requirements for 'connected information' in IFRS S1 and IFRS S2.

Companies applying ISSB Standards:

- prepare sustainability-related financial disclosures for the same reporting entity and covering the same reporting period as their financial statements;
- publish sustainability-related financial disclosures and financial statements simultaneously;
- include sustainability-related financial disclosures in the general purpose financial reports;
- include in their sustainability-related disclosures financial data and assumptions that are consistent with those used in the financial statements, to the extent possible, considering the requirements in IFRS Accounting Standards or other relevant generally accepted accounting principles; and
- disclose information about significant differences in financial data and assumptions used for the sustainability-related disclosures compared with those used to prepare the financial statements.

4 *Current and anticipated effects*

IFRS S1 and IFRS S2 require companies to link sustainability-related financial disclosures to information in the financial statements. Companies applying ISSB Standards therefore disclose both current and anticipated effects of sustainability-related risks and opportunities (including climate-related risks and opportunities). This requirement fosters a holistic view of the company.

SECTION 4—INTRODUCTION OF CLIMATE-RELATED DISCLOSURE REQUIREMENTS IN REGULATORY FRAMEWORKS AND OTHER INITIATIVES

4.1—Introduction

The issuance of ISSB Standards in June 2023 marked the 'culmination of the work of the TCFD'. As discussed in Section 2—*From TCFD recommendations to ISSB Standards*, the ISSB Standards integrate the TCFD recommendations. Having fulfilled its remit, the TCFD disbanded in October 2023.

Between the publication of the TCFD recommendations in 2017 and the disbandment of the TCFD in 2023, more than 4,800 companies and organisations—including industry associations and governments—from various sectors and jurisdictions expressed support for the TCFD's goals. The highest percentage of supporters (51%) were in Asia-Oceania, with most being in Japan.

> The list of supporters is no longer active now that the TCFD has disbanded.

Importantly, not all companies and organisations that supported the TCFD recommendations implemented them. Some organisations expressed support by convening their members and helping them to implement the recommendations consistently, whereas others—such as governments and regulators—encouraged or required companies and other organisations to implement the recommendations.

Support from governments, regulators, stock exchanges and standard-setters resulted in:

- the introduction of the TCFD recommendations—in full or in part—into laws, rules and guidance on climate-related disclosure; or
- a reference to the recommendations as a basis for companies' disclosure requirements.

The TCFD recommendations have been a driver of greater consistency among the major climate-related disclosure regimes that were already in effect when the TCFD was created, as well as among the climate-related disclosure requirements and standards that have been developed more recently, such as IFRS S1 and IFRS S2.

The ISSB, the EU and the US SEC, among others, have drawn on the TCFD recommendations when developing their climate-related disclosure requirements.

Several major climate-related disclosure regimes have integrated the TCFD recommendations into their materials, such as:

- the Principles for Responsible Investment;
- the Climate Disclosure Standards Board; and
- CDP.

In 2024 CDP updated its questionnaire to align it with IFRS S2, having previously done the same with the TCFD recommendations. The questionnaire can provide an effective tool to support companies on their path to compliance with ISSB Standards.

> Although the TCFD was a voluntary initiative, support from governments and financial regulators helped develop a holistic approach to improving climate-related financial disclosures. This approach is now evolving with the introduction of sustainability-related disclosure requirements into many regulatory frameworks.

This section provides information on jurisdictions that have issued or proposed climate-related disclosure requirements that integrate or draw from the TCFD recommendations, together with information about the status of adoption or other use of ISSB Standards.

This section also discusses interoperability of ISSB Standards with other standards and initiatives and the collaboration between the ISSB and other organisations.

4.1.1—Key takeaways

Table 4.1 summarises the key takeaways of Section 4.

Table 4.1—Key takeaways

The issuance of ISSB Standards—which integrate the TCFD recommendations—marked the 'culmination of the work of the TCFD'. Having fulfilled its remit, the TCFD disbanded.
In May 2024 the IFRS Foundation published the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* to promote globally comparable climate and other sustainability-related disclosures for capital markets. A growing number of jurisdictions are using the guide to help them to move ahead with their plans to adopt or otherwise use ISSB Standards.
In the past 12 months jurisdictions representing approximately 57% of global gross domestic product have made progress towards the adoption or other use of ISSB Standards. These jurisdictions include both jurisdictions that have issued or proposed disclosure requirements aligned with the TCFD recommendations previously (14 jurisdictions) and other jurisdictions mainly in Africa, Latin America and the Caribbean, and Asia-Oceania, that are introducing sustainability-related disclosure requirements for the first time (an additional 16 jurisdictions).
The TCFD recommendations have been a driver of greater consistency among the major climate-related disclosure regimes that were already in effect when the TCFD was created, as well as among the climate-related disclosure requirements and standards that have been developed more recently, such as ISSB Standards, ESRS and the US SEC climate rule. In addition to adoption or other use of ISSB Standards resulting in information being provided that is consistent with the TCFD recommendations, in the case of ESRS and the US SEC climate rule their use of the TCFD recommendations facilitates interoperability with ISSB Standards.
The collaboration of the ISSB with other organisations reduces the complexity of the sustainability disclosure landscape, which simplifies the process for both companies and investors.

4.2—Issued and proposed disclosure requirements aligned with the TCFD recommendations

As of September 2024:

- companies in 14 jurisdictions are subject to disclosure requirements aligned with the TCFD recommendations for fiscal year 2023;
- companies in three additional jurisdictions will be subject to such requirements from fiscal year 2024; and
- companies in three additional jurisdictions will be subject to such requirements from fiscal year 2025.

Furthermore, one jurisdiction has proposed disclosure requirements that integrate or draw from the TCFD recommendations with proposed effect from fiscal year 2025.

In the past 12 months, 14 of these 21 jurisdictions have made progress towards the adoption or other use of ISSB Standards, making the transition from climate-related disclosure requirements based on the TCFD recommendations to sustainability-related disclosure requirements based on ISSB Standards.

An additional 16 jurisdictions have made progress towards the adoption or other use of ISSB Standards, without having previously issued or proposed disclosure requirements aligned with the TCFD recommendations.

The requirements in these jurisdictions cover a range of company types. Some requirements apply to listed companies, others apply to specific financial institutions and others apply to a combination of financial institutions and large companies.

Table 4.2 provides an overview of jurisdictions that have issued or proposed disclosure requirements aligned with the TCFD recommendations or have made progress towards the adoption or other use of ISSB Standards, by region.

Table 4.2—Overview of jurisdictions that have issued or proposed disclosure requirements aligned with the TCFD recommendations

Region	Jurisdictions		
	Number that have made progress towards the adoption or other use of ISSB Standards[(a)]		Number that have issued or proposed disclosure requirements aligned with the TCFD recommendations, but have not made progress towards the adoption or other use of ISSB Standards
	of which have previously issued or proposed disclosure requirements aligned with the TCFD recommendations	of which have not previously issued or proposed disclosure requirements aligned with the TCFD recommendations	
Africa	1	6	2
Latin America and the Caribbean	2	4	1
North America	1	-	1
Asia-Oceania	7	5	3
Europe	3	1	-
Total	**14**	**16**	**7**

(a) ISSB Standards integrate the TCFD recommendations.

Table 4.3 provides, for each of these jurisdictions, a summary of the issued or proposed disclosure requirements aligned with the TCFD recommendations, with information regarding:

- new standards, such as the status of adoption or other use of ISSB Standards. The jurisdictions that have made progress towards the adoption or other use of ISSB Standards represent approximately 57% of the global gross domestic product, more than 40% of the global market capitalisation and more than half of global GHG emissions.[28]
- proposals or requirements regarding some form of assurance of reported information.

The summary in Table 4.3 is based on information available to the IFRS Foundation as of September 2024.

Jurisdictions representing approximately 57% of global gross domestic product, more than 40% of the global market capitalisation and more than half of global GHG emissions have made progress towards the adoption or other use of ISSB Standards.

28 For 2023, global gross domestic product (GDP) was approximately US$105 trillion, the global market capitalisation was approximately US$117 trillion and global GHG emissions were approximately 54 gigatons of CO2 equivalent (GtCO2e). Global GDP data is sourced from the International Monetary Fund. Global GHG emissions data is sourced from EDGAR—Emissions Database for Global Atmospheric Research. For most jurisdictions the market capitalisation data is current as of 31 December 2023, or as close as possible to that date when data for a specific jurisdiction was not available for that date, and is sourced from CEIC Data. IMF, 'IMF Datamapper', accessed 29 June 2024, https://www.imf.org/external/datamapper/NGDPD@WEO/WEOWORLD/AUS/CHL/EUQ; EDGAR—Emissions Database for Global Atmospheric Research, accessed 6 July 2024, https://edgar.jrc.ec.europa.eu.

Table 4.3—Issued or proposed disclosure requirements aligned with the TCFD recommendations by jurisdiction

Includes information on new standards and assurance of reported information

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Australia	Department of the Treasury (September 2024)	Phased FY 2025—companies that exceed two of three criteria (revenue >A$500 million, assets >A$1 billion, >500 employees) FY 2026—companies that exceed two of three criteria (revenue >A$200 million, assets >A$500 million, >250 employees); asset owners with assets >A$5 billion FY 2027—companies that exceed two of three criteria (revenue >A$50 million, assets >A$25 million, >100 employees)	Annual report – separate sustainability section	Disclosures are required in accordance with Australian Sustainability Reporting Standards (ASRS) developed by the Australian Accounting Standards Board (AASB). The AASB issued the first set of ASRS in September 2024, which are based on ISSB Standards.	Phased Proposed limited assurance for some disclosures in the first year of reporting progressing to reasonable assurance for all disclosures in the fourth year of reporting, based on the Proposed Australian Standard on Sustainability Assurance published by the Auditing and Assurance Standards Board published in September 2024.
Bangladesh	Central Bank of Bangladesh (December 2023)	FY 2024—banks and financial institutions	Phased FY 2024—report to Central Bank of Bangladesh FY 2025—annual report	The Central Bank of Bangladesh has issued a circular requiring disclosures based on ISSB Standards.	–

continued ...

<table>
<tr><th rowspan="2">Jurisdiction</th><th colspan="3">TCFD-aligned disclosure requirements</th><th rowspan="2">New standards[c]</th><th rowspan="2">Assurance of reported information</th></tr>
<tr><th>Authority[a]</th><th>Time frame and scope[b]</th><th>Report type</th></tr>
<tr><td>Bolivia</td><td>Consejo Técnico Nacional de Auditoría y Contabilidad (CTNAC) of the Contadores Públicos de Bolivia

(March 2024)</td><td>FY 2024—companies are permitted to use ISSB Standards

FY 2027—companies are required to use ISSB Standards</td><td>General purpose financial reports</td><td>CTNAC has endorsed ISSB Standards for use by companies that carry out economic activities throughout Bolivia.</td><td>CTNAC is monitoring the progress of the International Auditing and Assurance Standards Board (IAASB) in developing a global sustainability assurance standard and considering the adoption of the International Standard on Sustainability Assurance 5000 General Requirements for Sustainability Assurance Engagements (ISSA 5000).</td></tr>
<tr><td rowspan="2">Brazil</td><td>Central Bank of Brazil

(September 2021)</td><td>FY 2022—regulated institutions except Segment 5</td><td>Sustainability report</td><td rowspan="2">CVM and the Brazilian Ministry of Finance have endorsed ISSB Standards (October 2023).

FY 2024—companies are permitted to use ISSB Standards.

FY 2026—listed companies, investment funds and securitisation companies are required to apply standards issued by the Comitê Brasileiro de Pronunciamentos de Sustentabilidade (CBPS Standards), which are based on ISSB Standards.</td><td rowspan="2">In accordance with the standards issued by the Federal Accounting Council sustainability-related financial disclosures are subject to assurance by an independent auditor registered with the CVM:

(a) limited assurance until the end of FY 2025; and

(b) reasonable assurance from FY 2026.[d]</td></tr>
<tr><td>Securities and Exchange Commission (CVM)

(March 2022)</td><td>FY 2022—regulated issuers</td><td>Annual report or sustainability report</td></tr>
</table>

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Canada	Office of the Superintendent of Financial Institutions (OSFI) (March 2023) (March 2024 update)	FY 2024—domestic systemically important banks and internationally active insurance groups FY 2025—all other in-scope federally regulated financial institutions	Left to the discretion of the reporting entity but expected to be publicly available	OSFI updated Guideline B-15: Climate Risk Management to align with IFRS S2.	–
	Autorité des marchés financiers of Quebec (AMF) (July 2024)	FY 2024—Group A financial institutions, to be identified by the AMF FY 2025—all other in-scope financial institutions	Public disclosure (type not prescribed)	Risk disclosures intended to align with IFRS S2.	
	Canadian Securities Administrators (CSA) (October 2021—proposed) (March 2024 update—proposed)	Phased—regulated issuers	Financial filing	The Canadian Sustainability Standards Board (CSSB) published proposed sustainability-related disclosure standards for public consultation, which are based on ISSB Standards. CSA determines whether and how the standards developed by CSSB will be incorporated into the Canadian regulatory framework.	
Chile	Financial Markets Commission (CMF) (November 2021)	Phased FY 2022—large non-financial companies FY 2023—medium-sized non-financial companies FY 2024—financial companies and small-sized companies	Annual report	In August 2024 CMF proposed that companies would be required to apply ISSB Standards from FY 2026, with early application permitted.	–

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
China	Ministry of Finance of the People's Republic of China (May 2024—proposed)	–	Sustainability report	The Ministry of Finance published Corporate Sustainability Disclosure Standards—Basic Standards for public consultation, which are based on IFRS S1.	–
Colombia	Financial Superintendence of Colombia (December 2021)	FY 2023—large issuers	Annual report	In July 2023 the national standard-setter, the Consejo Técnico de la Contaduria Pública, created a Technical Sustainability Expert Committee to analyse the possible alignment of local sustainability-related disclosure requirements with ISSB Standards.	–
Costa Rica	Costa Rican Institute of Certified Public Accountants (January 2024)	Phased FY 2024—companies are permitted to use ISSB Standards FY 2025—regulated companies FY 2026—companies classified as high tax payers	General purpose financial reports	The Colegio de Contadores Públicos announced the adoption of ISSB Standards.	–
Egypt	Financial Regulatory Authority[e] (July 2021)	FY 2022—issued capital or net ownership >500 million Egyptian pounds	Annual report	–	–
El Salvador	Supervisory Board of the Public Accounting and Auditing Profession (CVPCPA) (August 2024)	FY 2025—companies that prepare financial statements applying IFRS Accounting Standards	General purpose financial reports	CVPCPA permits some companies to use ISSB Standards.	–

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
EU	European Commission (November 2022)	FY 2023—large institutions that are issuers on EU regulated markets	Prudential disclosures	EU companies apply the European Sustainability Reporting Standards (ESRS). The climate-related disclosure requirements in ESRS are highly aligned with those in ISSB Standards. The alignment is described in the ESRS–ISSB Standards Interoperability Guidance.	Phased External limited assurance, progressing to reasonable assurance for all sustainability-related matters (FY 2024–2028).
	European Parliament and Council (December 2022)	FY 2024—large EU undertakings subject to the Non-Financial Reporting Directive FY 2025—large EU undertaking FY 2026—small and medium EU undertaking FY 2028—non-EU undertaking	Annual report – separate sustainability section		
Ghana	Institute of Chartered Accountants, Ghana (ICAG) (March 2024)	Phased FY 2024—companies are permitted to use ISSB Standards FY 2027—significant public interest entities FY 2028—other companies meeting specific parameters	General purpose financial reports	ICAG endorsed ISSB Standards and published a roadmap towards adoption of ISSB Standards.	Assurance of reported information would be required from the second year of application of ISSB Standards. Type of assurance required will be determined on the basis of ISSA 5000.
Hong Kong SAR	Hong Kong Stock Exchange (April 2024)	FY 2025—all issuers	Sustainability report	Hong Kong's Financial Services and the Treasury Bureau issued a vision statement outlining their commitment to developing a robust sustainability disclosure ecosystem in line with ISSB Standards. The Hong Kong Institute of Certified Public Accountants proposed local sustainability reporting standards, which are fully aligned with ISSB Standards.	The Accounting and Financial Reporting Council will lead the development of local sustainability-related assurance and ethics standards, taking into account the latest global developments, such as relevant discussions at the IAASB and International Ethics Standards Board for Accountants.

