



June 13th 2024

Navigating Climate Risk Disclosures

Introducing key disclosure standards applicable to insurers

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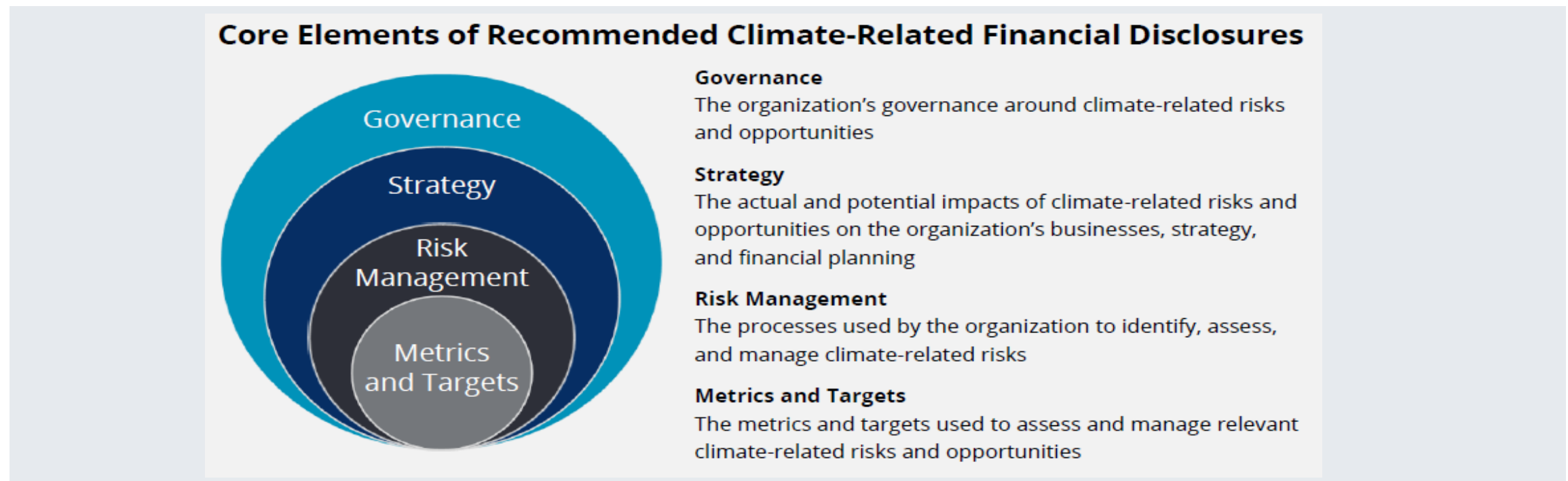
Agenda for today

#	Overview	
1	Introduction of the climate-related disclosures landscape	10 mins
2	Summary of key climate disclosure requirements applicable to insurance firms	5 mins
3	Useful resources to support effective disclosures and sustainability risk assessments	5 mins
4	Q&A	5 mins

Introduction of the climate-related disclosures landscape

Overview: Task Force on Climate-related Financial Disclosures

Four core pillars of TCFD recommendations¹



- There are 11 TCFD recommendations structured into 4 pillars – Governance, Strategy, Risk Management, and Metrics and Targets;
- TCFD offers supplemental guidance for the financial sector;
- TCFD recommendations have been incorporated into IFRS S1 & S2²

1) [TCFD, 2017](#); 2) [IFRS, 2023](#)

Overview: Task Force on Climate-related Financial Disclosures

Supplemental guidance for the financial sector¹

Industries	Governance		Strategy			Risk Management			Metrics and Targets		
	a)	b)	a)	b)	c)	a)	b)	c)	a)	b)	c)
Banks			■			■			■	■	
Insurance Companies				■	■	■	■		■	■	
Asset Owners				■	■	■	■		■	■	
Asset Managers				■		■	■		■	■	



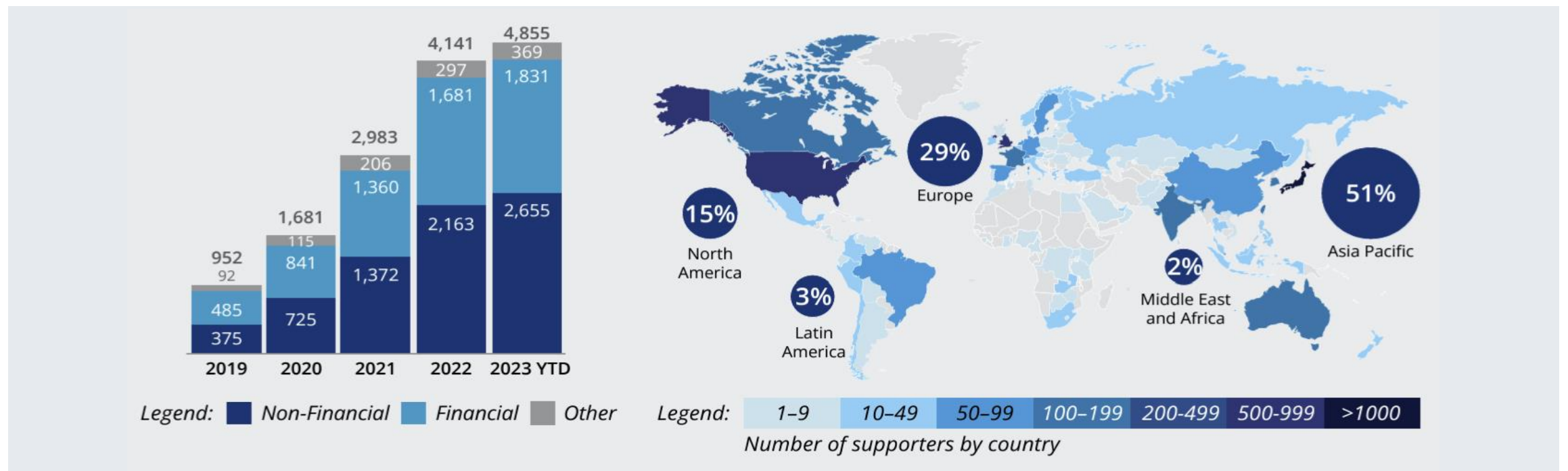
■ TCFD offers supplemental guidance for the financial sector on Strategy b) & c); Risk Management a) & b); Metrics & Targets a) & b)

