

# FSB Roadmap for Addressing Financial Risks from Climate Change

2025 update



14 July 2025

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## Executive summary

In July 2021, the Financial Stability Board (FSB) published a comprehensive Roadmap for addressing climate-related financial risks, which was welcomed by the G20. The Roadmap responded to the desire, at that time, of G20 members for coordinated action over a multi-year period between standard-setting bodies (SSBs) and other international organisations (IOs). Since then, work has been conducted across all four blocks of the Roadmap. This report provides a factual update on the work undertaken as part of the Roadmap. The publication of the report does not imply that each member endorses all of the work undertaken as part of the roadmap. The report also outlines the FSB's medium-term approach for potential work on climate-related financial risks.

- **Firm-level disclosures:** A number of organisations are now focused on supporting jurisdictions in adopting, applying, or otherwise being informed by the 2023 International Sustainability Standards Board (ISSB) standards, complemented by capacity building and implementation of the new global sustainability assurance and ethics standards.
- **Data:** Various initiatives by IOs, SSBs and the private sector have been launched, aiming to provide more comprehensive, consistent and comparable data across jurisdictions that could also support analysis of climate-related financial risks.
- **Vulnerabilities analysis:** Work has been undertaken to understand the various channels through which climate shocks could potentially impact the financial system and to consider forward-looking metrics.
- **Regulatory and supervisory practices and tools:** Some SSBs and supervisory authorities are developing guidance in their respective sectors on how climate-related financial risks can be taken appropriately into account in sectoral regulatory and supervisory frameworks.

Much of the work in recent years has been foundational in nature. For those pursuing the work, the challenges, in this respect, relate largely to having comprehensive, reliable, granular, consistent and comparable information on climate-related financial risks. As a result, the identification and management of such risks by firms, as well as the assessment of those risks and their incorporation in regulatory and supervisory frameworks by authorities, while developing, remains work in progress. The challenges are particularly evident in developing a financial stability perspective, which has been the focus of FSB work. The four blocks of the Roadmap have proved sufficiently flexible to date to accommodate new developments and priorities. Going forward, as part of annual work programme discussions, FSB members will continue to evaluate how the analysis of topics, such as physical risks and gaps in insurance coverage, may contribute to a better understanding of financial stability risks.

# 1. Introduction

In July 2021, the FSB published a Roadmap to address climate-related financial risks.<sup>1</sup> The Roadmap was welcomed by G20 Finance Ministers and Central Bank Governors and subsequently by G20 Leaders at the Rome Summit. It was intended for coordination among international initiatives underway by standard-setting bodies (SSBs) and other international organisations over a multi-year period in four policy areas or blocks: firm-level disclosures, data, vulnerabilities analysis, and regulatory and supervisory practices and tools.

The G20 asked the FSB to deliver regular progress reports on the Roadmap. Previous progress reports were published in 2022 and 2023.<sup>2</sup> The objective of this third progress report, prepared in consultation with SSBs and other relevant international bodies, is to take stock of steps taken across all four policy areas since the 2023 progress report and to describe ongoing and planned work to address climate-related financial risks (section 2). The report synthesises the main findings and also presents the FSB's medium-term approach for potential work on climate-related financial risks. The Annex provides an update about actions undertaken across the four Roadmap pillars since the 2023 progress report, with a description of work by relevant international bodies.

## 2. Actions undertaken across the four blocks of the Roadmap

### 2.1. Block 1 – Disclosures

#### 2.1.1. Actions Undertaken

The ISSB published two disclosure standards in 2023. In 2023, the FSB welcomed the publication of these standards. The International Organization of Securities Commissions (IOSCO) endorsed the standards and called on jurisdictions to consider ways in which they might adopt, apply or otherwise be informed by these standards within the context of their jurisdictional arrangements.<sup>3</sup>

Since then, a number of jurisdictions have been further developing climate-related disclosure frameworks. According to the ISSB, up until November 2024, jurisdictions representing approximately 57% of global gross domestic product had taken steps toward the adoption or other use of ISSB Standards.<sup>4</sup> As of September 2024, 17 FSB jurisdictions had already put or

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<sup>1</sup> FSB (2021), *FSB Roadmap for Addressing Climate-related Financial Risks*, July.

<sup>2</sup> FSB (2022), *FSB Roadmap for Addressing Financial Risks from Climate Change: 2022 progress report*, July; FSB (2023), *FSB Roadmap for Addressing Financial Risks from Climate Change: 2023 Progress report*, July.

<sup>3</sup> IFRS Foundation (2023) *IFRS - General Sustainability-related Disclosures*, June. FSB (2023) *FSB welcomes publication of ISSB disclosures standards*, June. IOSCO (2023) *IOSCO endorses the ISSB's Sustainability-related Financial Disclosures Standards*, July.

<sup>4</sup> IFRS Foundation (2024), *Progress on Corporate Climate-related Disclosures - 2024 Report*, November.

were putting in place structures or processes to bring the ISSB Standards into local requirements.<sup>5,6</sup>

Some companies are developing their climate-related disclosures and are preparing to make the transition from disclosures prepared using the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to disclosures prepared using ISSB Standards. Between October 2023 and March 2024, more than 1,000 companies referenced the ISSB in their reports. In fiscal year 2023, 82 per cent of the more than 3000 companies examined disclosed information in line with at least one of the 11 TCFD recommended disclosures. Approximately 3 per cent of companies reported in line with all 11 TCFD recommended disclosures, which indicates that few companies provide disclosures that cover all of the four recommended areas of climate-related governance, strategy, risk management or metrics and targets.<sup>7</sup>

The ISSB has continued work to support implementation of its standards. It published in May 2024 a Jurisdictional Guide to help jurisdictions design and plan adoption or other use of the ISSB Standards.<sup>8</sup> More recently, the ISSB proposed targeted amendments to IFRS S2 to make it easier to apply some requirements for greenhouse gas (GHG) emissions disclosures.<sup>9</sup> The ISSB has also been coordinating with the European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI), to ensure the efficiency of global sustainability reporting and reduce reporting burden. In particular, the IFRS Foundation and EFRAG published guidance material in May 2024 that describes how the respective disclosure requirements are aligned.<sup>10</sup> In May 2024, the GRI and the IFRS Foundation announced that they intend to deepen their working relationship, building upon their MoU in 2022. In addition, the ISSB and the IASB have been working to improve the connectivity of information across general purpose financial reports. In July 2024, the IASB published a proposal illustrating how a company applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements.<sup>11</sup>

The IAASB's stated aim for the recent finalisation of new international sustainability assurance standards is to improve confidence in the reliability and integrity of sustainability reporting information. The Public Interest Oversight Board (PIOB) certified the IAASB's new global sustainability assurance standard, on 12 November 2024.<sup>12</sup> On the same day, IOSCO issued a statement of support on the new standard. In addition, ISSA 5000 was developed jointly with the IESBA's new comprehensive set of ethics (including independence) standards for sustainability

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<sup>5</sup> FSB (2024), *Achieving Consistent and Comparable Climate-related Disclosures: 2024 Progress report*, November.

<sup>6</sup> Some jurisdictions, for example the United States, no longer support pursuing mandatory climate-related disclosures at the federal level.

