

CLIMATE CHANGE DISCLOSURES: WHAT BOARD DIRECTORS NEED TO KNOW

The [Commonwealth Climate and Law Initiative \(CCLI\)](#) has partnered with the [Climate Governance Initiative \(CGI\)](#) to prepare this Quarterly Update for the CGI network. This is the second update of a series of quarterly learning materials on climate change as it relates to boards' duties and governance.

KEY POINTS ON CLIMATE-RELATED DISCLOSURES

- Climate disclosure obligations have become increasingly common in recent years, and are now required on at least a 'comply or explain' basis in many jurisdictions.
- Companies and directors could face legal risks if they were to make misleading disclosures or omissions relating to climate or sustainability issues.
- Financial entities are often subject to additional requirements to report on the risks and impacts of financial products and services, in particular those marketed as 'green'.
- Directors should ensure that their climate and/or sustainability disclosures are well-supported and, importantly, reflected in the company's financial statements, as directors are responsible for signing-off on company accounts.
- Directors should ensure that they consider material climate and sustainability risks when deciding on courses of action for the company, in particular actions which may seem to impact or be affected by those risks.

WHY DO CLIMATE AND SUSTAINABILITY DISCLOSURE REQUIREMENTS MATTER FOR DIRECTORS?

Following the publication of the Taskforce on Climate-related Financial Disclosure's [recommendations](#) in 2017, **national governments and financial and securities regulators have increased their expectations and requirements for companies to disclose sustainability-and/or climate-related information to the market.**

These include **narrative disclosures on material information** to be included in **regulatory filings**, such as the front end of annual reports, prospectus, initial listing disclosures, and the notes to financial statements. In jurisdictions where information disclosed to the market outside regulatory filings is subject to legal rules, climate-related information may be required in such disclosures.

Some jurisdictions have introduced **specific regulations** requiring the disclosure of climate-and/or sustainability-related disclosures. In other jurisdictions, regulators have demonstrated an increasing understanding that climate- and/or sustainability-related risks can be financially material, and therefore fall within existing reporting obligations or accounting standards.

These developments are relevant for directors because of: **(i) their primary role in assuring annual reports and financial statements;** and **(ii) their role in ensuring that their company has systems in place to meet disclosure requirements and are not misleading.**

OVERVIEW OF DISCLOSURE OBLIGATIONS BY JURISDICTION

Different jurisdictions have advanced their disclosure requirements on these issues to different extents. Some jurisdictions (such as New Zealand and the UK) have passed **statutory regulations** requiring all listed, and certain non-listed, companies to disclose climate-related risks. Others (such as India, Malaysia, and Japan) have issued **regulatory requirements** for listed companies to disclose such climate and/or sustainability risks on a 'comply or explain' basis.

In many jurisdictions, **regulators have published guidance stating that they perceive climate risks to be potentially financially material**, and setting their expectations that companies disclose such risks where necessary. Financial institutions, in particular those offering ESG-focused products, are a particular focus of disclosure requirements.

The content of these disclosures varies between jurisdictions. However, commonly required disclosures include, for example:

- Material climate- or sustainability-related risks and opportunities;
- The governance and strategy regarding those risks, including the process for identifying, managing and monitoring such risks and opportunities;
- Scope 1 (those produced by the company), scope 2 (those associated with energy purchased by the company) and (generally, where material) scope 3 (those for which the company is indirectly responsible in its value chain) greenhouse gas (GHG) emissions; and
- Sustainability and climate targets and metrics.

Financial entities are generally subject to increased disclosure requirements with respect to climate or sustainability issues. For example, in the EU, asset managers are required to disclose sustainability information, including their policies on integrating sustainability factors into their investment decisions, and the impacts of financial products on environmental issues.

Many of the requirements issued to date have used international guidelines, such as the TCFD recommendations or SASB standards, to benchmark their requirements. **Developments in international reporting requirements may help to address differences between reporting requirements: in particular, the publication of the IFRS' International Sustainability Standards Board (ISSB) [draft standards](#).** These require disclosures which are generally aligned with the recommendations of the TCFD, including narrative disclosures on governance, strategy, risk management, and metrics and targets, but also cover sustainability risks more broadly. The draft standards include requirements relating to governance and financial statements which may, if brought into effect, [impact directors' duties to their company and to sign off on company accounts](#). These draft standards form part of the ISSB's actions to deliver a global baseline of standards, which have been [welcomed](#) by the G7, G20, IOSCO and the FSB.

The [Annex](#) to this update contains an overview of the specific climate- and sustainability-related disclosure requirements put in place to date in the majority of the jurisdictions in which a Climate Governance Initiative Chapter has been established as of September 2022.

POTENTIAL LEGAL RISKS FOR COMPANIES AND BOARD MEMBERS (1)

The specific legal risks which a company faces via its climate and/or sustainability disclosures will vary between jurisdictions. This section summarises these common legal risks for many jurisdictions at a high level.

Misleading disclosures: companies can be liable for misleading disclosures or omissions in prospectuses or as part of their continuing disclosure obligations, either under statutory regimes (either under specific statutes relating to corporate disclosures, or under more general regimes relating to fraud or misrepresentation) or under common law (in applicable jurisdictions).

When investors' judgment in deciding whether to invest in the company was impacted by a particular statement or set of statements, they may be able to claim damages from the company if the statement was false, the company's directors (and in some cases senior executives) knew or ought to have known that the statement was false, and the investors suffer losses as a result.