1) [TCFD, 2017](#)

Reach of TCFD Disclosures¹

Support for TCFD keeps growing across jurisdictions in both financial & non-financial sectors

The no. of TCFD supporters has increased more than 400% between 2019 and 2023



- As of 2022, there were 4900 supporters of TCFD in 103 jurisdictions;
- Insurance companies had some of the highest levels of disclosures in Latin America and Europe but some of the lowest levels in Asia Pacific and the Middle East and Africa.

1) [TCFD, 2023](#)

TCFD supplemental guidance for insurance companies¹

Insurance-specific implementation guidance on [Strategy](#) disclosures

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

Recommended Disclosure b)

Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

Insurance companies should describe the potential impacts of climate-related risks and opportunities as well as provide supporting [quantitative information where available](#), on their core businesses, products, and services, including:

- information at the business division, sector, or geography levels;
- how the potential impacts influence client or broker selection; and
- whether specific climate-related products or competencies are under development, such as insurance of green infrastructure, specialty climate-related risk advisory services, and climate-related client engagement.

Recommended Disclosure c)

Describe the resilience of the organization’s strategy, taking into Consideration different climate-related scenarios, including a 2°C or lower scenario.

Insurance companies that perform [climate-related scenario analysis](#) on their underwriting activities should provide the following information:

- description of the climate-related scenarios used, including the critical input parameters, assumptions and considerations, and analytical choices. In addition to a 2°C scenario, insurance companies with substantial exposure to weather-related perils should consider using a greater than 2°C scenario to account for physical effects of climate change and
- time frames used for the climate-related scenarios, including short-, medium-, and long-term milestones.

■ On top of guidance for all sectors, TCFD offers insurance-specific supplemental guidance to assist implementation of disclosure recommendations on Strategy b) & c); Risk Management a) & b); Metrics & Targets a) & b).

1) [TCFD, 2017](#); 2) [IFRS, 2023](#)

TCFD supplemental guidance for insurance companies¹

Insurance-specific implementation guidance on [Risk Management](#) disclosures

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended Disclosure a)

Describe the organization’s processes for identifying and assessing climate-related risks.

Insurance companies should describe the processes for identifying and assessing climate-related risks on [re-/insurance portfolios](#) by geography, business division, or product segments, including the following risks:

- physical risks from changing frequencies and intensities of weather-related perils;
- transition risks resulting from a reduction in insurable interest due to a decline in value, changing energy costs, or implementation of carbon regulation; and
- liability risks that could intensify due to a possible increase in litigation.

Recommended Disclosure b)

Describe the organization’s processes for managing climate-related risks.

Insurance companies should describe [key tools or instruments](#), such as risk models, used to manage climate-related risks in relation to product development and pricing. Insurance companies should also describe the range of climate-related events considered and how the risks generated by the rising propensity and severity of such events are managed.

■ On top of guidance for all sectors, TCFD offers insurance-specific supplemental guidance to assist implementation of disclosure recommendations on Strategy b) & c); Risk Management a) & b); Metrics & Targets a) & b).

1) [TCFD, 2017](#); 2) [IFRS, 2023](#)

TCFD supplemental guidance for insurance companies¹

Insurance-specific implementation guidance on [Metrics & Targets](#) disclosures

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended Disclosure a)

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Insurance companies should provide [aggregated risk exposure](#) to weather-related catastrophes of their property business (i.e., annual aggregated expected losses from weather-related catastrophes) by relevant jurisdiction. Insurance companies should describe the extent to which their insurance underwriting activities, where relevant, are aligned with a well below 2°C scenario, using whichever approach or metrics best suit their organizational context or capabilities. Insurance companies should also indicate which insurance underwriting activities (e.g., lines of business) are included.

Recommended Disclosure c)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Insurance companies should disclose [weighted average carbon intensity](#) or [GHG emissions](#) associated with commercial property and specialty lines of business where data and methodologies allow.

■ On top of guidance for all sectors, TCFD offers insurance-specific supplemental guidance to assist implementation of disclosure recommendations on Strategy b) & c); Risk Management a) & b); Metrics & Targets a) & b).

1) [TCFD, 2017](#); 2) [IFRS, 2023](#)

ISSB IFRS S2 / TCFD disclosure pillars





Governance	Strategy	Risk Management	Metrics and Targets
Understand the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Understand a company's strategy for managing climate-related risks and opportunities .	Understand the processes to identify, assess, prioritize and monitor climate-related risks and opportunities .	Understand a company's performance in relation to its climate-related risks and opportunities .

