Task Force on Climate-related Financial Disclosures

Overview

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

March 2021

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The Need for Climate-Related Financial Disclosure

The large-scale and complex nature of climate change makes it uniquely challenging, especially in the context of economic decision making. Further, many companies have incorrectly viewed the implications of climate change to be relevant only in the long term and, therefore, not necessarily relevant to decisions made today. Those views, however, are changing as more information becomes available on the potential widespread financial impacts of climate change.

In December 2019, Bank of England Governor Mark Carney noted that "changes in climate policies, new technologies and growing physical risks will prompt reassessments of the values of virtually every financial asset." Companies and providers of capital, therefore, should consider their longer-term strategies and most efficient allocation of capital in light of these changes. Organizations that invest in activities that may not be viable in the longer term will likely be less resilient to the transition to a lower-carbon economy — and their investors will likely experience lower returns.

Compounding the effect on longer-term returns is the risk that present valuations do not adequately factor in climate-related risks because of insufficient information. Investors, lenders, and insurance underwriters need adequate information on how companies are preparing for a lower-carbon economy. More effective, clear, and consistent climate-related disclosure is needed from companies around the world.

Natural catastrophe losses intensified by climate change (2017-2019)[1]	**$640b**
Value at risk as a result of climate change to manageable assets by 2100[2]	up to **$43t**

[1] Source: Munich Re, "The natural disasters of 2018 in figures," 8 Jan 2019, and "Hurricanes cause record losses in 2017 — The year in figures," 4 Jan 2018. https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2020/causing-billions-in-losses-dominate-nat-cat-picture-2019.html

[2] Source: The Economist Intelligence Unit, "The Cost of Inaction: Recognising the Value at Risk from Climate Change," 2015.

"Now is the time to ensure that every financial decision takes climate change into account."

– Mark Carney, UN Special Envoy on Climate Action and Finance, Governor of the Bank of England, December 2019

Mark Carney, UN Special Envoy on Climate Action and Finance and Michael R. Bloomberg, TCFD Chair

Potential Financial Implications of Climate Change

Rise in Natural Catastrophes and Chronic Environmental Shifts

- Macroeconomic shocks or financial losses caused by storms, droughts, wildfires, and other extreme events, or by changing weather patterns over time
- Unanticipated financial losses resulting from climate change (e.g., the effect of rising sea level on credit secured by coastal real estate) could impact the global financial system

Transition to a Low-Carbon Economy

- Risks associated with an abrupt adjustment to a low-carbon economy, such as rapid losses in the value of assets due to changing policy or consumer preferences
- Climate-related financial risks could affect the economy through elevated credit spreads, greater precautionary saving, and rapid pricing readjustments

Climate Change is a Financial Risk

Climate-related risk is non-diversifiable and will have a financial impact on many companies:

"Climate-related risks are a source of financial risk and it therefore falls squarely within the mandates of central banks and supervisors to ensure the financial system is resilient to these risks."

– Network for Greening the Financial System, First Comprehensive Report, April 2019

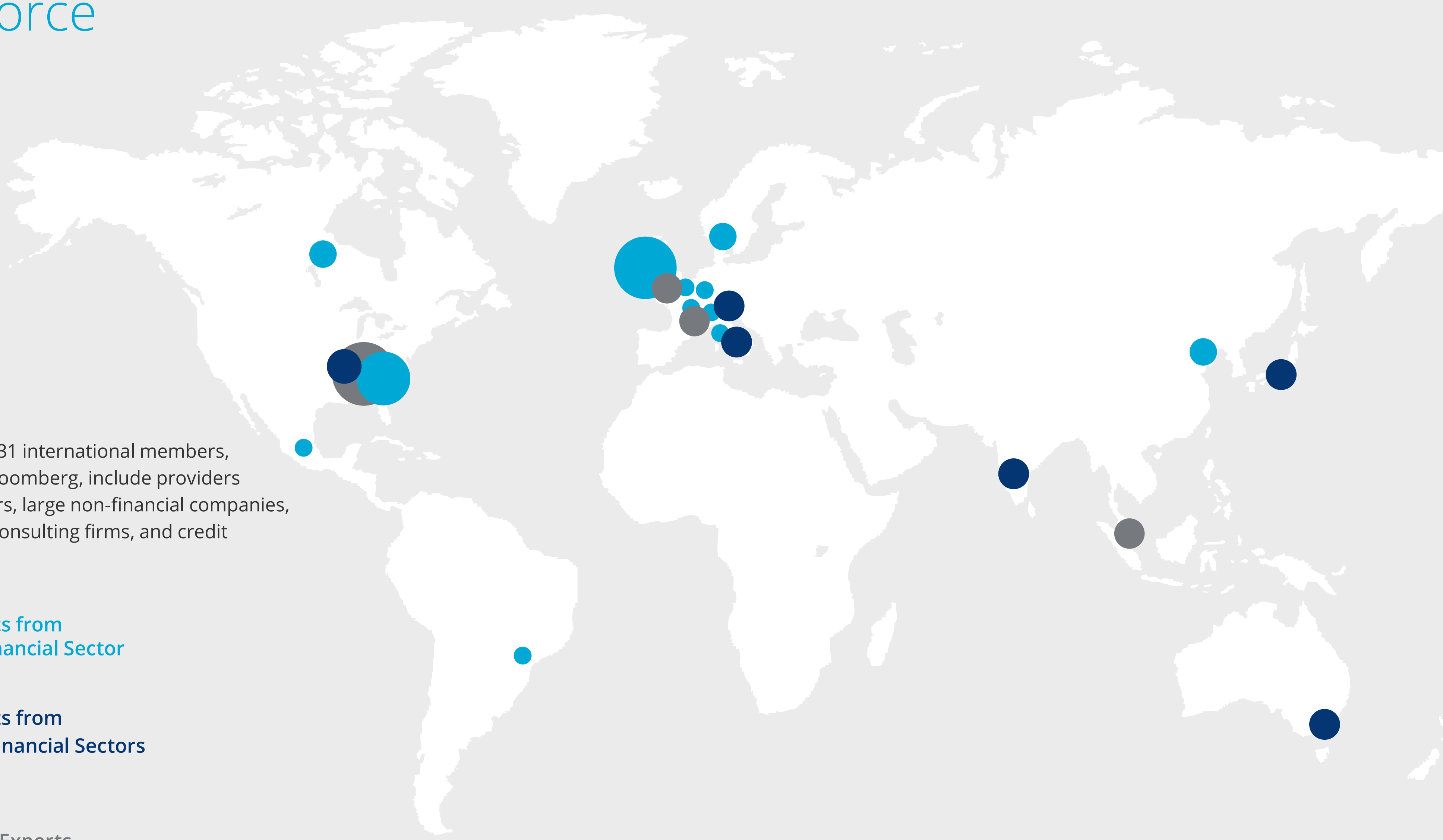
The Task Force on Climate-related Financial Disclosures