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
India	Reserve Bank of India (February 2024—proposed)	Financial institutions FY 2025–2026—information on governance, strategy and risk management FY 2027–2028—information on metrics For tier IV primary (urban) co-operative banks requirements would apply one year later	Financial filing	–	–
Japan	Financial Services Agency (JFSA) (January 2023)	FY 2023—all issuers	Financial filing	The Sustainability Standards Board of Japan (SSBJ) proposed sustainability disclosure standards for public consultation, which are based on ISSB Standards. JFSA is determining which companies will be required to apply the SSBJ's standards.	Assurance is expected to be required for listed companies required to apply SSBJ's standards.
Kenya	Central Bank of Kenya (October 2021)	FY 2023—licensed institutions	Left to the discretion of the reporting entity as appropriate and accessible to its stakeholders	FY 2024—companies are permitted to apply ISSB Standards. The Institute of Certified Public Accountants of Kenya has stated its intention to adopt ISSB Standards and is developing an adoption roadmap. In September 2024 the Central Bank of Kenya published a draft Climate Risk Disclosure Framework intended to align with IFRS S2.	–
South Korea	Korea Sustainability Standards Board (KSSB) (April 2024—proposed)	The relevant governmental authorities and regulators will determine the effective dates and which companies will be required to apply the KSSB's standards	To be determined by the South Korean government	KSSB proposed sustainability disclosure standards for public consultation, which are based on ISSB Standards.	–

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Malaysia	Bursa Malaysia Stock Exchange (September 2022)	FY 2025—specific listed issuers	Annual report	The Advisory Committee on Sustainability Reporting has developed the National Sustainability Reporting Framework using ISSB Standards as the basis for reporting requirements for companies in Malaysia. FY 2025—large issuers listed in the Main Market are required to apply ISSB Standards (with reliefs for two years). FY 2026—other issuers listed in the Main Market are required to apply ISSB Standards (with reliefs for two years). FY 2027—issuers listed in the growth market (ACE Market) and large non-listed companies are required to apply ISSB Standards (with reliefs for three years).	Phased Subject to further consultations and engagements, the Advisory Committee on Sustainability Reporting aims to require reasonable assurance of information about Scope 1 and Scope 2 GHG emissions from FY 2027.
	Central Bank of Malaysia (November 2022)	FY 2024—financial institutions	Financial filing, annual report or sustainability report		
Mauritius	Central Bank of Mauritius (April 2022)	FY 2023—licensed banks and deposit-taking non-banks	Annual report	–	–
Mexico	National Banking and Securities Commission (CNBV) (September 2024—proposed)	FY 2025—non-financial companies	General purpose financial reports	CNBV would require non-financial companies to use ISSB Standards from FY 2025.	Proposal to require assurance of reported information in accordance with assurance standards issued by the IAASB.

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
New Zealand	New Zealand Government[f] (October 2021)	FY 2023—issuers with securities >NZ$60 million Banks with assets >NZ$1 billion, asset managers with assets under management (AUM) >NZ$1 billion, insurers with premium income >NZ$250 million	Annual report	–	External limited assurance for Scope 1, Scope 2 and Scope 3 GHG emissions, using International Standard on Assurance (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements* or International Organization for Standardization (ISO) 14064-3 *Greenhouse gases—Part 3: Specification with guidance for the verification and validation of greenhouse gas statements*, from FY 2024.
Nigeria	Financial Reporting Council of Nigeria (FRC) (March 2024)	Phased FY 2024—companies are permitted to use ISSB Standards FY 2028—all public interest entities except government and government organisations FY 2030—small and medium-sized entities	General purpose financial reports	The FRC has issued a roadmap for the adoption of ISSB Standards and has amended the Financial Reporting Act to reflect the application of ISSB Standards.	Phased Limited assurance starting from the third year of reporting, progressing to reasonable assurance for all sustainability-related matters from the sixth year of reporting.
Pakistan	Institute of Chartered Accountants of Pakistan (ICAP) (December 2023—proposed)	Phased FY 2025—companies meeting two out of three criteria (annual revenue >Pakistani rupees 25 billion, >1,000 employees and total assets >Pakistani rupees 12.5 billion) FY 2026—companies meeting two out of three criteria (annual revenue >Pakistani rupees 12.5 billion, >500 employees and total assets >Pakistani rupees 6.25 billion) FY 2027—other listed companies	General purpose financial reports	ICAP, through its Sustainability Working Group, explored whether to adopt ISSB Standards in Pakistan and published a report recommending the time frame and scope of the requirements.	Assurance in accordance with ISSA 5000 would be required from the second year of reporting.

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Philippines	Securities and Exchange Commission (February 2019)	FY 2022—all registrants	Financial filing or sustainability report	The Securities and Exchange Commission requested comments on Revised Sustainability Reporting Guidelines for Publicly Listed Companies and the Securities and Exchange Commission Sustainability Reporting Form (SuRe Form), both of which take into account requirements in ISSB Standards in the reporting form. The Philippines Sustainability Reporting Committee endorsed ISSB Standards for use from FY 2025 subject to the issuance of regulations roadmap adopted by the relevant regulators.	–
Singapore	Singapore Exchange (SGX) (December 2021)	FY 2023—listed companies operating in specific industries FY 2024—listed companies operating in specific industries	Sustainability report or annual report	In September 2024 SGX RegCo amended its listing rules to require issuers to provide climate-related disclosures based on ISSB Standards. FY 2025—issuers are required to refer to ISSB Standards in preparing climate-related disclosures and to disclose Scope 1 and Scope 2 GHG emissions and the measurement approach used.	Issuers are encouraged to obtain independent external assurance on the sustainability report. SGX RegCo will conduct a separate public consultation on the mandatory assurance requirements for climate-related disclosures in the future.
	The Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation (ACRA and SGX RegCo) (July 2023—proposed)	Phased All issuers and large non-listed companies	Sustainability report or annual report		

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Sri Lanka	The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) (March 2024)	Phased FY 2024—companies are permitted to use ISSB Standards FY 2025—top 100 public companies on main board FY 2026—all listed companies on main board FY 2027—all listed companies in the stock exchange FY 2028—companies with revenue >Sri Lankan rupees 10 billion FY 2029—companies with revenue >Sri Lankan rupees 2.5 billion FY 2030—all specified business enterprises	General purpose financial reports	CA Sri Lanka has issued Sri Lankan Sustainability Disclosure Standards based on ISSB Standards.	–
Switzerland	Federal Council (November 2022)	FY 2024—public companies, banks and insurance companies with ≥500 employees and assets >SFr20 million or revenue >SFr40 million	Sustainability report	The Swiss Stock Exchange has included ISSB Standards in the list of internationally recognised standards for sustainability reporting under the SIX Exchange Regulation.	–
	Federal Council (June 2024—proposed)	FY 2027—companies or groups with ≥250 employees and assets >SFr25 million or revenue >SFr45 million for two consecutive fiscal years	Sustainability report	The Federal Council proposed to require companies to choose to apply either ESRS or equivalent standards, such as ISSB Standards in combination with GRI Standards.	It is expected that the level of assurance and other details will follow the same path as the EU requirements.

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Chinese Taipei	Financial Supervisory Commission (FSC) (August 2023)	FY 2023—banks and insurance companies	Annual report	FSC has endorsed ISSB Standards and released a roadmap. FY 2026—listed companies with capital >NT$10 billion are required to apply ISSB Standards. FY 2027—listed companies with capital in the range NT$5–10 billion are required to apply ISSB Standards. FY 2028—other listed companies are required to apply ISSB Standards.	Assurance specified for Scope 1 and Scope 2 GHG emissions only, from FY 2029.
Tanzania	National Board of Accountants and Auditors (NBAA) (July 2024)	FY 2025—public interest entities	General purpose financial reports	NBAA endorsed ISSB Standards and published a roadmap towards adoption of ISSB Standards.	Assessment of the consistency between sustainability-related financial disclosures and financial statements in accordance with ISA 720 *The Auditor's Responsibilities Relating to Other Information.*
Thailand	Central Bank of Thailand[g] (February 2023)	FY 2023—all financial institutions	Annual report or sustainability report	–	–
Türkiye	Public Oversight, Accounting and Auditing Standards Authority (KGK) (December 2023)	FY 2024—listed companies that exceed two of three criteria in two consecutive reporting periods (total assets >Turkish lira 500 million; annual net sales revenue >Turkish lira 1 billion; >250 employees) and banks	General purpose financial reports	KGK has issued Turkish Sustainability Disclosure Standards based on ISSB Standards.	Assurance required from FY 2025.

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Uganda	Institute of Certified Public Accountants of Uganda (ICPAU) (July 2024—proposed)	FY 2026—companies are permitted to use ISSB Standards FY 2028—public interest entities	General purpose financial reports	ICPAU has launched a consultation on the adoption of ISSB Standards.	ICPAU is considering the introduction of mandatory assurance on the basis of ISSA 5000.
UK	Financial Conduct Authority (FCA) (December 2021) (May 2024 update)	FY 2022—issuers of standard listed shares and global depositary receipts Asset managers with AUM >£50 billion, asset owners with AUM >£25 billion FY 2023—asset managers and asset owners with AUM >£5 billion	Annual report	After the endorsement of ISSB Standards by the UK government, the FCA will consult on amending its disclosure rules to move from the TCFD recommendations to UK-endorsed ISSB Standards for listed companies.	–
	UK Parliament (January 2022)	FY 2022—specific UK companies and limited liability partnerships >500 employees and revenue >£500 million FY 2022—occupational pension schemes with assets >£5billion FY 2023—occupational pension schemes with assets >£1 billion	Annual report	The UK government has committed to introducing ISSB Standards into its regulatory framework, subject to a formal assessment and endorsement process in the first quarter of 2025.	–

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
US	US Securities and Exchange Commission (US SEC) (March 2024)[h]	Phased FY 2026—large accelerated filers FY 2027—accelerated filers FY 2028—all other listed companies	Financial filing or annual report	The US SEC climate rule does not provide an alternative reporting regime for foreign private issuers to meet the US SEC's climate-related disclosure requirements through ISSB Standards at this time. However, the US SEC recognised that companies registered with the US SEC might operate or be listed in jurisdictions that will adopt ISSB Standards.	Climate-related financial information included in a registrant's financial statements is subject to requirements for the audit of financial statements and internal control over financial reporting. GHG emissions disclosures are subject to limited assurance beginning in the third year after initial disclosures; large accelerated filers' GHG emissions disclosures are subject to reasonable assurance from FY 2033.
	California State Legislature (October 2023)	On or before 1 January 2026—companies operating in California with annual revenue >US$500 million	Climate-related financial risk report	California Senate Bill No. 261 requires companies to disclose information about their climate-related financial risk in accordance with TCFD recommendations or ISSB Standards.[i]	–
Zambia	Zambia Institute of Chartered Accountants (ZiCA) (November 2023)	FY 2025—publicly accountable entities	General purpose financial reports	ZiCA issued a circular requiring public accountable entities to use ISSB Standards. Other entities are permitted to use ISSB Standards.	–

continued ...

Jurisdiction	TCFD-aligned disclosure requirements			New standards[c]	Assurance of reported information
	Authority[a]	Time frame and scope[b]	Report type		
Zimbabwe	Public Accountants and Auditors Board (PAAB) (August 2023)	FY 2024—companies operating in Zimbabwe	General purpose financial reports	PAAB announced adoption of the ISSB Standards and is developing an adoption roadmap.	–

(a) The date in parentheses refers to the date of publication of the requirements or proposed requirements by the authority.

(b) The time frames refer to the first fiscal year in which the requirements apply.

(c) The new standards integrate the TCFD recommendations. For jurisdictions that have previously issued or proposed disclosure requirements aligned with the TCFD recommendations, the column 'new standards' includes information about the time frames and scope for the application of the new standards.

(d) CVM, CVM Resolution No. 193, Article 6, 20 October 2023, https://www.gov.br/cvm/en/foreign-investors/regulation-files/ResolutionCVM193.pdf.

(e) In July 2021 the Financial Regulatory Authority of Egypt issued resolutions requiring companies listed on the Egyptian Stock Exchange and companies operating in non-bank financial activities whose issued capital or net ownership rights are not less than 500 million Egyptian pounds to provide climate-related disclosures in accordance with the TCFD recommendations. The announcement of the Financial Regulatory Authority of Egypt is in Arabic. The United Nations Sustainable Stock Exchanges Initiatives provides a summary of the announcement in English.

(f) According to New Zealand's Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021, passed in October 2021, from fiscal year 2023 large publicly listed companies, insurers, banks, non-bank deposit takers and investment managers are required to provide climate-related information in accordance with Aotearoa New Zealand climate standards developed by New Zealand's External Reporting Board (XRB) in line with the TCFD recommendations. Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021, https://www.legislation.govt.nz/act/public/2021/0039/latest/LMS479636.html. External Reporting Board (XRB) Aotearoa New Zealand Climate Standards, XRB, https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards.

(g) In February 2023 the Bank of Thailand released a policy statement requesting that all financial institutions disclose climate-related information in line with the TCFD recommendations at least once a year from fiscal year 2023. Bank of Thailand, 'Policy statement of the Bank of Thailand Re: internalizing environmental and climate change aspects into financial institution business', Bank of Thailand, 2023, https://www.bot.or.th/content/dam/bot/fipcs/documents/FPG/2566/EngPDF/25660028.pdf.

(h) On 4 April 2024 the US SEC issued an order to stay the rule, pending completion of an ongoing judicial review, 'In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors: Order Issuing Stay, US SEC, 2024, https://www.sec.gov/files/rules/other/2024/33-11280.pdf.

(i) In September 2024 California Senate Bill No. 261 was amended by Senate Bill No. 219, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB219.

4.3—Introduction of TCFD recommendations or ISSB Standards in regulatory frameworks by region

This section summarises the efforts and developments by governments, regulatory authorities, international and regional standard-setters, and stock exchanges that support the introduction of TCFD recommendations or ISSB Standards in regulatory frameworks, by region.

This section focuses on developments that have occurred since the TCFD published its last status report in October 2023. If—based on information available to the IFRS Foundation—a government, regulatory authority or stock exchange issued or proposed requirements based on TCFD recommendations or ISSB Standards during this period, a brief description of the requirements is included in this section.

In May 2024 the IFRS Foundation published the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* to promote globally comparable climate and other sustainability-related disclosures for capital markets by helping a growing number of jurisdictions as they move ahead with their plans to adopt or otherwise use ISSB Standards.

4.3.1—Africa

Ghana

In March 2024 the Institute of Chartered Accountants, Ghana published a roadmap towards the adoption of ISSB Standards.[29]

The roadmap describes a phased approach:

- all companies can apply ISSB Standards on a voluntary basis from fiscal year 2024;
- significant public entities will be required to apply ISSB Standards from fiscal year 2027; and
- other companies—excluding companies without public accountability meeting specific parameters and government organisations not applying IFRS Accounting Standards—will be required to apply ISSB Standards from fiscal year 2028.