Recommended Disclosures

<ul style="list-style-type: none"> a) Information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. b) Information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities 	<ul style="list-style-type: none"> a) Climate-related risks and opportunities that could affect the entity's prospects b) Current and anticipated effects on the entity's business model and value chain c) Effects on the entity's strategy and decision-making d) Effects on the entity's financial position, financial performance and cash flows e) Climate resilience of the entity's strategy and its business model 	<ul style="list-style-type: none"> a) Information about the processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks. b) Information about the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities c) The extent to which, and how, the processes are integrated into and inform the entity's overall risk management process. 	<ul style="list-style-type: none"> a) Information relevant to the cross-industry metric categories b) Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry c) Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks / take advantage of opportunities
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1) TCFD, 2017; 2) [IFRS, 2023](#)

Good practices or disclosure

 Governance	 Strategy
<ul style="list-style-type: none"> ■ High engagement from the board ■ Clear responsibilities for management on climate risks ■ Accountability and incentives in place 	<ul style="list-style-type: none"> ■ Consideration of how strategy will evolve over the short-, medium-, and long term ■ Use of different scenarios to assess the resilience of the strategy ■ Clear actions for updating the strategy in the face of climate risks
 Risk Management	 Metrics and Targets
<ul style="list-style-type: none"> ■ Description of the roles and responsibilities for managing climate risks ■ The presence of robust monitoring process and escalation procedures 	<ul style="list-style-type: none"> ■ Quantitative evaluation of exposures, potential losses, and risks ■ Incorporation of industry-specific metrics and firm-level goals and targets ■ Clear reporting on all 3 scopes of emissions

How to get started with TCFD/ISSB reporting

Reporting on the TCFD/ISSB 4 pillars should not be done in silos

The goal of reporting should be to effectively communicate how a company's strategy, governance, performance and prospects can lead to value creation over time

6 steps to get started - IFRS's guide to integrated reporting¹

Stages	Steps	Key takeaways
01 Getting organised	<ul style="list-style-type: none"> 1.1 Establish responsibility for integrated reporting 1.2 Form the integrated reporting team 1.3 Develop a repository of important resources 	<ul style="list-style-type: none"> ■ Establishing a multi-disciplinary reporting team helps gather insights for reporting ■ Companies can take stock of the existing routine reports and communications, listing the audience / associated responsibilities / dependencies / time frames / formats, to: <ul style="list-style-type: none"> ➢ Understand what is the current vs intended future reporting state ➢ Identify potential information gaps ➢ Review how existing information can already satisfy disclosure requirements ■ A plan to approach reporting should reflect: <ul style="list-style-type: none"> ➢ WHAT changes might be need to be introduced ➢ HOW functional silos can be reduced ➢ WHO might be the 'primary users' of the information disclosed & what they could expect from disclosures / who could benefit from more capacity building / training
02 Establishing a plan	<ul style="list-style-type: none"> 2.1 Make decisions using 'fundamental concepts' 2.2 Identify the reporting boundary 2.3 Examine existing reporting for gaps 	
03 Identifying information needs	<ul style="list-style-type: none"> 3.1 Outline information needs and sources 3.2 Identify material matters 3.3 Determine the form of required content 	
04 Assessing systems and controls	<ul style="list-style-type: none"> 4.1 Review stakeholder engagement process 4.2 Check information systems and internal controls 4.3 Evaluate audit and assurance activities 	
05 Preparing report content	<ul style="list-style-type: none"> 5.1 Draft contextual information 5.2 Update preliminary report for year-end results 5.3 Refine content through systematic review 	
06 Improving the process	<ul style="list-style-type: none"> 6.1 Design and implement a feedback process 6.2 Identify challenges and solutions 6.3 Monitor progress and embed successes 	

1) [IFRS. 2024](#)

Summary of key climate disclosure requirements applicable to insurance firms

Key climate disclosure requirements applicable to insurance firms

Standards/ Regulations	Region	Application Timeline	Insurance-specific
TCFD ¹	International	Since 2017	Recommendations apply to all sectors, with insurance-specific guidance
IFRS S1 ² & S2 ³	International	Effective from 2024	Standards apply to all sectors, with financial sector-specific requirements
Corporate Sustainability Reporting Directive (CSRD) ⁴	EU	From FY 2024 to 2027	Sector agnostic and sector-specific standards
Sustainable Finance Disclosure Regulation (SFDR) ⁵	EU	Level I SFDR – March 2021 Level II SFDR – 2023	Relevant for insurers as financial market participants
EU Taxonomy Regulation ⁶	EU	2022	Relevant for insurers' investment activities
Corporate Sustainability Due Diligence Directive (CSDDD) ⁷	EU	EU Parliament adopted in April 2024, 2 years transposition period	Applies to companies including insurers
US SEC Climate Disclosure Rule ⁸	US	FY 2024	Relevant for insurers listed on US stock exchanges
National Association of Insurance Commissioners (NAIC) Climate Risk Disclosure ⁹	US	NAIC adopted a new standard in 2022 ¹⁰	Insurance-specific
California Department of Insurance Climate Risk Carbon Initiative ¹¹	California, US	Since 2016	Insurance-specific
EU Solvency II ¹²	EU	Since 2016	Insurance-specific
Own Risk and Solvency Assessment (ORSA) ¹³	International / EU	Ongoing	Insurance-specific

1) [TCFD, 2017](#); 2) [IFRS, 2023a](#); 3) [IFRS, 2023b](#); 4) [EUR-Lex, 2022](#); 5) [European Commission, 2024](#); 6) [EUR-Lex, 2019](#); 7) [EUR-Lex, 2022](#); 8) [US SEC, 2024](#); 9) [California Department of Insurance, 2024](#); 10) [California Department of Insurance, 2022](#); 11) [California Department of Insurance, 2016](#); 12) [EIOPA, 2024a](#); 13) [EIOPA, 2024b](#);