G20 Finance Ministers and Central Bank Governors asked the Financial Stability Board (FSB) to review how the financial sector can take account of climate-related issues.

The FSB established the Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations for more effective climate-related disclosures that:

- could "promote more informed investment, credit, and insurance underwriting decisions"
- in turn, "would enable stake-holders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks."

Industry Led and Geographically Diverse Task Force



The Task Force's 31 international members, led by Michael Bloomberg, include providers of capital, insurers, large non-financial companies, accounting and consulting firms, and credit rating agencies.

17 Experts from the Financial Sector

8 Experts from Non-Financial Sectors

6 Other Experts

Demand for Climate-Related Financial Disclosure

Demand for climate-related disclosure has increased significantly since the release of the TCFD recommendations in 2017.

Many **private sector** financial institutions, investors, and others continue to make progress on incorporating climate-related disclosure into their financial decision-making. For example, over 500 investors with more than $47 trillion in assets under management committed to engage with the world's largest corporate greenhouse gas emitters to strengthen their climate-related disclosures by implementing the TCFD recommendations as part of Climate Action 100+.

Demand for climate-related disclosure from investors and others is critically important. In particular, large asset owners and asset managers sit at the top of the investment chain and, therefore, have an important role to play in influencing the organizations in which they invest to provide better climate-related financial disclosures.

"It is necessary for all parties in our investment chain, from portfolio companies to asset managers, to support TCFD so that asset owners like us can properly access our portfolio. I am convinced that TCFD will continue to evolve as a major framework for such disclosure and strongly recommend all corporates to join."

– Hiro Mizuno, Former Executive Managing Director and CIO
Japan Government Pension and Investment Fund, February 2020

In addition, **public sector** leaders have also noted the importance of transparency on climate-related issues within financial markets. Climate-related risk is increasingly the subject of new reporting requirements, such as the European Non-financial Reporting Directive 2014/95/EU, stress testing, and regulatory guidance based on the TCFD recommendations. A number of national governments and public sector organizations formally support the TCFD.

"The NGFS emphasises the importance of a robust and internationally consistent climate and environmental disclosure framework. NGFS members collectively pledge their support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The NGFS encourages all companies issuing public debt or equity as well as financial sector institutions to disclose in line with the TCFD recommendations."

