



Institute
and Faculty
of Actuaries

IFoA GIRO Conference 2024

18–20 November, ICC, Birmingham



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Emerging climate disclosures and their impact on GI

Lloyd Richards (Crowe) & Ellen Boyle (Westfield Specialty)
The Climate Reporting & Disclosure Working Party

IFoA GIRO Conference 2024

How many sustainability reporting frameworks can you list?

0 responses

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2000



2001



GREENHOUSE
GAS PROTOCOL

The OGs



2002



2003



GREENHOUSE
GAS PROTOCOL

The OGs



2004



GREENHOUSE
GAS PROTOCOL

The OGs



2005



GREENHOUSE
GAS PROTOCOL

The OGs



2006



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GAS PROTOCOL

The OGs



2007



CISL, with support from the Association of British Insurance and a consortium of insurers and consultancies, creates ClimateWise reporting principles in 2007



CDSB is founded at the World Economic Forum in 2007



2008



GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO



ClimateWise

Insuring a sustainable future



CDSB

Climate Disclosure Standards Board

2009



GREENHOUSE
GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO



ClimateWise

Insuring a
sustainable
future



CDSB

Climate
Disclosure
Standards
Board

2010



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The OGs

CDP

International Organization for Standardization
ISO



ClimateWise

Insuring a sustainable future

The International Integrated Report Framework is founded by the Accounting for Sustainability Project



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CDSB
Climate Disclosure Standards Board

2011



GREENHOUSE
GAS PROTOCOL

The OGS



International Organization for Standardization



ClimateWise

Insuring a
sustainable
future

INTEGRATED
REPORTING <IR>

Proto-IFRS



Climate
Disclosure
Standards
Board



SASB

Accounting for a
Sustainable Future

2012



GREENHOUSE
GAS PROTOCOL

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International Organization for Standardization



ClimateWise

Insuring a sustainable future

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Proto-IFRS



Climate Disclosure Standards Board



Accounting for a Sustainable Future

2013



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International Organization for Standardization



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Climate
Disclosure
Standards
Board



Accounting for a
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2014



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Climate
Disclosure
Standards
Board



SASB

Accounting for a
Sustainable Future

2015

GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO

At the UN Sustainable Development Summit, the UN adopts the SDGs. ISO Standards eventually align to these.



SBTi launched as a partnership between CDP, UNGC, WWF and WRI



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Proto-IFRS

CDSB Climate Disclosure Standards Board

SASB Sustainability Accounting Standards Board Accounting for a Sustainable Future



At COP21 the FSB announces the formation of the Task Force on Climate-Related Financial Disclosures



2016

GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO

Aligned



Partnership



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Proto-IFRS

CDSB Climate Disclosure Standards Board

SASB Sustainability Accounting Standards Board

Accounting for a Sustainable Future



In 2016, ClimateWise aligns its principles to TCFD



2017

GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO

Aligned



Partnership



Aligned



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Proto-IFRS

CDSB Climate Disclosure Standards Board

SASB Sustainability Accounting Standards Board

Accounting for a Sustainable Future

2018

GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO

Aligned



Partnership



Aligned



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CDSB Climate Disclosure Standards Board

SASB Sustainability Accounting Standards Board

Accounting for a Sustainable Future

2019

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The OGs

CDP

International Organization for Standardization
ISO

Partnership

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Aligned



ClimateWise

Insuring a sustainable future

Aligned

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Proto-IFRS

CDSB Climate Disclosure Standards Board

SASB Sustainability Accounting Standards Board

Accounting for a Sustainable Future

PCAF launches to set standards for carbon accounting specifically for the financial services industry

PCAF

Partnership for Carbon Accounting Financials

PRA Releases supervisory statement SS3/19, setting out its expectations for managing climate-related financial risks for banks, building societies and insurers

PRA

SS3/19

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2020

GREENHOUSE GAS PROTOCOL

The OGs

CDP

International Organization for Standardization
ISO

Aligned



Partnership

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

PCAF Partnership for Carbon Accounting Financials

Standard A Financed

Standard B Facilitated

Standard C Insurance

ClimateWise

Insuring a sustainable future

Aligned

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

INTEGRATED REPORTING <IR>

Proto-IFRS

CDSB Climate Disclosure Standards Board

SASB Accounting for a Sustainable Future

PRA SS3/19

2021

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The OGs

 CDP

 International Organization for Standardization

Aligned



 ClimateWise

Insuring a sustainable future

Aligned

 TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Partnership

 SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP and PCAF align data quality streams

 PCAF Partnership for Carbon Accounting Financials

Standard A Financed

Standard B Facilitated

Standard C Insurance

TCFD is highly influential in the structure and style of both IFRS and TNFD

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VALUE REPORTING FOUNDATION

Proto-IFRS

 CDSB Climate Disclosure Standards Board

 SASB Sustainability Accounting Standards Board

Accounting for a Sustainable Future

IR and SASB merge into VRF

 IFRS

At COP26, the IFRS Foundation announces the creation of the International Sustainability Standards Board