<sup>7</sup> In July 2023 the FSB announced that the work of the TCFD had been completed, with the two inaugural Standards issued in June 2023 by the International Sustainability Standards Board (ISSB) marking the 'culmination of the work of the TCFD'. Having fulfilled its remit, the TCFD disbanded in October 2023, concurrent with the release of its 2023 status report.

<sup>8</sup> IFRS Foundation (2024), *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards*, May.

<sup>9</sup> IFRS Foundations (2025), *Exposure Draft: Amendments to Greenhouse Gas Emissions Disclosures—Proposed amendments to IFRS S2*, April.

<sup>10</sup> IFRS Foundation (2024), *ESRS - ISSB Standards - Interoperability Guidance*, May. The guidance provides companies the relevant information needed to ensure compliance with the climate-related requirements in both sets of standards.

<sup>11</sup> IASB (2024), *Climate-related and Other Uncertainties in the Financial Statements*, July. The IASB plans to issue the final document in October this year, under the title "Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples", to better capture the IASB's desire to stay principles-based.

<sup>12</sup> IAASB (2024) *International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements* (ISSA 5000), November.

assurance (the IESSA), and revisions to IESBA's existing ethics standards to make them fit for sustainability reporting. The PIOB certified the new global ethics sustainability standards on 17 January 2025, and IOSCO concurrently issued a statement of support on the IESSA. The IAASB and the IESBA launched their respective new standards on 27 January 2025. Both ISSA 5000 and the IESSA are effective for assurance engagements on sustainability information for periods beginning on or after 15 December 2026, or as at a specific date on or after 15 December 2026,<sup>13</sup> though earlier application is permitted. Both the IAASB and the IESBA encourage adoption and support implementation of their respective standards.<sup>14</sup>

Steps have also been taken at the sectoral level. In particular, the Basel Committee on Banking Supervision (BCBS) published in June 2025 a voluntary framework for the disclosure of climate-related financial risks, with jurisdictions to consider whether to implement it domestically.<sup>15</sup> The Organisation for Economic Co-operation and Development (OECD) updated in 2023 its Principles and frameworks on corporate governance, due diligence, and effective and efficient financial regulation. The G20/OECD Principles of Corporate Governance,<sup>16</sup> as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct were updated to include climate and other sustainability considerations, including recommendations on sustainability disclosures as well as the role of Boards and the rights and interests of shareholders and stakeholders on sustainability matters.

The ISSB has identified some challenges in its work towards consistent and comparable global climate-related disclosures. The challenges are mainly of two types:

- Differences in regulatory requirements due to jurisdictional modifications to ISSB Standards, which could make it more difficult to deliver timely and comparable sustainability-related financial information<sup>17</sup> and may also lead to challenges in reconciling such disclosures with financial reporting information ("connectivity").
- Need for more support to jurisdictions and companies in their efforts towards adoption or other use of climate-related disclosures. This is particularly challenging for smaller companies and for companies in emerging market and developing economies (EMDEs) due to regulatory uncertainty, lack of data, perceived cost of reporting, and knowledge gaps.<sup>18</sup> The ISSB, in close collaboration with other organisations, such as IOSCO and the World Bank, has undertaken several activities to support consistent application of its Standards and address specific challenges for SMEs and entities in EMDEs.

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<sup>13</sup> Except for certain independence provisions pertaining to value chain components which will be effective from 1 July 2028, subject to certain conditions.

<sup>14</sup> The IAASB published an [ISSA 5000 Implementation Guide](#), [fact sheet](#), [frequently asked questions](#) (FAQs) and FAQ videos on 27 January 2025. On the same day, the IESBA published [Bases for Conclusions](#), [fact sheet](#) and [technical overview](#). The IESBA has also commissioned the development and publication of additional implementation support materials, including FAQs.

<sup>15</sup> BCBS (2025) *A framework for the voluntary disclosure of climate-related financial risks*, June.

<sup>16</sup> [OECD \(2023\) G20/OECD Principles of Corporate Governance 2023](#), June. [OECD \(2023\) Guidelines for Multinational Enterprises on Responsible Business Conduct](#), June

<sup>17</sup> FSB (2024), *Achieving Consistent and Comparable Climate-related Disclosures: 2024 Progress report*, November.

<sup>18</sup> IFRS Foundation (2024), *Progress on Corporate Climate-related Disclosures - 2024 Report*, November.

### 2.1.2. Ongoing and planned work by IOs and SSBs other than the FSB

The ISSB continues work to promote the use of its standards and to achieve interoperability of disclosure frameworks for climate-related financial risks. The ISSB's work plan for the years 2024-2026 distinguished between activities with a high level of focus (i.e. supporting implementation of IFRS S1 and IFRS S2) and other activities such as conducting new research projects and enhancing its Standards. The work plan includes activities that are core to the ISSB's work (connectivity, stakeholder engagement, interoperability). In particular:

- The ISSB is (i) developing and enhancing educational materials that explain the core concepts underpinning IFRS S1 and S2 (including disclosures about transition plans); (ii) convening the Transition Implementation Group (TIG) to discuss companies' questions related to implementing IFRS S1 and IFRS S2; (iii) monitoring the progress of relevant SSBs and framework providers to assess potential implications for IFRS S1 and IFRS S2; (iv) supporting the IFRS Foundation's comprehensive capacity-building programme; and (v) supporting companies in using the IFRS Sustainability Disclosure Taxonomy to enhance efficient digital consumption and comparison of reports.
- On transition plan disclosures, IFRS S2 requires that information be disclosed if an entity has such a plan. The ISSB published in June 2025 guidance to help address the fragmentation of transition plan disclosure requirements, building on the disclosure-specific materials authored by the Transition Plan Taskforce, for which the IFRS Foundation took responsibility in 2024.<sup>19</sup> IOSCO will be reviewing how companies are using the ISSB Standards and taking additional monitoring and capacity building initiatives, as needed.<sup>20</sup>
- The ISSB supports companies applying IFRS S1 in disclosing information on a range of sustainability-related matters relevant to investors – beyond climate-related matters – by enhancing and maintaining the Sustainability Accounting Standards Board (SASB) Standards.<sup>21</sup> After updating the SASB Standards in 2023 to enhance their international applicability, the ISSB expects to consult on updates to 12 of these standards it has prioritised for enhancement in 2025.
- Finally, the ISSB will advance research projects on risks and opportunities associated with biodiversity, ecosystems and ecosystem services and with human capital.

The IAASB and the IESBA will continue to support and monitor implementation of their new sustainability assurance and ethics standards. The two boards will invite implementation questions or issues, to determine how to respond appropriately to stakeholder needs. Both of them created groups to support and monitor the implementation of their respective standards, closely coordinating their efforts. The two boards will also continue engagement with key

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<sup>19</sup> IFRS Foundation (2025) [IFRS Foundation publishes guidance on disclosures about transition plans](#), June

<sup>20</sup> On 18 December 2024, IOSCO announced the launch of a dedicated capacity building network for Growth and Emerging Markets to support the adoption and other use of the ISSB Standards, with the support of the ISSB.

<sup>21</sup> The Sustainability Accounting Standards Board, now part of the IFRS Foundation, develops and disseminates industry-specific standards for companies to disclose financially material sustainability information to investors. See [SASB](#).

stakeholders, including jurisdictional standard setters, assurance practitioners, audit regulators (e.g. IFIAR and CEAOB), and the European Commission.