Useful resources to support effective disclosures and sustainability risk assessments

Resources to assist integrated reporting

Addressing the interoperability challenge

January 2024

Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards

Contents

Introduction	1
Analysis of requirements in GRI 305 and IFRS S2 related to GHG emissions	2-4
Mapping of requirements in GRI 305 and IFRS S2 related to GHG emissions	5-12

Introduction

This document illustrates the areas of interoperability between *GRI 305: Emissions 2016* (GRI 305) and IFRS S2 *Climate-related Disclosures* (IFRS S2) that a company should consider when measuring and disclosing Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions in accordance with both Standards.^{1,2}

This document is not a comprehensive assessment of the requirements in GRI 305 and IFRS S2. When applying GRI or ISSB Standards, preparers must refer to the GRI and ISSB Standards respectively, including their respective definitions of materiality.

According to the ISSB Standards, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence investor decisions. ISSB Standards are focused on meeting the information needs of investors.³

According to the GRI Standards set by the Global Sustainability Standards Board (GSSB), a topic is material when it represents an organisation's most significant impacts on the economy, environment and people, including impacts on their human rights. GRI Standards are focused on meeting the information needs of stakeholders, including investors.

This document uses the 2016 version of GRI 305, which is currently under revision, and will be updated to reflect changes to GRI 305.⁴

1 This document does not analyse the circumstances in which companies are required to provide disclosures on GHG emissions.
2 The GRI Standards use 'organization' to refer to preparers and apply to all types of organizations and the ISSB Standards use 'entity' to refer to preparers. This document uses 'company' as an umbrella term.
3 An entity need not disclose information otherwise required by ISSB Standards if the information is not material, even if an ISSB Standard contains a list of specific requirements or describes them as minimum requirements (paragraph B25 of IFRS S1).
4 See <https://www.globalreporting.org/standards/standards-development/project-for-climate-change-standard/>.

[IFRS/GRI resource on emissions reporting¹](#)

IFRS Sustainability

July 2023

Comparison IFRS S2 Climate-related Disclosures with the TCFD Recommendations

This document was prepared by the staff of the IFRS Foundation for the convenience of interested parties. The views expressed in this document are those of the staff who prepared it and are not necessarily the views or the opinions of the International Sustainability Standards Board (ISSB). The content of this document does not constitute advice and should not be considered as an authoritative document issued by the ISSB.

IFRS S2 / TCFD mapping²

ESRS-ISSB Standards

Interoperability Guidance

[ESRS-ISSB Interoperability Guidance³](#)

GRI

EFrag

[draft] GRI-ESRS Interoperability Index

About this [draft] Index

Crediting the close cooperation during the development of the draft European Sustainability Reporting Standards (ESRS), EFRAG and GRI have acknowledged that they have achieved a high level of interoperability between the ESRS and GRI Standards in relation to impact reporting. This [draft] index is prepared from an EU standpoint where entities in scope of the CSRD will be subject to the mandatory regime defined by the ESRS, including disclosures and definitions where requirements of topical standards are subject to a materiality assessment of matters and information. Therefore, this [draft] Interoperability Index is a mapping tool that helps entities understand the commonalities between the two sustainability reporting standards in regard to impacts.

Given the high level of interoperability achieved, entities reporting under ESRS can be considered as reporting 'with reference' to the GRI Standards (see *GRI 1: Foundation 2021*). The [draft] index shows the relationship between the ESRS and GRI disclosures to facilitate reporting 'with reference' to the GRI Standards.

When performing its materiality assessment, an ESRS reporter may conclude that some of the matters and disclosures that are not specifically addressed by ESRS and are identified as a difference with the GRI Standards, might be reported in the ESRS sustainability statement as entity-specific disclosures, when the conditions in ESRS 1 paragraph 11 are met.

The [draft] index may also support ESRS reporters that want to report 'in accordance' with the GRI Standards (see *GRI 1: Foundation 2021*), in which case they would have to report the additional applicable GRI requirements not covered by the ESRS in their sustainability statement, in accordance with the provisions of ESRS 1 paragraph 114.

To further simplify reporting processes, EFRAG and GRI are working on a digital correspondence table to achieve digital interoperability for the ESRS and GRI Standards. Shared disclosures tagged under the ESRS digital taxonomy and the GRI digital taxonomy could be cross-referenced to allow for a streamlined digital reporting exercise on the preparer's side.

[GRI-ESRS Interoperability Index⁴](#)

1) [IFRS, 2024](#); [IFRS, 2023](#); 3) [IFRS, 2024](#); 4) [GRI, 2023](#)

UNEP FI Risk Centre Programme

A diverse range of activities will engage with peers and experts to develop good practices that advance environmental risk management

	Content sessions	Technical skill-building workshops**	In-depth working groups***
Format	<ul style="list-style-type: none"> Discussions and Q&As with experts and peers on timely topics 	<ul style="list-style-type: none"> Practical guidance for implementation and on best practices 	<ul style="list-style-type: none"> Development of outputs, including guides, tools, and reports
Structure	<ul style="list-style-type: none"> 1 session 	<ul style="list-style-type: none"> 1 - 4 sessions 	<ul style="list-style-type: none"> 4+ sessions
Potential topics and partners*	<ul style="list-style-type: none"> Climate and nature science Regulatory stress tests IEA New Scenario Releases COP 29 Briefing Report on financial users guide to 1.5oC scenarios TPT overview discussion Good practices from the climate financial risk forum Just transition finance Plastic pollution risk overview 	<ul style="list-style-type: none"> Nature-based Solutions, (TBD) Evaluating & using customer transition plans Scenario use cases and applicability, (NGFS) Risk Management, (GARP) Emissions data, (PCAF) Benchmarking credit risk methodologies, (GCD) 	<ul style="list-style-type: none"> Nature and climate scenarios and stress test methodologies Risk tool demonstrations and development Legal risks incl. greenwashing discussion TNFD implementation support Risk disclosure good practices

*Topics to be confirmed, **In-person sessions will be conducted throughout the year. ***Additional working groups might be added.

Sounds interesting and want to learn more?

Check out our [website](#) and [sign up for free](#) to join us.



QUESTIONS

ANSWERS

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Appendix

Key climate disclosure requirements applicable to insurance firms (1/3)

Standards/ Regulations	Region	Descriptions	Application Timeline	Key Requirements	Insurance-specific
TCFD ¹	International	Recommendations for climate-related financial disclosures.	Since 2017	Disclose governance, strategy, risk management, and metrics/targets related to climate risks	Recommendations apply to all sectors, with insurance-specific guidance
IFRS S1 ² & S2 ³		Standards for general sustainability (S1) and climate-specific (S2) disclosures; fully incorporates the TCFD recommendations	Effective from 2024	Disclose sustainability and climate-related risks and opportunities	Standards apply to all sectors, with financial sector-specific requirements
Corporate Sustainability Reporting Directive (CSRD) ⁴	EU	Replaces NFRD with detailed sustainability reporting requirements using own reporting standards (ESRS) ⁵	<ul style="list-style-type: none"> FY 2024 for large listed companies & public interest entities FY 2025 for large companies FY 2027 for SMEs 	Disclose double materiality impacts, incl. Scope 1, 2, and 3 GHG emissions	Sector agnostic and sector-specific standards
Sustainable Finance Disclosure Regulation (SFDR) ⁶	EU	Imposes sustainability disclosure obligations on financial market participants	Level I SFDR – March 2021 Level II SFDR – 2023	Disclose sustainability risks, adverse impacts, and ESG characteristics.	Relevant for insurers as financial market participants

1) [TCFD, 2017](#); 2) [IFRS, 2023a](#); 3) [IFRS, 2023b](#); 4) [EUR-Lex, 2022](#); 5) [EUR-Lex, 2023](#); 6) [European Commission, 2024](#)

Key climate disclosure requirements applicable to insurance firms (2/3)

Standards/ Regulations	Region	Descriptions	Application Timeline	Key Requirements	Insurance-specific
EU Taxonomy Regulation ¹	EU	Classification system for sustainable economic activities	2022	Disclose alignment of business activities with environmental objectives	Relevant for insurers' investment activities
Corporate Sustainability Due Diligence Directive (CSDDD) ²	EU	Requires companies to manage & mitigate adverse human rights & environmental impacts	Adopted in April 2024 by European Parliament with a two-year transposition into national law by member states	Conduct due diligence on environmental impacts and report on mitigation efforts	Applies to companies including insurers
US SEC Climate Disclosure Rule ³	US	Requires public companies to disclose climate-related risks & GHG emissions	Reporting on 2024 starts in 2025	Disclose Scope 1 & 2 GHG emissions, & climate risks	Relevant for insurers listed on US stock exchanges
National Association of Insurance Commissioners (NAIC) Climate Risk Disclosure ⁴	US	Requires disclosures aligned with TCFD	NAIC adopted a new standard in 2022 ⁵	Disclosures of climate-related risks in alignment with TCFD	Insurance-specific
California Department of Insurance Climate Risk Carbon Initiative ⁶	California, US	Requires disclosure of climate risks and management strategies	Since 2016	Disclose investments in fossil fuels and plans to reduce climate risk exposure	Insurance-specific

1) [EUR-Lex, 2019](#); 2) [EUR-Lex, 2022](#); 3) [US SEC, 2024](#); 4) [California Department of Insurance, 2024](#); 5) [California Department of Insurance, 2022](#); 6) [California Department of Insurance, 2016](#);

Key climate disclosure requirements applicable to insurance firms (3/3)

Standards/ Regulations	Region	Descriptions	Application Timeline	Key Requirements	Insurance-specific
EU Solvency II ¹	EU	Comprehensive regulatory framework for insurance firms	Since 2016	Disclose financial and solvency conditions, including climate risks under the ORSA	Insurance-specific
Own Risk and Solvency Assessment (ORSA) ²	International / EU	Requires insurers to assess and report their solvency and risk management	Ongoing	Disclose internal assessment of risks, including climate-related risks, and their management and solvency positions; disclosures on climate change materiality assessments & climate change scenarios ³	Insurance-specific


1) [EIOPA, 2024a](#); 2) [EIOPA, 2024b](#); 3) [EIOPA, 2022](#)

TCFD disclosures by industry¹

Insurance companies and banks had the highest levels of reporting on the Risk Management recommendation