Kenya

In June 2023 the national standard-setter, the Institute of Certified Public Accountants of Kenya, stated its intention to adopt ISSB Standards.

Companies in Kenya are permitted to apply ISSB Standards from fiscal year 2024.[30]

29 Institute of Chartered Accountants, Ghana (ICAG), 'IFRS Sustainability Disclosure Adoption Roadmap for Ghana', ICAG, 2024, https://www.icagh.org/wp-content/uploads/2024/06/PRESS-RELEASE-IFRS-S1-S2.pdf.

30 Institute of Certified Public Accountants of Kenya (ICPAK), 'Adopt IFRS standards to boost investor trust, Kenyan firms urged', ICPAK, 2024, https://www.icpak.com/adopt-ifrs-standards-to-boost-investor-trust-kenyan-firms-urged.

Nigeria

In March 2024 the Adoption Readiness Working Group of Nigeria, under the leadership of the Financial Reporting Council, introduced a roadmap for the adoption of ISSB Standards.[31]

The roadmap describes four phases of adoption, starting with voluntary adoption by all groups of Nigerian reporting entities from fiscal year 2024. Public interest entities, except government and government organisations, will be required to apply ISSB Standards from fiscal year 2028, with requirements extending to SMEs in fiscal year 2030.

Tanzania

In September 2023 the National Board of Accountants and Auditors of Tanzania endorsed ISSB Standards.[32]

All public interest entities in Tanzania are required to apply ISSB Standards from fiscal year 2025. Early application of the ISSB Standards is encouraged.

Uganda

In September 2024 the Institute of Certified Public Accountants of Uganda launched a consultation on its roadmap for the adoption of ISSB Standards. Companies would be permitted to use ISSB Standards from fiscal year 2026. Public interest entities would be required to use ISSB Standards from fiscal year 2028.[33]

Zambia

In November 2023 the Zambia Institute of Chartered Accountants adopted ISSB Standards, requiring all publicly accountable entities in Zambia to use ISSB Standards from fiscal year 2025. Other entities can use ISSB Standards on a voluntary basis.[34]

Zimbabwe

In November 2022 the Zimbabwe Minister of Finance and Economic Development issued a resolution to adopt ISSB Standards early.

The Public Accountants and Auditors Board (PAAB) is responsible for establishing an implementation roadmap that will be informed by an assessment of ISSB Standards' suitability for application in Zimbabwe. In August 2023 PAAB published a call for evidence.[35]

31 Financial Reporting Council of Nigeria (FRC), 'Roadmap Report for Adoption of IFRS Sustainability Disclosure Standards in Nigeria', FRC, 2024, https://frcnigeria.gov.ng/wp-content/uploads/2024/07/FINAL-COPY-OF-SUSTAINABILITY-ROADMAP1.pdf.

32 National Board of Accountants and Auditors of Tanzania (NBAA), 'Technical pronouncement no. 1 of 2024, Adoption and implementation of sustainability reporting standards in Tanzania', NBAA, 2024, https://www.nbaa.go.tz/2024/july/1q2024.pdf.

33 Institute of Certified Public Accountants of Uganda (ICPAU), 'Adoption of sustainability Disclosure Standards – Uganda, Public consultation', ICPAU, 2024, https://www.icpau.co.ug/sites/default/files/Resources/Consultation%20Paper%20-%20ADOPTION%20OF%20SUSTAINABILITY%20DISCLOSURE%20STANDARDS%20IN%20UGANDA_0.pdf.

34 Zambia Institute of Chartered Accountants, Circular 4/2023, *Adoption of sustainability standards and Integrated Reporting Framework*, 2023.

35 Public Accountants and Auditors Board (PAAB), *Zimbabwe Adoption of IFRS S1 & S2—Call for Evidence*, PAAB, 2023, https://paab.org.zw/wp-content/uploads/2023/08/PAAB-Adoption-of-IFRS-S1-and-S2-Call-for-Evidence-1.pdf.

Spotlight on Nigeria

The African Finance Ministers announced their support of ISSB Standards, with the Financial Reporting Council of Nigeria being the first to formally announce its intention to adopt them, in stages.

<table>
<tr><th>2023–2027</th><th>2028</th><th>2030</th><th>To be determined</th></tr>
<tr><td rowspan="3">Voluntary use of ISSB Standards</td><td colspan="3">Mandatory application of ISSB Standards</td></tr>
<tr><td>Public interest entities, except government and government organisations</td><td>SMEs[a]</td><td>Government and government organisations[b]</td></tr>
<tr><td colspan="3">Assurance requirements are also to be phased in. These requirements are based on International Standard on Sustainability Assurance 5000 General Requirements for Sustainability Assurance Engagements, which is being developed by the International Auditing and Assurance Standards Board for sustainability assurance engagements designed to provide limited or reasonable assurance.</td></tr>
</table>

(a) Small and medium-sized entities (SMEs) are defined by the roadmap as 'entities that may not have public accountability and: (a) their debt or equity instruments are not traded in a public market; (b) they are not in the process of issuing such instruments for trading in a public market; (c) they do not hold assets in a fiduciary capacity for a broad group of outsiders as one of their primary businesses; (d) the amount of their annual turnover is not more than Nigerian Nairas 500 million or such amount as may be fixed by the Corporate Affairs Commission; (e) their total asset value is not more than Nigerian Nairas 200 million or such amount as may be fixed by the Corporate Affairs Commission; (f) no Board members are an alien; (g) no members are a government or a government corporation or agency or its nominee, and (h) the directors among them hold not less than 51 percent of its equity share capital.'

(b) Government and government organisations are defined by the roadmap as 'public sector entities that are required to apply the International Public Sector Accounting Standards (IPSAS) in line with the IPSAS applicability Statement issued by the Financial Reporting Council. Such entities: (a) are responsible for the delivery of services to benefit the public and/or to redistribute income and wealth; (b) mainly finance their activities, directly or indirectly, by means of taxes and/or transfers from other levels of government, social contributions, debt, or fees; and (c) do not have a primary objective to make profits.'

4.3.2—Latin America and the Caribbean

Bolivia

In March 2024 the national standard-setter, the Consejo Técnico Nacional de Auditoría y Contabilidad (CTNAC) of the Contadores Públicos de Bolivia, approved CTNAC Resolution No. 01/2024 to adopt ISSB Standards. In the absence of jurisdiction-specific technical pronouncements or local regulations on specific matters, companies that carry out economic activities in Bolivia are required to apply ISSB Standards in full as of 1 January 2027, with early application permitted. A three-year deadline was set for disclosure, risk identification and training in ISSB Standards.[36]

Brazil

Since fiscal year 2022 the Central Bank of Brazil and the Brazilian Securities and Exchange Commission (CVM) have required regulated institutions and listed companies to provide information in line with the TCFD recommendations.

In October 2023 CVM and the Ministry of Finance announced that ISSB Standards will be integrated into the jurisdiction's regulatory framework. CVM Resolution No. 193 permits listed companies, investment funds and securitisation companies to apply ISSB Standards from fiscal year 2024 and requires listed companies to apply the Standards from fiscal year 2026.[37]

Chile

Since fiscal year 2022 the Financial Market Commission (CMF) has required large non-financial companies to provide sustainability-related financial information in their annual reports, with medium-sized non-financial companies to follow in fiscal year 2023 and financial companies and small-sized companies in fiscal year 2024.[38] These companies are required to provide information aligned with the TCFD recommendations and to report, on a 'comply or explain' basis, on the SASB sustainability metrics relevant to their industries.

In August 2024 the CMF proposed that companies would be required to apply ISSB Standards from fiscal year 2026, with early application permitted.[39]

Colombia

In December 2021 the Colombian government agency responsible for overseeing financial regulation and market systems, the Superintendencia Financiera de Colombia, adopted the TCFD recommendations and the SASB Standards, via Circular no. 31/2021, requiring large issuers to provide climate-related financial disclosures from fiscal year 2023.

In July 2023 the national standard-setter, the Consejo Técnico de la Contaduria Pública, created a Technical Sustainability Expert Committee to explore aligning local sustainability-related disclosure requirements with ISSB Standards.

36 Consejo Técnico Nacional de Auditoría y Contabilidad (CTNAC) of the Contadores Públicos de Bolivia, Resolution No. 01/2024, CTNAC, 2024, https://auditorescontadoresbolivia.org/wp-content/uploads/2024/07/resolucionctnacn01.2024.pdf.

37 CVM, CVM Resolution No. 193, 20 October 2023, https://www.gov.br/cvm/en/foreign-investors/regulation-files/ResolutionCVM193.pdf.

38 Financial Market Commission, 'Press release—CMF issues regulation incorporating sustainability and corporate governance requirements in annual reports', Financial Market Commission, 2021, https://www.cmfchile.cl/portal/principal/613/w3-article-49809.html.

39 Financial Market Commission, 'Press release—CMF publishes for consultation regulatory proposal perfecting instructions on Integrated Annual Reports', Financial Market Commission, 2024, https://www.cmfchile.cl/portal/principal/613/w3-article-84195.html.

Costa Rica

In January 2024 the Costa Rican Institute of Certified Public Accountants, the Colegio de Contadores Públicos, announced the adoption of ISSB Standards.[40]

The Standards will be implemented using a phased approach, which states:

- all companies can apply ISSB Standards on a voluntary basis from fiscal year 2024;
- regulated companies will be required to apply ISSB Standards from fiscal year 2025; and
- companies that are classified as high tax payers will be required to apply ISSB Standards from fiscal year 2026.

El Salvador

In August 2024 the national standard-setter, the Consejo de Vigilancia de la Profesión de Contaduría Pública y Auditoría, issued a resolution permitting companies that prepare financial statements applying IFRS Accounting Standards to use ISSB Standards from fiscal year 2025.[41]

Mexico

In December 2021 the TCFD Mexico Consortium was launched to support voluntary use of the TCFD recommendations in Mexico.[42]

The national standard-setter, Consejo Mexicano de Normas de Información Financiera y de Sostenibilidad, is promoting:

- application of ISSB Standards for listed companies and public interest organisations; and
- application of local standards based on ISSB Standards for SMEs.

In September 2024 the National Banking and Securities Commission, the Comisión Nacional Bancaria y de Valores, proposed to require non-financial companies to use ISSB Standards from fiscal year 2025.[43]

40 Colegio de Contadores Públicos, *Circular No. 33-2023-Adopción de Normas Internacionales de Información Financiera Relacionadas con Sostenibilidad*, Colegio de Contadores Públicos, 2023, https://www.ccpa.or.cr/circular-n-33-2023-adopcion-normas-internacionales-de-informacion-financiera-relacionadas-con-sostenibilidad/.

41 Consejo de Vigilancia de la Profesión de Contaduría Pública y Auditoría, Resolution 82, 2024 https://www.cvpcpa.gob.sv/resolucion-82.

42 International Climate Initiative (IKI), 'Official launch of the TCFD Mexico Consortium', IKI, 2021, https://iki-alliance.mx/en/lanzamiento-oficial-del-consorcio-tcfd-mexico/.

43 Comisión Nacional Bancaria y de Valores, (CNBV), *Resolución que modifica las disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes del mercado de valores*, CNBV, 2024, https://www.cofemersimir.gob.mx/portales/resumen/57550.

Spotlight on Brazil

The sustainability-related disclosure requirements for regulated institutions and listed companies are based on the TCFD recommendations. The Brazilian Securities and Exchange Commission (CVM) permits the use of ISSB Standards from fiscal year 2024 and requires listed companies to apply ISSB Standards from fiscal year 2026.

<table>
<tr><th colspan="3">TCFD recommendations</th><th>ISSB Standards</th></tr>
<tr><th>2018</th><th>2020</th><th>2021–2022</th><th>2023–2024</th></tr>
<tr><td colspan="2">Voluntary—the Brazilian Federation of Banks (FEBRABAN) has encouraged the Brazilian banking sector to apply the TCFD recommendations.</td><td colspan="2">Mandatory—the Central Bank of Brazil (BCB) and CVM require regulated institutions and listed companies to provide information in line with the TCFD recommendations. Companies are permitted to apply ISSB Standards from fiscal year 2024.</td></tr>
<tr><td>FEBRABAN started an initiative to implement the TCFD recommendations in the Brazilian banking sector, following a roadmap to support the sector.</td><td>In January 2020 FEBRABAN published a progress report describing the Brazilian banking sector’s progress in implementing the TCFD recommendations in 2019.</td><td>BCB issued disclosure requirements for regulated institutions to be implemented in two phases (governance, strategy and risk management in the first phase, and quantitative aspects—such as metrics and targets—in the second phase).

CVM amended its rules—effective from 2023—to require securities issuers to state whether they disclose sustainability-related information and whether the information is aligned with the TCFD recommendations or other standards or frameworks.</td><td>CVM approved a resolution:
permitting listed companies, investment funds and securitisation companies to apply ISSB Standards from fiscal year 2024; and
requiring listed companies to apply ISSB Standards from fiscal year 2026.
The Brazilian national standard-setter, Comitê Brasileiro de Pronunciamentos de Sustentabilidade (CBPS), and the Conselho Federal de Contabilidade published two exposure drafts of local translated standards (CBPS 01 and CBPS 02).</td></tr>
</table>

4.3.3—North America

Canada

In March 2024 the Canadian Sustainability Standards Board proposed sustainability-related disclosure standards for public consultation, which are based on ISSB Standards.[44]

To become mandatory under Canadian securities legislation, the Canadian Sustainability Disclosure Standards are required to be integrated into a rule of the Canadian Securities Administrators, which anticipates consulting on a revised rule setting out climate-related disclosures once the Canadian Sustainability Disclosure Standards are finalised.[45]

US

In March 2024 the US SEC issued a final rule that requires registrants to provide climate disclosures in their annual reports and registration statements, from fiscal year 2025 for the largest category of listed entities.[46] On 4 April 2024 the US SEC issued an order to stay the rule, pending completion of an ongoing judicial review.[47]

The final rule reflects several important differences from the requirements in the proposed rule.[48] For example, companies will not be required to provide information about Scope 3 GHG emissions, their financial statement disclosure requirements will be less extensive and they will have more time to implement the disclosures and related assurance requirements.

The rule will be implemented using a phased approach:

- large accelerated filers will be required to apply the rule from fiscal year 2025, with a one-year transition relief for some disclosures, including disclosures of Scope 1 and Scope 2 GHG emissions;
- accelerated filers will be required to apply the rule from fiscal year 2026, with two-year transition relief for disclosures of Scope 1 and Scope 2 GHG emissions; and
- all other listed companies will be required to apply the rule from fiscal year 2027, with an exemption from providing disclosures about GHG emissions.

In October 2023 the Governor of California signed into law two landmark bills requiring some companies operating in California:

- to report their Scope 1, Scope 2 and Scope 3 GHG emissions annually;[49] and
- to disclose information about their climate-related financial risks in accordance with TCFD recommendations or ISSB Standards, on or before 1 January 2026.[50]

---

44 Financial Reporting & Assurance Standards Canada (FRAS), 'Media release—Canadian Sustainability Standards Board announces first Canadian Sustainability Disclosure Standards for public consultation', FRAS, 2024, https://www.frascanada.ca/en/sustainability/projects/adoption-csds1-csds2/media-release-cssb-public-consultation.

45 Canadian Securities Administrators, 'Canadian securities regulators issue statements on proposed sustainability disclosure standards and ongoing climate consultation', Canadian Securities Administrators, 2024, https://www.securities-administrators.ca/news/canadian-securities-regulators-issue-statements-on-proposed-sustainability-disclosure-standards-and-ongoing-climate-consultation.