Companies should therefore be careful not to disclose or fail to disclose climate- or sustainability-related risks without a reasonable belief in the truth of the statement; in particular in light of investors' contemporary interest in climate and sustainability issues.

Claims by shareholders testing the veracity of companies' statements in their annual reports and other regulated communications have already been brought. In Australia, shareholders have brought claims against an oil and gas company ([ACCR v Santos](#): alleging that the net-zero strategy set out in the company's 2020 annual report, investor briefings and climate reports was likely to mislead investors) and a bank ([Abrahams v Commonwealth Bank of Australia](#): obtaining disclosure of board minutes and other internal documents to assess how investments in oil and gas projects were compatible with the bank's stated environmental policies).

Regulatory enforcement: Securities regulators are becoming increasingly active in relation to climate and sustainability disclosures. The Australian Securities and Information Commission (ASIC) has [announced](#) that it will focus on climate disclosures by listed companies, and has [intervened](#) regarding a mining company's disclosures on its net-zero targets. The US Securities and Exchange Commission (SEC) has [announced](#) a Climate and ESG Task Force which will examine misstatements in disclosures. The Securities Commission Malaysia has similarly [indicated](#) that it will focus on sustainability disclosures in the coming years.

Enforcement authorities in the US have already investigated and fined oil and gas companies for misleading shareholders as to climate risks. Notable examples include the New York Attorney General's [investigation](#) of Peabody Energy in relation to 'cherry picking' of the International Energy Agency (IEA) projections to support disclosures, and their [investigation](#) of ExxonMobil (which was dismissed, but similar subject matter is the subject of ongoing shareholder litigation: [Ramirez v ExxonMobil](#)).

Financial institutions, in particular asset managers, appear to have become a particular focus of ESG-related regulatory investigations. In May 2021, the SEC [charged](#) BNY Mellon Investment Adviser for misstatements and omissions about ESG considerations for which the company paid \$1.5 million, has [announced](#) an investigation into Deutsche Bank's asset management arm DWS regarding its use of sustainable investment criteria (the German Federal Financial Supervisory Authority has [raided](#) DWS' offices in a related investigation), and is also [undertaking](#) a similar investigation into Goldman Sachs.

POTENTIAL LEGAL RISKS FOR COMPANIES AND BOARD MEMBERS (2)

Claims against directors: In some jurisdictions, **board members and executive officers may be held liable for misleading disclosures**; claims in this regard can variously be brought by regulators, the company, and in some cases shareholders. Directors could also be directly exposed to civil liability for misrepresentation.

In many jurisdictions, directors are responsible for signing-off on the company's accounts, stating that they give a 'true and fair' view of the company's financial position, which reflects the requirements of IFRS, as well as many jurisdictions' generally accepted accounting principles (GAAP). **Directors should therefore ensure that, where necessary, company accounts reflect material climate and sustainability risks.**

Various regulatory bodies and standard setters, including the International Financial Reporting Standards ([IFRS](#)), and the UK Financial Reporting Council ([FRC](#)), have indicated that narrative disclosures, including those on climate, should be reflected in the financial statements where material. Similar requirements are contained in the International Sustainability Standards Boards ([ISSB](#)) draft standards, and the US [SEC](#) has proposed that climate disclosures should specifically be included in financial statements. In some jurisdictions, courts have ruled that, despite being permitted to consult external experts, the contents of the company's financial statements remain the ultimate responsibility of the directors.

In cases of dishonesty or recklessness, directors may find themselves exposed to criminal liability; for example for fraud, making false statements, or for creating false accounts.

In some cases, where the company has suffered loss as a result of a misleading disclosure, the company may seek to bring a claim against a director alleging that the director **has breached their fiduciary duty to the company in allowing the disclosure to be made.**

Concerns and protections: Boards may be comforted that there are generally high bars to liability for misleading disclosures (generally, an intention to deceive, or recklessness as to whether an investor would be deceived, on the part of the director is required).

If directors are careful and considered in their company's disclosures, they should [minimise](#) this risk. Directors should therefore ensure that their disclosures accurately represent a robust, good-faith process of assessment that applies the best evidence reasonably available at the relevant time: and where those disclosures are appropriately caveated or qualified.

While boards may be concerned about the difficulties in identifying climate risks and the uncertainty in doing so, they should be aware that statutory regimes often contain 'safe harbour' provisions in many jurisdictions which limit liability for forward-looking statements (which will commonly include climate- and sustainability-related targets). For example, the US SEC's proposed climate rules, propose a specific 'safe harbour' provision in respect of Scope 3 emissions disclosures in recognition of the difficulties in measuring these.

WHAT IS THE EFFECT ON DIRECTORS' DUTIES?

Directors are subject to a fiduciary duty to act in the best interests of the company; this generally includes responsibility for risk management processes.

Disclosure requirements do not directly affect directors' management of the company; however, given the disclosure requirements regarding climate, and in some cases sustainability, risks and the processes for managing and governing those risks, directors ought to ensure that they consider those risks in order to fulfil their duties to the company.

For example, the EU [Non-Financial Reporting Directive](#) requires companies to disclose the principal environmental risks facing the business, and how the company manages those risks. Given the board's responsibility for the risk management process, this effectively requires boards to put in place a system to identify and manage such risks. Similarly, the Singapore Exchange (SGX)'s Listing Rules require companies to issue a [sustainability report](#), which must include a statement by the board that it has considered sustainability issues in the company's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

Therefore, while disclosure requirements do not directly alter directors' duties to the company, they affect how those duties will be interpreted. **If a company were to disclose material climate risks facing the company, and the board were not to consider those risks in its decision-making, the board could expose itself to litigation risk for failing to act in the best interests of the company.**

Additionally, as discussed above, directors could face allegations of not having acted in the best interests of the company if they made misleading disclosures, or failed to put in place a system for the company to comply with disclosure requirements.