Percentage of companies using TCFD disclosures by industry

Recommendation	Recommended Disclosure	Industry								
		Banking (235)	Insurance (117)	Energy (205)	Materials and Buildings (345)	Transportation (126)	Agriculture, Food, and Forest (115)	Technology and Media (91)	Consumer Goods (131)	
Governance	a) Board Oversight	57%	65%	76%	71%	70%	57%	43%	58%	
	b) Management's Role	40%	44%	57%	46%	44%	39%	32%	32%	
Strategy	a) Risk and Opportunities	69%	68%	70%	66%	55%	57%	38%	46%	
	b) Impact on Organization	35%	45%	58%	46%	40%	49%	27%	28%	
	c) Resilience of Strategy	9%	13%	16%	12%	6%	17%	5%	8%	
Risk Management	a) Risk ID and Assessment Proc.	40%	44%	42%	40%	30%	36%	14%	22%	
	b) Risk Management Processes	46%	51%	45%	38%	37%	35%	20%	29%	
	c) Integration into Risk Mgmt.	38%	36%	32%	22%	21%	18%	7%	11%	
Metrics and Targets	a) Climate-Related Metrics	61%	56%	81%	81%	70%	71%	67%	62%	
	b) Scope 1,2,3 GHG Emissions	58%	53%	77%	75%	64%	64%	65%	54%	
	c) Climate-Related Targets	47%	50%	80%	77%	73%	69%	56%	63%	

1. The numbers in parentheses represent the size of the review population. Legend:  Low to high percentage of reporting

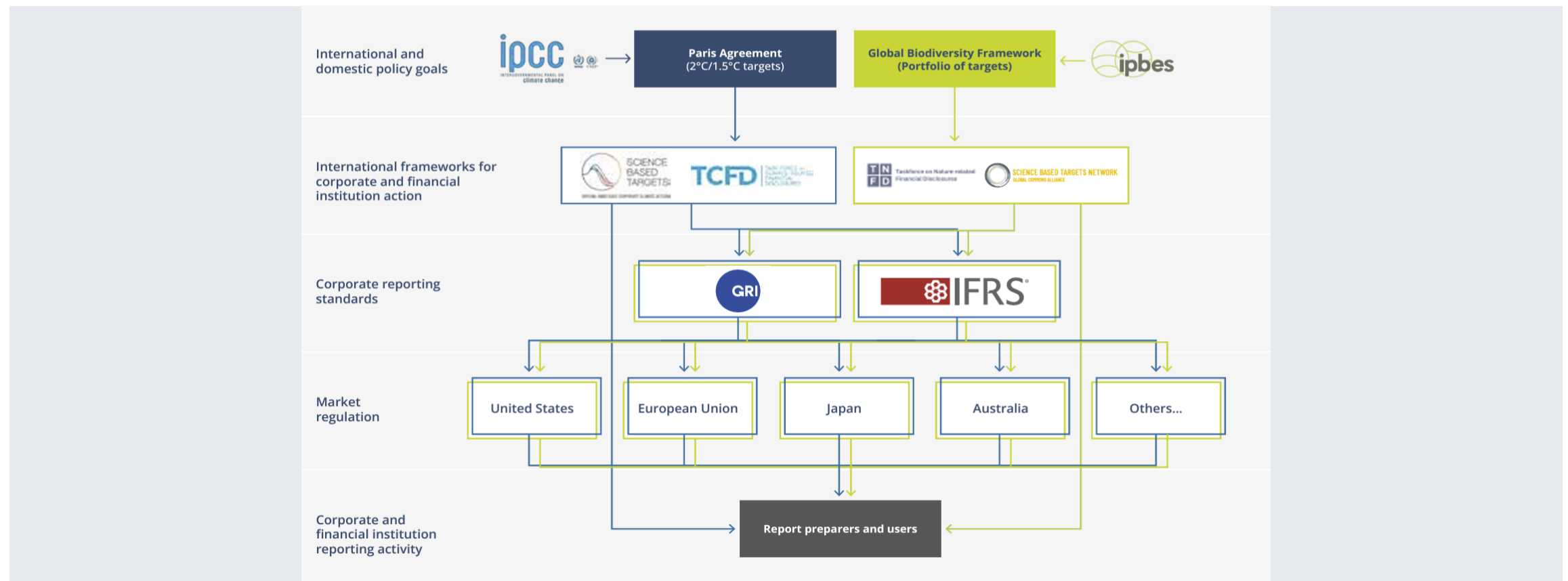
Average number of TCFD disclosures by sector

Industry	Number
Energy	6.3
Materials and Buildings	5.8
Insurance	5.2
Agriculture, Food, and Forest Products	5.1
Transportation	5.1
Banking	5.0
Consumer Goods	4.1
Technology and Media	3.7

1) [TCFD, 2023](https://www.unepfi.org/TCFD-2023)