46 US Securities and Exchange Commission (US SEC), 'The Enhancement and Standardization of Climate-Related Disclosures for Investors—Final rule', US SEC, 2024, https://www.sec.gov/files/rules/final/2024/33-11275.pdf.

47 US SEC, 'In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors: Order Issuing Stay, US SEC, 2024, https://www.sec.gov/files/rules/other/2024/33-11280.pdf.

48 US SEC, 'The Enhancement and Standardization of Climate-Related Disclosures for Investors—Proposed rule,' US SEC, 2022, https://www.sec.gov/files/rules/proposed/2022/33-11042.pdf.

49 California Senate Bill No. 261, 'Greenhouse gases: climate-related financial risk', 2023, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB261. In September 2024 California Senate Bill No. 261 was amended by Senate Bill No. 219, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB219.

50 California Senate Bill No. 253, 'Climate Corporate Data Accountability Act', 2023, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB253. In September 2024 California Senate Bill No. 253 was amended by Senate Bill No. 219, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB219.

Spotlight on Canada

The sustainability-related disclosure requirements under development are based on ISSB Standards. The Canadian Securities Administrators (CSA) determines whether and how the standards developed by the Canadian Sustainability Standards Board (CSSB) will be incorporated into the Canadian regulatory framework.

TCFD recommendations				ISSB Standards
2018	**2019**	**2022**	**2023**	**2024**
In autumn 2018 the Minister of Environment and Climate Change and the Minister of Finance launched an Expert Panel on Sustainable Finance to provide recommendations for the federal government to build on the work of the TCFD. The Investor Leadership Network was launched at the G7 meeting in Canada to build on guidance and best practices to expand the adoption of the TCFD recommendations and to help direct capital flows towards sustainable businesses.	The Canadian Minister of Finance disclosed in a budget report the government's intentions to 'raise awareness of the importance of tracking, managing and disclosing material climate-related risks and opportunities in a consistent and comparable way'. The report also stated that, where appropriate and relevant, the government of Canada would encourage adoption of the TCFD recommendations by federal Crown corporations.	In October 2022 the CSA issued a press release on the status of its proposed TCFD-aligned disclosure requirements for reporting issuers. The CSA announced it was reviewing the US SEC's proposed climate-related disclosure requirements and the draft ISSB Standards.	The Office of the Superintendent of Financial Institutions (OSFI) released guidance on climate-related risk management for financial institutions that included its expectations for climate-related financial disclosure. The guidance on disclosure references an annex that outlines minimum mandatory climate-related financial disclosure expectations. These disclosure expectations integrate the TCFD recommendations.	The CSSB proposed sustainability-related disclosure standards for public consultation, which are based on ISSB Standards. OSFI updated Guideline B-15: Climate Risk Management to align with IFRS S2. The Autorité des marchés financiers of Quebec issued a Guideline on climate-related risk management for financial institutions that included its expectations for climate-related financial disclosure to align with IFRS S2.

4.3.4—Asia-Oceania

Australia

In September 2024 the Australian Parliament approved the legislation introduced by the Department of the Treasury in Australia requiring companies that present financial reports and meet specified size thresholds to provide climate-related disclosures in accordance with the Australian Sustainability Reporting Standards (ASRS) developed by the Australian Accounting Standards Board (AASB).[51]

The requirements apply to financial institutions and to large listed and unlisted companies and will be phased in over a three-year period beginning with fiscal year 2025.[52]

In September 2024 the AASB issued AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*, which are in line with the structure of the TCFD recommendations and are based on ISSB Standards.

Bangladesh

In December 2023 the Central Bank of Bangladesh issued a circular based on ISSB Standards requiring banks and financial institutions to provide disclosures about their sustainability-related risks and opportunities from fiscal year 2024.[53]

China

In May 2024 the Ministry of Finance of the People's Republic of China published the *Exposure Draft of Chinese Sustainability Disclosure Standards for Business Enterprises – Basic Standard and Explanation of the Drafting*.

The Exposure Draft formulates the unified China Sustainability Disclosure Standards based on ISSB Standards.

Hong Kong SAR

In April 2024 the Hong Kong Stock Exchange revised its environmental, social and governance (ESG) reporting framework to require all issuers to disclose climate-related information in their ESG reports in line with the TCFD recommendations and ISSB Standards (as opposed to the current 'comply and explain' approach), from fiscal year 2025.[54]

In August 2023 the Hong Kong Monetary Authority (HKMA) released a circular with high-level principles to assist authorised institutions in planning for a net-zero transition. The HKMA developed the high-level principles based on the findings and recommendations of international bodies, such as the TCFD's 'Guidance on metrics, targets, and transition plans'.[55]

In September 2024 the Hong Kong Institute of Certified Public Accountants published Exposure Drafts of Sustainability Disclosure Standards to be applied in Hong Kong from 1 August 2025. The Exposure Drafts are fully aligned with IFRS S1 and IFRS S2.[56]

51 Parliament of the Commonwealth of Australia, Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024, Schedule 4, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7176.

52 According to the Explanatory Memorandum to Bill 2024, section 4.180–4.187, larger companies are required to provide the information for annual periods starting in 2025, with other companies following in 2026 and 2027, https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r7176_ems_dd1e1136-f342-4dbf-8eae-9db60d977f84/upload_pdf/JC012553.pdf;fileType%3Dapplication%2Fpdf.

53 Bangladesh Bank, 'Guideline on Sustainability and Climate-related Financial Disclosure', Bangladesh Bank, 2023, https://www.bb.org.bd/mediaroom/circulars/gbcrd/dec262023sfd06e.pdf.

54 Hong Kong Stock 'Exchange (HKEX), Exchange Publishes Conclusions on Climate Disclosure Requirements', HKEX, 2024, https://www.hkex.com.hk/News/Regulatory-Announcements/2024/240419news?sc_lang=en.

55 Hong Kong Monetary Authority (HKMA), 'Circular—Planning for net-zero transition', HKMA, 2023, https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2023/20230829e1.pdf; and TCFD, 'Guidance on metrics, targets, and transition plans', TCFD, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-Metrics_Targets_Guidance-1.pdf.

56 Hong Kong Institute of Certified Public Accountants (HKICPA), *Invitation to comment on Exposure Draft HKFRS S1* General Requirements for Disclosure of Sustainability-related Financial Information; *and Exposure Draft* HKFRS S2 Climate-related Disclosures, HKICPA, 2024, https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Sustainability-Reporting.

India

In February 2024 the Reserve Bank of India published a draft disclosure framework for regulated banks on climate-related financial risks.[57] The draft framework would require some financial institutions to disclose information about their climate-related financial risks and opportunities. The proposed disclosure requirements are structured in line with the TCFD recommendations.

The draft framework applies to:

- all scheduled commercial banks (excluding local area banks, payments banks and regional rural banks);
- all tier IV primary (urban) co-operative banks;
- all India financial institutions; and
- all top and upper layer non-banking financial companies.

Companies within the scope of the draft framework would be required to report information on governance, strategy and risk management from fiscal year 2025–2026 onwards. Information on metrics and targets would be required from fiscal year 2027–2028 onwards. For tier IV primary (urban) co-operative banks, the requirements would apply one year later.

Japan

In January 2023 the Financial Services Agency, Japan (JFSA), announced new rules that require listed companies to disclose sustainability information—including climate-related information—in four categories generally aligned with the TCFD recommendations.[58] The disclosure of information about governance and risk management is required, whereas the disclosure of information about strategy and metrics and targets is required only if the information is material.

The rules became effective on 31 January 2023 and apply to securities registration statements and annual securities reports for fiscal years ending on and after 31 March 2023.

The Sustainability Standards Board of Japan (SSBJ) is developing sustainability disclosure standards based on ISSB Standards. JFSA is determining which companies will be required to apply the SSBJ's standards.

In March 2024 the SSBJ published exposure drafts of sustainability disclosure standards to be applied in Japan.[59] The proposed standards integrate most of the requirements in ISSB Standards and include jurisdiction-specific options a company may apply if appropriate. The SSBJ plans to issue the standards by 31 March 2025.

57 Reserve Bank of India (RBI), 'Press release—RBI invites comments on the "Draft Disclosure Framework on Climate-related Financial Risks, 2024"', RBI, 2024, https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57408.

58 Financial Services Agency, Japan (JFSA), 'Press release—Results of public comments on the proposed amendments to the cabinet office ordinance on disclosure of corporate details, etc.', JFSA, 2023, https://www.fsa.go.jp/news/r4/sonota/20230131/20230131.html.

59 SSBJ, 'The SSBJ issues exposure drafts of sustainability disclosure standards to be applied in Japan', SSBJ, 2024, https://www.ssb-j.jp/en/exposure_drafts/y2024/2024-0329.html.

Spotlight on Japan

The sustainability-related disclosure requirements for listed entities are based on the four pillars of the TCFD recommendations. The Sustainability Standards Board of Japan (SSBJ) is developing sustainability disclosure standards that are based on ISSB Standards and the Financial Services Agency, Japan (JFSA), is determining which companies will be required to apply the SSBJ's standards.

<table>
<tr><th colspan="4">TCFD recommendations</th><th>ISSB Standards</th></tr>
<tr><th>2018</th><th>2019</th><th>2021</th><th>2023</th><th>2024</th></tr>
<tr><td colspan="3">Voluntary—public support from JFSA, Ministry of Economy, Trade and Industry (METI) and Ministry of the Environment (MOE) has encouraged voluntary use of the TCFD recommendations by companies in Japan.</td><td colspan="2">Mandatory—JFSA requires listed companies in Japan to disclose information in four pillars generally aligned with the TCFD recommendations and is determining which companies will be required to apply the SSBJ's standards.</td></tr>
<tr><td>In December 2018 METI released 'Guidance on climate-related financial disclosures' as a handbook for implementing the TCFD recommendations for five industries.

The Japan TCFD Consortium updated the guidance in July 2020 and October 2022 to promote TCFD-aligned disclosure in a broader range of industries and to include updates the TCFD made to its material in 2021.</td><td>In March 2019 MOE released a 'Practical guide for scenario analysis in line with TCFD recommendations'.

The Japan TCFD Consortium was created as an industry-led organisation for supporters to facilitate dialogue between investors and companies on the climate-related financial disclosures recommended by the TCFD. Keidanren, the Japanese Business Association, joined the consortium as one of the founding members, signalling to Japanese companies the importance of climate-related financial disclosure.</td><td>JFSA, METI and MOE released their 'Basic guidelines on climate transition finance', which include several references to the TCFD framework.

The Tokyo Stock Exchange (via the Corporate Governance Code) and JFSA (as part of its strategic priorities) encouraged companies listed in the Prime Market to enhance the quality and quantity of disclosure based on the TCFD recommendations.</td><td>JFSA announced new rules requiring listed companies to disclose sustainability information—including climate-related information—in four categories generally aligned with the TCFD recommendations. The governance and risk management categories are required, whereas the strategy and indicators and targets (that is, metrics and targets) categories are subject to materiality (effective for fiscal years ending on and after 31 March 2023).</td><td>The SSBJ published exposure drafts of sustainability disclosure standards to be applied in Japan. The proposed standards integrate most of the requirements in ISSB Standards and include jurisdiction-specific options a company may apply if appropriate.

The SSBJ plans to issue the standards by 31 March 2025.</td></tr>
</table>

South Korea

In May 2024 the Korea Sustainability Standards Board (KSSB) published an exposure draft of the Korean Sustainability Disclosure Standards.[60]

The proposed Korean sustainability disclosure standards comprise two mandatory disclosure standards and one non-mandatory disclosure standard:

- KSSB 1 *General Requirements for Disclosure of Sustainability-related Financial Information*, which is based on IFRS S1;
- KSSB 2 *Climate-related Disclosure*, which is based on IFRS S2; and
- KSSB 101 *Additional Disclosure aligned with Policy Objectives*, which is a jurisdiction-specific standard that allows companies to selectively disclose additional sustainability-related information as required by domestic laws or to meet the sustainability-related policy objectives.

The Korean government will determine the timeline for the requirements to become effective in the legal framework or listing rules, after consultation with stakeholders.

Malaysia

Sustainability-related disclosure requirements are in place in Malaysia for financial institutions (from fiscal year 2024) and for issuers listed in the main market and in the growth market (from fiscal year 2025).[61]

The Advisory Committee on Sustainability Reporting has developed the National Sustainability Reporting Framework using ISSB Standards as the basis for reporting requirements for companies in Malaysia.[62]

Larger issuers listed in the Main Market (market capitalisation >Malaysian ringgit 2 billion (excluding treasury shares)) are required to apply:

- IFRS S2 with reliefs—and consequently apply the requirements in IFRS S1 only insofar as they relate to the disclosure of information on climate-related risks and opportunities—for fiscal year 2025; and
- IFRS S1 and IFRS S2 from fiscal year 2027.

Other issuers listed in the Main Market, issuers listed in the growth market (ACE Market) and large non-listed companies will follow the same steps one and two years later than larger issuers listed in the Main Market.

Following the launch of the National Sustainability Reporting Framework, Bursa Malaysia has also issued a public consultation on the proposed amendments to align its Listing Requirements.

60 Korea Sustainability Standards Board (KSSB), 'KSSB published the Exposure Draft of the Sustainability Disclosure Standards,' KSSB, 2024, https://www.kasb.or.kr/front/board/cmtreadView.do;jsessionid=B5A69842BB73BDCEE62945F958220042?boardMngNo=&boardNo=&cmtreadSeq=209&seq=&siteCd=.

61 Bursa Malaysia laid the foundation for sustainability reporting for its listed issuers in sustainability reporting requirements it introduced in October 2015. In September 2022 Bursa Malaysia added further requirements such as for companies to disclose information on 11 common themes and associated indicators that are deemed material for all listed issuers. Reporting on nine themes started in fiscal year 2023 for main market-listed issuers and in fiscal year 2024 for ACE market-listed issuers. Main market-listed issuers are required to make TCFD-aligned climate disclosures starting in fiscal year 2025 and ACE market-listed issuers are required to disclose a basic plan for making the transition to a low-carbon economy starting in fiscal year 2026. The central bank of Malaysia requires financial institutions to provide TCFD-aligned climate disclosures from fiscal year 2024.

62 Advisory Committee on Sustainability Reporting (ACSR), *National Sustainability Reporting Framework,* ACSR, 2024, https://www.sc.com.my/api/documentms/download.ashx?id=46cad705-4a30-4315-b09c-b8d205a46be1.

Pakistan

In the second half of 2023 the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP), through its Sustainability Working Group, explored whether to adopt ISSB Standards in Pakistan. ICAP published a report recommending:[63]

- adoption of ISSB Standards in Pakistan;
- a phased approach to adoption:
    - Phase I—companies meeting two out of three criteria (annual revenue >Pakistan rupees 25 billion, >1,000 employees and total assets >Pakistan rupees 12.5 billion) would be required to apply ISSB Standards from fiscal year 2025;
    - Phase II—companies meeting two out of three criteria (annual revenue >Pakistan rupees 12.5 billion, >500 employees and total assets >Pakistan rupees 6.25 billion) would be required to apply ISSB Standards from fiscal year 2026; and
    - Phase III—other listed companies would be required to apply ISSB Standards from fiscal year 2027.

The report and recommendations have been submitted to the ICAP Council and to the Securities and Exchange Commission of Pakistan, which have the authority to make adoption-related decisions.

Philippines

In October 2023 the Securities and Exchange Commission of the Philippines (SEC) requested comments on *Revised Sustainability Reporting Guidelines for Publicly Listed Companies* and the SEC Sustainability Reporting Form, which takes into account ISSB Standards.[64] Companies would be required to report sustainability-related information via:

- a sustainability reporting narrative in the form of a narrative sustainability report and the annual report; and
- a SuRe Form submitted through the Philippines Securities and Exchange Commission Electronic Filing and Submission Tool.

