

Financial Stability Board (FSB) - Task Force on Climate-Related Financial Disclosures (TCFD) releases final report

In June the TCFD published its [final recommendations report](#) on climate-related financial disclosures. The recommendations focus on how a company considers climate change as part of its governance, strategy, risk management, metrics and targets. The report was submitted to the FSB, which established the TCFD to promote informed investment by enabling “stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposures to climate-related risks”. The FSB will encourage companies to voluntarily adopt the recommendations.

The recommended disclosures are based on four core elements:

- **Governance** of climate-related risks and opportunities
- **Strategy** addressing the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning
- **Risk management** and the processes used by the organisation to identify, assess, and manage climate-related risks
- **Metrics and targets** used to assess and manage relevant climate-related risks and opportunities

The TCFD comprises international representatives from banks, insurance companies, asset managers, pension funds, accounting and consulting firms, credit rating agencies and other economic and financial organisations.