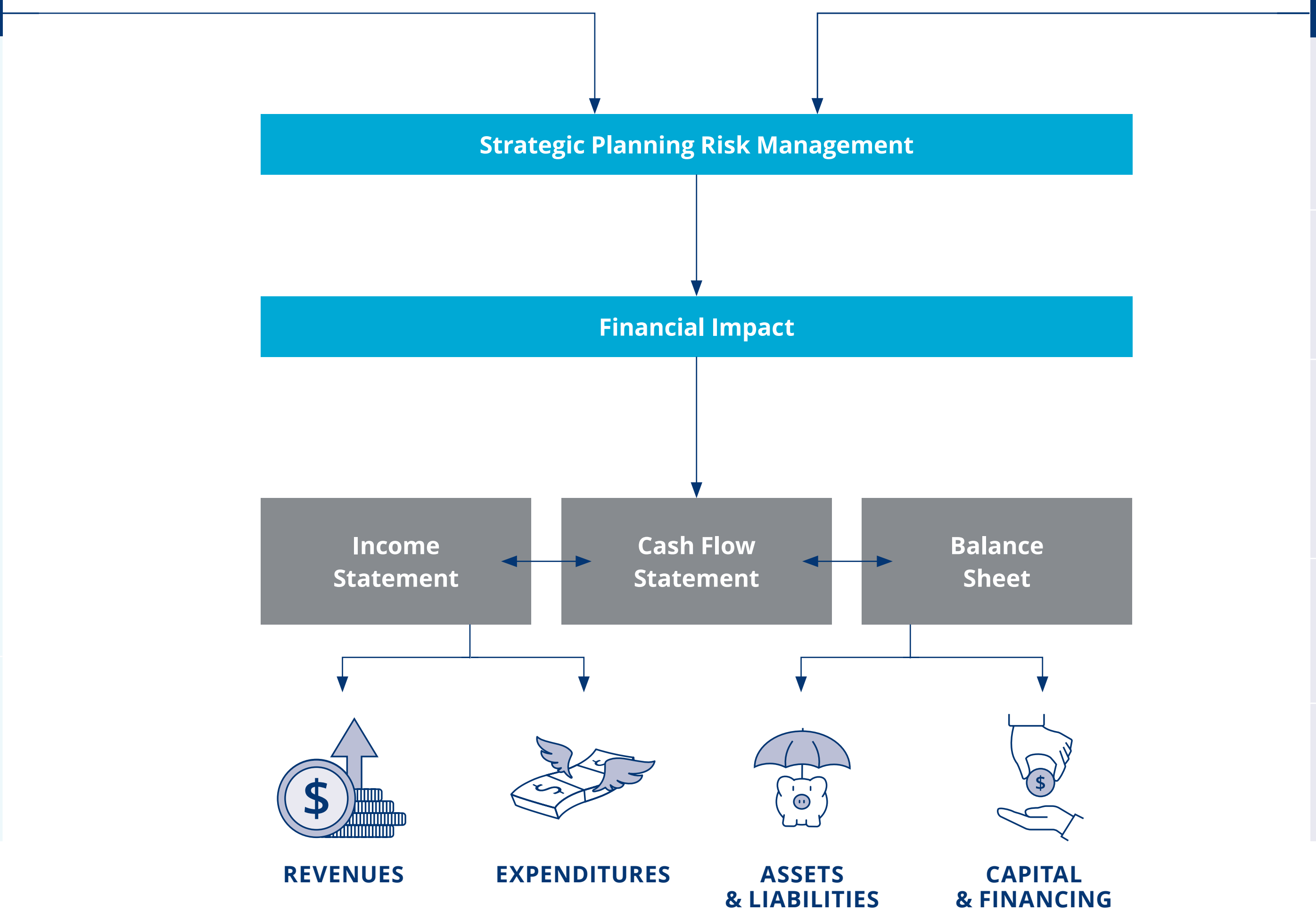
– Network for Greening the Financial System
First Comprehensive Report, April 2019

Climate-Related Risks and Opportunities

The Task Force identified several categories of climate-related risks and opportunities. These include potential financial impact to assist investors, and companies consider longer-term strategies and most efficient allocation of capital in light of the potential economic impacts of climate change.

> *"Climate change presents global markets with risks and opportunities that cannot be ignored, which is why a framework around climate-related disclosures is so important. The Task Force brings that framework to the table, helping investors evaluate the potential risks and rewards of a transition to a lower carbon economy."*
>
> **– TCFD Chair, Michael R. Bloomberg,** June 2017

Risks	
Transition	**Policy and Legal** • Carbon pricing and reporting obligations • Mandates on and regulation of existing products and services • Exposure to litigation **Technology** • Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies **Market** • Changing customer behavior • Uncertainty in market signals • Increase cost of raw materials **Reputation** • Shift in consumer preferences • Increased stakeholder concern/negative feedback • Stigmatization of sector
Physical	• Acute: Extreme weather events • Chronic: Changing weather patterns and rising mean temperature and sea levels



Opportunities	
Resource Efficiency	• Use of more efficient modes of transport and production and distribution processes • Use of recycling • Move to more efficient buildings • Reduced water usage and consumption
Energy Source	• Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Participation in carbon market
Products & Services	• Development and/or expansion of low emission goods and services • Development of climate adaption and insurance risk solutions • Development of new products or services through R&D and innovation
Markets	• Access to new markets • Use of public-sector incentives • Access to new assets and locations needing insurance coverage
Resilience	• Participation in renewable energy programs and adoption of energy-efficiency measures • Resource substitutes/diversification

The TCFD Recommendations

The TCFD's recommendations were published in its 2017 report, in addition to supporting materials to assist with implementing climate-related financial disclosure.

This **report** provides context, background, and the general framework for climate-related financial disclosures—it is intended for broad audiences.

The **annex** provides the next level of detail to help companies implement the recommendations.

The **technical supplement** is a further level of detail of detail that can be helpful for companies in considering scenario analysis.

The TCFD 2017 report, supporting materials, and recent status reports are available at fsb-tcfd.org/publications/.