In December 2023 the Philippines Sustainability Reporting Committee endorsed ISSB Standards for use from fiscal year 2025, subject to the issuance of regulations or circulars containing the jurisdictional roadmap that will be adopted by Philippine regulators. Earlier application of ISSB Standards is permitted.[65]

63 Institute of Chartered Accountants of Pakistan (ICAP) *IFRS Sustainability Disclosure Standards—Study, Consultation and Recommendations for Implementation in Pakistan*, ICAP, 2023, https://www.icap.net.pk/files/sustainabilityreporting/publications/ifrs-sustainability-disclosure-standards-study-consultation-and-recommendations-for-implementation-in-pakistan.pdf.

64 Securities and Exchange Commission of the Philippines, 'Request for comments on the draft Memorandum Circular on the Revised Sustainability Reporting Guidelines for Publicly Listed Companies and the SEC Sustainability Reporting Form (SuRe Form)', Securities and Exchange Commission of the Philippines, 2023, https://www.sec.gov.ph/wp-content/uploads/2023/10/2023RFC_SuRe-Guidelines.pdf.

65 Philippines Sustainability Reporting Committee, 'Endorsement of IFRS S1 *General Requirements for the Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*', 2023, https://www.pfsrsc.org/wp-content/themes/financialreportca453/pdf/BOA-Resolution-No-11-Series-of-2024-Adoption-of-IFRS-S1-and-S2.pdf.

Singapore

The Singapore Exchange requires listed issuers in some industries to provide climate-related information.

In July 2023 the Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation launched a public consultation on introducing climate-related disclosure requirements in line with the TCFD recommendations and ISSB Standards.[66] The consultation proposed expanding the disclosure requirements to all listed issuers and large non-listed companies.

In September 2024 the Singapore Exchange Regulation amended its listing rules to require issuers to provide climate-related disclosures based on ISSB Standards.[67]

Issuers are required to refer to ISSB Standards in preparing climate-related disclosures and to disclose Scope 1 and Scope 2 GHG emissions and the measurement approach used, from fiscal year 2025, with the expectation that large issuers will be required to report on Scope 3 GHG emissions from fiscal year 2026.

Sri Lanka

In March 2024 the national standard-setter, the Institute of Chartered Accountants of Sri Lanka, issued SLFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and SLFRS S2 *Climate-related Disclosures* based on ISSB Standards.[68]

Companies can apply SLFRS S1 and SLFRS S2 on a voluntary basis for fiscal year 2024. The top 100 publicly listed companies on the main board will be required to apply SLFRS S1 and SLFRS S2 from fiscal year 2025.

Chinese Taipei

From fiscal year 2023 the Financial Supervisory Commission (FSC) requires banks and insurance companies to disclose financial information on climate-related risks, taking into account the TCFD recommendations.[69]

In August 2023 the FSC endorsed ISSB Standards and released a roadmap for the implementation of ISSB Standards in phases:[70]

- Phase 1—requiring listed companies with more than NT$10 billion of capital to apply ISSB Standards from fiscal year 2026;
- Phase 2—requiring listed companies with capital in the range NT$5–10 billion to apply ISSB Standards from fiscal year 2027; and
- Phase 3—requiring other listed companies to apply ISSB Standards from fiscal year 2028.

---

66 Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation, *Consultation Paper—Turning Climate Ambition into Action in Singapore—Recommendations by the Sustainability Reporting Advisory Committee*, Accounting and Corporate Regulatory Authority, 2023, https://www.acra.gov.sg/docs/default-source/default-document-library/legislation/listing-of-consultation-papers/pubic-consultation-on-srac's-recommendations/consultation-paper-recommendations-by-srac.pdf.

67 Singapore Exchange, 'SGX RegCo to start incorporating IFRS Sustainability Disclosure Standards into climate reporting rules', Singapore Exchange, 2024, https://www.sgxgroup.com/media-centre/20240923-sgx-regco-start-incorporating-ifrs-sustainability-disclosure.

68 The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), 'Sustainability Disclosure Standards', CA Sri Lanka, 2024, https://www.casrilanka.com/casl/index.php?option=com_content&view=article&id=4069&Itemid=341&lang=en.

69 Financial Supervisory Commission (FSC), 'Press release—The Financial Supervisory Commission promulgated the "Guidelines for Domestic Banks' Climate Risk Financial Disclosure", under which banks shall disclose financial information on climate-related risks starting from 2023', FSC, 2021, https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multimessage_view.jsp&dataserno=202112230005&dtable=News; FSC, 'Press release—FSC publishes "Guidelines on Climate-related Financial Disclosures of Insurance Companies" for insurers to begin disclosure of financial information on climate-related risks starting from 2023', FSC, 2021, https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0&mcustomize=multimessage_view.jsp&dataserno=202112140009&dtable=News.

70 FSC, 'Press release—The Financial Supervisory Commission (FSC) releases the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards', FSC, 2023, https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multimessage_view.jsp&dataserno=202308180001&dtable=News.

4.3.5—Europe

EU

In December 2022 the European Parliament and Council approved a sustainability reporting directive (the Corporate Sustainability Reporting Directive or CSRD), which superseded a previous reporting directive.[71] The CSRD requires:

- companies subject to the previous reporting directive to report in line with the CSRD from fiscal year 2024;
- other large companies to report in line with the CSRD from fiscal year 2025;
- small and medium-sized public companies to report in line with the CSRD from fiscal year 2026; and
- non-EU companies to report in line with the CSRD from fiscal year 2028.

EU companies are required to apply ESRS, which are aligned with the TCFD recommendations and ISSB Standards. The first set of ESRS was adopted in July 2023 by the European Commission, after a public consultation.[72] In December 2023 the legislation was published in the *Official Journal of the European Union*.

In February 2024 the European Parliament and Council agreed to postpone by two years the deadline for adopting sector-specific ESRS (from mid-2024 to mid-2026).[73] The deadline was moved to give companies more time to comply with the topic standards adopted in July 2023, which apply to all companies irrespective of their economic sector. This agreement was among the proposals included in the 2024 Commission Work Programme to reduce administrative burden for companies and to cut reporting requirements by 25%.[74]

71 European Parliament and Council of the European Union, 'Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting', *Official Journal of the European Union*, 16 December 2022, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464; European Parliament and Council of the European Union, 'Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups', *Official Journal of the European Union*, 15 November 2014, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095.

72 European Commission, 'The Commission adopts the European Sustainability Reporting Standards', European Commission, 2023, https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en; *European Commission, European Sustainability Reporting Standards—First set—Public consultation*, European Commission, 2023, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13765-European-sustainability-reporting-standards-first-set_en.

73 European Commission, 'Commission welcomes agreement on postponing adoption deadlines for certain European Sustainability Reporting Standards', European Commission, 2024, https://ec.europa.eu/commission/presscorner/detail/en/mex_24_707.

74 European Commission, 'Delivering today and preparing for tomorrow: The 2024 Commission Work Programme', European Commission, 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4965.

Switzerland

Large public companies, banks and insurance companies are required from fiscal year 2024 to provide disclosures based on the TCFD recommendations.[75]

In December 2023 the Swiss Stock Exchange published a communiqué stating it has included ESRS and ISSB Standards in the list of internationally recognised standards for sustainability reporting under the SIX Exchange Regulation.[76] The amendment to the list of approved standards is effective from fiscal year 2024 and is part of a periodic update of the list by the SIX Exchange Regulation to take account of international developments.

In June 2024 the Federal Council proposed to extend the application of sustainability-related requirements to companies exceeding specific thresholds from fiscal year 2027. These companies would choose to apply either ESRS or equivalent standards, such as ISSB Standards in combination with GRI Standards.[77]

Türkiye

In December 2023 the national standard-setter, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu, announced the adoption of ISSB Standards.[78] Listed companies that exceed two of three criteria in two consecutive reporting periods (total assets >Turkish lira 500 million; annual net sales revenue of >Turkish lira 1 billion; >250 employees) and banks are required to apply ISSB Standards from fiscal year 2024. The sustainability-related financial information provided by these companies will be subject to mandatory assurance from fiscal year 2025.

UK

In May 2024 the UK government published a framework for the adoption of ISSB Standards in the UK.

The UK government aims to endorse ISSB Standards by the first quarter of 2025, issuing UK Sustainability Reporting Standards.

Subject to a positive endorsement decision by the UK government:

- the Financial Conduct Authority (FCA) will be able to use the UK Sustainability Reporting Standards to introduce requirements for listed companies in the UK to report sustainability related information; and
- the UK government will decide on disclosure requirements for companies operating in the UK that do not fall within the FCA's regulatory perimeter.[79]

---

75 Federal Council of Switzerland, Ordinance on Climate Disclosures, Federal Council of Switzerland, 2022, https://www.newsd.admin.ch/newsd/message/attachments/74006.pdf.

76 SIX Exchange Regulation, 'Updated list of internationally recognized standards for sustainability reporting', SIX Exchange Regulation, 2023, https://www.ser-ag.com/dam/downloads/regulation/listing/communiques-six-exchange-regulation/ser202307-en.pdf.

77 Federal Council of Switzerland, Proposed change in the Code of Obligations (transparency about sustainability aspects), Federal Council of Switzerland, 2024, https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen/bundesrat.msg-id-101585.html.

78 Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK), 'COP28 Conference Message from Dr Hasan Özçelik, Chairman of the Public Oversight Authority', KGK, 2023, https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Diger/duyuru-05_12_2023%20-%202.pdf.

79 UK Government, 'Sustainability Disclosure Requirements: Implementation Update 2024', UK Government, 2024, https://www.gov.uk/government/publications/sustainability-disclosure-requirements-implementation-update-2024.

Spotlight on the UK

Listed companies and large private companies are required to apply climate-related disclosure rules that are aligned with the TCFD recommendations and are therefore well positioned to apply ISSB Standards.

UK authorities have set out a pathway towards endorsement and implementation of disclosure requirements for listed companies and large UK-registered companies referencing ISSB Standards, after they have been endorsed in the UK.

TCFD recommendations				ISSB Standards
2019	**2020**	**2021**	**2022**	**2023–2024**
In its 2019 Green Finance Strategy, the UK government created a taskforce to explore the most effective approach to implementing the TCFD recommendations.	The UK government announced its intention to make TCFD-aligned disclosures mandatory by 2025, with a significant portion of mandatory requirements in place by 2023. The UK Taskforce's Interim Report and accompanying roadmap set out a pathway to achieving that goal. The UK Financial Conduct Authority (FCA) introduced new rules for companies with a UK premium listing to disclose climate-related risks and opportunities in line with the TCFD recommendations on a 'comply or explain' basis.	The FCA extended the application of climate-related disclosure requirements aligned with the TCFD recommendations from FY 2022 to: (a) issuers of standard listed shares and global depositary receipts representing equity shares; and (b) asset managers with >£50 billion in assets under management (AUM) and asset owners with assets of >£25 billion. Organisations with AUM or assets below these thresholds but greater than £5 billion are required to provide the disclosures from FY 2023.	The UK Parliament requires listed companies, large private companies and limited liability partnerships with more than 500 employees and revenue greater than £500 million to provide TCFD-aligned, climate-related financial disclosures from FY 2022.	The UK government created a mechanism to assess, adopt and endorse ISSB Standards for use in the UK by the first quarter of 2025. In November 2023 the FCA updated its rules for disclosures by asset managers to their clients and consumers, which build on the TCFD recommendations, to reference ISSB Standards. In May 2024 the FCA stated that it will update its climate-related disclosure rules to reflect ISSB Standards, after they have been endorsed in the UK.

4.4—Interoperability of ISSB Standards with other standards and initiatives

4.4.1—Introduction

The ISSB was formed to develop—in the public interest—a comprehensive global baseline of high-quality sustainability disclosures to meet investors' information needs. Some other organisations had already developed, or were in the process of developing, standards before the ISSB was created. To ensure that investors receive comparable information, and to limit the burden and costs for companies, interoperability between ISSB Standards and other initiatives is important.

The TCFD recommendations have been a driver of greater consistency among the major climate-related disclosure regimes that were already in effect when the TCFD was created. The recommendations have also enhanced consistency among the climate-related disclosure requirements and standards that have been developed more recently, such as:

- IFRS S1 and IFRS S2;
- ESRS adopted by the European Commission in July 2023;[80] and
- the final climate disclosure rule issued by the US SEC in March 2024.[81]

> The shared foundation on the TCFD recommendations helps to ensure that ISSB Standards are interoperable with ESRS and the US SEC climate rule.

Table 4.4 provides a summary of the climate-related disclosure requirements developed by the ISSB, the EU and the US SEC drawing on the TCFD recommendations and how they compare with the TCFD recommendations.

80 European Commission, 'Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards', European Commission, 2023, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772. In December 2023 the legislation adopting the European Sustainability Reporting Standards was published in the *Official Journal of the European Union*.

81 US Securities and Exchange Commission (US SEC), 'The Enhancement and Standardization of Climate-related Disclosures for Investors—Final Rules', US SEC, 2024, https://www.sec.gov/files/rules/final/2024/33-11275.pdf. On 4 April 2024 the US SEC issued an order to stay the rule, pending completion of an ongoing judicial review.

Table 4.4—Comparison between TCFD recommendations, ISSB Standards, ESRS and the US SEC climate rule

	TCFD recommendations	ISSB Standards	ESRS	US SEC climate rule
Scope	Climate-related risks	Sustainability: • general principles for disclosing information about sustainability-related risks and opportunities • topic-specific standard on climate-related risks and opportunities	Sustainability: • core principles for disclosing information • detailed requirements for sustainability-related impacts, risks and opportunities	Climate-related risks
Date of publication	June 2017	June 2023	July 2023	March 2024
Focus[(a)]	Investor focus	Investor focus	Multi-stakeholder focus, including investors	Investor focus
Companies applying the recommendations or the requirements	Vary by jurisdictions	Vary by jurisdictions	EU companies (from fiscal year 2024)	Most US SEC registrants, including foreign private issuers (from fiscal year 2025)
Information included in the company's financial statements?	Not prescribed	No, but permitted via cross-references	No, but permitted via incorporation by reference	Yes, for particular information
Information included in the company's annual report?	Not prescribed	Yes—flexible location within general purpose financial reports	Yes, within the management report	Yes, in its annual report or incorporated by reference from another filing with the US SEC
Information published at the same time as the financial statements?	Not prescribed	Yes	Yes	Yes, other than GHG emissions disclosures, which may be filed on a delayed basis
Are industry-specific disclosures required?	No	Yes	Yes—industry-specific standards expected in the future; in the meantime companies can complement their disclosures using IFRS industry-based guidance and GRI Sector Standards	No

continued ...

	TCFD recommendations	ISSB Standards	ESRS	US SEC climate rule
Is disclosure of GHG emissions required?	No—recommended	Yes—Scope 1, Scope 2 and Scope 3	Yes—Scope 1, Scope 2 and Scope 3	Yes—Scope 1 and Scope 2 only

(a) TCFD-aligned disclosure requirements specify how companies determine materiality for climate-related reporting purposes. In its 2017 status report, the TCFD stated that companies should determine materiality for climate-related issues in a way that is consistent with how they determine the materiality of other information included in their annual financial filings (that is, financial materiality). The EU has issued a directive that requires companies to report information from a double materiality perspective whereby companies are required to report the information necessary to understand their respective developments, financial performance and positions (financial materiality) as well as the impact of their activities on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters (impact materiality).

4.4.2—Interoperability between ISSB Standards and ESRS

The ISSB and the European Commission, together with EFRAG, have worked together during the development of ESRS and ISSB Standards to ensure their standards are highly aligned, with a specific focus on the requirements for climate-related disclosures.