 ISSB

 TNFD



PRA SS3/19

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2022

GREENHOUSE GAS PROTOCOL

The OGs

CDP

ISO
International Organization for Standardization

Aligned



ClimateWise

Insuring a sustainable future

Aligned

Partnership

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

PCAF publishes an insurance standard

PCAF Partnership for Carbon Accounting Financials

Standard A Financed → Standard B Facilitated → Standard C Insurance

TPT Transition Plan Taskforce

HM Treasury launches TPT to develop the gold standard for private sector transition plans

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Influences

VALUE REPORTING FOUNDATION

Proto-IFRS

CDSB Climate Disclosure Standards Board

VRF and CDSB merge into IFRS

IFRS

ISSB

CSRD Announced

CSRD

T N F D

PRA SS3/19

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2023

GREENHOUSE GAS PROTOCOL

The OGs

CDP

ISO International Organization for Standardization

Aligned



ClimateWise

Insuring a sustainable future

Aligned

Partnership

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

PCAF publishes facilitated standard

PCAF Partnership for Carbon Accounting Financials

Standard A Financed → Standard B Facilitated → Standard C Insurance

TPT Transition Plan Taskforce

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Influences

Major Standards

IFRS

Aligned

CSRD

TNFD



PRA SS3/19

2024

 GREENHOUSE GAS PROTOCOL

The OGs


 CDP


 International Organization for Standardization

Aligned

Topic Specific

TPT Transition Plan Taskforce

 SUSTAINABLE DEVELOPMENT GOALS

 TNFD

Partnership

 SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

 PCAF Partnership for Carbon Accounting Financials

Standard A Financed → Standard B Facilitated → Standard C Insurance

 ClimateWise Insuring a sustainable future

Sector Specific

 TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

IFRS takes over monitoring of TCFD

Major Standards

 IFRS

Aligned

 CSRD

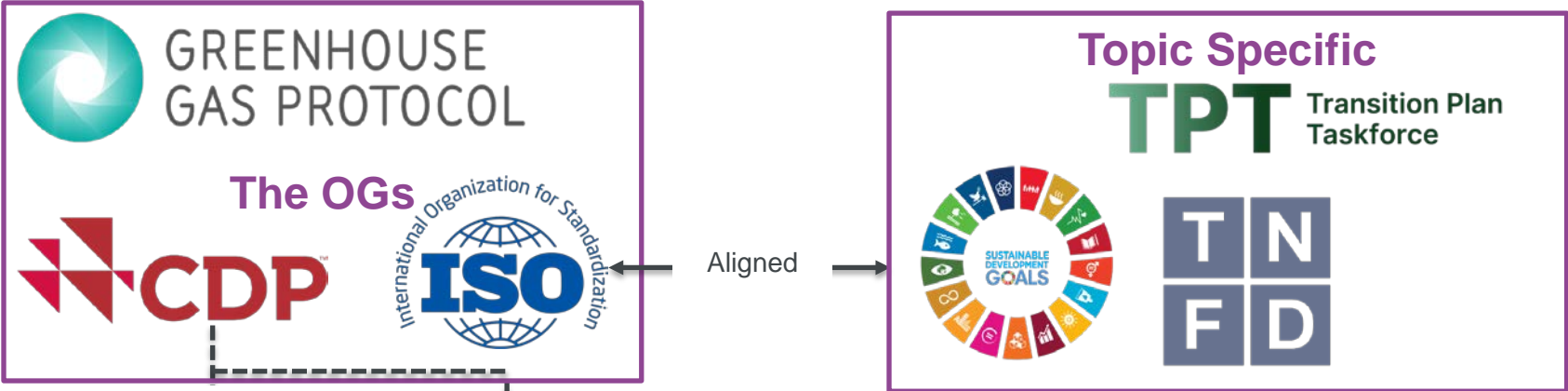
 BMA BERMUDA MONETARY AUTHORITY

 MAS Monetary Authority of Singapore

Regional

 PRA SS3/19

2025





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Challenges

IFoA GIRO Conference 2024

Challenges



A **Balancing Act**: disclosure vs action



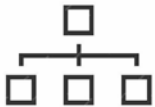
Metrics



Insurers: how to obtain a **complete picture**?



People



Company Structure: not setup for sustainability reporting



Horizon Scanning

Challenges



A **Balancing Act**: disclosure vs action



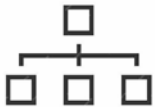
Metrics



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Horizon Scanning

Challenges



A **Balancing Act**: disclosure vs action



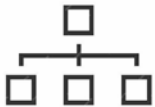
Metrics



Insurers: how to obtain a **complete picture**?