## 2.2. Block 2 – Data

### 2.2.1. *Actions Undertaken*

Various initiatives by IOs, SSBs and the private sector have been launched, aiming to provide more comprehensive, consistent and comparable data across jurisdictions that could also support analysis of climate-related financial risks. Global data initiatives have sought to make data more forward-looking, to better account for the potential growing impacts of climate change, and to address limitations of historical data and past trends in capturing such dynamics. At a macro-level, steps have been taken under recommendation 5 of the G20 Data Gaps Initiative (DGI) to address data gaps relating to developing forward-looking climate risk indicators.<sup>22</sup> Work to date has focused on taking stock of data and metrics developed by jurisdictions as part of their domestic work, and identifying data needed to quantify relevant metrics on a consistent and comparable basis at a global level. The United Nations Office for Disaster Risk Reduction is working on developing and disseminating a global set of physical risk metrics that quantify economic losses from physical risks using backward- and forward-looking data. World Bank's Climate Change Knowledge Portal (CCKP) provides access to granular forward-looking data on exposures to physical risks under different climate scenarios. Initiatives on the private sector have also added further momentum, such as the Net Zero Data Public Utility (NZDPU) data that provides open access to a consistent set of firm-level transition risk data on current emissions with plans to supplement it with forward-looking data on emissions reduction targets.

Climate risk dashboards have been set up to disseminate data on the impact of climate change on the financial system. These dashboards often contain third-party quantitative and qualitative information. The IMF's Climate Change Indicators Dashboard (CID) was launched in 2021 to disseminate quarterly data on macro-relevant climate change indicators for evidence-based economic decision-making. These indicators capture drivers of climate risks (e.g., greenhouse gas emissions, country-level exposures to physical risks) and their impacts on firm-level financials (e.g., Carbon tax to firm revenues in disclosing firms) where such data are available. Using its CCKP platform, the World Bank has produced over 40 climate risk assessments and disaster risk finance diagnostics for individual countries. There are also regional dashboards, such as European Insurance and Occupational Pensions Authority's (EIOPA) dashboard on insurance protection gaps that provides data on economic and insured losses, risk estimations as well as insurance coverage from 30 European countries. Insights drawn from such dashboards could help further understanding of how climate risks might impact different parts of the financial system and encourage the provision of such dashboards in other regions.

Building on these efforts, some SSBs and IOs have sought to identify relevant forward-looking metrics for relevant financial sectors and then working backwards to identify data gaps that need to be filled for the metrics to be operational. Work by the BCBS has identified various forward-

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<sup>22</sup> The G20 DGI workplan led by the IMF, in close cooperation with the FSB and the Inter-Agency Group on Economic and Financial Statistics (IAG), was launched in 2022. It includes seven recommendations to address data gaps relating to climate, including carbon footprint of foreign direct investment, climate finance, and forward-looking physical and transition risk indicators.

looking climate risk metrics that could be disclosed by banks as part of a voluntary climate disclosure framework for jurisdictions to consider.<sup>23</sup> To develop these metrics, banks may have to rely on a range of datasets, including sourcing them directly from counterparties. For the insurance sector, the IAIS has collected global climate risk data for insurers as part of its multilateral surveillance work which assesses global insurance market trends and developments and their potential financial stability impacts. This work involves gathering detailed information on insurers' asset exposure to climate risks and, since 2023, has also included insurers' liability risks related to exposures to natural catastrophe (NatCat) events.

In January 2025, FSB published an analytical framework and toolkit that identified various forward-looking metrics used by some of its members and set out further work to quantify them based on the current data landscape.<sup>24</sup> The conceptual framework traces how physical and transition climate risks could be transmitted to and amplified by the global financial system. To quantify the magnitude and materiality of these transmission channels, the FSB's toolkit set out three high-level categories of metrics: (i) *proxies* to provide early signals on potential drivers of transition and physical risks; (ii) *exposure metrics* to gauge the extent of direct and indirect exposures in the real economy and the financial system; and (iii) *risk metrics* to quantify the impacts for financial institutions and the system as a whole. The FSB has considered potential metrics for the toolkit, including through examining the availability of underlying data to quantify these metrics on a consistent and comparable basis across its membership.

A number of methodological and data challenges have been identified that currently limit the utility of forward-looking metrics for monitoring of climate-related financial risks globally. These challenges relate to the consistency of definitions and modelling assumptions across jurisdictions as well as the availability of data to compute them, particularly for EMDEs that are more exposed to potential adverse effects of climate change.

### 2.2.2. *Ongoing and planned work by IOs and SSBs other than the FSB*

Outside of the FSB, further work has been undertaken or planned to fill data gaps and establish more consistent cross-jurisdiction and cross-sector data sets relating to climate-related financial risks. The IMF is planning a pilot project to evaluate data availability and assess the possibility of collecting relevant granular climate-related financial data as part of the IMF's Monetary and Financial Statistics database, targeting approximately 50 economies. The project aims to collect available data and information on "green" and "brown" assets, and sectoral/geographic distribution of exposures of banks and nonbank financial institutions. The FSB provides a user perspective, by focussing on data gaps that could prevent members who are interested in monitoring potential climate-related vulnerabilities from doing so.

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<sup>23</sup> See footnote 16

<sup>24</sup> FSB (2025), *Assessment of climate-related vulnerabilities: Analytical framework and toolkit*, January.

## 2.3. Block 3 – Vulnerabilities analysis

### 2.3.1. *Actions Undertaken*

Conceptual and empirical work on monitoring climate-related financial vulnerabilities has produced conceptual frameworks and further development of scenario analysis. Conceptual frameworks can provide the basis for narratives on how climate shocks could impact the financial system in different ways, and scenario-based analysis has been developed to explore the materiality of climate-related vulnerabilities in a forward-looking manner.

The potential system-wide effects of climate change have been explored. Conceptual frameworks developed by the IMF and World Bank trace how climate shocks may transmit to the financial system and give rise to domestic stability risks. The IMF's conceptual framework is used for climate risk stress testing in at least four Financial Sector Assessment Programs (FSAPs) per year. The World Bank is also actively supporting over 40 EMDEs, including low-income countries, and small island states, with climate risk assessments. For the insurance sector, the IAIS has been monitoring exposures of the insurance sector to transition and physical risks since 2021, which enables the comparison of insurer-level exposure trends over time and across jurisdictions.<sup>25</sup>

The FSB analytical framework and toolkit published in January 2025 is designed to complement the FSB Financial Stability Surveillance Framework and could support interested FSB members in monitoring climate-related vulnerabilities in the global financial system. Building on previous work carried out by the FSB and its members, the framework outlines potential for transmission of climate physical and transition risks to the financial system, including potential amplification and feedback effects. It considers a broad range of cross-sectoral and cross-border channels that may affect the financial system via real assets and financial markets and distinguishes between the effects of climate shocks and their transmission and amplification. The FSB framework aims at providing a global and cross-sectoral perspective that can shed light on the extent to which a particular type of climate-related vulnerability could be relevant to jurisdictions or have the potential to spill over between jurisdictions and financial sectors.