In May 2024 the IFRS Foundation and EFRAG published the ESRS–ISSB Standards Interoperability Guidance to illustrate the alignment between ISSB Standards and ESRS and to show how a company can apply both sets of standards. The Interoperability Guidance includes detailed analysis of how the requirements for climate-related disclosures are aligned.

Key takeaways

1. The definition of 'financial materiality' in ESRS is aligned with the definition of 'materiality' in ISSB Standards.
2. The two sets of standards include commonly defined terms as appropriate.
3. Almost all the requirements in ISSB Standards related to climate-related financial disclosures are included in ESRS.
4. Additional climate-related disclosure requirements in ESRS are explained in the Interoperability Guidance.

The Interoperability Guidance describes how disclosure requirements are aligned between the standards, including the requirements in IFRS S2 that have corresponding disclosure requirements in ESRS. The Interoperability Guidance lists the information that a company starting with each set of standards needs to know to enable compliance with both sets of standards, ensuring interoperability between them.

The Interoperability Guidance also sets out the additional disclosures that a company applying IFRS S2 would need to provide to comply with the climate-related disclosure requirements in ESRS.

> Regardless of whether it starts with ESRS or ISSB Standards, a company can comply with the climate requirements in both sets of standards by following directions in the ESRS–ISSB Standards Interoperability Guidance.

Table 4.5 summarises areas of climate-related disclosures for which companies need to consider additional information when applying both ISSB Standards and ESRS to comply with both sets of standards.

Table 4.5—Areas for which companies applying both ISSB Standards and ESRS need to consider additional information to comply with both sets of standards

Companies **starting with ESRS** that also want to comply with ISSB Standards	Companies **starting with ISSB Standards** that also want to comply with ESRS
Scenario analysis	Scenario analysis
GHG emissions—disaggregation	GHG emissions—disaggregation
Carbon credits	Carbon credits
Transition plan assumptions	Quantitative information on anticipated financial effects
Industry-based metrics	Climate-related physical and transition risks
Climate-related opportunities	GHG emissions reduction targets
Capital deployment	Organisational boundary for GHG emissions
Financed emissions	A broad range of incremental disclosures

4.4.3—Interoperability between ISSB Standards and GRI Standards

GRI Standards are well established sustainability reporting standards focusing on reporting impacts on the environment and society. Companies that apply GRI Standards are geographically diverse and many of these companies are in emerging markets. ISSB Standards and GRI Standards can be used together to facilitate reporting on a company's impacts, risks and opportunities, including risks that arise from the company's impacts.

In the past 12 months, the IFRS Foundation and the Global Reporting Initiative (GRI) have continued to coordinate work programmes and standard-setting activities.

Table 4.6 provides an overview of their activities, including the announcement in May 2024 of agreement to work to consider full direct interoperability between GRI Standards and ISSB Standards.

Table 4.6—Collaboration between the IFRS Foundation and GRI

Area	Description
Educational material	In January 2024 GRI and the IFRS Foundation published *Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards*. The document illustrates the areas of interoperability a company should consider when measuring and disclosing Scope 1, Scope 2 and Scope 3 GHG emissions in accordance with both *GRI 305 Emissions 2016* (GRI 305) and IFRS S2. The requirements in GRI 305 and IFRS S2 are highly aligned—for example, both draw on the GHG Protocol. The alignment means companies that already disclose Scope 1, Scope 2 and Scope 3 GHG emissions using the GRI Standards are well positioned to report information about GHG emissions in accordance with IFRS S2. Other GHG emissions disclosures can also be aligned with IFRS S2, depending on the choices a company makes in applying GRI 305 and IFRS S2.
Capacity building	In November 2023 GRI announced the launch of the Sustainability Innovation Lab based in Singapore, in coordination with the IFRS Foundation. This lab brings together global and local partners to advance capabilities for reporting using GRI Standards and ISSB Standards.
Coordination of work programmes	In March 2022 the IFRS Foundation and GRI announced an agreement to coordinate the work programmes and standard-setting activities of their boards, the ISSB and the Global Sustainability Standards Board (GSSB). In October 2023 the ISSB received a work programme update from representatives of the GSSB.
Full direct interoperability	In May 2024 the ISSB and the GSSB committed to jointly identify and align common disclosures that provide needed information under the distinct scopes and purposes of their respective standards, for both thematic and sector-based standard-setting.

4.5—Collaboration between the ISSB and other organisations

The ISSB also collaborates with other organisations, such as:

- the **International Public Sector Accounting Standards Board**, which is working to advance public sector sustainability reporting and intends to build on IFRS S2 and GRI climate-related topic standards to develop the first public sector-specific sustainability reporting standard.
- the **Basel Committee on Banking Supervision** and the **International Association of Insurance Supervisors**, which are working on climate-related disclosure frameworks for banks and insurers. In November 2023 the Basel Committee on Banking Supervision proposed qualitative and quantitative disclosure requirements based on IFRS S2 to provide a common disclosure baseline for internationally active banks.[82]
- the **International Auditing and Assurance Standards Board** and the **International Ethics Standards Board for Accountants**, which are working to enhance standards to support the assurance of sustainability-related information.
- the **Taskforce on Nature-related Financial Disclosures** (TNFD), which has developed disclosure recommendations and guidance that encourage and enable companies to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The ISSB agreed to consider the TNFD recommendations in its research on disclosure about a company's risks and opportunities associated with biodiversity, ecosystems and ecosystem services that forms part of the ISSB new two-year work plan.
- **CDP**, which is the ISSB's key global climate disclosure partner providing a trusted tool that supports companies on their path to compliance with ISSB Standards. In June 2024 CDP opened its new platform to 75,000 organisations. CDP's 2024 questionnaire is aligned with IFRS S2 as the foundational baseline for CDP's climate disclosure.
- **GHG Protocol**, which is responsible for the GHG Protocol Corporate Standard (2004) that companies applying IFRS S2 are required to use for the measurement of their GHG emissions. The ISSB is actively engaged in updates and decisions made in relation to the GHG Protocol standards and guidance. A representative of the ISSB is an observer on the GHG Protocol Independent Standards Board.

82 Basel Committee on Banking Supervision (BCBS), 'Disclosure of climate-related financial risks', BCBS, 2023, https://www.bis.org/bcbs/publ/d560.pdf.

SECTION 5—NEXT STEPS AND AREAS OF CONTINUED FOCUS OR FURTHER WORK

5.1—Update on areas of continued focus and further work identified by the TCFD

In October 2023 the TCFD issued its final status report and concluded its work. In its 2023 status report the TCFD considered areas that warrant continued focus or further work by the ISSB or other appropriate bodies. This section summarises progress on these areas since the TCFD 2023 status report.

5.1.1—Interoperability

The TCFD concluded that ensuring ISSB Standards are interoperable with jurisdictional frameworks is critical. In particular, the TCFD emphasised the importance of consistent company reporting among jurisdictions and avoiding the need for companies to report through more than one disclosure framework.

The IFRS Foundation and the ISSB are working to support the adoption of ISSB Standards. The Jurisdictional Guide intends to bring transparency on the level of compliance of the local standards with ISSB Standards. Consistency in company and jurisdictional reporting and avoidance of duplicative reporting is best achieved when companies use ISSB Standards and jurisdictions adopt ISSB Standards without modifications, while potentially building from them for their own broader reporting objectives. When this is not the case, the ISSB works to ensure the ISSB Standards are interoperable with the work of others.

In the case of ESRS and the US SEC climate rule, their use of the TCFD recommendations facilitates interoperability with ISSB Standards. Section 4.4—*Interoperability of ISSB Standards with other standards and initiatives* discusses progress in enhancing the interoperability of ISSB Standards with other standards and initiatives.

5.1.2—Guidance

The TCFD concluded that its efforts to support companies in implementing the recommendations—through the development of guidance, case studies and examples of disclosure—helped drive greater adoption of the TCFD recommendations and better disclosure over time. The TCFD therefore encouraged the ISSB and other appropriate bodies to continue this type of work.

The TCFD saw the need for additional guidance in areas such as:

- physical-risk assessment and adaptation planning;
- climate-related scenario analysis; and
- Scope 3 GHG emissions.

The ISSB continues to prioritise supporting the implementation of ISSB Standards to help ensure companies, regulators and other stakeholders are well prepared to use ISSB Standards. This support includes educational activities, educational material (for example, for disclosure about transition plans) and advancing the IFRS Foundation's capacity-building programme.

The IFRS Foundation and its supporting partners have developed several educational resources for preparers of sustainability-related financial disclosures, such as a course for intermediate preparers that the Foundation has developed with the United Nations Sustainable Stock Exchanges Initiative and the Fundamentals of Sustainability Accounting (FSA) Credential® designed for all professionals who would benefit from understanding the link between sustainability and financial performance.

The IFRS Sustainability knowledge hub, which is a key component of the IFRS Foundation's capacity-building programme, hosts content developed by the IFRS Foundation and more than 100 resources developed by third-party organisations. Content is added over time in response to market needs and emerging practices. For example, in 2024 the IFRS Foundation developed educational material relating to current and anticipated financial effects, in the form of webcasts.

The IFRS Sustainability knowledge hub contains the disclosure-specific materials developed by the Transition Plan Taskforce, for which the IFRS Foundation has assumed responsibility in 2024. The IFRS Foundation expects to use these materials to develop educational materials, ensuring that they do not change the requirements in IFRS S2, by tailoring them to ensure global applicability and to deliver full compatibility with the global baseline and IFRS S2's focus on disclosures of the climate-related risks and opportunities affecting a company's prospects, to meet the needs of investors and the global markets.

5.1.3—Disclosing resilience of strategy under different climate-related scenarios

Regarding the TCFD recommended disclosures on the resilience of a company's strategy under different climate-related scenarios the TCFD emphasised that:

- a company's disclosure of how its strategy might change to address potential climate-related risks and opportunities is key information to better understand the potential implications of climate change for the company;
- companies should disclose the resilience of their strategies under different climate-related scenarios, including a scenario aligned with the latest international agreement on climate change, including a 2°C or lower scenario (that is, a scenario aligned with the latest international agreement on climate change);[83] and
- investors and other stakeholders use such information to inform their expectations regarding the future performance of companies.

As discussed in Section 1.2—*TCFD-aligned reporting by public companies*, the resilience of companies' strategies under different climate-related scenarios remains the least disclosed recommended disclosure for both 2022 and 2023, with 11% of companies reviewed disclosing this information in 2023.

As discussed in Section 2.2—*Reconciliation between TCFD recommendations and requirements in ISSB Standards*, IFRS S2 is broadly consistent with TCFD recommended disclosure c) about describing the resilience of a company's strategy. However, IFRS S2 does not specify particular scenarios for a company to use in its climate-related scenario analysis. IFRS S2 requires a company to select scenarios that are relevant to its circumstances in order to provide useful information to users of general purpose financial reports and to explain which climate-related scenarios it has used, including whether they are related to transition or physical risks and whether the company used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.

83 The TCFD used the phrase 'a 2°C or lower scenario' in its report based on the Paris Agreement and viewed the phrase 'a scenario aligned with the latest international agreement on climate change' as consistent with its intent in using 'a 2°C or lower scenario'.

The ISSB recognised a need to provide guidance for climate-related scenario analysis, especially for companies with fewer skills, capabilities or resources. The application guidance accompanying IFRS S2 is designed to support a company in determining an approach to climate-related scenario analysis that is commensurate with its circumstances, drawing on the range of practice outlined in documents published by the TCFD, including *Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities and Guidance on Scenario Analysis for Non-Financial Companies*.[84] The application guidance in IFRS S2 requires a company to use an approach to climate-related scenario analysis that enables it to consider all reasonable and supportable information that is available to the company at the reporting date without undue cost or effort, taking into consideration:

- the company's exposure to climate-related risks and opportunities; and
- the skills, capabilities and resources available to the company to enable it to carry out the climate-related scenario analysis.

Additional resources about scenario analysis are available in the IFRS Sustainability knowledge hub.

5.1.4—Decision-useful disclosure on other sustainability topics

The TCFD recognised that several other sustainability-related issues—such as biodiversity, water and social issues—might warrant further consideration by the appropriate bodies in terms of promoting decision-useful disclosure. These issues might also have links with climate-related issues that are important for investors and others to consider—for example, in the context of companies' transition plans. The TCFD was encouraged by work under way in 2023—such as that by the TNFD to develop a risk management and disclosure framework on nature-related risks and by the Science Based Targets Network to develop corporate science-based targets for nature—and recognised that such areas warrant continued attention.

In December 2023 the IFRS Foundation published *Educational material—Nature and social aspects of climate-related risks and opportunities* as part of its efforts to support companies in applying IFRS S1 and IFRS S2. The educational material illustrates how nature and social aspects can be relevant climate-related risks and opportunities using three examples that illustrate disclosures when applying IFRS S2.

IFRS S1 already requires a company to disclose material information about the sustainability-related risks and opportunities reasonably expected to affect its prospects and to provide information about connections between various sustainability-related risks and opportunities.

In 2024 the ISSB agreed on its future work plan. That work plan includes work to enhance the SASB Standards, which provide information on a range of sustainability-related risks and opportunities. The work plan also includes projects to research disclosure about risks and opportunities associated with:

- biodiversity, ecosystems and ecosystem services; and
- human capital.

This research is considering additional specific disclosure requirements that would complement the requirements in IFRS S1.

84 TCFD, *Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities*, TCFD, 2017, https://assets.bbhub.io/company/sites/60/2021/03/FINAL-TCFD-Technical-Supplement-062917.pdf, and TCFD, *Guidance on Scenario Analysis for Non-Financial Companies*, TCFD, 2020, https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD_Guidance-Scenario-Analysis-Guidance.pdf.

5.1.5—Climate-related disclosure by sovereigns

The TCFD expected that the issuance of ISSB Standards in June 2023 and various jurisdictions' efforts to require climate-related financial disclosures would lead to further progress.

The TCFD was encouraged, for example, by the International Public Sector Accounting Standards Board's (IPSASB) plans to develop a climate-related disclosure standard for the public sector.

IPSASB climate-related disclosure standard

In May 2022 the IPSASB published a consultation paper seeking feedback on developing public sector sustainability reporting guidance, which it proposed to align with the ISSB's work and the TCFD recommendations.

In June 2023 the IPSASB announced its decision to develop a climate-related disclosure standard for the public sector. The IPSASB said that there was 'strong global stakeholder support for the proposals in its consultation paper', with substantial support for developing guidance on climate-related disclosures first.

The TCFD was encouraged by the IPSASB's efforts and was of the view that developing a consistent climate-related financial disclosure framework for sovereigns—consistent with the TCFD recommendations and ISSB Standards, as appropriate—was important for both preparers and users of climate-related financial disclosures. Consistent and comparable reporting by sovereigns would support companies in preparing comprehensive TCFD-aligned disclosures and transition plans that appropriately reflect their operating environment. Such reporting would also improve investors' ability to appropriately assess and price their climate-related risks and effectively allocate capital.

In June 2023 the IPSASB announced it would begin developing the first sustainability reporting standard for the public sector on climate-related disclosures.[85] The project overview states that the standard would be based on IFRS S2.[86]

In June 2024 the IPSASB announced that the World Bank is supporting the development of the climate-related disclosures standard for the public sector.[87]

In October 2024 the IPSASB published a draft standard for consultation, building on IFRS S2.

5.2—Next steps

The introduction of sustainability-related disclosure requirements into regulatory frameworks through the adoption or other use of ISSB Standards supports the provision of more comparable and reliable information about sustainability-related risks and opportunities for global capital markets.