People



Company Structure: not setup for sustainability reporting



Horizon Scanning

Challenges



A **Balancing Act**: disclosure vs action



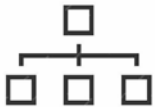
Metrics



Insurers: how to obtain a **complete picture**?



People



Company Structure: not setup for sustainability reporting



Horizon Scanning

Challenges



A **Balancing Act**: disclosure vs action



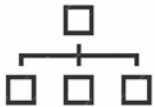
Metrics



Insurers: how to obtain a **complete picture**?



People



Company Structure: not set up for sustainability reporting



Horizon Scanning

Challenges



A **Balancing Act**: disclosure vs action



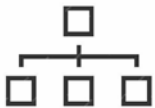
Metrics



Insurers: how to obtain a **complete picture**?



People



Company Structure: not setup for sustainability reporting



Horizon Scanning



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Solutions

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Solutions: Reporting efficiencies

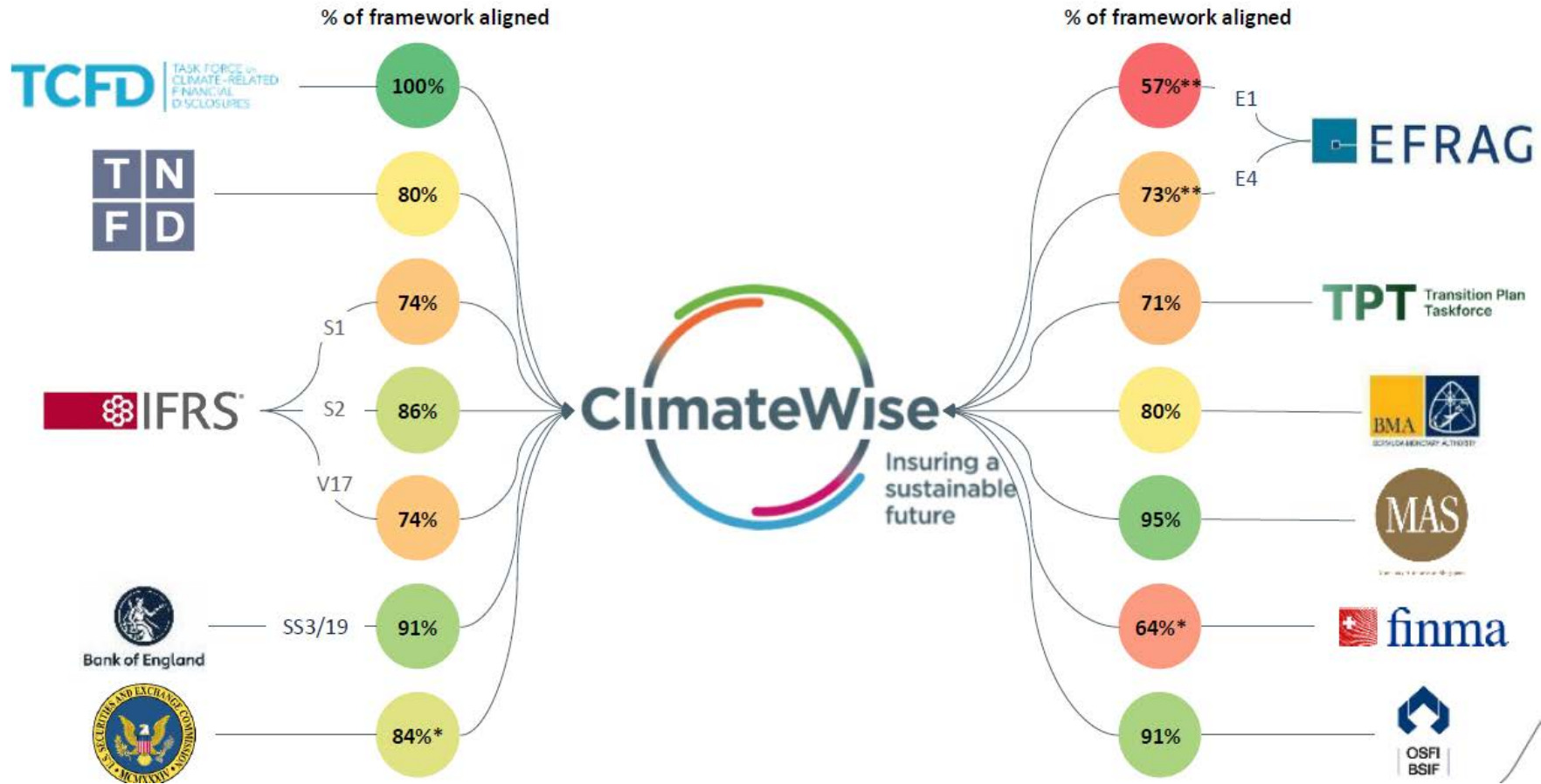
Framework	Requirement
TCFD	Describe the Board's oversight of climate-related risks and opportunities
TNFD	Describe the role the Board plays in overseeing nature-related issues
ISSB S1	An entity shall disclose information about the governance bodies responsible for oversight of sustainability-related risks and opportunities
ISSB S2	An entity shall disclose information about the governance bodies responsible for oversight of climate-related risks and opportunities
ISSB S2 V17	An entity shall describe its oversight/accountability approach to the incorporation of ESG factors
SEC	Disclose the oversight and governance of climate-related risks by the registrant's Board
SEC	Identify any Board members or Board committees responsible for the oversight of climate-related risks
TPT	An entity shall disclose information about the governance bodies (which can include a Board, committee or equivalent) charged with oversight of the transition plans
SS3/19	The PRA expects a firm's Board to understand and assess the financial risks from climate change that affect the firm
SS3/19	The PRA expects firms to have clear roles and responsibilities for the Board and its relevant sub-committees in managing the financial risks from climate change
BMA	The Board should have clearly documented responsibilities for managing climate change risks.
BMA	The Board should have sufficient knowledge to assess the financial risks that may stem from climate risk factors
MAS	The Board of Directors and senior management should maintain effective oversight of the insurer's environmental risk management and disclosure
OSFI	Describe the Board of Directors' oversight of climate-related risks and opportunities
FINMA	Outline of the tasks, competencies and responsibilities of the Board (including committees)

