

Press release

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TCFD report finds encouraging progress on climate-related financial disclosure, but also need for further progress to consider financial risks

The Financial Stability Board (FSB) welcomed the publication today of the [2019 Status Report](#) by the industry-led Task Force on Climate-related Financial Disclosures (TCFD). The *Status Report* provides an overview of the extent to which companies in their 2018 reports included information aligned with the core TCFD recommendations published in June 2017.

To better understand current climate-related financial disclosure practices and how they have evolved, the Task Force reviewed reports for over 1,100 companies from 142 countries in eight industries over a three-year period. In addition, the Task Force conducted a survey on companies' efforts to implement the TCFD recommendations as well as users' views on the usefulness of climate-related financial disclosures for decision-making. While the Task Force found some of the results of its disclosure review and survey encouraging, it has concerns that not enough companies are disclosing decision-useful climate-related financial information.

The Task Force reviewed financial filings, annual reports, integrated reports, and sustainability reports. It found that:

- Disclosure of climate-related financial information has increased since 2016, but is still insufficient for investors.
- More clarity is needed on the potential financial impact of climate-related issues on companies.
- Of companies using scenarios, the majority do not disclose information on the resilience of their strategies.
- Mainstreaming climate-related issues requires the involvement of multiple functions.

FSB Chair Randal K. Quarles said that: "The Task Force continues to provide a forum for market participants to develop and use a valuable private-sector solution to assess climate-related business risks. The increased participation levels confirm the value of these voluntary disclosures, allowing the public, markets, and investors to better monitor risks."

Michael R. Bloomberg, Chair of the TCFD said: "We remain encouraged by the continued growth in the number of companies adhering to the guidelines of the TCFD – it means businesses are better informed about the risks they face, and investors are more capable of making sound decisions. However, we're also clear-eyed about the serious threat that climate change poses. In order to keep people out of harm's way, and build a more resilient global economy, we need more companies to follow their lead – and soon."

A total of 785 organisations are now [supporters of the TCFD](#), including the world's largest banks, asset managers and pension funds, responsible for assets of \$118 trillion.

The FSB has asked the TCFD to deliver another status report to the FSB in September 2020. The TCFD will undertake further work during the course of the next year to promote and monitor adoption of the TCFD recommendations. The Task Force is considering additional work to: (i) clarify elements of the TCFD's supplemental guidance, (ii) develop process guidance around how to introduce and conduct climate-related scenario analysis, and (iii) identify business-relevant and accessible climate-related scenarios.

Notes to editors

The TCFD was established by the FSB in December 2015 to develop a set of voluntary, consistent disclosure recommendations for use by companies in providing information to investors, lenders and insurance underwriters about their climate-related financial risks. The members of the Task Force are drawn from a wide range of industries and countries across the globe.

The Task Force published its recommendations in June 2017 after extensive public engagement and consultation. The TCFD developed 11 recommendations on climate-related financial disclosures that are applicable to organisations across sectors and jurisdictions. The recommendations are structured around four thematic areas:

- **Governance:** The organisation's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
- **Risk Management:** The processes used by the organisation to identify, assess and manage climate-related risks.
- **Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

More information on the work of the Task Force, and companies' statements of support, are available on the [TCFD website](#).

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.