A high-angle photograph of a man and a woman in a modern office setting. They are standing around a white conference table, looking at documents and a laptop. The man is wearing a blue polo shirt and khaki pants, and the woman is wearing an orange top and jeans. There are several green plants in the room, including a small one on the table and a large one in the background. A red vertical bar is on the left side of the image.

June 2023

TCFD CHECKLIST

A checklist of the recommended disclosures and general guidance from the Task Force on Climate-related Financial Disclosures.

SUMMARY

The recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) have steadily grown in popularity and acceptance as the universal guide on climate-related disclosures since their original publication in 2017.

New sustainability standard, IFRS S2 – Climate-related disclosures, was developed by the International Sustainability Standards Board (ISSB) in alignment with the TCFD-recommended disclosures. Organisations already disclosing one or more TCFD recommendations, or considering disclosures for their business, will be on the front foot for the adoption of the ISSB climate-related standards as they enter the market through mandatory reporting, and voluntary disclosure by supply chains.

This document provides a consolidated checklist incorporating the recommended disclosures and 'Guidance for all sectors' across the four core elements from the TCFD. It is referenced by the two following documents:

Final Report - Recommendations of the Task Force on Climate-related Financial Disclosures (published in June 2017)



Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (published in October 2021).



	1. GOVERNANCE	2. STRATEGY	3. RISK MANAGEMENT	4. METRICS AND TARGETS
	Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
RECOMMENDED DISCLOSURES	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>

1. GOVERNANCE

RECOMMENDED DISCLOSURE	GENERAL GUIDANCE	COMPLETE
<p>a) Describe the board's oversight of climate-related risks and opportunities.</p>	<p>In describing the board's oversight of climate-related issues, organisations should consider including a discussion of the following:</p> <ul style="list-style-type: none"> • Processes and frequency by which the board and/or board committees (e.g. audit, risk, or other committees) are informed about climate-related issues • Whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures, and • How the board monitors and oversees progress against goals and targets for addressing climate-related issues. 	
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>In describing management's role related to the assessment and management of climate-related issues, organisations should consider including the following information:</p> <ul style="list-style-type: none"> • Whether the organisation has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues • A description of the associated organisational structure(s) • Processes by which management is informed about climate-related issues, and • How management (through specific positions and/or management committees) monitors climate-related issues. 	

2. STRATEGY

RECOMMENDED DISCLOSURE	GENERAL GUIDANCE	COMPLETE
<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p>	<p>Organisations should provide the following information:</p> <ul style="list-style-type: none"> • A description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organisation's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms • A description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organisation, and • A description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organisation. <p>Organisations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate. In describing climate-related issues, organisations should refer to Tables A1.1 and A1.2 (pp. 75–76).</p>	
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>Building on recommended disclosure (a), organisations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning.</p> <p>Organisations should consider including the impact on their businesses, strategy, and financial planning in the following areas:</p> <ul style="list-style-type: none"> • Products and services • Supply chain and/or value chain • Adaptation and mitigation activities • Investment in research and development • Operations (including types of operations and location of facilities) • Acquisitions or divestments • Access to capital. 	

2. STRATEGY

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. (continued)

Organisations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritised. Organisations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.

Organisations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities).¹ If climate-related scenarios were used to inform the organisation's strategy and financial planning, such scenarios should be described.

Organisations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.²

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Organisations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organisation, scenarios consistent with increased physical climate-related risks³

Organisations should consider discussing:

- Where they believe their strategies may be affected by climate-related risks and opportunities
- How their strategies might change to address such potential risks and opportunities
- The potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities),⁴ and
- The climate-related scenarios and associated time horizon(s) considered.

Refer to Section D in the [Task Force's report](#) for information on applying scenarios to forward-looking analysis.

¹ These impacts may be described in qualitative, quantitative, or a combination of both qualitative and quantitative terms. The Task Force encourages organisations to include quantitative information, where data and methodologies allow.

² Organisations may agree to meet investor expectations regarding GHG emissions reductions for various reasons, including concerns about access to or the cost of capital if they fail to do so.

³ In interpreting the phrase "2°C or lower," organisations should consider aligning their scenario analysis with Article Two of the 2015 [Paris Agreement](#) which commits parties to "holding the increasing in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels."

⁴ These impacts may be described in qualitative, quantitative, or a combination of both qualitative and quantitative terms. The Task Force encourages organisations to include quantitative information, where data and methodologies allow.