Directors are also generally subject to a duty to act with due care, skill and diligence; whether they have done so is determined on an objective basis, with the court deciding if they have done what a 'reasonable director' would have done. **In the context of increased requirements and expectations to disclose climate and sustainability risks, a court may be more likely to find that a reasonable director would have considered such risks.**

Board members should consider material climate and sustainability risks when deciding on courses of action for the company, in particular actions which may seem to impact or be affected by those risks.



WHAT SHOULD BOARD MEMBERS DO?

In order to ensure that they are meeting their duties and their company's legal obligations, and reduce litigation risk, board members should:

- Ensure that financial statements for which they are responsible give a 'true and fair' view of the company's financial position, including reflecting any material climate or sustainability risks identified in the company's narrative disclosures.
- Have a clear understanding of how climate and sustainability material risks and their financial implications have been assessed and calculated. Such risks should be reviewed by external auditors, and included in Key Audit Matters where applicable.
- Ask questions of any delegated functions responsible for sustainability, as well as business functions generally, to check that any net-zero or other sustainability targets are reasonable, attainable and supported. Question whether assumptions underlying sustainability targets are defensible and in line with what climate science states is required to limit global average temperature increase to 1.5°C.
- Raise queries as to the verification of disclosed metrics and quantified emissions, and ensure that the methodologies for identifying and reporting emissions are reasonable and transparent. For value-chain emissions, consider whether contractual controls requiring suppliers to adopt similar standards would be appropriate.
- Consult counsel as to specific disclosure requirements and statutory protections for board members, to ensure that they fall within these (if any).

WHAT ABOUT CLIMATE-RELATED OPPORTUNITIES?

As well as disclosing risks, companies are often required to disclose climate- and/or sustainability-related opportunities. Disclosure of opportunities may provide a competitive advantage for companies which are operating in a more sustainable manner. Opportunities could include:

- New, [high demand](#) products and services;
- Increased asset values and lower costs arising from increased [energy efficiencies](#);
- Greater access to capital, in particular in light of the high demand for sustainable investments and climate pledges by [large investor groups](#).

As disclosure requirements increasingly come into effect – such as, for example, the incoming EU requirement for companies to disclose the proportion of their economic and investment activities (including future revenues) aligned with climate change mitigation and adaptation (under the Corporate Sustainability Reporting Directive) – the differences between companies' approach to sustainable business are likely to become increasingly transparent, and the opportunities to gain an advantage from capitalising on a more sustainable approach may increase.



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Important note

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ANNEX

This annex summarises the disclosure rules regarding the climate and sustainability related financial and non-financial risks, in force and proposed, in the majority of jurisdictions in which the CGI has a Chapter. Please note that it does not include regulations requiring the disclosure purely of emissions or energy consumption where these are separate from risk disclosures. Where an EU jurisdiction has implemented EU disclosure rules only, and has not issued its own separate disclosure requirements or guidance, it has not been included in the Annex. Efforts have been made to ensure that the obligations are accurate as at September 2022, but please note that the summaries should not be taken as fully detailing the disclosure requirements, and professional help should be sought where necessary.

AUSTRALIA	
ASIC Guidance	
<i>Date in force</i>	Guidance (12 August 2019)
<i>Companies in scope</i>	Australian Securities and Investments Commission (ASIC)-regulated entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	ASIC has published guidance on effective disclosures under continuous obligations and in prospectuses. The guidance states that prospectuses may need to contain climate-related risks. Entities may need to disclose climate risk when reporting given the systemic nature of climate risk. The TCFD recommendations are suggested as a possible framework.
<i>Sources</i>	ASIC, Regulatory Guide G228 ; ASIC, Regulatory Guide 247
ASX Corporate Governance Principles and Listing Rules	
<i>Date in force</i>	1 January 2020 (either on or after depending on commencement of financial year)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Any material environmental risks which an ASX-listed company has and "how it manages or intends to manage those risks" should be disclosed by that company. The recommendation "encourage[s] entities to consider" the recommendations of the TCFD when determining and disclosing such risks. Under ASX's listing rules, the adherence of a company to the recommendations must be stated and any explanation must be provided for any divergence (ASX's listing rules, rule 4.10.3). This provides an incentive to follow the recommendations.
<i>Sources</i>	Australian Securities Exchange (ASX) Corporate Governance Council, Corporate Governance Principles and Recommendations , pp. 1-3, recommendation 7.4
ASIC Focus Areas for 30 June 2022 Reporting	
<i>Date in force</i>	Guidance (1 June 2022)
<i>Companies in scope</i>	ASIC-regulated entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	TCFD recommendations endorsed by ASIC in its 2022 recommendations. As such, entities have been specifically guided by the regulator to address these issues this year when reporting.
<i>Sources</i>	ASIC, 22-124MR