The progress towards use of ISSB Standards by companies and adoption of ISSB Standards by jurisdictions is expected to be beneficial to the increased specificity about the information to be provided, the links to information in the financial statements and the trend towards disclosure being required to be provided rather than being recommended or subject to 'comply or explain' approaches.

85 International Public Sector Accounting Standards Board (IPSASB), 'IPSASB begins development of climate-related disclosures standard for the public sector', IPSASB, 2023, https://www.ipsasb.org/news-events/2023-06/ipsasb-begins-development-climate-related-disclosures-standard-public-sector.

86 IPSASB, *Climate-related Disclosures—Project Brief and Outline*, IPSASB, 2023, https://ifacweb.blob.core.windows.net/publicfiles/2023-06/Final%20Draft%20Climate-related%20Disclosures%20Project%20Brief%20-%20Clean.pdf.

87 IPSASB, 'IPSASB developing the first public sector sustainability reporting standard with support from the World Bank', IPSASB, 2024, https://www.ipsasb.org/news-events/2024-06/ipsasb-developing-first-public-sector-sustainability-reporting-standard-support-world-bank.

As more jurisdictions progress in the introduction of sustainability-related financial disclosures and more companies start to implement regulatory requirements, it remains paramount that investors', lenders' and other creditors' information needs are met.

Fragmentation in regulatory requirements caused by jurisdictional modifications to ISSB Standards, in particular modifications that result in removing or excluding requirements in ISSB Standards, could conflict with the objective of delivering timely and comparable sustainability-related financial information to capital markets. This fragmentation adds complexity to those using the information and adds costs and complexities to preparers of information subject to inconsistent regulatory requirements.

The IFRS Foundation has published the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* to support jurisdictions in balancing jurisdictional considerations (including their approach to scaling and phasing in of requirements) and to promote less variation in how ISSB Standards are adopted or otherwise used to reduce fragmentation in sustainability-related disclosure requirements.

The degree to which the jurisdictional disclosure requirements are aligned with ISSB Standards is an aspect to monitor to assess progress towards globally comparable information for capital markets.

External high-quality assurance plays a vital role in enhancing trust and confidence in the integrity and reliability of sustainability-related financial information. Enhancing the quality of disclosures by introducing assurance requirements is also an area to monitor in the future.

APPENDIX 1—COMPANY SELECTION AND AI REVIEW METHODOLOGY

A1.1—Companies included in the review

The IFRS Foundation used AI technology to examine financial filings, annual reports, integrated reports, sustainability reports and other relevant documents from public companies in five regions spanning eight industries. All industries covered correspond to the industries in the TCFD 2023 status report.

These industries include:

- banking;
- insurance;
- energy;
- materials and buildings;
- transportation;
- agriculture, food and forest products;
- technology and media; and
- consumer goods.

In selecting the population of companies for the AI review (see Section 1.2—*TCFD-aligned reporting by public companies*), the IFRS Foundation aimed to maintain consistency with the sample selection process used in the TCFD 2023 status report. Specifically, the methodology employed for this report involved:

- **identifying public companies**—those with publicly traded debt or equity—in the eight industries and their sub-industries outlined in Table A.1. These sub-industries are based on the Global Industry Classification Standard (GICS®) subsectors and industries.[88]
- **identifying public companies in specific indexes** to provide coverage of large, medium and small market capitalisation companies. The specific indexes used were S&P Global 1200, S&P Global MidCap and S&P Global SmallCap.
- **removing subsidiaries** to prevent duplicate observations. Companies sharing the same industry and ultimate parent for capital structure considerations were identified, with preference given to the company with the highest annual revenue (for non-financial industries) or total assets (for financial industries). This approach aimed to minimise the inclusion of subsidiaries' annual reports.
- **removing companies without available annual reports** for the fiscal years 2022 and 2023 to ensure uniformity in the dataset and consistent reporting for the two consecutive years.
- **removing companies lacking reports in English**.

This methodology resulted in a final dataset comprising 3,814 unique companies and corresponding to 25,127 reports in 2022 and 26,637 reports in 2023. The company distribution by industry is summarised in Table A.1.

88 In March 2023 the Global Industry Classification Standard's industry classifications were changed. These changes were considered in this year's report when grouping companies into industries. See S&P Dow Jones Indices, 'S&P Dow Jones Indices and MSCI announce revisions to the Global Industry Classification Standard (GICS®) structure in 2023', S&P Global, 2022, https://www.msci.com/documents/1296102/29559863/GICS_Press_Release_31_March_2022.pdf/f0ac4118-d6c3-4456-3c7b-2b0174099e4e?t=1648760411652.

Table A.1—Industry and sub-industry of companies selected for review for fiscal years 2022 and 2023

Industries	Sub-industries	
Banking *534 companies*	• Regional banks • Large, diversified banks	• Investment and asset management firms
Insurance *150 companies*	• Multi-line insurance • Property and casualty insurance	• Life and health insurance • Reinsurance
Energy *444 companies*	• Oil and gas • Coal	• Utilities
Materials and buildings *1,398 companies*	• Chemicals • Construction materials • Capital goods	• Metals and mining • Real estate management and development
Transportation *242 companies*	• Air freight • Passenger air transportation • Maritime transportation	• Rail transportation • Trucking services • Automobiles
Agriculture, food and forest products *288 companies*	• Beverages • Agriculture	• Packaged foods and meats • Paper and forest products
Technology and media *364 companies*	• Technology hardware and equipment	• Interactive media and services
Consumer goods *394 companies*	• Consumer retailing	• Textiles and apparel
Total: 3,814 companies		

A1.2—Documents reviewed

The IFRS Foundation focused on companies' financial filings, annual reports, integrated reports, sustainability reports and other relevant reports for fiscal years 2022 and 2023. These documents were identified using the Bloomberg Terminal.

Key terms

Financial filing

An annual reporting package in which a company is required to deliver its audited financial results under the corporate, compliance or securities laws of the jurisdiction or jurisdictions in which it operates. Although reporting requirements vary internationally, financial filings generally contain financial statements and other information such as governance statements and management commentary.

10-Ks, 20-Fs, annual reports and registration documents are examples of general purpose financial reports.

Annual report

A report that describes a company's activities for the preceding year.

Integrated report

A concise communication about how a company's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

Key terms

Sustainability report

A report that provides information about a company's effect on society, often addressing environmental, social and governance issues.

Corporate social responsibility and environmental, social and governance reports are examples of sustainability reports.

Other relevant reports

Reports that describe how climate change might affect a company's business, strategies or financial planning, including those focused on the TCFD recommendations.

A1.3—Methodology to review companies' publicly available reports

AI technology was used to analyse publicly available reports for the population of companies included in the review.[89]

The objective of the AI review was to automatically detect information in financial filings and other company reports that aligned with one or more of the 11 TCFD recommended disclosures (referred to as TCFD-aligned disclosures). Designing an automated AI system to review company reports for detecting TCFD-aligned disclosures is challenging due to variations in language and semantics among jurisdictions, sectors and even companies within the same sector. To mitigate these challenges, the AI technology used language models capable of mathematically representing entire sentences and paragraphs and capturing contextual meaning.

89 The IFRS Foundation acknowledges the support of Bloomberg Philanthropies in connection with this report. Neither the IFRS Foundation, Bloomberg Philanthropies nor their affiliates provide any guarantee or representation as to the correctness or completeness of any part of this work; nor shall any such party be responsible for or have any liability to any person whatsoever with respect thereto.

The AI technology used a language model trained to identify TCFD-aligned information based on a deep learning natural language processing model known as Robustly Optimized Bidirectional Encoder Representations from Transformers Pretraining Approach (RoBERTa).[90] RoBERTa encodes text and represents it mathematically based on context, allowing it to infer the meaning of words based on their context. For example, RoBERTa can distinguish between the word 'cement' in phrases like 'GHG emissions per ton cement' and 'cement our approach' by considering their respective contexts, thus enhancing classification accuracy.

A language model built using the RoBERTa architecture was trained with a proprietary dataset comprising climate-related texts and passages identified as aligning with the 11 TCFD recommended disclosures (referred to as labelled data). Subject-matter experts developed descriptions and definitions for each of the 11 recommended disclosures and trained human annotators to classify text passages accordingly. After ensuring satisfactory performance, annotators reviewed a large sample of text passages and labelled them accordingly, with oversight from subject-matter experts.

A1.4—Review of company reports

In the review process, a separate AI model integrated with computer vision techniques extracted text segments from the available documents. This model facilitated the identification of paragraphs and enabled some types of information, such as data within tables, to be treated as text. The AI model detected millions of text segments and tables in the available documents. Due to the considerable volume of text segments, a 'prefilter' was used to pinpoint text segments and tables containing specific keywords and phrases that could suggest the potential presence of TCFD-aligned information.[91] This pre-filter significantly reduced the computational cost of analysing thousands of reports. The text segments identified by the pre-filter were then fed into the trained language model, which evaluated their alignment with the 11 recommended disclosures.

A1.5—Performance validation

The performance of the AI model was evaluated by comparing its predictions with human-annotated labels on a set of text passages. This evaluation set was processed through the model only once to ensure that the model's predictions were unbiased. If the model's classification of a passage matched the label, it was considered correctly classified.

Two key metrics—recall and precision—were used to gauge model performance. 'Recall' measures the proportion of true positives captured by the model—that is, how many of the TCFD-aligned passages in the test pool the model was able to identify correctly as TCFD-aligned. 'Precision' measures the proportion of positive model predictions that are true positives—that is, how many of the predicted TCFD-aligned passages are actually TCFD-aligned.

90 Y. Liu, M. Ott, N. Goyal, J. Du, M. Joshi, D. Chen, O. Levy, M. Lewis, L. Zettlemoyer and V. Stoyanov, 'RoBERTa: A Robustly Optimized BERT Pretraining Approach' arXiv, July 2019, 10.48550/arXiv.1907.11692.

91 For instance, 'Board of Directors also oversees climate-related issues' was one phrase used to identify a potential disclosure of Governance a). Many phrases were included to ensure all relevant content was detected. The prefilter was designed with support from subject-matter experts.

The F1 score, which is the harmonic mean of precision and recall, serves as an indicator of model performance and is commonly used in machine learning evaluations. The F1 scores of the model and the human reviewers for the 11 recommended disclosures are presented in Figure A2-2 of the TCFD 2023 status report.[92]

A trade-off between precision and recall is often inevitable. Adjusting the model to be more stringent in classifying a passage as a relevant disclosure can enhance precision but might reduce recall. For this report, the model was adjusted to ensure that precision matched recall, thus avoiding bias. However, for Strategy a) qualitative 'manual' reviews found that the pre-filter failed to identify some types of disclosures. To mitigate bias and maintain a balance between precision and recall, the model was tuned to require high recall, which lowered the F1 score for Strategy a) to 0.58.

A1.6—Outcome

The AI technology was applied to the excerpts from the reports of the reviewed companies. If a company had a text paragraph in any of its reports for a given fiscal year that was classified as aligning with one of the 11 recommended disclosures, the company was classified as reporting in line with that specific recommended disclosure for that year. The results for company-level documents were aggregated for the main analyses.

A1.7—Limitations of the analyses

The results of this report are subject to some limitations. Readers should note that:

- although the model was adjusted to maximise its performance, the AI classifications are not perfectly accurate. As such, the documented levels of disclosure and trends are not perfectly accurate.
- the AI review was not designed to assess the quality of companies' climate-related financial disclosures but instead to assess the alignment of company disclosures with the TCFD recommendations. Thus, the quality of reporting cannot be inferred from the documented results.
- the AI review includes only companies with reports in English because the AI technology cannot process reports in languages other than English. Thus, the documented results cannot be generalised to non-English reports.
- the results of this year's report might not be directly comparable to the results in the TCFD 2023 status report as this year's sample of reviewed companies is bigger than the expanded set of companies analysed in the TCFD 2023 status report. In addition, this year's report used a different definition of regions.

92 TCFD, *Task Force on Climate-related Financial Disclosures: 2023 Status Report*, TCFD, 2023, https://www.fsb.org/wp-content/uploads/P121023-2.pdf.

APPENDIX 2—GLOSSARY AND LIST OF ACRONYMS

This glossary contains short definitions of terms used in this document.

Term	Description
adoption or other use of ISSB Standards	The range of approaches that a competent regulatory authority in a jurisdiction may take to adopt, apply or otherwise be informed by ISSB Standards when introducing sustainability-related disclosure requirements in the jurisdiction's legal and regulatory framework. This range includes approaches that involve the adoption or other use of IFRS S1 and IFRS S2 directly, as well as the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2.
annual report	A report that describes a company's activities for the preceding year.
climate-related risks and opportunities	Climate-related risks refer to the potential negative effects of climate change on a company. These risks are categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for the company.
digital financial report	A report in a computer-readable, structured data format.
ESG	Environmental, social and governance.
ESRS	European Sustainability Reporting Standards.
FSB	Financial Stability Board.
financial filing	An annual reporting package in which a company is required to deliver its audited financial results under the corporate, compliance or securities laws of the jurisdictions in which it operates. Although reporting requirements vary internationally, financial filings generally contain financial statements and other information such as governance statements and management commentary.
financial statements	A particular form of general purpose financial reports that provide information about a company's assets, liabilities, equity, income and expenses.
general purpose financial reports	Reports that provide financial information about a company that is useful to existing and potential investors, lenders, and other creditors in making decisions relating to providing resources to the company. Those decisions involve decisions about: (a) buying, selling or holding equity and debt instruments; (b) providing or selling loans and other forms of credit; or (c) exercising rights to vote on, or otherwise influence, the company's management's actions that affect the use of the company's economic resources. General purpose financial reports include—but are not restricted to—a company's general purpose financial statements and sustainability-related financial disclosures.

Term	Description
greenhouse gas (GHG) emissions	The disclosure of GHG emissions is classified into Scope 1, Scope 2 and Scope 3. Scope 1 emissions are emissions that a company makes directly. Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by the company. Scope 3 emissions are all other indirect emissions that occur in the company's value chain.
GICS®	Global Industry Classification System®.
GRI	Global Reporting Initiative.
IAASB	International Auditing and Assurance Standards Board.
ISSB Standards	IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.
investors	Primary users of general purpose financial reports—that is, existing and potential investors, lenders and other creditors.
integrated report	A concise communication about how a company's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.
latest international agreement on climate change	An agreement by states, as members of the United Nations Framework Convention on Climate Change, to combat climate change. The agreements set norms and targets for a reduction in greenhouse gases.
scenario analysis	A process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty.
SICS®	Sustainable Industry Classification System®.
sustainability report	A report that provides information about a company's effect on society, often addressing environmental, social and governance issues.
TCFD	Task Force on Climate-related Financial Disclosures. The TCFD completed its work and disbanded in October 2023.
TNFD	Taskforce on Nature-related Financial Disclosures.
US SEC	US Securities and Exchange Commission.
users of general purpose financial reports	Primary users of general purpose financial reports—that is, existing and potential investors, lenders and other creditors.

APPENDIX 3—REFERENCES

Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation, Consultation Paper—Turning Climate Ambition into Action in Singapore—Recommendations by the Sustainability Reporting Advisory Committee, Accounting and Corporate Regulatory Authority, 2023, https://www.acra.gov.sg/docs/default-source/default-document-library/legislation/listing-of-consultation-papers/pubic-consultation-on-srac's-recommendations/consultation-paper-recommendations-by-srac.pdf.

Advisory Committee on Sustainability Reporting (ACSR), Public Consultation Paper no. 12024—Proposed National Sustainability Reporting Framework, ACSR, 2024, https://www.sc.com.my/api/documentms/download.ashx?id=46cad705-4a30-4315-b09c-b8d205a46be1.

