

To: Corporate Reporting - Investments & Sustainable Finance WG
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Subject: IFRS publishes 2024 progress report on corporate climate-related disclosures

Summary

On 12 November the International Financial Reporting Standards (IFRS) published its 2024 report Progress on Corporate Climate-related Disclosures (progress report): [here](#).

The [progress report](#) follows a request made by the Financial Stability Board (FSB) to the IFRS Foundation to record companies' progress in making climate related disclosures by monitoring the early-take up of ISSB Standards and the ISSB's progress in achieving interoperability between ISSB Standards and other standards and frameworks.

The progress report finds that companies continue to make progress in their climate-related disclosures and are preparing to make the transition from disclosures prepared under the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to disclosures prepared using ISSB Standards. In addition, several jurisdictions have taken action to introduce sustainability-related disclosure requirements in their legal and regulatory frameworks.

The key takeaways from the progress report can be summarised as follows:

- 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.
- The number of public companies disclosing TCFD-aligned information continues to grow, but more progress is necessary.
- Most asset managers and asset owners who responded to survey questions about ISSB Standards want or expect portfolio companies to transition from disclosures prepared using TCFD recommendations to disclosures prepared using ISSB Standards.
- As companies take the necessary steps to make the transition from the TCFD recommendations to the ISSB Standards, they also get ready to provide sustainability-related financial information simultaneously with financial statements, as part of their general-purpose financial reports.
- A growing number of jurisdictions are using the IFRS Foundation's Inaugural Jurisdictional Guide to assist them in moving ahead with their plans to adopt or use ISSB Standards.
- In the past 12 months jurisdictions representing approximately 57% of global gross domestic product have made progress towards the adoption or use of ISSB Standards.
- Energy and insurance companies disclosed more information aligned with the TCFD recommendations than companies in other industries.
- The report presents examples of companies transitioning from TCFD recommendations to ISSB Standards, including specific instances from the insurance sector.

Next Steps

The progress report states the need to further develop assurance requirements to enhance the reliability of climate-related disclosures.