Work on vulnerabilities analysis to date has focused on specific topics or issues. The IAIS, with input from the World Bank, is conducting a deep dive on the potential financial stability impact of natural catastrophe protection gaps. It will discuss the implications of current and historical insurance protection gaps due to NatCat events for domestic financial stability, and provide a quantitative analysis of possible transmission channels, likely building on case studies. Complementing this work, NGFS work has explored the connections between adaptation finance, insurance protection gaps, and the prudential risks that adaptation (or the lack thereof) could pose to the financial sector.<sup>26</sup> Tying different parts of the financial system together, the FSB's work has considered a "severe yet plausible" conceptual scenario of how a climate physical shock to the real estate sector may affect financial stability if insurance becomes less available, and which may cause risks to shift to households and businesses or to governments.

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<sup>25</sup> See, for instance, IAIS (2024), *Global Insurance Market Report*, December.

<sup>26</sup> NGFS (2024), *Conceptual note on adaptation*, November.

It has identified the different channels through which risks could spread across the financial system and relevant metrics to monitor such channels.

Efforts to integrate scenario analysis exercises into financial stability analysis have increased. The work of the IMF and of the World Bank has often used scenarios, whether developed in-house or adapted from external sources for its use, that provide assessments over the next 3-5 years, in line with traditional financial stability analysis. The NGFS updated its long-term scenarios with new economic and climate data, policy commitments and model versions and also developed short-term climate scenarios. The NGFS's short-term scenarios, which were published in May 2025, focus on what the NGFS refers to as “extreme but plausible” events that could trigger systemic risks over a 3-5 year horizon. These scenarios, provide quantitative estimates that project potential impacts on economic and financial variables.<sup>27</sup>

Those pursuing this work have identified several challenges for more systematically assessing climate-related financial vulnerabilities at a global level. These include how interactions within the financial sector and between the financial sector and real economy, including cross-border, may amplify the scale of such shocks.

### 2.3.2. *Ongoing and planned work*

Looking ahead, as part of annual work programme discussions, FSB members will continue to evaluate how the analysis of topics, such as physical risk and gaps in insurance coverage, may contribute to a better understanding of financial stability. This year, the FSB has been considering possible forward-looking metrics and is carrying out in-depth analysis to assess potential climate-related financial vulnerabilities. The IMF is working to enhance methodologies for analysing physical and transition risks in its surveillance work and plan to publish an update in 2025. The World Bank is also working to enhance climate risk assessment methodologies.

## 2.4. Block 4 - Regulatory and supervisory practices and tools

### 2.4.1. *Actions Undertaken*

A number of SSBs and other international bodies have issued principles or guidance in recent years on how climate-related financial risks can be incorporated into existing risk classifications and sectoral regulatory and supervisory frameworks. In particular:

- The BCBS has monitored implementation of its 2022 Principles for the effective management and supervision of climate-related financial risks across member jurisdictions, to promote a common understanding of supervisory expectations and to support the development of practices across jurisdictions.<sup>28</sup> The Principles encouraged banks to use climate scenario analysis to assess the resilience of their business models and strategies to a range of climate-related pathways and to determine the impact on

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<sup>27</sup> NGFS (2025) NGFS Short-term Climate Scenarios for central banks and supervisors, May

<sup>28</sup> BCBS (2022), *Principles for the effective management and supervision of climate-related financial risks*, June; BCBS (2023), *Newsletter on the implementation of the Principles for the effective management and supervision of climate-related financial risks*, November.

their overall risk profile. In April 2024, the BCBS issued a discussion paper on how climate scenario analysis can be practically used to help strengthen the management of climate-related financial risks, including for identifying climate risk drivers, their impacts on the financial position (e.g. potential losses in severe but plausible scenarios), and for ways to improve resilience.<sup>29</sup>

- The IAIS made limited updates to its Insurance Core Principles in December 2024, clarifying that climate-related risk should be effectively addressed in supervisory approaches.<sup>30</sup> In April 2025, the IAIS published its Application Paper on the supervision of climate-related risks in the insurance sector, which outlines what the IAIS has indicated as good practices and guidance in several areas.<sup>31</sup>
- In 2023, IOSCO published a report on supervisory practices to address greenwashing, providing an overview of the initiatives undertaken in various jurisdictions in line with the 2021 IOSCO recommendations.<sup>32</sup> In 2024, IOSCO published its final report on good practices for enhancing financial integrity in voluntary carbon markets<sup>33</sup> and launched a new workstream on Green Finance Innovation to identify trends and potential emerging risks from new ESG or green products.
- CPMI and IOSCO hosted outreach events in 2024 on climate-related risk for financial market infrastructures (FMIs), on how they may differ across infrastructures, and on actions FMIs and authorities are taking to address climate-related risks. The workshop concluded that business continuity and operational resilience implications of climate-related risks are the primary concern for FMIs and that further work and improved data are required to map climate-related risk transmission channels for FMIs more clearly.<sup>34</sup>

Work has also supported implementation of the principles and guidance, in jurisdictions where this is being pursued, by sharing knowledge and experiences with incorporating potential climate-related risks into supervisory frameworks and practices. In November 2023, the BCBS published a newsletter with a summary of findings of the work to monitor implementation of the Principles post-publication.<sup>35</sup> Following the publication of its Application Paper, the IAIS plans to develop more practical materials on supervisory practices, in response to feedback from the climate risk

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<sup>29</sup> BCBS (2024), *The role of climate scenario analysis in strengthening the management and supervision of climate-related financial risks*, April.

<sup>30</sup> IAIS (2024), *IAIS adopts Insurance Capital Standard and other enhancements to its global standards to promote a resilient insurance sector - International Association of Insurance Supervisors*, December.

<sup>31</sup> IAIS (2025), *IAIS publishes comprehensive Application Paper on the supervision of climate-related risks in the insurance sector*, April. The paper provides guidance in several areas: i) the role of supervisors in assessing climate-related risks; ii) the need for integration of climate-related risk into corporate governance, risk management and internal controls; iii) the potential impact of climate-related risk on valuation and investment practices; iv) supervisory reporting, public disclosure, and macroprudential supervision of climate-related risks; v) group supervisory issues; and vi) the role of climate-related risk scenario analysis and considerations for the impact of climate-related risks on market conduct.

<sup>32</sup> IOSCO (2023), *FR12/23 Supervisory Practices to Address Greenwashing* (December); IOSCO (2021), *FR08/2021 Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management*, November; IOSCO (2021), *FR09/2021 Environmental, Social and Governance (ESG) Ratings and Data Products Providers*, November; IOSCO (2022), *CALL FOR ACTION (IOSCO GOOD SUSTAINABLE FINANCE PRACTICES: For Financial Markets Voluntary Standard Setting Bodies and Industry Associations)*, November.

<sup>33</sup> IOSCO (2024), *FR/08/2024 Voluntary Carbon Markets*, November.

<sup>34</sup> CPMI-IOSCO (2024), *Summary of CPMI-IOSCO workshops on climate risks for financial market infrastructures*, December.

