



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

2017 TO 2021 TCFD IMPLEMENTING GUIDANCE (ANNEX)

Summary of Changes

October 2021

Updates to *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD annex) (1/3)*

Section of Annex	Key Changes
A Introduction	<ul style="list-style-type: none"> Updated <i>Section A.3. Application of Recommendations</i> to encourage all organizations to disclose Scope 1 and Scope 2 GHG emissions independent of an assessment of materiality. The disclosure of Scope 3 GHG emissions is subject to materiality; however, the Task Force encourages organizations to disclose such emissions.
B Recommendations	<ul style="list-style-type: none"> <i>No changes</i> Removed tables on alignment of the recommendations with other frameworks as they were originally included primarily to demonstrate the Task Force’s use of existing disclosure frameworks in developing its recommendations. Since 2017, many climate-related disclosure regimes have aligned with the TCFD recommendations and generally indicate within their frameworks where such alignment exists.
C Guidance for all Sectors	<p>Strategy</p> <ul style="list-style-type: none"> Revised to more explicitly address disclosure of actual financial impacts on organizations as well as key information from organizations’ plans for transitioning to a low-carbon economy (transition plans). Revised to more explicitly address disclosure of potential financial impacts on organizations. <p>Metrics and Targets</p> <ul style="list-style-type: none"> Revised to more explicitly address disclosure of metrics consistent with cross-industry, climate-related metric categories for current, historical, and future periods, where appropriate. Revised disclosure of Scope 1 and Scope 2 GHG emissions to be independent of a materiality assessment. Revised to encourage disclosure of Scope 3 GHG emissions. Added disclosure of targets consistent with cross-industry, climate-related metric categories, where relevant. Added disclosure of interim targets, where available, for organizations disclosing medium-term or long-term targets.

The 2021 annex is available at: assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf

A summary of the consultation responses that informed these updates is available at: assets.bbhub.io/company/sites/60/2021/08/Summary-of-June-2021-Public-Consultation.pdf

Updates to *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD annex) (2/3)*

Section of Annex	Key Changes
Supplemental Guidance for the Financial Sector Banks	Strategy <ul style="list-style-type: none"> For purposes of reporting on exposure to carbon-related assets, expanded the suggested definition of assets to include all non-financial groups identified by the TCFD in its 2017 report.
	Metrics and Targets <ul style="list-style-type: none"> Added disclosure of the extent to which lending and other financial intermediary business activities are aligned with a well below 2°C scenario. Added disclosure of GHG emissions for lending and other financial intermediary business activities, where data and methodologies allow.
D Supplemental Guidance for the Financial Sector Insurance Companies	Metrics and Targets <ul style="list-style-type: none"> Added disclosure of the extent to which insurance underwriting activities are aligned with a well below 2°C scenario. Added disclosure of weighted average carbon intensity or GHG emissions associated with commercial property and specialty lines of business, where data and methodologies allow.
Supplemental Guidance for the Financial Sector Asset Owners	Metrics and Targets <ul style="list-style-type: none"> Added disclosure of the extent to which assets they own and funds and investment strategies, where relevant, are aligned with a well below 2°C scenario. Added disclosure of GHG emissions for assets they own, where data and methodologies allow.
Supplemental Guidance for the Financial Sector Asset Managers	Metrics and Targets <ul style="list-style-type: none"> Added disclosure of the extent to which assets under management and products and investment strategies, where relevant, are aligned with a well below 2°C scenario. Added disclosure of GHG emissions for assets under management, where data and methodologies allow.

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Updates to *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD annex) (3/3)*

Section of Annex	Key Changes
E Supplemental Guidance for Non-Financial Groups	<ul style="list-style-type: none">Removed the illustrative examples of metrics for the four non-financial groups, as work by other frameworks and standard setters provide more detailed guidance on sector-specific metrics and are updated on a regular basis.
F Fundamental Principles for Effective Disclosure	<ul style="list-style-type: none"><i>No changes</i>
Appendices	<ul style="list-style-type: none">Added new appendix on cross-industry, climate-related metric categories to provide more information on the rationale for inclusion of each metric category

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