3. RISK MANAGEMENT

RECOMMENDED DISCLOSURE	GENERAL GUIDANCE	COMPLETE
<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>Organisations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organisations determine the relative significance of climate-related risks in relation to other risks.</p> <p>Organisations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.</p> <p>Organisations should also consider disclosing the following:</p> <ul style="list-style-type: none"> • Processes for assessing the potential size and scope of identified climate-related risks, and • Definitions of risk terminology used or references to existing risk classification frameworks used. 	
<p>b) Describe the organisation's processes for managing climate-related risks.</p>	<p>Organisations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organisations should describe their processes for prioritising climate-related risks, including how materiality determinations are made within their organisations.</p> <p>In describing their processes for managing climate-related risks, organisations should address the risks included in Tables A1.1 and A1.2 (pp. 75–76), as appropriate.</p>	
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Organisations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.</p>	

4. METRICS AND TARGETS

RECOMMENDED DISCLOSURE	GENERAL GUIDANCE	COMPLETE
<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Organisations should provide the key metrics used to measure and manage climate-related risks and opportunities, as described in Tables A1.1 and A1.2 (pp. 75–76), as well as metrics consistent with the cross-industry, climate-related metric categories described in Table A2.1 (p. 79).¹ Organisations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.</p> <p>Where climate-related issues are material, organisations should consider describing whether and how related performance metrics are incorporated into remuneration policies.</p> <p>Where relevant, organisations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy.</p> <p>Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, organisations should consider providing forward-looking metrics for the cross-industry, climate-related metric categories described in Table A2.1 (p. 79), consistent with their business or strategic planning time horizons. In addition, where not apparent, organisations should provide a description of the methodologies used to calculate or estimate climate-related metrics.</p>	
<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Organisations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks.² All organisations should consider disclosing Scope 3 GHG emissions.^{3, 4}</p> <p>GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organisations and jurisdictions.⁵ As appropriate, organisations should consider providing related, generally accepted industry-specific GHG efficiency ratios.⁶</p> <p>GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organisations should provide a description of the methodologies used to calculate or estimate the metrics.</p>	

1 Financial organisations may find it more difficult to quantify exposure to climate-related risks because of challenges related to portfolio aggregation and data availability. The Task Force suggests financial organisations provide qualitative and quantitative information, where data and methodologies allow.

2 Emissions are a prime driver of rising global temperatures and, as such, are a key focal point of policy, regulatory, market, and technology responses to limit climate change. As a result, organisations with significant emissions are likely to be impacted more significantly by transition risk than other organisations. In addition, current or future constraints on emissions, either directly by emission restrictions or indirectly through carbon budgets, may impact organisations financially.

3 The Task Force strongly encourages all organisations to disclose Scope 3 GHG emissions. While the Task Force recognises the data and methodological challenges associated with calculating Scope 3 GHG emissions, it believes such emissions are an important metric reflecting an organisation's exposure to climate-related risks and opportunities. For guidance on reporting Scope 3 GHG emissions, see the GHG Protocol's [The Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).

4 When considering whether to disclose Scope 3 GHG emissions, organisations should consider whether such emissions are a significant portion of their total GHG emissions. For example, see discussion of 40% threshold in the Science Based Targets initiative's (SBTi's) paper [SBTi Criteria and Recommendations](#), Version 4.2, April 2021, Section V, p. 10.

5 While challenges remain, the GHG Protocol methodology is the most widely recognised and used international standard for calculating GHG emissions. Organisations may use national reporting methodologies if they are consistent with the GHG Protocol methodology.

6 For industries with high energy consumption, metrics related to emission intensity are important to provide. For example, emissions per unit of economic output (e.g., unit of production, number of employees, or value-added) is widely used.

4. METRICS AND TARGETS

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Organisations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., consistent with the cross-industry, climate-related metric categories in [Table A2.1 \(p. 79\)](#), where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.

In describing their targets, organisations should consider including the following:

- Whether the target is absolute or intensity based
- Time frames over which the target applies
- Base year from which progress is measured, and
- Key performance indicators used to assess progress against targets.

Organisations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.

Where not apparent, organisations should provide a description of the methodologies used to calculate targets and measures.



HERE TO HELP

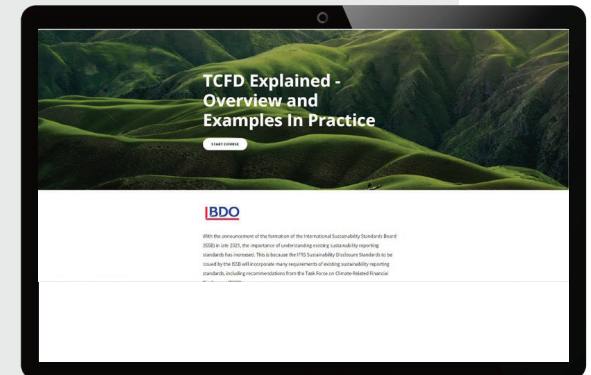
No matter where you are on your sustainability journey, our [national team of sustainability experts](#) can help with:

- Preparation of TCFD reports, or broader sustainability reporting as required
- Carbon footprint calculations or mandatory climate-related disclosures
- Carbon emission reduction strategies
- Assurance over your carbon footprint or sustainability reporting
- Developing your sustainability strategy.

Find out more

FREE eLEARNING

Our free course, [TCFD Explained - Overview and Examples In Practice](#), serves as an introduction to the TCFD recommendations, which are already required in some jurisdictions and form the basis for the International Sustainability Standards Board's climate standard, IFRS S2.



Start course

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