Detailed Comparison of TCFD & IFRS S2 disclosures

Governance		Strategy		Risk Management		Metrics & Targets	
TCFD	**IFRS S2**	**TCFD**	**IFRS S2**	**TCFD**	**IFRS S2**	**TCFD**	**IFRS S2**
Descriptions of Recommended Disclosures							
Disclose the organization's governance around climate-related risks and opportunities.	Understand the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	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.	Understand a company's strategy for managing climate-related risks and opportunities.	Disclose how the organization identifies, assesses and manages climate-related risks.	Understand the **processes to identify, assess, prioritise and monitor climate-related risks and *opportunities***, including, whether and how those processes are integrated into and inform the company's overall risk management process.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Understand a company's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.
Comparing TCFD Recommended Disclosures & IFRS S2 Climate-related Disclosures							
Recommended Disclosure a) Describe the board's oversight of climate-related risks and opportunities.	Requires **more detailed information**, i.e. how the governance body(s)' or individual(s)' responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s	**Recommended Disclosure a)** Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Requires reference to and considerations of the applicability of **industry-based disclosure topics in the industry-based guidance** in identifying climate-related risks and opportunities Requires disclosure of **more detailed information** around where in the company's business model and value chain risks and opportunities are concentrated.	**Recommended Disclosure a)** Describe the organization's processes for identifying and assessing climate-related risks	Requires disclosure of **more detailed information,** i.e.: • the input parameters it uses to identify risks (for example, data sources, the scope of operations covered and the detail used in assumptions); • whether and how the company uses climate-related scenario analysis to inform its identification of risks; and • whether it has changed the processes used to identify, assess, prioritise and monitor risks compared to the prior reporting period. Explicitly requires **additional disclosures** on the processes used to identify, assess, prioritise and monitor opportunities.	**Recommended Disclosure a)** Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Requires the same categories of cross-industry metrics as does the TCFD guidance. **Additionally requires disclosure of industry-based metrics** relevant to a company's business model and activities.
Recommended Disclosure b) Describe management's role in assessing and managing climate-related risks and opportunities.	Broadly consistent with TCFD Recommended Disclosure b)	**Recommended Disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Requires **more detailed information** in describing climate-related risks and opportunities, i.e. how a company has responded to, and plans to respond do, the identified risks and opportunities, including any transition plans to achieve the company's climate-related targets. Sets out **criteria for when quantitative and qualitative information is required**, in providing disclosures about the current and anticipated effects of the risks and opportunities on a company's cash flows, financial position and performance. **Disclosure of only qualitative information is permitted under some circumstances**, i.e. when a company cannot seperately identify the effects of the risk or opportunity / when the level of measurement uncertainty is too high. Requires a company to use **all reasonable and supportable information that is available at the reporting date without undue cost or effort and requires the use of an approach that is commensurate with the company's circumstances**.	**Recommended Disclosure b)** Describe the organization's processes for managing climate-related risks.	Focuses on providing information about the processes used to identify, assess, prioritise and monitor climate-related risks and **opportunities**.	**Recommended Disclosure b)** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Requires **additional disclosures** related to a company's GHG emissions, including: • a **separate disclosure of Scope 1 and Scope 2 GHG emissions** for (1) the consolidated accounting group, and (2) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in the consolidated accounting group; • **Scope 2** GHG emissions using a **location-based approach** and **information about any contractual instruments** that is necessary to inform users' understanding; • **Scope 3** GHG emissions disclosures, including **additional information about the company's financed emissions** if the company has activities in asset management, commercial banking or insurance; and • information about measurement approach, inputs and assumptions used in measuring Scope 3 GHG emissions. In addition, IFRS S2 **sets out a Scope 3 measurement framework to provide guidance** for preparing Scope 3 GHG emissions disclosures. While IFRS S2 does not explicitly require a company to disaggregate its GHG emissions disclosures by the constituent gases, IFRS S1 includes requirements on disaggregation that would result in the disclosure of the constituent gases being required if such disaggregation provides material information.
		Recommended Disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Does not specify particular scenarios to be used for climate-related scenario analysis Requires **additional information** regarding resiliency on: • significant areas of uncertainty considered by the company in its assessment; • a company's capacity to adjust and adapt its strategy and business model over time; and • details on how and when the climate-related scenario analysis was carried out. In using climate-related scenario analysis, IFRS S2 requires **the use of an approach that is commensurate with the company's circumstances and a consideration of all reasonable and supportable information that is available at the reporting date without undue cost or effort**.	**Recommended Disclosure c)** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Requires **additional disclosures** on the extent to which, and how, the processes used to identify, assess, prioritise and monitor **opportunities** are integrated into and inform the company's overall risk management process.	**Recommended Disclosure c)** Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**Differs from the TCFD guidance** in, for example, **requiring disclosures about how the latest international agreement on climate change has informed the target** and **whether the target has been validated by a third party.** Requires disclosure of **more detailed information on GHG emissions targets**, including **additional information about the planned use of carbon credits** to achieve a company's net GHG emissions targets. **Additional requirements** to **disclose information about the approach to setting and reviewing each target**, and **how it monitors progress against each target**, including whether the target was derived using a **sectoral decarbonisation approach**.