Bangladesh Bank, Guideline on Sustainability and Climate-related Financial Disclosure, Bangladesh Bank, 2023, https://www.bb.org.bd/mediaroom/circulars/gbcrd/dec262023sfd06e.pdf.

Basel Committee on Banking Supervision, Disclosure of climate-related financial risks, BCBS, 2023, https://www.bis.org/bcbs/publ/d560.pdf.

California Senate Bill No. 253, Climate Corporate Data Accountability Act, 2023, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB253.

California Senate Bill No. 261, Greenhouse gases: climate-related financial risk, 2023, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB261.

Canadian Securities Administrators, Canadian Securities Regulators issue statements on proposed sustainability disclosure standards and ongoing climate consultation, Canadian Securities Administrators, 2024, https://www.securities-administrators.ca/news/canadian-securities-regulators-issue-statements-on-proposed-sustainability-disclosure-standards-and-ongoing-climate-consultation.

Colegio de Contadores Públicos, Circular No. 33-2023-Adopción de Normas Internacionales de Información Financiera Relacionadas con Sostenibilidad, Colegio de Contadores Públicos, 2023, https://www.ccpa.or.cr/circular-n-33-2023-adopcion-normas-internacionales-de-informacion-financiera-relacionadas-con-sostenibilidad.

Consejo Técnico Nacional de Auditoría y Contabilidad (CTNAC) of the Contadores Públicos de Bolivia, Resolution No. 01/2024, CTNAC, 2024, https://auditorescontadoresbolivia.org/wp-content/uploads/2024/07/resolucionctnacn01.2024.pdf.

CVM, CVM Resolution No. 193, 20 October 2023, https://www.gov.br/cvm/en/foreign-investors/regulation-files/ResolutionCVM193.pdf.

European Commission, Commission Delegated Regulation (EU) 2023/2772, European Commission, July 2023, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772.

European Commission, Commission welcomes agreement on postponing adoption deadlines for certain European Sustainability Reporting Standards, European Commission, 2024, https://ec.europa.eu/commission/presscorner/detail/en/mex_24_707.

European Commission, *Delivering today and preparing for tomorrow: The 2024 Commission Work Programme*, European Commission, 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4965.

European Commission, *European Sustainability Reporting Standards—First set—Public consultation*, European Commission, 2023, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13765-European-sustainability-reporting-standards-first-set_en.

European Commission, Guidelines on Reporting Climate-related Information, European Commission, 2019, https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf.

European Commission, *The Commission adopts the European Sustainability Reporting Standards*, European Commission, 2023, https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en.

European Parliament and Council of the European Union, Directive (EU) *2022/2464 of the European Parliament and of the Council, Official Journal of the European Union*, 16 December 2022, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464.

European Parliament and Council of the European Union, Directive 2014/95/*EU of the European Parliament and of the Council, Official Journal of the European Union*, 22 October 2014, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095.

Federal Council of Switzerland, Ordinance on Climate Disclosures, Federal Council of Switzerland, 2022, https://www.newsd.admin.ch/newsd/message/attachments/74006.pdf.

Federal Council of Switzerland, Proposed change in the Code of Obligations (transparency about sustainability aspects), Federal Council of Switzerland, 2024, https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen/bundesrat.msg-id-101585.html.

Financial Market Commission, Press release—CMF issues regulation incorporating sustainability and corporate governance requirements in annual reports, Financial Market Commission, 2021, https://www.cmfchile.cl/portal/principal/613/w3-article-49809.html.

Financial Market Commission, Press release—CMF publishes for consultation regulatory proposal perfecting instructions on Integrated Annual Reports, Financial Market Commission, 2024, https://www.cmfchile.cl/portal/principal/613/w3-article-84195.html.

Financial Reporting & Assurance Standards Canada (FRAS), Media release—Canadian Sustainability Standards Board announces first Canadian Sustainability Disclosure Standards for public consultation, FRAS, 2024, https://www.frascanada.ca/en/sustainability/projects/adoption-csds1-csds2/media-release-cssb-public-consultation.

Financial Reporting Council of Nigeria (FRC), Roadmap Report for Adoption of IFRS Sustainability Disclosure Standards in Nigeria, FRC, 2024, https://frcnigeria.gov.ng/wp-content/uploads/2024/07/FINAL-COPY-OF-SUSTAINABILITY-ROADMAP1.pdf.

Financial Services Agency, Japan (JFSA), Press release—Results of public comments on the proposed amendments to the cabinet office ordinance on disclosure of corporate details, JFSA, 2023, https://www.fsa.go.jp/news/r4/sonota/20230131/20230131.html.

Financial Stability Board (FSB), FSB Roadmap for Addressing Financial Risks from Climate Change Progress: 2023 Progress Report, FSB, 2023, https://www.fsb.org/wp-content/uploads/P130723.pdf.

Financial Supervisory Commission, Press release—FSC publishes 'Guidelines on Climate-related Financial Disclosures of Insurance Companies', FSC, 2021, https://www.fsc.gov.tw/en/home.jsp?id=54andparentpath=0andmcustomize=multimessage_view.jspanddataserno=202112140009anddtable=News.

Financial Supervisory Commission, Press release—The Financial Supervisory Commission promulgated the 'Guidelines for Domestic Banks' Climate Risk Financial Disclosure', FSC, 2021, https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multimessage_view.jsp&dataserno=202112230005&dtable=News.

Financial Supervisory Commission, Press release—The Financial Supervisory Commission (FSC) releases the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards, FSC, 2023, https://www.fsc.gov.tw/en/home.jsp?id=54andparentpath=0,2andmcustomize=multimessage_view.jspanddataserno=202308180001anddtable=News.

Goldstein, I., S. Yang and L. Zuo, The real effects of modern information technologies: Evidence from the EDGAR implementation, *Journal of Accounting Research*, vol 61, no 5, pages 1699–1733, June 2023, https://onlinelibrary.wiley.com/doi/abs/10.1111/1475-679X.12496.

Hong Kong Stock Exchange (HKEX), Exchange Publishes Conclusions on Climate Disclosure Requirements, HKEX, 2024, https://www.hkex.com.hk/News/Regulatory-Announcements/2024/240419news?sc_lang=en.

Hong Kong Monetary Authority (HKMA), Circular—Planning for net-zero transition, HKMA, 2023, https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2023/20230829e1.pdf.

Hong Kong Institute of Certified Public Accountants (HKICPA), Invitation to comment on Exposure Draft HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*; and Exposure Draft HKFRS S2 *Climate-related Disclosures*, HKICPA, 2024, https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Sustainability-Reporting.

Institute of Certified Public Accountants of Kenya (ICPAK), Adopt IFRS standards to boost investor trust, Kenyan firms urged, ICPAK, 2024, https://www.icpak.com/adopt-ifrs-standards-to-boost-investor-trust-kenyan-firms-urged.

Institute of Chartered Accountants, Ghana (ICAG), IFRS Sustainability Disclosure Adoption Roadmap for Ghana, ICAG, 2024, https://www.icagh.org/wp-content/uploads/2024/06/PRESS-RELEASE-IFRS-S1-S2.pdf.

Institute of Chartered Accountants of Pakistan (ICAP) IFRS Sustainability Disclosure Standards—Study, Consultation and Recommendations for Implementation in Pakistan, ICAP, 2023, https://www.icap.net.pk/files/sustainabilityreporting/publications/ifrs-sustainability-disclosure-standards-study-consultation-and-recommendations-for-implementation-in-pakistan.pdf.

Institute of Certified Public Accountants of Uganda (ICPAU), Adoption of sustainability Disclosure Standards – Uganda, Public consultation, ICPAU, 2024, https://www.icpau.co.ug/sites/default/files/Resources/Consultation%20Paper%20-%20ADOPTION%20OF%20SUSTAINABILITY%20DISCLOSURE%20STANDARDS%20IN%20UGANDA_0.pdf.

Intergovernmental Panel on Climate Change, Climate Change 2023—Synthesis Report—Summary for Policymakers, Intergovernmental Panel on Climate Change, 2023, https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf.

International Climate Initiative (IKI), Official launch of the TCFD Mexico Consortium, IKI, 2021, https://iki-alliance.mx/en/lanzamiento-oficial-del-consorcio-tcfd-mexico.

International Public Sector Accounting Standards Board (IPSASB), Climate-related Disclosures—Project Brief and Outline, IPSASB, 2023, https://ifacweb.blob.core.windows.net/publicfiles/2023-06/Final%20Draft%20Climate-related%20Disclosures%20Project%20Brief%20-%20Clean.pdf.

International Public Sector Accounting Standards Board, *IPSASB begins development of climate-related disclosures standard for the public sector*, IPSASB, 2023, https://www.ipsasb.org/news-events/2023-06/ipsasb-begins-development-climate-related-disclosures-standard-public-sector.

International Public Sector Accounting Standards Board, IPSASB developing the first public sector sustainability reporting standard with support from the World Bank, IPSASB, 2024, https://www.ipsasb.org/news-events/2024-06/ipsasb-developing-first-public-sector-sustainability-reporting-standard-support-world-bank.

International Public Sector Accounting Standards Board, Climate-related Disclosures—Project Brief and Outline, IPSASB, 2023, https://ifacweb.blob.core.windows.net/publicfiles/2023-06/Final%20Draft%20Climate-related%20Disclosures%20Project%20Brief%20-%20Clean.pdf.

Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK), COP28 Conference Message from Dr Hasan Özçelik, Chairman of the Public Oversight Authority, KGK, 2023, https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Diger/duyuru-05_12_2023%20-%202.pdf.

Korea Sustainability Standards Board (KSSB), KSSB published the Exposure Draft of the Sustainability Disclosure Standards, KSSB, 2024, https://www.kasb.or.kr/front/board/cmtreadView.do;jsessionid=B5A69842BB73BDCEE62945F958220042?boardMngNo=&boardNo=&cmtreadSeq=209&seq=&siteCd=.

Liu, Y., Ott M., Goyal, N., Du, J., Joshi, M., Chen, D., Levy, O., Lewis, M., Zettlemoyer, L. and V. Stoyanov, RoBERTa: A Robustly Optimized BERT Pretraining Approach arXiv, July 2019, 10.48550/arXiv.1907.11692.

National Board of Accountants and Auditors of Tanzania (NBAA), Technical pronouncement no. 1 of 2024, Adoption and implementation of sustainability reporting standards in Tanzania, NBAA, 2024, https://www.nbaa.go.tz/2024/july/1q2024.pdf.

Philippines Sustainability Reporting Committee, 'Endorsement of IFRS S1 *General Requirements for the Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*', 2023, https://www.pfsrsc.org/wp-content/themes/financialreportca453/pdf/BOA-Resolution-No-11-Series-of-2024-Adoption-of-IFRS-S1-and-S2.pdf.

Parliament of the Commonwealth of Australia, Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024, Schedule 4, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7176.

Public Accountants and Auditors Board (PAAB), Zimbabwe Adoption of IFRS S1 and S2—Call for Evidence, PAAB, 2023, https://paab.org.zw/wp-content/uploads/2023/08/PAAB-Adoption-of-IFRS-S1-and-S2-Call-for-Evidence-1.pdf.

Reserve Bank of India (RBI), Press release—RBI invites comments on the 'Draft Disclosure Framework on Climate-related Financial Risks, 2024', RBI, 2024, https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57408.

Securities and Exchange Commission of the Philippines, Request for comments on the draft Memorandum Circular on the Revised Sustainability Reporting Guidelines for Publicly Listed Companies and the SEC Sustainability Reporting Form (SuRe Form), Securities and Exchange Commission of the Philippines, 2023, https://www.sec.gov.ph/wp-content/uploads/2023/10/2023RFC_SuRe-Guidelines.pdf.

S&P Dow Jones Indices, S&P Dow Jones Indices and MSCI announce revisions to the Global Industry Classification Standard (GICS®) structure in 2023, S&P Global, 2022, https://www.msci.com/documents/1296102/29559863/GICS_Press_Release_31_March_2022.pdf/f0ac4118-d6c3-4456-3c7b-2b0174099e4e?t=1648760411652.

Singapore Exchange, Consultation paper on sustainability reporting: Enhancing consistency and comparability, Singapore Exchange, 2024, https://regco.sgx.com/regco/public-consultations/20240307-consultation-paper-sustainability-reporting-enhancing.

SIX Exchange Regulation, Updated list of internationally recognized standards for sustainability reporting, SIX Exchange Regulation, 2023, https://www.ser-ag.com/dam/downloads/regulation/listing/communiques-six-exchange-regulation/ser202307-en.pdf.

SSBJ, The SSBJ issues exposure drafts of sustainability disclosure standards to be applied in Japan, SSBJ, 2024, https://www.ssb-j.jp/en/exposure_drafts/y2024/2024-0329.html.

TCFD, Final Report—Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD, 2017, https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf.

TCFD, Guidance on metrics, targets, and transition plans, TCFD, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-Metrics_Targets_Guidance-1.pdf.

TCFD, Guidance on Scenario Analysis for Non-Financial Companies, TCFD, 2020, https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD_Guidance-Scenario-Analysis-Guidance.pdf.

TCFD, Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD, 2021, https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf.

TCFD, Task Force on Climate-related Financial Disclosures: 2019 Status Report, TCFD, 2019, https://assets.bbhub.io/company/sites/60/2020/10/2019-TCFD-Status-Report-FINAL-0531191.pdf.

TCFD, Task Force on Climate-related Financial Disclosures: 2020 Status Report, TCFD, 2020, https://www.fsb.org/wp-content/uploads/P291020-1.pdf, page 14.

TCFD, Task Force on Climate-related Financial Disclosures: 2021 Status Report, TCFD, 2021, https://www.fsb.org/wp-content/uploads/P141021-1.pdf, pages 34–35.

TCFD, Task Force on Climate-related Financial Disclosures: 2022 Status Report, TCFD, 2022, https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf.

TCFD, Task Force on Climate-related Financial Disclosures: 2023 Status Report, TCFD, 2023, https://www.fsb.org/wp-content/uploads/P121023-2.pdf.

TCFD, Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities, TCFD, 2017, https://assets.bbhub.io/company/sites/60/2021/03/FINAL-TCFD-Technical-Supplement-062917.pdf.

The IFRS Foundation and EFRAG, ESRS–ISSB Standards: Interoperability Guidance, May 2024, https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/esrs-issb-standards-interoperability-guidance.pdf.

The Institute of Chartered Accountants of Sri Lanka, Sustainability Disclosure Standards, CA Sri Lanka, 2024, https://www.casrilanka.com/casl/index.php?option=com_content&dview=articleandid=4069andItemid=341andlang=en.

Troshani, I. and N. Rowbottom, Digital corporate reporting: Research developments and implications, *Australian Accounting Review*, vol 31, no 3, September 2021, pages 213–232, https://onlinelibrary.wiley.com/doi/abs/10.1111/auar.12334

UK Government, Sustainability Disclosure Requirements: Implementation Update 2024, UK Government, 2024, https://www.gov.uk/government/publications/sustainability-disclosure-requirements-implementation-update-2024.

US Securities and Exchange Commission (US SEC), The Enhancement and Standardization of Climate-Related Disclosures for Investors—Proposed rule, US SEC, 2022, https://www.sec.gov/files/rules/proposed/2022/33-11042.pdf.

US SEC, The Enhancement and Standardization of Climate-Related Disclosures for Investors—Final Rule, US SEC, 2024, https://www.sec.gov/files/rules/final/2024/33-11275.pdf.

US SEC, In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors: Order Issuing Stay, US SEC, 2024, https://www.sec.gov/files/rules/other/2024/33-11280.pdf.

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel +44 (0) 20 7246 6410
Email sustainability_licensing@ifrs.org

ifrs.org