ANNEX

AUSTRALIA (CONTINUED)	
ASIC Guidance	
<i>Date in force</i>	Guidance (28 June 2022)
<i>Companies in scope</i>	All reporting companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	ISSB
<i>Summary of obligations</i>	In order to ensure that they are reporting in line with the incoming requirements of the AASB, companies should prepare to produce financial statements in line with the ISSB standards as a minimum.
<i>Sources</i>	Australian Accounting Standards Board, Project insights: Developing sustainability-related financial reporting standards in Australia (28 June 2022)
BRAZIL	
Securities and Exchange Commission Resolution and Rule	
<i>Date in force</i>	2 January 2023
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD/ISSB/GHG Protocol
<i>Summary of obligations</i>	Public corporations must disclose ESG information including how ESG risks are being managed and a statement on whether the disclosures align with the Sustainable Development Goals, the TCFD and other recommendations.
<i>Sources</i>	Securities and Exchange Commission of Brazil, Resolution 59 and Rule No. 480/09
Central Bank of Brazil Regulation	
<i>Date in force</i>	1 December 2022
<i>Companies in scope</i>	Regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	A "Report on Social, Environmental and Climate-related Risks and Opportunities" must be provided by financial institutions. Based on TCFD recommendations.
<i>Sources</i>	Central Bank of Brazil, New regulations on social, environmental, and climate-related risk disclosures (15 September 2021)

CANADA	
Canadian Securities Administration Proposed National Instrument	
<i>Date in force</i>	Proposal
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain/mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Under the proposal, reporting issuers would be required to disclose emissions (Scope 1-3) unless they explain why they have not done so. Material performance and targets would also need to be disclosed. In addition, the proposal would require reporting issuers to make TCFD-aligned disclosures. In particular: (i) regardless of materiality, governance risks; (ii) material risks pertaining to strategy; (iii) processes for managing risks; and (iv) related metrics.
<i>Sources</i>	Canadian Securities Administrators, National Instrument 51-107 Proposal

CHILE	
Financial Market Commission Rule	
<i>Date in force</i>	2022 financial year for voluntary compliance
<i>Companies in scope</i>	Publicly-listed companies and regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary (becoming mandatory for large corporations from 31 December 2022, and for small corporations from 31 December 2023)
<i>International frameworks referenced</i>	TCFD/SASB/GRI
<i>Summary of obligations</i>	Entities must disclose in annual reports (i) ESG information based on, for example, the work of the Sustainability Accounting Standards Board and the Global Reporting Initiative; (ii) material climate-related risks inclusive of the TCFD's recommended risks; and (iii) sector-specific SASB sustainability information or provide an explanation for why they have not done so.
<i>Sources</i>	Financial Market Commission, General Rule No. 461

EGYPT	
Financial Regulatory Authority Decree	
<i>Date in force</i>	1 January 2022
<i>Companies in scope</i>	Regulated financial entities (excluding banks) and publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	ESG issues must be disclosed in the annual reports of financial institutions (excluding banks) and listed companies. Specific climate financial information relating to, for example, risk management and targets, will have to be disclosed if the entity's total equity or capital is greater than 500m Egyptian pounds. In order to comply with these requirements, entities are to complete two forms which have been provided by the Financial Regulatory Authority. From 1 January 2022, a report must also be produced by listed companies on a quarterly basis detailing the entity's processes in relation to these requirements.
<i>Sources</i>	Financial Regulatory Authority, Board of Directors Decree No. 107

EUROPEAN UNION	
The Non-Financial Reporting Directive	
<i>Date in force</i>	2018 (entrance into force in Member States domestic legislation may vary)
<i>Companies in scope</i>	Non-financial corporations with 500+ employees and all insurers and banks
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	<p>The Non-Financial Reporting Directive (NFRD): Entities must disclose, in their management report or in a separate report, information on their corporate activity, including short, medium and long-term impacts of climate change on their business models, and their policies and processes to identify such risks. If the company determines that there is no impact, this must be disclosed and explained.</p> <p>The Commission has provided guidance detailing what the non-financial statement disclosures may cover in line with the TCFD recommendations.</p>
<i>Sources</i>	<p>Directive (EU) 2014/95 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.</p> <p>See also European Commission, Guidelines on Non-financial Reporting: Supplement on Reporting Climate-related Information (2019)</p>
The Corporate Sustainability Reporting Directive Proposal	
<i>Date in force</i>	<p>Proposal</p> <p>(1 January 2024 for companies already subject to the non-financial reporting directive, 1 January 2025 for large companies that are not presently subject to the non-financial reporting directive, 1 January 2026 for listed SMEs, small and non-complex credit institutions and captive insurance undertakings)</p>
<i>Companies in scope</i>	All reporting entities (entrance into force is staggered)
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	EFRAG
<i>Summary of obligations</i>	<p>The Corporate Sustainability Reporting Directive (CSRD): The Commission has proposed a directive which would require a larger range of entities to report on environmental issues in accordance with sustainability standards developed by the European Financial Reporting Advisory Group (EFRAG). The required information would need to be externally audited and cover, for example, sustainability opportunities and business plans relating to the Paris Agreement, as well as the percentage of the entity's economic and investment activities (including future revenues) aligned with the Taxonomy Regulation categories (see below).</p>
<i>Sources</i>	<p>Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting</p> <p>See also European Council, 'New rules on corporate sustainability reporting: provisional political agreement between the Council and the European Parliament' (21 June 2022)</p>