<sup>35</sup> BCBS (2023), *Newsletter on the implementation of the Principles for the effective management and supervision of climate-related financial risks*, November.

consultation packages. As a first step, it will develop two members-only materials: on climate metrics and on how climate change is being reflected in NatCat models used by insurers. FSB member authorities discussed progress in implementing the 2022 FSB recommendations, which aimed to assist supervisory and regulatory authorities in developing their approaches to monitor, manage and mitigate risks arising from climate change and to promote consistent approaches across sectors and jurisdictions.<sup>36</sup> Steps taken thus far by some jurisdictions have mainly been on the supervisory and regulatory reporting and collection of climate-related data. However, in those jurisdictions, persistent gaps relating to data granularity, comparability and consistency limit the ability to inform supervisory reporting and risk assessments of financial institutions. Fewer actions were reported in developing system-wide views for supervisory and regulatory approaches to address climate-related risks, and how such assessment could inform policies to address these risks.<sup>37</sup> The NGFS has undertaken work on supervisory best practices and tools to assess the climate-related risk governance of financial institutions, on the supervision of nature-related risks, and on transition plan and planning (see below).<sup>38</sup>

One potential way that some have attempted to address data gaps for financial stability work is to use information reported by firms in their transition plans. To this end, the FSB published a report on the relevance of firms' transition plans for financial stability.<sup>39</sup> That report concluded that such plans could hold potential for enhancing financial stability assessments by providing forward-looking information that could be useful to measure and monitor climate-related risks. However, the report notes that certain conditions would need to be met to enable wider use of transition plans for financial stability purposes, including enhancing the coverage and availability of information in those plans, as well as their transparency, credibility, consistency and comparability.

Work was undertaken by some to explore nature-related financial risks and potential interconnections with climate-related financial risks. The NGFS published a conceptual framework on nature-related financial risks that contains a principle-based risk assessment framework to guide policies and actions by central banks and supervisors, while considering their jurisdictional context. It is now working on a compendium of implementation practices and on the supervision of nature-related risks, focusing on existing and potential supervisory tools, challenges and practices.<sup>40</sup> The FSB delivered a report to the G20 in 2024 on regulatory and supervisory initiatives associated with the identification and assessment of nature-related risks, based on a stocktake of member financial authorities' initiatives.<sup>41</sup> The report found that financial authorities are at different stages of evaluating the relevance of financial risks from biodiversity loss and other nature-related risks and that there are data and modelling challenges to connect underlying nature risks with financial exposures and to translate estimates of financial exposures into measures of financial risk.

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<sup>36</sup> FSB (2022), *Supervisory and Regulatory Approaches to Climate-related Risks: Final report*, October.

<sup>37</sup> FSB (2024) *Promoting Global Financial Stability: 2024 FSB Annual Report*, November

<sup>38</sup> NGFS (2024), *NGFS - Transition Plan Package | Network for Greening the Financial System*, April. The package includes papers on Tailoring transition Plans: Considerations for EMDEs; Connecting transition plans: Financial and non-financial firms; and Credible transition plans: The microprudential perspective.

<sup>39</sup> FSB (2025), *The relevance of transition plans and planning for financial stability*, January.

<sup>40</sup> NGFS (2024), *Conceptual framework on nature-related financial risks*, July.

<sup>41</sup> FSB (2024), *Stocktake on Nature-related Risks: Supervisory and regulatory approaches and perspectives on financial risk*, July.

#### 2.4.2. Ongoing and planned work by IOs and SSBs other than the FSB

Some organisations and jurisdictions have undertaken capacity building efforts to support the development of supervisory expertise and implementation of regulatory and supervisory practices in jurisdictions that have sought that assistance. The BIS's Financial Stability Institute has developed the Climate Training Alliance portal,<sup>42</sup> an online platform that centralises climate-related and environmental risks training resources to build knowledge and expertise amongst central banks and supervisors, which also includes capacity building and training material produced by the NGFS and its learning partners and has been updated this year to reflect the new IAIS Application Paper. The IAIS is also enhancing implementation support for its members, notably those from EMDEs, to further integrate climate risk considerations into supervisory practices.

The work by IOs, such as the IMF and World Bank, contribute to these efforts. The IMF has been conducting assessments of supervisory frameworks for climate-related financial risks in the context of the FSAP, when macro-critical, with a focus on supervisory policies and practices for banks and/or insurers. Starting this year, with the revised Basel Core Principles, detailed assessments of compliance with the Core Principles also cover climate-related financial risks. The IMF also organised a series of regional workshops and training courses, leveraging the IMF network of regional capacity development and training centres. The joint IMF-FSI Supervisory and Regulatory Online Course (SROC) includes a module on climate risk supervision. The World Bank continues to support EMDEs in developing climate-related supervisory guidance and the integration of climate risk into supervisory practices, by developing proportionate approaches that also consider the potential implications of climate risk guidance for financial inclusion and the relative importance of adaptation in the context of EMDEs.

In other areas, the NGFS is continuing to work on target setting in transition plans and its use by supervisors, and the interactions between scenario analysis and transition plans, with the objective to facilitate the operationalisation of the plans and its supervision by supervisors. The two notes will be published in the second half of 2025. The World Bank has also started providing technical assistance to client countries on developing a transition plan framework for the financial sector.

The work of international bodies is also starting to focus more on enhancing resilience to physical risks through adaptation measures and addressing insurance protection gaps. The BCBS has been tasked by its governing body with prioritising its work to analyse the impact of extreme weather events on financial risks.<sup>43</sup> The IAIS and World Bank are developing a paper for the G20 with practical recommendations to enable multi-party efforts to address NatCat insurance protection gaps. In May 2024, the NGFS launched a task force on adaptation to explore the connections between adaptation finance, insurance protection gaps, and the prudential risks that adaptation (or the lack thereof) could pose to the financial sector. A first phase of work aimed at better understanding the relevance and importance of adaptation for central banks and supervisors, from both an advanced and an emerging market economy perspective.<sup>44</sup> Parallel

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<sup>42</sup> BIS CTA Page.

<sup>43</sup> BCBS (2025), *Press release: Basel Committee continues to prioritise Basel III implementation, progresses work to strengthen supervisory effectiveness and discusses finalisation of principles on third-party risks*, May.

<sup>44</sup> NGFS (2024), *NGFS Conceptual Note on Adaptation*, November.

NGFS work for the G20 is looking into how to integrate adaptation considerations into transition planning, with key findings expected in late 2025. In response to a request from the G7, the World Bank has recently published a policy note discussing the need for collaboration through public-private insurance programs for climate resilience.<sup>45</sup>

### 3. The FSB's medium-term approach to potential climate-related financial risks

The South African G20 Presidency asked the FSB to deliver to its July 2025 G20 meeting a document outlining the FSB's medium-term approach to potential climate-related financial risks.

Among the FSB's membership, there are a wide range of views on the approach that should be taken to potential climate-related financial risks. While many members feel there is a need for more work, some members feel that the work completed to date is sufficient. Going forward, the FSB will consider climate-related topics each year as part of the setting of its work programme and make determinations about what projects, if any, it will undertake. The FSB may take on climate-related work in the areas below.

#### Coordination of international efforts

The G20 asked the FSB to coordinate international work on climate-related financial risks, which has been done to date through the Climate Roadmap. Such coordination does not require endorsement by all members of all the work undertaken under the roadmap. One reason for the FSB to undertake such coordination is to ensure that resources of supervisory, regulatory and other financial authorities are used wisely and the duplication of efforts are avoided. The FSB will annually consider this coordination work in light of the views of its members and of the G20.