In its work, the Task Force drew on member expertise, significant stakeholder engagement, and existing climate-related disclosure regimes to develop a singular, accessible framework for climate-related financial disclosure. The recommendations are structured around four thematic areas that represent core elements of how organizations operate:

"The work of the TCFD shows the power of voluntary engagement from the private sector and how it can complement public sector regulations. A remarkable endeavor, the TCFD has developed global standards that are now being used by a significant number of corporations around the world."

– Christian Thimann, TCFD Vice Chair and CEO and Chairman of the Management Board, Athora Germany, March 2021

TCFD Recommended Disclosures

The four recommendations are supported by specific disclosures organizations should include in financial filings or other reports to provide decision-useful information to investors and others.

Key Features of Recommendations

Adoptable by all organizations

Designed to solicit decision-useful, forward-looking information on financial impacts

Strong focus on risks and opportunities related to transition to lower-carbon economy

Disclosure under the strategy and metrics and targets recommendations in financial filings is subject to a materiality assessment, although all organizations are encouraged to disclose publicly if practicable

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Recommended Disclosures

a) Describe the board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

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 Disclosures

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

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

Risk Management

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

Recommended Disclosures

a) Describe the organization's processes for identifying and assessing climate-related risks.

b) Describe the organization's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Metrics and Targets

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

Recommended Disclosures

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

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

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

"We see extensive and mounting evidence that the physical and transition effects of the climate crisis are real. In order to reach the goals of the Paris Agreement we need to take forceful action – this includes action from corporations and the private sector at large. Climate-related disclosures and the TCFD recommendations help companies consider the impact of climate change and associated mitigation efforts on their strategies and operations. A company that communicates its climate resiliency to its investors will have a competitive advantage over those that don't."

– Mary Schapiro, Head of the TCFD Secretariat and Vice Chair for Global Public Policy at Bloomberg LP, February 2021

Guidance on Implementing the TCFD Recommendations

In 2017, the Task Force developed an annex report that provides both general and sector-specific guidance to assist organizations with implementing the TCFD recommendations and recommended disclosures.

Example of Guidance for All Sectors
Investors and other stakeholders need to understand how climate-related issues may affect an organization's businesses, strategy and financial planning over the short, medium, and long term. Such information is used to inform expectations about the future performance of an organization.

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 a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**Guidance for All Sectors** Organizations should provide the following information: • a description of what they consider to be the relevant short-, medium-,and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms, • a description of the specific climate-related issues potentially arising in each time horizon (short, medium and long term) that could have a material financial impact on the organization, and • a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization. Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate. In describing climate-related issues, organizations should refer to Tables A1 and A2 on pages 72-73 of the 2017 TCFD Final Report.
Recommended Disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	**Guidance for All Sectors** Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy and financial planning. Organizations should consider the impact on their businesses and strategy in the following areas: • Products and services • Supply chain and/or value chain • Adaptation and mitigation activities • Investment in research and development • Operations (including types of operations and locations of facilities) Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among factors that affect their ability to create value over time. Organizations should also consider including in their disclosures the impact on financial planning in the following areas: • Operating costs and revenues • Capital expenditures and capital allocation • Acquisitions or divestments • Access to capital If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.

Which Organizations Should Implement the TCFD Recommendations?

To promote more informed investing, lending, and insurance underwriting decisions, the Task Force recommends all organizations with public debt or equity implement its recommendations. Because climate-related issues are relevant for other types of organizations as well, all organizations are encouraged to implement these recommendations.

In particular, implementation by asset managers and asset owners, including public- and private-sector pension plans, endowments, and foundations will help their clients and beneficiaries better understand the performance of their assets, consider the risks of their investments, and make more informed investment choices.

Sector-Specific Supplemental Guidance

In addition to the guidance for organizations in all sectors, supplemental guidance is available for the following groups and industries:

Financial Sector Industries

- Banks
- Insurance Companies
- Asset Managers
- Asset Owners

The financial sector was organized into four major industries largely based on activities performed. The activities are lending (banks), underwriting (insurance companies), asset management (asset managers), and investing (asset owners).

Non-Financial Groups

- Energy
- Transportation
- Materials & Buildings
- Agriculture, Food, and Forest Products

The non-financial groups identified by the Task force account for the largest proportion of GHG emissions, energy usage and water usage.

"It is encouraging to see the increasing number of banks and asset managers that are systematically including TCFD recommendations in their risk and opportunities analysis."

– Denise Pavarina, Senior Advisor, Aggrego Consultores, February 2021

Scenario Analysis for Non Financial Companies

This guidance is intended to assist non financial companies interested in using climate related scenarios as part of their efforts to implement the Task Force's recommendations.

The Guidance Provides:

- practical, process oriented ways for non financial companies to use climate related scenario analysis and
- ideas for disclosing the resilience of their strategies to different climate related scenarios.

The Guidance Focuses on the Following:

- the elements of establishing organizational structures and processes to conduct scenario analysis;
- the scenario development process, including scenario types, structural elements, and sources of scenarios;
- the application of scenario analysis to strategy formulation to enhance resilience and improve flexibility and adaptability to future climate change; and
- the importance and challenges of disclosure around strategy and scenarios, and what should be disclosed.