EUROPEAN UNION (CONTINUED)	
The Sustainable Finance Disclosure Regulation	
<i>Date in force</i>	10 March 2021 (staggered implementation)
<i>Companies in scope</i>	Regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The Sustainable Finance Disclosure Regulation (SFDR) requires financial entities to publish sustainability information, including their policies on integrating sustainability factors into their investment decisions, and the impacts of financial products on the Taxonomy environmental objectives.
<i>Sources</i>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
The Taxonomy Regulation	
<i>Date in force</i>	1 January 2022 (regulation activities and qualitative information for 2021), 1 January 2023 (non-financial entities for 2022) and 1 January 2024 (for 2023)
<i>Companies in scope</i>	-
<i>'Comply or explain', voluntary, or mandatory?</i>	-
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The Taxonomy Regulation does not require disclosures itself, but establishes a framework of environmental objectives (Climate change mitigation and adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems). Entities subject to other regulations (including the NFRD, SFDR, and the proposed CSRD) must disclose to what extent their economic and investment activities contribute substantially to and do no harm to these environmental objectives.
<i>Sources</i>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
European Central Bank Guidance	
<i>Date in force</i>	Guidance (November 2020)
<i>Companies in scope</i>	EU banks
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD, ISSB
<i>Summary of obligations</i>	This guidance outlines the European Central Bank's expectations in relation to climate disclosures. These expectations include reporting material information in accordance with TCFD recommendations (as the reporting must follow the 2019 guidelines above) relating to climate risk management, the consideration of climate risk in the context of decision-making and stress testing, for example.
<i>Sources</i>	European Central Bank, Guide on climate-related and environmental risks (November 2020)

FRANCE (ALSO SEE EU)	
Code de Commerce	
<i>Date in force</i>	14 July 2017
<i>Companies in scope</i>	Parent companies with 5,000+ employees across their subsidiaries and head office, with the head office being based in a French jurisdiction, or with 10,000 or more employees across its subsidiaries and in the entity
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Requires entities to establish and implement a 'duty of vigilance' plan to identify and prevent severe violations of human rights and fundamental freedoms, serious bodily injury or environmental damage or health risks resulting directly or indirectly from the operations of the company and of the companies it controls. This duty extends to the entities' established suppliers/contractors. Companies must publish the duty of vigilance plan with its annual report.
<i>Sources</i>	Article L.225-105-4 Code de Commerce
French Climate Law	
<i>Date in force</i>	22 August 2021
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	French Climate Law (clarifying contents of NFRD statement): companies must disclose information including "the direct and indirect greenhouse gas emissions related to transport activities upstream and downstream of the activity and is accompanied by an action plan to reduce these emissions, in particular through the use of rail and waterway modes as well as biofuels with avirtuous energy and carbon balance and electromobility". Failing to do so entitles anyone with a legitimate interest to bring a court action which could result in a fine for the company. Entities with agriculture/forestry-related products must identify related risks in their annual plan under Article L.225-105-4, French Commercial Code (below).
<i>Sources</i>	Law No. 2021-1104 of 22 August 2021

HONG KONG	
HKEX Updates	
<i>Date in force</i>	December 2019
<i>Companies in scope</i>	Publicly-listed Companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Business-relevant, potential or realised 'significant' climate factors must be disclosed. Guidance has been provided on reporting in line with TCFD recommendations by HKEX.
<i>Sources</i>	HKEX, 'Amendments to the Main Board Listing Rules: Update No.128' (2019); HKEX, 'Amendments to the GEM Listing Rules: Update No.64' (2019)

HONG KONG (CONTINUED)	
HKEX Main Board Listing Rules	
<i>Date in force</i>	1 July 2020
<i>Companies in scope</i>	Publicly-listed Companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory / Comply or explain (depending on the information)
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Entities must produce an ESG report (either separately or as part of their annual report) each year. The report must cover the board's processes relating to ESG management, review in accordance with related targets, strategy and oversight. In addition, the entities must disclose information on ESG issues including greenhouse gas emissions, employment practices and supply chain management, or explain why it has not done so.
<i>Sources</i>	Rule 13.91; HKEX Main Board Listing Rules
Securities and Futures Commission Fund Manager Code of Conduct and Circular	
<i>Date in force</i>	20 August 2022
<i>Companies in scope</i>	Securities and Futures Commission (SFC)-authorised fund managers (additional expectation for those with assets worth HK\$8 billion or more)
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Requires entities to identify and disclose relevant and material climate-related risks, including its governance arrangement for oversight of climate-related risks, and how it takes climate-related risks into account in its investment and risk management processes. In addition, large funds should take reasonable steps to identify and disclose the scope 1 and 2 emissions associated with the funds' underlying investments, where data is available or can be reasonably estimated.
<i>Sources</i>	SFC, Fund Manager Code of Conduct 4th edition (20 August 2022); SFC, Circular to licensed corporations Management and disclosure of climate-related risks by fund managers (20 August 2021)
Hong Kong Monetary Authority Press Release and Supervisory Policy Manual	
<i>Date in force</i>	Proposal (2025)
<i>Companies in scope</i>	Regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	HKMA has stated that entities will be required to make disclosures in accordance with TCFD recommendations. HKMA has also set out its expectation that entities should disclose climate risks by mid-2023.
<i>Sources</i>	HKMA, Cross-Agency Steering Group Launches its Strategic Plan to Strengthen Hong Kong's Financial Ecosystem to Support a Greener and More Sustainable Future (17 December 2020). HKMA, Supervisory Policy Manual: Climate Risk Management (20 July 2021)

HONG KONG (CONTINUED)	
Securities and Futures Commission Circular	
<i>Date in force</i>	Guidance (29 June 2021)
<i>Companies in scope</i>	SFC-authorized funds which incorporate ESG factors as their key investment focus
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The SFC has issued a circular to ESG funds stating that they should disclose the ESG focus of the fund, their investment strategies, the proportion of allocated assets which are commensurate with that ESG focus and the associated risks.
<i>Sources</i>	SFC, ' Circular to management companies of SFC-authorized unit trusts and mutual funds – ESG funds ' (29 June 2021)
INDIA	
SEBI (Issuance and Listing of Non-Convertible Securities) Regulations 2021	
<i>Date in force</i>	2021
<i>Companies in scope</i>	Regulated financial entitled issuing 'green debt securities'
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Requires disclosures on sustainability for the issuance of securities with certain aims.
<i>Sources</i>	Reg. 2(q); SEBI (Issuance and Listing of Non-Convertible Securities) Regulations 2021
Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations 2021 and Securities and Exchange Board Circular	
<i>Date in force</i>	FY 2022-2023
<i>Companies in scope</i>	1,000 listed entities with highest market capitalisation
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory (for 1,000 publicly-listed companies with highest market capitalisations)
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Business Responsibility and Sustainability Reporting (BRSR) in-scope entities must disclose an overview of their material business conduct and sustainability issues, including risks arising from climate change.
<i>Sources</i>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations 2021 Securities and Exchange Board of India, Circular on Business responsibility and sustainability reporting by listed entities, Annexure II: Guidance Note for Business Responsibility & Sustainability Reporting Format (10 May 2021)

IRELAND (ALSO SEE EU)	
Central Bank of Ireland Guidance	
<i>Date in force</i>	Guidance (February 2021)
<i>Companies in scope</i>	Regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The Central Bank of Ireland has published guidance identifying climate change risks as systemic risks on which regulated firms should report.
<i>Sources</i>	Central Bank of Ireland, Securities Markets Risk Outlook Report 2021: Conduct Risks in an Uncertain World (February 2021)

JAPAN	
Financial Instruments and Exchange Act and Financial Services Agency, Cabinet Ordinance	
<i>Date in force</i>	January 2019
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Requires disclosure in annual reports of material risks. In 2019, the FSA published amendments to the Cabinet Ordinance on Disclosure of Corporate Affairs to include forward-looking risks, reflecting the structure of the TCFD recommendations (although these are not explicitly referenced).
<i>Sources</i>	Financial Instruments and Exchange Act (Act No. 25 of 1948, 金融商品取引法昭和23年法律第25号); Financial Services Agency, Cabinet Ordinance on Disclosure of Corporate Affairs , as revised in January 2019. Also note that all companies preparing annual securities reports may also be required to make climate-related disclosures, according to the FSA .

Tokyo Stock Exchange, Japan's Corporate Governance Code	
<i>Date in force</i>	11 June 2021
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The Corporate Governance Code recommends disclosure of climate-related risks in line with the TCFD recommendations: it states that "[c]ompanies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues. In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations [...]".
<i>Sources</i>	Tokyo Stock Exchange, Japan's Corporate Governance Code (June 2021)

JAPAN (CONTINUED)	
Bank of Japan's Climate Change Strategy	
<i>Date in force</i>	Guidance (16 July 2021)
<i>Companies in scope</i>	Regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Guidance from the Bank of Japan endorsing disclosures in accordance with TCFD recommendations and indicating support for entities disclosing environmental activities.
<i>Sources</i>	Bank of Japan, The Bank of Japan's Strategy on Climate Change (16 July 2021)

MALAYSIA	
Bursa Malaysia Securities Berhad, Main Market Listing Requirements	
<i>Date in force</i>	31 December 2016
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD, SDGs
<i>Summary of obligations</i>	<p>The Bursa Malaysia Listing Requirements also require a Sustainability Statement in annual reports. The Sustainability Reporting Guide 2018 offers guidance on this requirement, including references to the TCFD framework and SDGs.</p> <p>In September 2022, Bursa Malaysia issued amendment to the Sustainability Statement requirements, including (i) introducing climate change-related disclosures in line with the TCFD Recommendations; (ii) enhancing disclosure of companies' quantitative information on material sustainability matters; and (iii) requiring a statement on whether the sustainability statement has been internally reviewed and independently assured.</p>
<i>Sources</i>	Chapter 9 Bursa Malaysia Securities Berhad, Main Market Listing Requirements; Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement; Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework ("Enhanced Sustainability Disclosures")

Securities Commission Malaysia, Malaysian Code on Corporate Governance and Bursa Malaysia Securities Berhad, Main Market Listing Requirements	
<i>Date in force</i>	28 April 2021
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Apply or explain an alternative
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The Malaysian Code on Corporate Governance requires companies to address sustainability and environmental risks and opportunities, including climate change. The Bursa Malaysia Listing Requirements require entities subject to how the Code is being followed.
<i>Sources</i>	Securities Commission Malaysia, Malaysian Code on Corporate Governance (28 April 2021). Chapters 9 and 15, Bursa Malaysia Securities Berhad, Main Market Listing Requirements

MALAYSIA (CONTINUED)	
Bursa Malaysia Consultation Paper	
<i>Date in force</i>	Proposal (anticipated for financial year following December 2023 or 2024)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The proposed changes would require sustainability disclosures in accordance with TCFD recommendations, certain sector disclosures, and a disclosure on the extent to which the Sustainability Statement has been subject to external review.
<i>Sources</i>	Bursa Malaysia, Consultation Paper No. 1/2022: Review of the Sustainability Reporting Requirements under the Main Market and ACE Market Listing Requirements (23 March 2022)

NEW ZEALAND	
New Zealand Stock Exchange, Corporate Governance Code; Guidance Note on ESG Disclosures	
<i>Date in force</i>	January 2019
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	GRI, IIRC, UNGC
<i>Summary of obligations</i>	The New Zealand Corporate Governance Code encourages issuers to provide non-financial information, including information on ESG issues. The New Zealand Stock Exchange (NZX) has published a guidance note recommending that issuers disclose in accordance with one of the GRI, IIRC and UN Global Compact frameworks, and covering at least the relevance of ESG factors to the business.
<i>Sources</i>	Recommendation 4.3; New Zealand Stock Exchange, Corporate Governance Code; Guidance Note on ESG Disclosures

Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021	
<i>Date in force</i>	1 January 2023
<i>Companies in scope</i>	Publicly-listed companies and regulated financial entities
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The External Reporting Board (XRB) will produce TCFD-aligned disclosure standards which entities must disclose in accordance with. This will involve producing climate statements on an annual basis. The XRB's standards are due by December 2022.
<i>Sources</i>	Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021

PHILIPPINES	
Securities and Exchange Commission Code of Corporate Governance for Publicly-Listed Companies and Sustainability Reporting Guidelines for Publicly-Listed Companies	
<i>Date in force</i>	20 November 2016 (with sustainability guidelines issued in February 2019)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	GRI, IIRC, UNGC, TCFD, SASB
<i>Summary of obligations</i>	Entities must report on sustainability matters under the Philippines Code of Governance for Publicly-Listed Companies in an annual sustainability report. The Philippines Securities and Exchange Commission has produced guidance on how companies should seek to disclose in line with common global reporting frameworks, as well as a template for the sustainability report.
<i>Sources</i>	Principle 10; Securities and Exchange Commission, Code of Corporate Governance for Publicly-Listed Companies (Circular No. 19, 20 November 2016); Securities and Exchange Commission, Memorandum Circular No. 4 of 2019: Sustainability Reporting Guidelines for Publicly-Listed Companies (15 February 2019). Such requirements may become mandatory- see Anne Ruth Dela Cruz, 'SEC to make sustainability reporting mandatory by 2023' (Business Mirror, 30 August 2021)

ROMANIA (ALSO SEE EU)	
Bucharest Stock Exchange Code of Corporate Governance	
<i>Date in force</i>	11 September 2015
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The Bucharest Stock Exchange (BSE)'s Code of Corporate Governance requires the disclosure of information related to the occurrence of any environmental factor that could significantly affect the functioning or activity of a listed company. Therefore, Romanian companies listed on the stock exchange are obliged to insert within the reports submitted to the BSE a description of any climate risk-related information which can significantly affect the listed company in its business activities.
<i>Sources</i>	BVB, Code of Corporate Governance
Bucharest Stock Exchange ESG Reporting Guidelines	
<i>Date in force</i>	Guidance (April 2022)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Recommends ESG disclosures including in relation to the integration of sustainability generally and in the governance context, including the company's plans to ensure that its business model and strategy are compatible with the transition to a low-carbon economy and the goals of the Paris Agreement to limit global warming by 1.5°C.
<i>Sources</i>	BVB, ESG Reporting Guidelines (April 2022)

SINGAPORE	
Singapore Exchange Listing Rules	
<i>Date in force</i>	20 July 2016 (TCFD requirements introduced from 1 January 2022; these will be mandatory for certain industries from 2023 (food, forest products, financial, energy, and agriculture sectors) and 2024 (mandatory for transportation, buildings and materials sectors))
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain / mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Under the Singapore Exchange (SGX) Mainboard Rules, entities must produce sustainability reports on an annual basis or provide an explanation as to why they have not done so. The sustainability report must include material environmental, social and governance factors; climate-related disclosures consistent with the TCFD recommendations; policies, practices and performance; targets; the entity's sustainability reporting framework; and a Board statement and associated governance structure for sustainability practices.
<i>Sources</i>	Rules 711A and 711B; Singapore Exchange (SGX) Listing Rules
Monetary Authority of Singapore Guidance	
<i>Date in force</i>	Guidance (December 2020)
<i>Companies in scope</i>	Insurers, asset managers and banks
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The Monetary Authority of Singapore has published guidance setting out its expectations for banks, insurers, asset managers to disclose environmental risks It will be expected that entities will disclose environmental risks from June 2022 at the latest.
<i>Sources</i>	Monetary Authority of Singapore (MAS), 'Guidelines on Environmental Risk Management for Asset Managers' (8 December 2020); MAS, 'Guidelines on Environmental Risk Management for Insurers' (8 December 2020); MAS, 'Guidelines on Environmental Risk Management for Banks' (8 December 2020). In May 2022, MAS published Information Papers on the application of these Guidelines.

SOUTH AFRICA	
King IV Report and Johannesburg Stock Exchange Listing Requirements Service Issue 27	
<i>Date in force</i>	2016
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The King IV Report requires value-linked issues to be reported and natural capital is identified as a factor which can produce value. Adherence to this Report must be disclosed by listed entities under the Listing Requirements.
<i>Sources</i>	Institute of Directors South Africa, King IV Report on Corporate Governance for South Africa (2016); Johannesburg Stock Exchange (JSE), Listings Requirements Service Issue 27 [8.63(a)]
Johannesburg Stock Exchange Guidance	
<i>Date in force</i>	Guidance (14 June 2021)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The JSE has published guidance for listed companies, recommending that entities disclose information regarding governance, strategy, management and metrics, targets and performance in relation to sustainability-related risks (including climate).
<i>Sources</i>	JSE, JSE Sustainability Disclosure Guidance (June 2022)

SWITZERLAND	
Swiss Financial Market Supervisory Authority Circulars	
<i>Date in force</i>	1 July 2021
<i>Companies in scope</i>	Large publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	and banks Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Entities must provide TCFD-aligned disclosures when reporting.
<i>Sources</i>	Swiss Financial Market Supervisory Authority, Circular 16/1 Disclosure – banks [14.1], Annex 5; Swiss Financial Market Supervisory Authority, Circular 16/2 Disclosure – insurers [13]-[13.7]
Swiss Code of Obligations and Ordinance of 3 December 2021	
<i>Date in force</i>	1 January 2023 (anticipated), for reporting in 2024
<i>Companies in scope</i>	Swiss entities of public interest and controlled companies with a minimum of 500 full-time employees and either a revenue of CHF 40 million for two years or CHF 20 million worth of assets
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	Requires large Swiss Companies to provide an ESG report, although this is not applicable to entities which face similar requirements in other jurisdictions or are 'controlled'. The requirements are based on EU Directive 2014/95 (see above). Additional requirements are applicable to entities exposed to conflict mineral risks.
<i>Sources</i>	Article 964a-964c CO; Swiss Code of Obligations ; Ordinance of 3 December 2021 on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour
Federal Council Ordinance Consultation	
<i>Date in force</i>	1 January 2023 (anticipated), for reporting in 2024
<i>Companies in scope</i>	Large companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	If implemented, large entities in Switzerland will need to produce TCFD-aligned disclosures. Operates in conjunction with above Swiss Code of Obligations requirements. Failing to comply must result in criminal sanctions.
<i>Sources</i>	Federal Council, Federal Council initiates consultation on ordinance on climate reporting by large companies (30 March 2022)

TURKEY	
Corporate Governance Communiqué No. II-17.1	
<i>Date in force</i>	October 2020
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	The Turkish Capital Markets Board has issued a Communiqué stating that entities should disclose information, including the identification of ESG risks and opportunities, and related policies, how the company's corporate strategy is in compliance with ESG policies, risks and opportunities, and the company's sustainability performance, goals and actions.
<i>Sources</i>	Corporate Governance Communiqué No. II-17.1
UNITED KINGDOM	
Financial Conduct Authority Policy Statements PS20/17 and PS21/23	
<i>Date in force</i>	1 January 2021 (1 January 2022 for standard-listed companies)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Premium listed companies (and, from 1 January 2022, standard-listed companies) must include a statement as to whether they have made TCFD-consistent disclosures in their annual reports, including their level of exposure to climate-related risks and opportunities and the scope and objectives of their climate-related strategy.
<i>Sources</i>	LR 9.8.6; Policy Statement PS20/17 ; LR 14.3.27; Policy Statement PS21/23
Financial Conduct Authority Policy Statement PS21/24	
<i>Date in force</i>	1 January 2022 (1 January 2023 for smaller firms)
<i>Companies in scope</i>	UK asset managers (with more than £5bn AUM in TCFD in-scope business), life insurers and FCA-regulated pension providers
<i>'Comply or explain', voluntary, or mandatory?</i>	Comply or explain
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	Asset managers, life insurers and FCA-regulated pension providers must produce a TCFD report covering how the firm takes into account climate-related matters in managing or advising on investments. Firms must also produce product-level disclosures, including scope 1, 2 and 3 greenhouse gas emissions, total carbon emissions, total carbon footprint, and weighted average carbon intensity; historical annual calculations of the metrics.
<i>Sources</i>	COLL 4.5.7; 4.5.8; 8.3.5A; 15.5; Policy Statement PS21/24

UNITED KINGDOM (CONTINUED)	
The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022	
<i>Date in force</i>	6 April 2022
<i>Companies in scope</i>	Publicly-listed companies; banks; authorised insurance companies; high-turnover companies (with more than £500m turnover per year)
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory (although companies can opt-out of specific disclosures if directors deem that it is not necessary for an understanding of the company's business, and explain why)
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	In-scope companies must include, as part of their strategic report, climate-related information including: (i) descriptions of governance arrangements and processes for identifying, assessing and managing climate-related risks and opportunities; (ii) descriptions of principal climate-related risks and opportunities, and their actual and potential impacts on the company's business; (iii) scenario-analysis and the impacts on the company under different climate-related scenarios; and (iv) key targets, metrics and key performance indicators.
<i>Sources</i>	The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022

UNITED STATES	
Securities and Exchange Commission Guidance	
<i>Date in force</i>	2010
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Voluntary
<i>International frameworks referenced</i>	-
<i>Summary of obligations</i>	This guidance stated that all entities should consider climate matters and indicated how entities may incorporate climate risks into existing reporting obligations.
<i>Sources</i>	Securities and Exchange Commission (SEC), Commission Guidance Regarding Disclosure Related to Climate Change , Release No. 33-9106; 34-61469; FR-82 (8 February 2010)
Securities and Exchange Commission Proposal	
<i>Date in force</i>	Proposal (FY 2023)
<i>Companies in scope</i>	Publicly-listed companies
<i>'Comply or explain', voluntary, or mandatory?</i>	Mandatory
<i>International frameworks referenced</i>	TCFD
<i>Summary of obligations</i>	The US SEC has issued proposed rules requiring in-scope companies to report climate change-related information, including oversight and management of climate-related risks and impacts and the process for identifying these, the impact of climate-related events on the line items of financial statements, attested greenhouse gas emissions data for scope 1 and 2 emissions (and if material, scope 3 emissions, which would not be subject to attestation), and climate-related targets, metrics and transition plans, if any.
<i>Sources</i>	SEC, Public Input Welcome on Climate Change Disclosures (15 March 2021); SEC, The Enhancement and Standardization of Climate-Related Disclosures for Investors (21 March 2022)