#### Information sharing

Related to its mandate to coordinate international work, the FSB has shared information on its own climate-related work and on the work of other international organizations. The sharing of information does not imply that all members endorse the work that is reported. At times this information sharing is done publicly, for example through reports to the G20 or in other publicly released reports. The FSB will take a similar approach to information sharing as set out above in relation to coordination work.

#### Vulnerabilities analysis

Another key part of the FSB's mandate is to undertake work to identify financial stability vulnerabilities. Understanding such vulnerabilities brings benefits to the global financial system both by raising awareness and, at times, leading to the development of steps to mitigate the vulnerabilities.

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<sup>45</sup> World Bank (2025) *Mobilizing Public-Private Solutions to Manage the Financial Impacts of Natural Hazards in Emerging Market and Developing Economies : Challenges and Opportunities of Operationalizing Public Private Insurance Programs*, March

- Regarding climate-related financial risks, members have a wide range of opinions about whether there are potential vulnerabilities that need to be prioritized for further study. As such, rather than identifying such vulnerabilities a priori for further work, the FSB will leave that decision up to its annual work programme process.

## Supervisory and regulatory work

One of the four blocks of work of the climate roadmap was supervisory and regulatory practices. The FSB has conducted a number of projects under that pillar, including recent work on the usefulness of transition plans for financial stability and a stocktake of supervisory and regulatory work on nature-related financial risks. At this time, work is ongoing by some financial institutions, as well as by some member authorities and some SSBs, to integrate climate-related financial risks into existing risk management frameworks. In light of this, the FSB does not currently have any plans to do significant policy work that falls under this pillar of the roadmap.

- The FSB will facilitate information sharing among interested members in order to report on progress and challenges in designing and implementing regulatory and supervisory approaches to address these potential risks, especially from a cross-sectoral and system-wide perspective.
- The FSB will also conduct voluntary peer reviews, such as the China country peer review being started later this year that has a climate-related financial risks focus.

## External Engagement

External engagement is important to the FSB's work, as it is through such engagement that we are able to share information with a broader audience. Examples of this engagement include participation at the meetings of other international organizations, operation of the FSB Regional Consultative Groups (RCGs) that were set up at the request of the G20 in 2011, and participation in conferences.

- The FSB will continue to share previously completed information from FSB work on climate-related financial risks, for example if requested by RCG co-chairs.
- The FSB will organise a workshop on climate-related financial risks that was agreed on as part of the FSB's 2025 work programme.

## 4. Conclusion

As discussed here, steps have been taken across the four blocks of the FSB's Climate Roadmap originally tasked to the FSB by the G20 in 2021. Some jurisdictions and companies are adopting climate-related disclosures. A number of initiatives by organisations and jurisdictions are underway to make climate-related data more accessible and forward-looking. Climate risk dashboards were developed as tools to disseminate data on the impact of climate change on the financial system. Analytical frameworks and updated scenario analyses were developed to monitor potential climate-related vulnerabilities. Work on vulnerabilities assessments focuses on issues of growing concern in financial markets, such as extreme weather events and the role

played by insurance protection gaps and adaptation measures. A number of SSBs and other international bodies have issued principles or guidance in recent years on how climate-related financial risks can be incorporated into existing risk classifications and sectoral regulatory and supervisory frameworks. Finally, there is continued sharing of knowledge on ways to incorporate climate-related risks within such frameworks and the identification of emerging good practices, underpinned by stakeholder outreach initiatives and capacity building efforts.

## Annex: Actions undertaken for the Roadmap

The steps included in this appendix are provided by international organizations on an indicative basis and reflect such contributions as of the date of this report.<sup>46</sup> They do not represent commitments or endorsements by the entire FSB membership to the steps or dates described.

### Block 1 – Disclosures

Actions Undertaken	Update
<b>1. IFRS Foundation to develop a global framework for climate-related disclosures from an investor-focused perspective</b>	
(i) Developing ISSB sustainability disclosure standards, with an initial focus on climate from an investor-focused perspective	
<ul style="list-style-type: none"> <li>ISSB to publish public consultation on Exposure Drafts</li> </ul>	Completed - Q1 2022
<ul style="list-style-type: none"> <li>ISSB to publish final versions of the two inaugural standards (IFRS S1 and IFRS S2), following on from Exposure Drafts</li> </ul>	Completed - 26 June 2023
(ii) IOSCO endorsed ISSB standards on 25 July 2023, with the call to members to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards within the context of their jurisdictional arrangements.	Endorsement completed – 25 July 2023
(iii) IOSCO's endorsement of the first two ISSB standards recognised that individual jurisdictions have different domestic arrangements regarding the consideration of international standards. The encouragement to IOSCO members and relevant authorities to consider adopting, applying or otherwise be informed by the standards, within the context of their jurisdictional arrangements, in a way that promotes consistent and comparable climate related and other sustainability-related disclosures for investors.	

<sup>46</sup> IOSCO's 2026 workplan will be finalised later this year, meaning areas annotated as ongoing are subject to change.

Actions Undertaken	Update
<ul style="list-style-type: none"> <li>• <i>IFRS Standards typically are accompanied by dates from which they are effective. Early adoption is an option. Effective dates of the new standards to be set out following consultation on ISSB climate-related standard. Timeline and types of actions will also depend on steps taken by individual jurisdictions in line with domestic legal and regulatory frameworks.</i></li> </ul>	Effective date of IFRS S1 and IFRS S2 – January 2024 (transitional reliefs apply)
<ul style="list-style-type: none"> <li>• <i>ISSB to publish consultation document on its future work programme on ISSB sustainability disclosure standards, beyond climate</i></li> <li>• <i>ISSB to publish its work plan for the period 2024–2026. The ISSB decided to add to its work plan research projects on risks and opportunities associated with:</i> <ul style="list-style-type: none"> <li>• <i>biodiversity, ecosystems and ecosystem services; and</i></li> <li>• <i>human capital.</i></li> </ul> </li> </ul>	<p>Completed – Consultation document in May 2023</p> <p>Completed – feedback statement published in June 2024</p>
(iv) Promoting and monitoring of consistent implementation of the ISSB standards	
<ul style="list-style-type: none"> <li>• <i>IOSCO monitoring and capacity building programmes: IOSCO’s Sustainable Finance Task Force reviewed how different jurisdictions are using the new standards and take additional monitoring and capacity building initiatives, as needed</i></li> </ul>	Completed – Capacity building running
<ul style="list-style-type: none"> <li>• <i>IOSCO launched a Growth and Emerging Markets Committee network for adoption or other use of ISSB standards in December 2024</i></li> </ul>	Capacity building ongoing -
<ul style="list-style-type: none"> <li>• <i>ISSB to support and facilitate preparers, and jurisdictions in adopting ISSB sustainability disclosure standards</i></li> </ul>	Ongoing
<ul style="list-style-type: none"> <li>• <i>ISSB developed guidance for use by jurisdictions to support the scaling and phasing of implementation of the ISSB standards</i></li> </ul>	Completed – Jurisdictional Guide published in May 2024. Following this, the IFRS Foundation published a Jurisdictional Roadmap Development Tool on 26 March 2025, developing the concepts set out in the Jurisdictional Guide into practical application
<ul style="list-style-type: none"> <li>• <i>IFRS Foundation: guidance document to support application of the relevant requirements of IFRS S2 for transition plans.</i></li> </ul>	Completed - Q2 2025

Actions Undertaken	Update
(v) IFRS Foundation to promote connectivity between financial accounting standards and ISSB sustainability disclosure standards.	Ongoing - In March 2023, the International Accounting Standards Board (IASB) added to its work plan a project to explore targeted actions to improve the reporting of the effects of climate-related risks in the financial statements. In July 2024, the IASB published the Exposure Draft “Climate-related and Other Uncertainties in the Financial Statements”, with comments due by 28 November 2024. The ED proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The IASB met in June 2025. At this meeting, the IASB decided to issue the final document (including the basis for conclusions) in October 2025. The title of the final document will be “Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples”, to better capture the IASB’s desire to stay principles-based. The final document will use climate risk as an example of non-linear risks and uncertainties and demonstrate when additional disclosures are expected of companies.
<b>2. IAASB to develop global standards for assurance on sustainability information</b>	
<p>(i) Initial project: Develop an overarching standard for sustainability assurance, underpinned by relevant ethical requirements and quality management, covering the entire assurance engagement, that can be applied to reasonable and limited assurance engagements of information on any sustainability topic prepared under a suitable reporting framework (i.e. is framework-neutral), and be profession-agnostic</p> <p><i>As the IAASB’s proposed standard on sustainability assurance will be framework-neutral, it will be able to be applied by assurance practitioners providing assurance reports on sustainability information prepared under the IFRS Sustainability Disclosure Standards.</i></p>	

Actions Undertaken	Update
<ul style="list-style-type: none"> <li>IAASB to approve <i>Exposure Draft of overarching standard</i></li> </ul>	Completed - June 2023
<ul style="list-style-type: none"> <li>IAASB to approve <i>final version of overarching standard</i></li> </ul>	Completed – September 2024 (PIOB certified – November 2024)
(ii) Future work: Further develop a suite of standard(s) for assurance on sustainability information. Topics selected would be based on priorities identified at the time, taking into account the public interest, and subject to consultation on the IAASB's Work Plan	Pending Work Plan decisions informed by monitoring of ISSA 5000 implementation and stakeholder needs
(iii) IOSCO to continue engagement with the IAASB and IESBA, based on its <u>key considerations for an effective global assurance framework over sustainability-related corporate reporting</u>	Ongoing
<ul style="list-style-type: none"> <li>IOSCO published a <u>statement</u> in support of the IAASB standard in November 2024 and called on members to consider ways in which they might apply or otherwise be informed by the IAASB's global sustainability assurance standard when considering assurance requirements or permissions within the context of their jurisdictional arrangements</li> </ul>	Completed – Statement published on 12 November 2024
(iv) IOSCO included the IAASB sustainability work in the capacity building programme with the IFRS Foundation to equip its members with the understanding of the IAASB work in this area.	Capacity building ongoing
<b>3. IESBA to develop global ethics and independence standards for sustainability reporting and assurance</b>	
(i) Initial phase: Develop (a) profession-agnostic ethics and independence standards for sustainability assurance for use by all assurance providers, and (b) ethics standards for sustainability reporting for use by professional accountants  <i>The final International Ethics Standards for Sustainability Assurance (including International Independence Standards), referred to as “the IESSA”, is intended to be capable of being understood and applied regardless of the reporting or assurance framework used to prepare or assure the sustainability information (i.e. framework-neutral). Hence, it will be able to be applied by assurance practitioners providing</i>	

Actions Undertaken	Update
<i>assurance reports on sustainability information prepared under the IFRS Sustainability Disclosure Standards.</i>	
<ul style="list-style-type: none"> <li>• <i>IESBA to approve Exposure Draft of the proposed standards</i></li> </ul>	Completed – January 2024
<ul style="list-style-type: none"> <li>• <i>IESBA to approve the final standards</i></li> </ul>	Completed – December 2024
(ii) Future work: <ul style="list-style-type: none"> <li>• <i>Consider developing profession-agnostic ethics standards for sustainability reporting</i></li> </ul>	Subject to further stakeholder consultation
<ul style="list-style-type: none"> <li>• <i>Consider developing profession-agnostic independence standards for assurance of sustainability information other than sustainability information prepared in accordance with a general purpose framework and that is either required by law or regulation, or publicly disclosed for decision-making by investors and other users</i></li> </ul>	Work stream expected to commence in 2025
(iii) IOSCO to continue engagement with the IESBA and the IAASB, based on its key considerations for an effective global assurance framework for sustainability-related corporate reporting	Ongoing
<ul style="list-style-type: none"> <li>• IOSCO published a <u>statement</u> in support of the IESBA standard in January 2025 and called on members to consider ways in which they might apply or otherwise be informed by the IESSA when considering ethics and independence requirements for assurance or permissions within the context of their jurisdictional arrangements.</li> </ul>	Completed – Statement published on 17 January 2025
<ul style="list-style-type: none"> <li>• IOSCO included the IESBA sustainability work in the capacity building programme with the IFRS Foundation to equip its members with the understanding of the IESBA work in this area.</li> </ul>	Capacity building ongoing
<b>4. Promoting consistent approaches among national and regional climate disclosure initiatives during the development of a global standard</b>	
(i) FSB and other bodies will promote consistent approaches among national and regional climate disclosure initiatives, using frameworks based on the TCFD Recommendations for climate-related financial disclosures as well as the ISSB Standards, in line with domestic legal and regulatory frameworks	Update to be included in FSB progress reports on achieving consistent and comparable disclosures – the latest progress reports were published in October 2023 and November 2024, respectively

Actions Undertaken	Update
(ii) The World Bank and the IFRS Foundation are expanding the coverage of their existing partnership to support the adoption of sustainability standards in EMDEs. In tandem, the World Bank jointly with IOSCO developed a joint capacity building program to support securities regulators in EMDEs in developing roadmaps for the implementation of sustainability reporting standards.	Capacity building ongoing
<b>5. SSB work on sectoral standards for disclosure requirements</b>	
(i) BCBS published a voluntary disclosure framework for climate-related financial risks for jurisdictions to consider	Completed – Q2 2025
(ii) The IAIS standards (ICPs) include a requirement that insurers publicly disclose all risks and information that are material. The IAIS updated its Application Paper on the supervision of climate related risks in the insurance sector (“Climate Risk Application Paper”), including related to public disclosure on climate risk. <sup>47</sup>	Completed - April 2025
(iii) IOSCO published a report setting out how transition plan disclosures can support the objectives of investor protection and market integrity [and welcomed the IFRS Foundation’s plan to develop educational material and, if needed, application guidance to support transition plan disclosures that provide investors with the information needed to make informed decisions about risks and opportunities.]	Completed - IOSCO issued its <u>Report on Transition Plans</u> in November 2024.
<b>6. Reporting on progress in disclosures</b>	
(i) FSB, coordinating with IFRS Foundation and others, to report annually to the G20 on progress in implementation by jurisdictions and firms of disclosures and reporting in line with international standards	October 2022 onwards; progress reports published in October 2023 and November 2024, respectively. As of 2025, progress achieved in consistent and comparable disclosures will be reported under block 1 of the progress report on the FSB Climate Roadmap