Risk Management Integration and Disclosure

This guidance is aimed at companies that are interested in integrating climate related risks into their existing risk management processes and disclosing information on their risk management processes in alignment with Task Force's recommendations.

Initial Steps for Integration

The guidance explores the practicalities of integrating climate related risks into existing risk management processes and outlines a set of high level, initial steps intended to support companies in identifying important considerations for integration.

STEP 1. Ensure there is a general understanding across the company of climate change concepts and its potential impacts.

STEP 2. Identify the specific risk management processes and elements that may need to be adjusted for the integration of climate related risk as well as the functions and departments responsible for those processes and elements.

STEP 3. Incorporate climate related risks into the existing risk taxonomy and risk inventory used in the company. This includes mapping climate related risks to existing risk categories and types.

STEP 4. Adapt existing risk management processes and key elements based on information gained in the previous steps and the characteristics of climate related risk.

Unique Characteristics

The guidance describes the unique characteristics of climate related risks that are important to consider when integrating such risks into existing processes. The following characteristics of climate related risks are discussed:

- Different effects based on geography and azctivities,
- Longer time horizons and long lived effects,
- Novel and uncertain nature,
- Changing magnitude and non linear dynamics, and
- Complex relationships and systemic effects.

Disclosure Examples

The guidance also describes features of decision useful risk management disclosures as well as examples of companies' disclosures.

Implementing the TCFD Recommendations

Organizations are now able to draw upon a wealth of examples and resources to accelerate their disclosures aligned with the TCFD recommendations. Once initial climate-related reporting is released, companies are encouraged to continue improving and developing their disclosures. Implementing the TCFD recommendations generally includes the following considerations:

Managing Climate-Related Issues

Building appropriate internal processes to manage climate-related issues, as well as collecting necessary data and metrics.

Existing and Future Reporting Requirements

Reviewing requirements for financial and non-financial reporting considering whether additional requirements will likely be released.

Reporting Capabilities

Developing processes and capacity to report information under the TCFD recommendations – subject to appropriate internal governance processes and in line with regulatory requirements.

Materiality

Taking the unique longer-term impacts and challenges of climate change into account when assessing materiality. All organizations are encouraged to report in line with the Governance and Risk Management recommendations regardless of materiality.

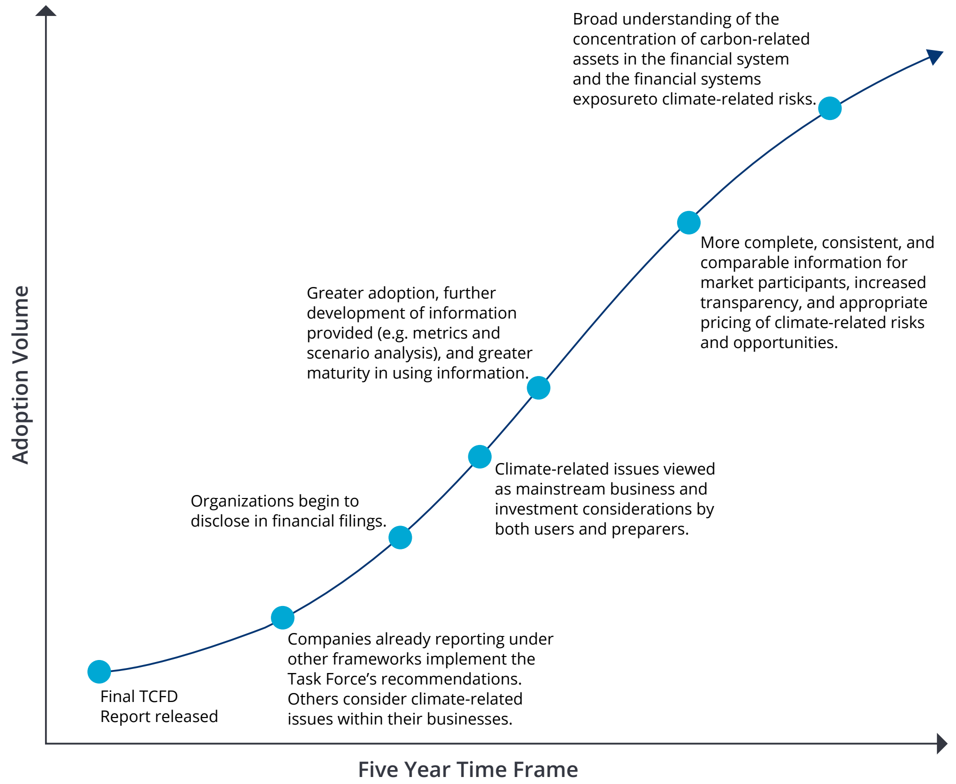
Placement

Determining the appropriate placement of disclosures — in mainstream (i.e., public) annual financial filings as recommended by the TCFD or other official company reports.

Ongoing Collaboration and Improvement

Organizations have expressed that participation in TCFD working groups, workshops or even knowledge sharing with peers and investors has been helpful in advancing climate-related disclosure.

Illustrative Implementation Path



TCFD Principals for Effective Disclosures	
1	Disclosures should represent relevant information
2	Disclosures should be specific and complete
3	Disclosures should be clear, balanced and understandable
4	Disclosures should be clear over time
5	Disclosures should be comparable among companies within a sector, industry or portfolio
6	Disclosures should reliable, verifiable and objective
7	Disclosures should be provided on a timely basis

Benefits of Implementation

Some of the potential benefits associated with implementing the Task Force's recommendations include:

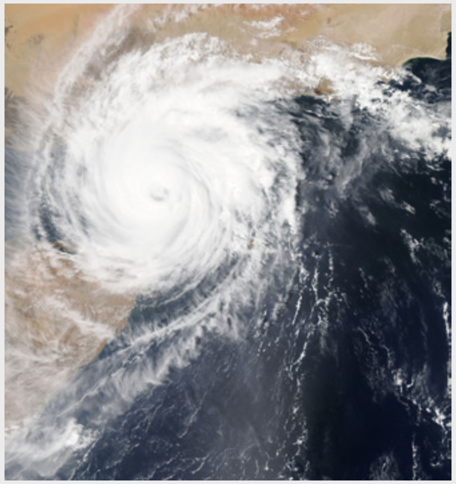
- Easier or better access to capital by increasing investors' and lenders' confidence that the company's climate-related risks are appropriately assessed and managed
- More effectively meeting existing disclosure requirements to report material information in financial filings
- Increased awareness and understanding of climate-related risks and opportunities within the company, resulting in better risk management and more informed strategic planning
- Proactively addressing investors' demand for climate-related information in a framework that investors are increasingly asking for, which could ultimately reduce the number of climate-related information requests received

"The TCFD disclosure requirements have really helped us drive better quality thinking around the impact that climate change could have on our business as well as our impact on climate change, it has also caused us to bring together our technical specialists, our operators and our finance teams to brainstorm these issues which has strengthened the rigour of our thinking, our understanding of the implications but most importantly the identification of key actions."

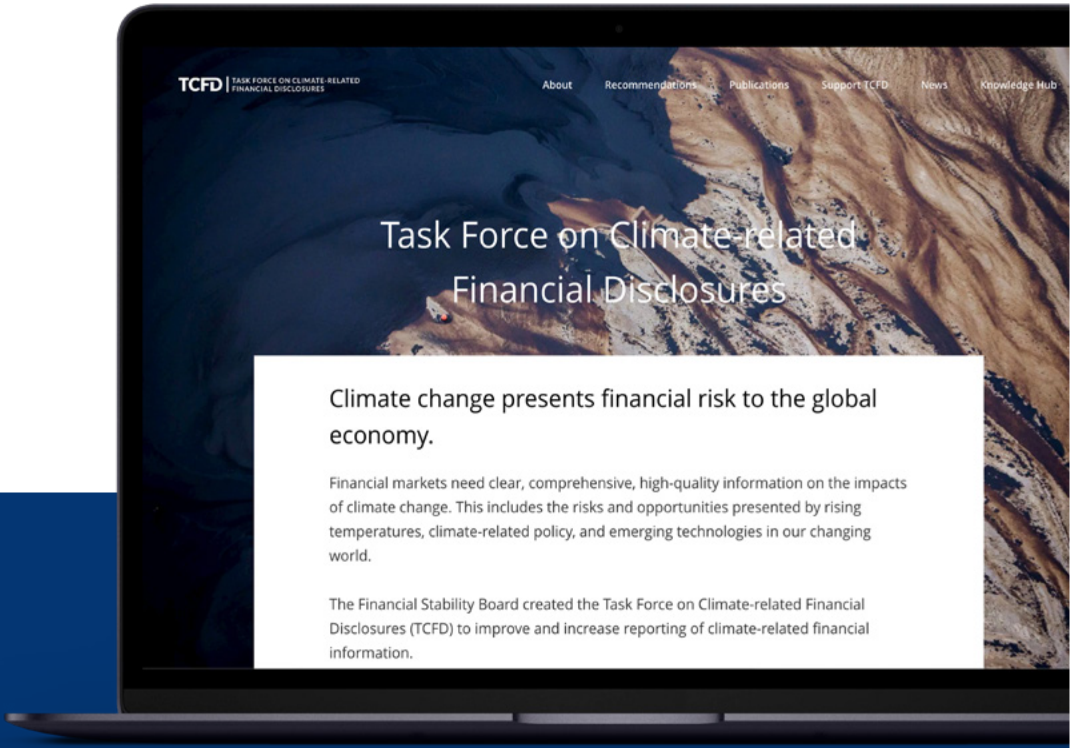
– Graeme Pitkethly, Chief Financial Officer, Unilever, March 2021

A Note on Climate-Related Resilience and Scenario Analysis:

The TCFD recommends organizations disclose information about the resilience of their strategies based on the outcomes of different climate-related scenarios — where such information is material.
The TCFD believes climate-related scenario analysis is an important and useful tool for organizations to use to understand the strategic implications of climate-related risks and opportunities, regardless of materiality. In particular, climate-related scenario analysis can help organizations identify indicators to monitor the external environment, which may provide early warning to reassess and adjust strategies.



Select Resources on the TCFD Recommendations



TCFD Website

Further information on TCFD is available on our website at fsb-tcfd.org. The TCFD website includes all of the TCFD's publications, including the final recommendations, implementation annex, guide to scenario analysis, report translations, and recent status reports.

TCFD Knowledge Hub

The TCFD Knowledge Hub (TCFDhub.org) hosts over 400 resources that help companies identify, analyze, and report climate-related financial information. The Hub was created by the Climate Disclosure Standards Board (CDSB) to support the adoption of the TCFD recommendations and the development of high-quality, consistent and comparable climate-related financial disclosures.

WBCSD Preparer Forums

The World Business Council for Sustainable Development (WBCSD) has worked with companies in several industries, such as oil and gas, electric utilities, and chemicals, in forums focused on implementation of the TCFD recommendations. The reports of these "preparer forums" are available on the WBCSD website.

UNEP FI Reports on Climate-Related Risk and Scenario Analysis

The United Nations Environment Programme Finance Initiative (UNEP FI) has led pilot projects on TCFD implementation for financial institutions. Its 16-member banking pilot released two reports in 2018 that detail climate-related scenario analysis methodologies for banks. UNEP FI led a 20-member pilot for investors, which released a guide to scenario-based methods for climate risk assessment in 2019, as well as a similar effort with 16 major insurers. All reports are available at unepfi.org/tcfd.

Additional Resources

Many other organizations such as the UN Principles for Responsible Investing (UN PRI), CDP, CDSB, and the Sustainable Accounting Standards Board (SASB) have worked to align with the TCFD recommendations and have released various resources to assist organizations with implementing and using climate-related financial disclosure.

TCFD Supporters

Since the release of the TCFD recommendations, support forthe TCFD has increased rapidly. The TCFD's 2,000+ supporting organizations span the public and private sectors and represent over 80 industries in 78 countries, including the governments of 11 countries.

"Four years on, the TCFD has generated a step change in both the demand for and supply of climate reporting. The demand for TCFD disclosure is now enormous."

– Mark Carney, UN Special Envoy on Climate Action and Finance, Governor of the Bank of England, September 2019

DEC 2015 Announcement of the establishment of the TCFD.

JAN 2016 Task Force members were selected and announced.

JUN 2017 When the Task Force released its disclosure recommendations in June 2017, it did so with the support of over 100 CEOs.

DEC 2017 At French President Emmanuel Macron's One Planet Summit, Governor Mark Carney and Michael Bloomberg advanced the discussion around the TCFD and announced over 230 supporters.

MAY 2018 Launch of the TCFD Knowledge Hub.

SEP 2018 The Task Force released its first status report at the One Planet Summit in New York City and announced over 500 supporters.

JUN 2019 The Task Force released its second status report and announced almost 800 supporters.

OCT 2019 The Government of Japan holds first-ever TCFD Summit.

OCT 2020 TCFD launches its third status report, guidance on scenario analysis and risk management, and consultation.

NOV 2020 At the One Planet Sovereign Wealth Funds Summit gathering 33 CEOs from among the world's largest institutional investors with over $30 trillion in assets under management, CEOs of sovereign wealth funds and asset managers made statements to drive the support of the TCFD recommendations as a global reporting standard.

DEC 2020 In recognition of the anniversary of the Paris agreement, the 40 largest listed companies in France in the CAC 40 index declared their support for the recommendations of the TCFD.

2,000+

supporters as of March 2021 have a market capitalization of over **$19.8** trillion, including over **859** financial firms, responsible for assets of **$175** trillion.

How you can support TCFD:
Visit fsb-tcfd.org/support-tcfd/
and submit the form to contact the TCFD or become a supporter.

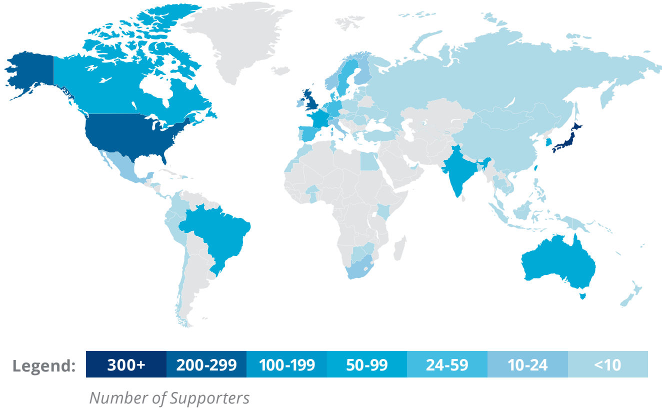
Overview of the TCFD 2020 Status Report

"The Task Force's recommendations are intended to help build consideration of the effects of climate change into routine business and financial decisions, and their adoption can help companies demonstrate responsibility and foresight. Better disclosure will lead to more informed and more efficient allocation of capital, and help facilitate the transition to a more sustainable, lower-carbon economy.