One paragraph that works in the UK, EU, USA, Bermuda, Singapore, Switzerland and Canada:

Describe the Board's oversight:

- Climate + Nature + Transition Planning
- Committees and reporting lines
- Training and competencies
- Financial and non-financial impacts
- Associated documentation

Solutions: Networks



* only climate-related requirements
 ** excluding appendices and guidance

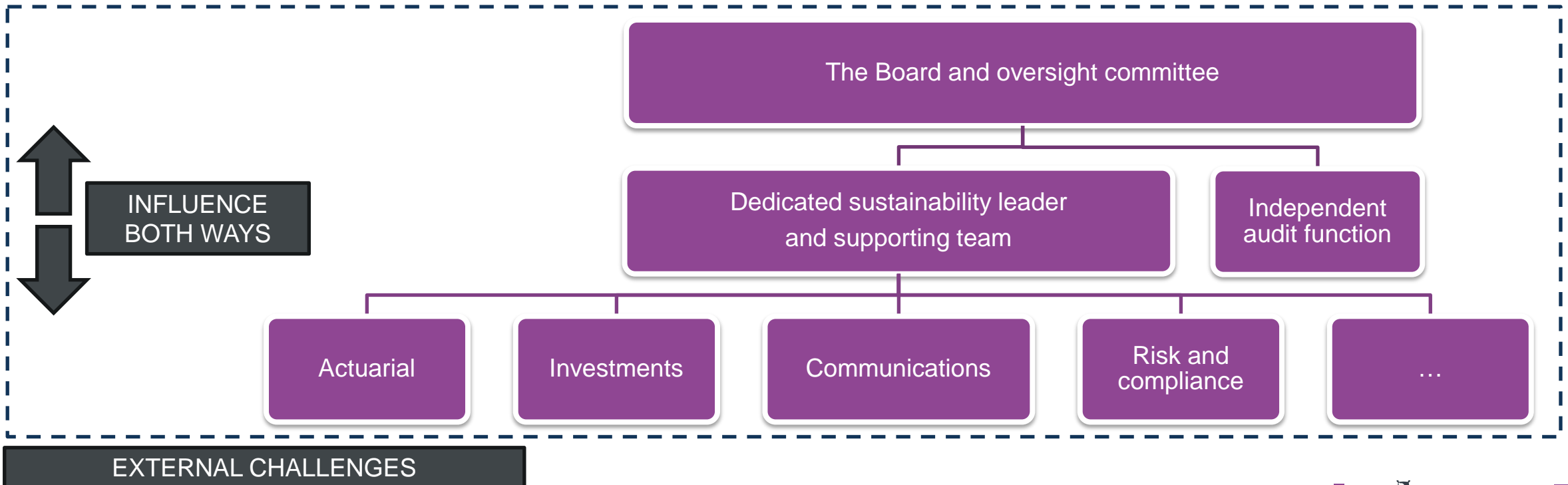
Solutions: Governance Approach

Effective disclosures should ...

Be about more than regulatory compliance and optics

Embed climate change into business capabilities and decision making

Needs a **strong governance structure**. There is no “one-size fits all” arrangement, but typically:



Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters.