



TPT Transition Plan
Taskforce

IFRS S2 Climate-related Disclosures – TPT Disclosure Framework

TECHNICAL MAPPING

OCTOBER 2023

Introduction

In June 2023, the International Sustainability Standards Board (ISSB) issued the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and the IFRS S2 *Climate-related Disclosures* Standards. The objective of these Standards is to require an entity to disclose information about its sustainability- and climate-related risks and opportunities that is useful for users of general purpose financial reports in making decision relating to providing resources to the entity.

The TPT Framework is designed to complement, and build on, wider climate-related disclosure requirements in the IFRS S1 and S2 Standards. IFRS S2 includes several provisions that are relevant to transition planning. IFRS S2 does not require an entity to have a transition plan, however it requires disclosures of any transition plan the entity has developed.

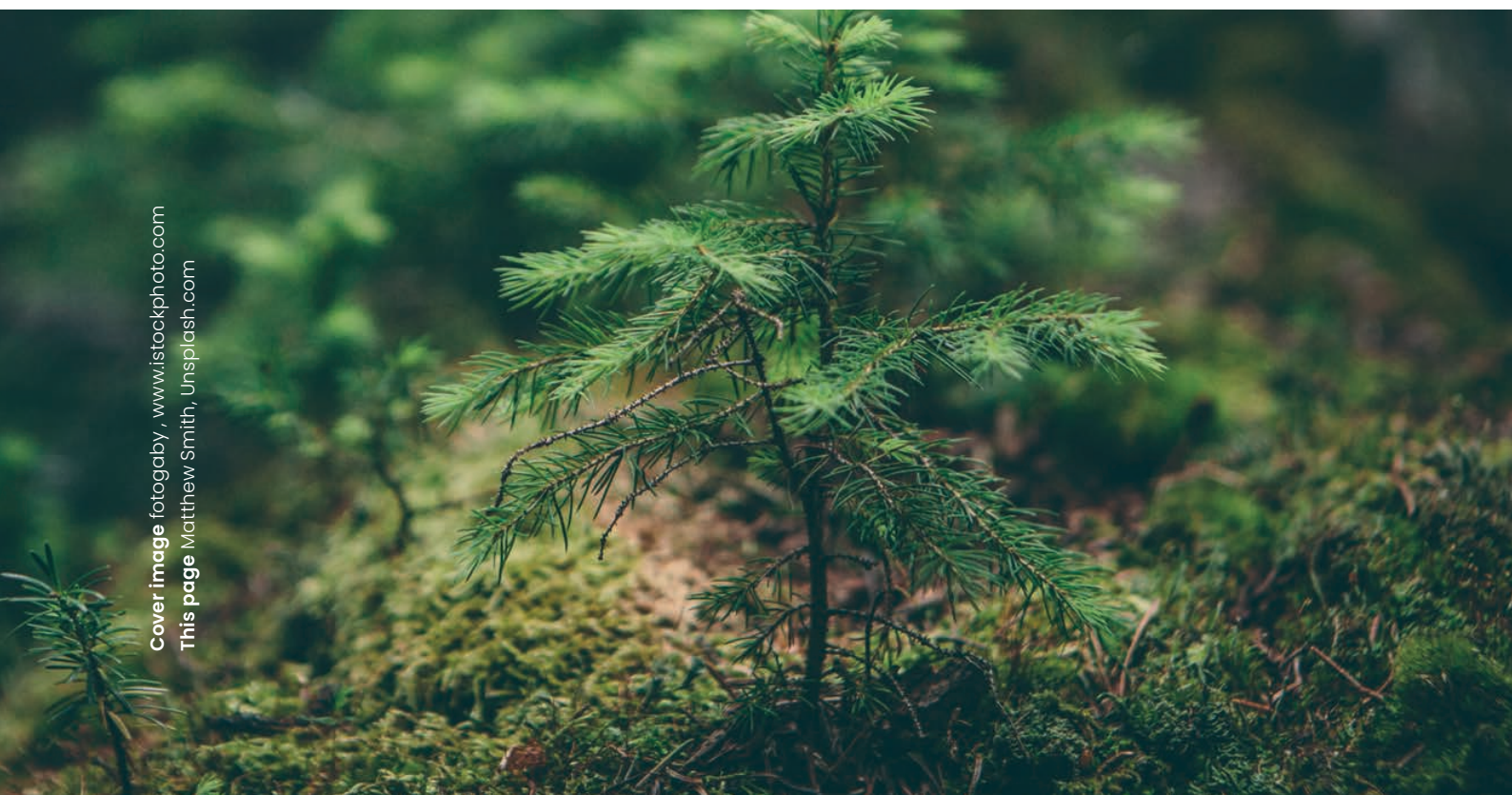
An entity should therefore not see the TPT's Disclosure Recommendations as separable from

or parallel to climate-related financial disclosures prepared in accordance with the ISSB's Standards. Rather, the TPT Disclosure Framework provides additional Recommendations on what a good practice climate transition plan should cover. The TPT considers that its Recommendations can be used as guidance to help entities to report more effectively on the transition plan-related aspects of the ISSB Standards as part of wider sustainability-related reporting.

To support preparers through the process of integrating content from their transition plan into disclosures aligned with the ISSB Standards, the TPT has developed a technical mapping which sets out the main provisions in IFRS S2 that contain disclosure requirements relevant to transition planning. For each provision, the TPT has identified the Recommendations in the TPT Framework that an entity may wish to consider as a source of additional guidance when making its disclosures.

Disclaimer:

- Please note: The IFRS S2 Standard includes disclosure requirements which are **not** covered in the TPT Disclosure Framework. These are not reflected in the below mapping.



Relevant IFRS S2 requirements	TPT disclosure recommendations for consideration
<p>5. The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.</p> <p>6. To achieve this objective, an entity shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how 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);</p> <p>(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate related risks and opportunities;</p> <p>(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) takes into account climate related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and</p> <p>(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).</p> <p>29. An entity shall disclose information relevant to the cross-industry metric categories of:</p> <p>(g) remuneration – the entity shall disclose:</p> <p>(i) a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and</p> <p>(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate related considerations</p> <p>34. An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(b) the entity's process for reviewing the target;</p>	<p>5.1.a–f, 5.3.a–f, 5.4.a.i–iv, 5.4.b, 5.5.a–c</p>

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<p>5. The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.</p> <p>6. To achieve this objective, an entity shall disclose information about:</p> <p>(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	5.2.a-e
<p>10. An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects. Specifically, the entity shall:</p> <p>(d) explain how the entity defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.</p>	1.1.e
<p>13. An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity’s business model and value chain. Specifically, the entity shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain; and</p> <p>(b) a description of where in the entity’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p> <p>14. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p> <p>(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any targets it has set and any targets it is required to meet by law or regulation. Specifically, an entity shall disclose information about:</p> <p>(i) current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from</p>	1.2.a-b, 2.1.a-c, 2.2.a-c, 2.3.a-b

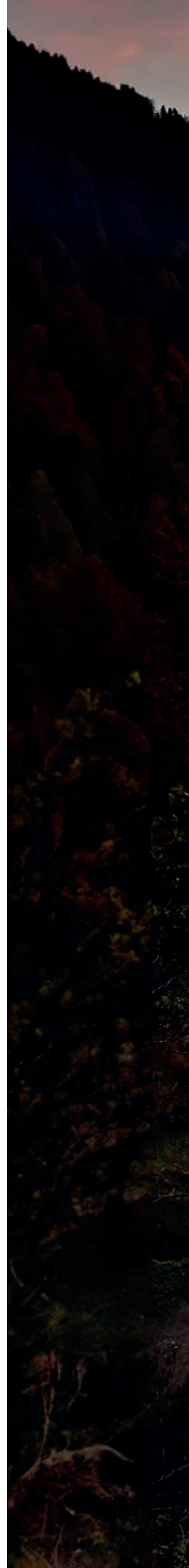
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<p>business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);</p> <p>(ii) current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);</p>	
<p>14. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p> <p>(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any targets it has set and any targets it is required to meet by law or regulation. Specifically, an entity shall disclose information about:</p> <p>(iii) current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);</p>	<p>3.1.a–d, 3.2.a–e, 3.3.a–c</p>
<p>14. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p> <p>(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any targets it has set and any targets it is required to meet by law or regulation. Specifically, an entity shall disclose information about:</p> <p>(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies;</p> <p>(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36</p> <p>9. Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:</p> <p>(c) the effects of those climate-related risks and opportunities on the entity’s strategy and decision-making, including information about its climate-related transition plan (see paragraph 14)</p>	<p>1.1.a, 1.1.b, 1.1.c.i. 1.3</p>
<p>14. An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:</p> <p>(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).</p>	<p>2.4.a</p>

Relevant IFRS S2 requirements	TPT disclosure recommendations for consideration
<p>16. Specifically, an entity shall disclose quantitative and qualitative information about:</p> <p>(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p>	2.4.b
<p>16 Specifically, an entity shall disclose quantitative and qualitative information about:</p> <p>(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).</p>	2.4.c
<p>17. In providing quantitative information, an entity may disclose a single amount or a range period</p>	2.4.e
<p>18. In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an entity shall:</p> <p>(a) use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and</p> <p>(b) use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.</p>	2.4.d
<p>19. An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that:</p> <p>(a) those effects are not separately identifiable; or</p> <p>(b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.</p>	2.4.f.i
<p>20. In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.</p>	2.4.f.ii

Relevant IFRS S2 requirements	TPT disclosure recommendations for consideration
<p>21. If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall:</p> <ul style="list-style-type: none"> (a) explain why it has not provided quantitative information; (b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and (c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful. 	2.4.g
<p>29. An entity shall disclose information relevant to the cross-industry metric categories of:</p> <ul style="list-style-type: none"> (a) greenhouse gases – the entity shall: <ul style="list-style-type: none"> (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂- equivalent (see paragraphs B19 – B22), classified as: <ul style="list-style-type: none"> (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; (ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23 – B25); (iii) disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26 – B29) including: <ul style="list-style-type: none"> (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: <ul style="list-style-type: none"> (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and 	4.3.l–m

Relevant IFRS S2 requirements	TPT disclosure recommendations for consideration
<p>(2) other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);</p> <p>(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and</p>	
<p>(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29 (a)(i)(3), and with reference to paragraphs B32–B57, disclose:</p> <p>(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and</p> <p>(2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);</p>	
<p>27. The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity'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.</p> <p>33. An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p> <p>(a) the metric used to set the target (see paragraphs B66–B67);</p> <p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>(c) the part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);</p> <p>(d) the period over which the target applies;</p> <p>(e) the base period from which progress is measured;</p> <p>(f) any milestones and interim targets;</p> <p>(g) if the target is quantitative, whether it is an absolute target or an intensity target; and</p> <p>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	<p>1.1.e; 4.1.a–e; 4.2.a–g; 4.3.i–k</p>

Relevant IFRS S2 requirements	TPT disclosure recommendations for consideration
<p>34. An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the entity's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions <p>35. An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.</p>	
<p>33. An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:</p> <ul style="list-style-type: none"> (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. <p>36. For each greenhouse gas emissions target disclosed in accordance with paragraphs 33 – 35, an entity shall disclose:</p> <ul style="list-style-type: none"> (d) any revisions to the target and an explanation for those revisions. 	1.1.c
<p>27. The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity'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.</p> <p>35. An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.</p> <p>36. For each greenhouse gas emissions target disclosed in accordance with paragraphs 33 – 35, an entity shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target. (c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68 – B69). 	4.3.a–h



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