The evolution of climate-nature disclosures & reporting landscape¹

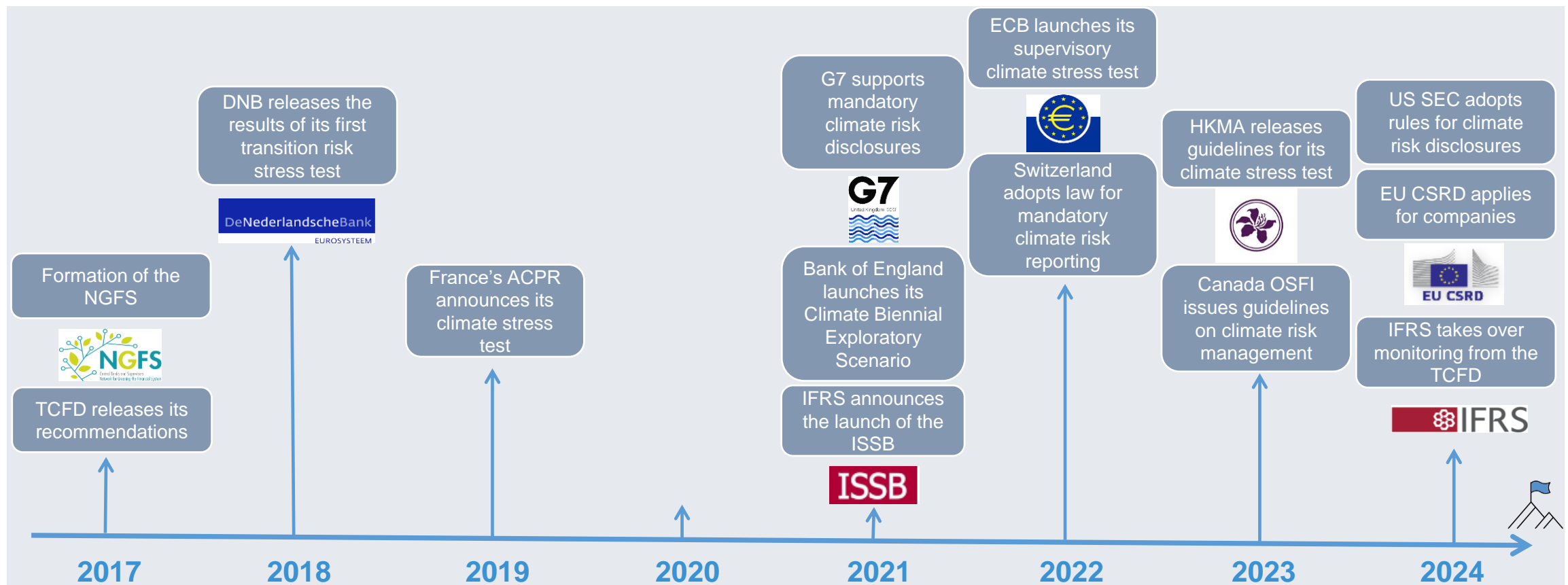
International disclosure frameworks such as TCFD inform the development of corporate reporting standards



1) TNFD, 2023

Recent milestones in regulatory climate risk management

The development of climate risk management & disclosure frameworks is gaining momentum

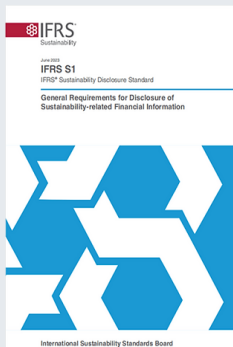


IFRS S1 & S2 Overview¹

IFRS S1 & S2 fully incorporate the TCFD framework, with IFRS S2 setting out climate-specific disclosure requirements

IFRS S1 & S2 should be used together for disclosures

IFRS S1



- ISSB IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, **issued in June 2023**.
- IFRS S1 integrates and builds on the **TCFD recommendations**.
- Prescribes how an entity prepares and reports its sustainability-related financial disclosures.
- Sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities.
- Effective for annual reporting periods beginning on or after **1 January 2024**.

IFRS S2



- Incorporates the **TCFD recommendations**.
- To meet investor information needs, IFRS S2:
 - is used in accordance with **IFRS S1**;
 - requires disclosure of **material information about climate-related risks and opportunities**, including physical and transition risks;
 - requires **industry-specific disclosures**, which are supported by accompanying guidance built on SASB Standards.

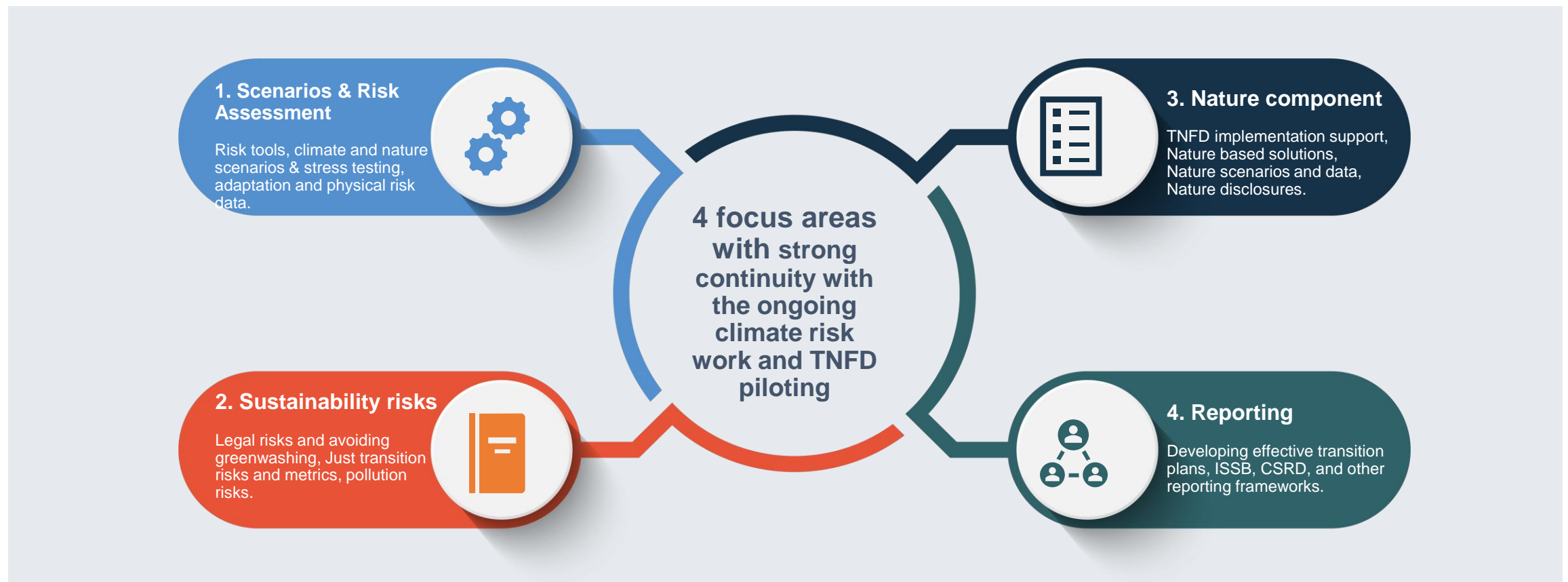
To sum up:

1. IFRS S1 sets out **overarching requirements for sustainability-related disclosures**. The core content requirements in IFRS S2 **integrates the TCFD recommendations**.
2. Building on IFRS S1, **IFRS S2** sets out **supplementary requirements** relating specifically to **climate-related risks and opportunities**. IFRS S2 is designed to be used with IFRS S1.
3. IFRS S1 sets out the **general requirements** for disclosure, and **specific requirements** for providing a complete set of sustainability-related financial disclosures.

1) [IFRS, 2023](#)

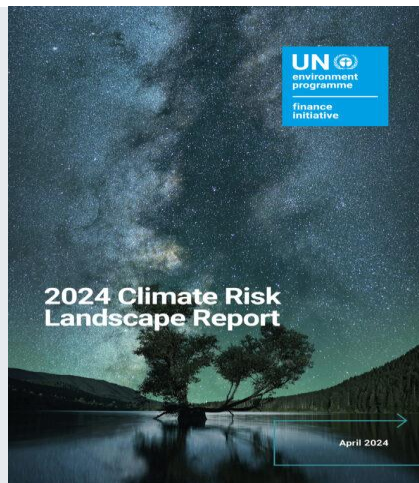
Strategic focus areas of the UNEP FI Risk Centre

Four components to help financial institutions accelerate their holistic risk management



Steps to effective disclosures & reporting

IFRS's Guide to integrated reporting¹



UNEP FI 2024 Climate Risk Landscape Report

- Overview of available tools for assessing physical and transition climate risks
- Case studies illustrating successful implementation of climate risk tools for effective risk assessments



UNEP FI Climate Risk Tools Dashboard

- Comprehensive overview of >58 tools for climate risk assessments
- User-friendly filters by risk type, scenarios, geographical & asset class coverage
- Updated quarterly since June 2023



UNEP FI 2023 Climate Risk Landscape Report

- Key updates of the market for climate risk assessment tools
- Overview of transition & physical risk approaches
- Use cases for climate tools
- Roadmap for choosing a climate risk assessment tool



UNEP FI Technical Supplement to 2023 Climate Risk Landscape

- Common metrics for climate risk assessments
- Results from multiple tool / data providers on a dummy portfolio analysis
- Key data challenges

1) [UNEP FI, 2024a](#); 2) [2024b](#); 3) [2023a](#); 4) [2023b](#)

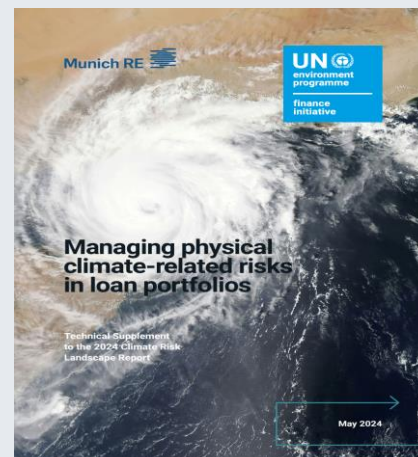
Steps to effective disclosures & reporting

IFRS's Guide to integrated reporting¹



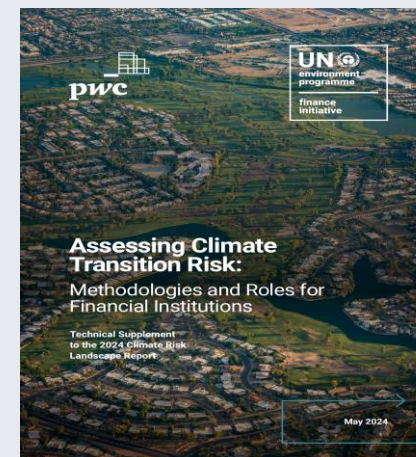
The Climate Data Challenge

- Latest survey & studies on the current situation and problems associated with climate & ESG data
- Financial institutions' use cases of climate & ESG data
- Values of open-source and collaborative data platforms
- Desired & the way forward for tools / data solutions



Managing Physical Climate-related Risks in Loan Portfolios

- Adapting risk frameworks for climate risk considerations
- Strategies for managing physical climate risk
- Proposed framework for managing physical climate risk in lending portfolios



Assessing Climate Transition Risk

- Essential roles of real estate and finance in meeting the Paris goal
- Evaluating climate risk in building assessments
- Collaborative strategies for achieving 1.5°C: Roles and perspectives in the net-zero transition



3-part report on Emerging Economies: Climate Risks & Best Practices for Climate Risk Disclosures

- Key climate risks relevant for emerging market participants
- Regulatory landscape for disclosures
- Best practice examples for disclosures

1) UNEP FI, 2024a; 2) 2024b); 2024c); [2023](#)