Support for the TCFD framework has exceeded initial expectations, in both the private and public sectors. Disclosure in line with the TCFD recommendations has increased every year since their release in 2017... However, greater disclosure and transparency are urgently needed."

– **TCFD Chair, Michael R. Bloomberg,**
September 2020

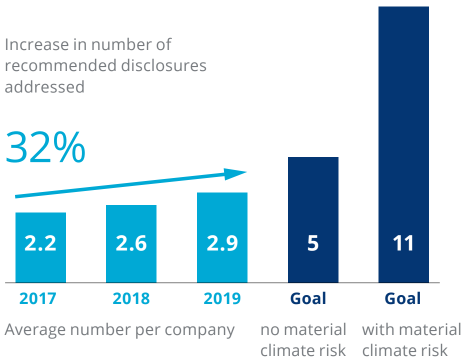
The influence of the TCFD continues to grow with **over 2,000+ supporters from around the world**.



Top Five Countries by Number of Supporters

Japan	340
United Kingdom	265
United States	251
France	91
Australia	83

Based on an AI review of reports for over 1,700 **companies**, disclosure of climate-related financial information is growing, but not fast enough.



Given the importance of appropriately pricing climate-related risks for the efficient allocation of capital, the Task Force believes **disclosure needs to grow at a much faster pace**.

To support preparers in **developing more effective disclosures**, the Task Force asked expert users to rate the usefulness of nearly 60 specific disclosure elements in making financial decisions.

The expert users rated all disclosure elements as useful, and were **nearly unanimous** in rating a company's description of how climate-related issues have affected its business and strategy as "extremely useful."

Top Five Most Useful Disclosure Elements

#	Disclosure Element
1	How climate-related issues **affected a company's business and strategy**
2	**Key metrics on climate-related issues** for most recent period and historical periods
3	The **material climate-related issues** identified for **each sector and geography**
4	**Scope 1 GHG emissions** for the most recent period and historical periods
5	Climate-related **targets related to GHG emissions**

Source: 2020 TCFD Status Report

Examples of Momentum for the TCFD

Australia

August 2019: The Australian Securities and Investment Commission updated its regulatory guidance on climate-related disclosure, encouraging TCFD-aligned reporting and welcoming TCFD as the preferred market standard.

Brazil

September 2020: Banco Central Do Brasil announced plans to disclose in line with TCFD recommendations and issue regulation for banks to disclose in line with the recommendations in 2021/2022.

Canada

May 2020: The Canadian government established COVID-19 relief financing to large employers contingent, in part, on employers publishing TCFD-aligned disclosures.

European Union

June 2019: The European Commission incorporated the TCFD recommendations into its *Guidelines on Reporting Climate-Related Information* to support companies in disclosing climate-related information under the European Union's reporting requirements.

Hong Kong

December 2020: A cross-agency group chaired by the Hong Kong Monetary Authority and Securities and Futures Commission launched a strategic plan that requires Hong Kong financial institutions and listed companies to disclose in line with TCFD recommendations no later than 2025.

Ireland

November 2020: The Minister for Finance, Paschal Donohoe T.D., announced Ireland's support and endorsement for the work of the TCFD, highlighting that the implementation of the TCFD Recommendations represent best practice for companies and address the needs of investors for greater transparency.

Japan

October 2019/2020: The Ministry of Economy, Trade and Industry (METI) released TCFD Guidance 2.0 in 2020 and together with Ministry of the Environment and Financial Services Agency supported the launch of the TCFD Consortium of Japan public-private sectors platform to pursue climate-related financial disclosures. METI held the first TCFD summit in October 2019 and a second summit on October 9, 2020. Japan currently hosts the largest group of TCFD supporters, accounting for almost a quarter of the world's total.

Mexico

September 2020: Banco de México recommended providing a clear strategy on how regulation and supervision will promote disclosure of physical and transition risk analysis of financial institutions and corporations, following the TCFD recommendations.

New Zealand

September 2020: The New Zealand government announced it would introduce a mandatory climate-related financial disclosure regime based on the TCFD framework.

Singapore

June 2020: The monetary Authority of Singapore indicated banks should use international reporting frameworks like the TCFD to guide their environmental risk disclosure.

South Africa

May 2020: The National Treasury of South Africa published a draft technical paper recommending regulators and the financial sector establish standards on identifying, monitoring, and reporting environmental and social risks, including climate-related risks, that incorporate the TCFD recommendations.

Switzerland

January 2021: Switzerland became a formal supporter of TCFD to complement the country's sustainable finance policy agenda. The decision is in line with the Federal Council's call to have Swiss companies from all economic sectors implement the TCFD recommendations, with the Federal Council aiming to put forward legislation to make this binding.

United Kingdom

November 2020: The United Kingdom announced that all publicly listed UK companies with a premium listing will be required to "comply or explain" with the TCFD's requirements by 2023, with mandatory TCFD-aligned disclosures across non-financial and financial sectors of the UK economy by 2025.

Bloomberg

fsb-tcfd.org