<sup>47</sup> IAIS Application Papers do not include new standards or requirements, but provide further advice, illustrations, recommendations or examples of good practice to supervisors on how the IAIS standards may be implemented

Actions Undertaken	Update
(i) Reporting on progress by companies in their disclosures	
<ul style="list-style-type: none"> <li>2022 TCFD Status Report on the implementation progress of TCFD Recommendation</li> </ul>	Completed - October 2022
<ul style="list-style-type: none"> <li>2023 TCFD Status Report on the implementation progress of TCFD Recommendations</li> </ul>	Completed - October 2023
<ul style="list-style-type: none"> <li>2024 ISSB Status Report on progress in corporate disclosures</li> </ul>	Completed - November 2024

## Block 2 – Data

Actions Undertaken	Update
<b>1. Assessing data availability and identifying data gaps, with respect to both publicly available data and supervisory data</b>	
<b>2. Filling data gaps</b>	
Further work to be included on steps to fill data gaps and establish consistent cross-jurisdiction and cross-sector data sets relating to climate-related financial risks. Steps here could include:	
(i) FSB and NGFS to coordinate work by various bodies to fill data gaps identified by FSB and NGFS - The NGFS Expert Network on Data is a forum for information and data sharing	Ongoing
(ii) IMF work on climate-related data availability and needs from a macroeconomic and financial policy analysis perspective (including further development of relevant indicators in its Climate Change Indicators Dashboard)	Ongoing
(iii) G20 DGI-3 workplan led by the IMF, in close cooperation with the FSB and IAG, that includes seven recommendations to address data gaps relating to climate, including carbon footprint of foreign direct investment, climate finance, and forward looking physical and transition risk indicators	Ongoing. <u>DGI-3 launched</u> in 2022, after the workplan was welcomed by G20 FMCBG in October.
(iv) IMF updated the System of National Accounts and Balance of Payments and International Investment Position Manual with the relevant environmental classes to the classification systems of the international statistical	Completed - Q1 2025
(v) To understand climate risk exposure of the global insurance sector, IAIS regularly collects and analyses data on exposure of insurance sector assets and liabilities to climate-related risks as part of its Global Monitoring Exercise (GME), both from insurance supervisors and from individual insurers. The outcomes of the analysis are published annually in its “global Insurance Market Report” or GIMAR.	Ongoing – Latest publication Dec 2024

Actions Undertaken	Update
(vi) Launch of <u>NGFS data directory</u> of data sources that can be mapped to different climate metrics. The platform has been finalised and will go live pending on finding a solution for permanently hosting the directory	Launched in July 2022
<b>3. Developing forward-looking metrics on the financial impacts of climate change and transition</b>	
(i) IAIS undertaking an internal stock-take on the use of data and metrics in supervisory reporting and public disclosure to monitor emerging practices.	Members-only report, expected Q1 2026
(ii) FSB and NGFS joint report on scenario analysis and the financial metrics needed for this analysis, both at the level of the firm and the overall system	Completed - November 2022
(iii) NGFS to consider the suitability of the NGFS climate scenarios for financial institutions' disclosure purposes	2022-2024
(iv) NGFS to assess the implications of financial institutions' target setting in transition plans from a micro-prudential perspective and exploring the interactions between climate scenario analysis and transition plans	Publication planned for July 2025
(v) FSB to develop consistent and comparable metrics for use in climate-related vulnerabilities monitoring (see Block 3) and identify data availability and gaps for developing ideal metrics. This work focuses on using current exposures as well as more forward-looking scenario-based metrics	Ongoing – <u>Analytical Toolkit</u> published in January 2025
(vi) OECD to develop ESG risk policy framework, including policy recommendations on credible corporate transition plans <ul style="list-style-type: none"> <li>• <u>Policy guidance on market practices to strengthen ESG investing and finance a climate transition</u></li> <li>• <u>Guidance on transition finance: ensuring the credibility of corporate climate transition plans</u></li> <li>• OECD to develop a sustainable finance roadmap</li> </ul>	Completed -Both reports published in October 2022  Ongoing – the OECD established it Working Party on Sustainable Finance in 2025 with a dedicated programme of work forming the OECD's "roadmap" for sustainable finance work

## Block 3 – Vulnerabilities analysis

Actions Undertaken	Update
<b>1. Analysing the nature of climate-related risks and vulnerabilities</b>	
(i) BCBS members exchange views on physical risks from extreme climate events	Periodic
(ii) IAIS GIMAR includes the outcomes of its assessment of climate risks in the global insurance sector using data collected in the annual GME process	Ongoing
(iii) Multilateral surveillance work of the IMF (including several GFSR chapters on climate risks)	Ongoing
<b>2. Developing a monitoring framework</b>	
Building on steps to fill data gaps and establish metrics to gauge the financial impacts of climate risk, the development of a monitoring framework would in turn inform further consideration of the data needed to assess risks. Actions here should include:	
(i) Work by the FSB to identify specific issues related to climate-related vulnerabilities that warrant close monitoring at the cross-sectoral and macroprudential level, and to develop tools to carry out such monitoring  Includes specific FSB-IMF collaboration on underlying commonalities in indicators used in assessing financial stability implications of climate change for the banking sector	Completed - December 2022
(ii) FSB to develop a data-based framework for regular monitoring of climate-related financial vulnerabilities including channels through which climate risks can affect the financial system, amplifiers, mitigants and potential for transmission and feedback loops across borders and sectors.  Ongoing: <ul style="list-style-type: none"><li>• <i>Operationalising the analytical framework using data from various official and private sector initiatives, and identifying suitable forward-looking metrics</i></li><li>• <i>Carrying out deep dives on specific vulnerabilities to assess materiality and potential transmission channels.</i></li></ul>	Ongoing – <u>Analytical framework</u> published in January 2025

Actions Undertaken	Update
<p>(iii) OECD to monitor climate-related financial and transition risks and their potential impact on financial performance, natural capital, and sustainable growth</p> <ul style="list-style-type: none"> <li>Report on the assessment of climate transition metrics to support governments in monitoring climate-related financial and transition risks</li> </ul>	<p>Completed - Report <i>Assessing net-zero metrics for financial institutions: Supporting the monitoring of financial institutions' commitments</i> published in 2023</p>
<b>3. Deepening scenario analysis</b>	
(i) NGFS to develop short term scenarios	Completed - Conceptual note published in October 2023. 1 <sup>st</sup> vintage of NGFS short-term climate scenarios released May 2025
(ii) NGFS to publish updated sets of reference long-term climate scenarios	5 <sup>th</sup> vintage published in November 2024
(iii) NGFS to continue improving and updating NGFS climate scenarios on a regular basis	Ongoing
(iv) In its Climate Risk Application Paper, IAIS included supporting material on the practical application of the relevant IAIS standards in relation to climate scenario analysis	Completed - Application paper Published April 2025
(v) BCBS published a discussion paper on climate scenario analysis to support the development of banks' and supervisory practices	Completed Q2-2024
<b>4. Establishing regular monitoring and assessment of risks and vulnerabilities</b>	
(i) FSB and NGFS jointly to publish a report synthesising outputs of analysis done by jurisdictions so far on the implications of possible future climate scenarios for the financial system	Completed - November 2022
(ii) NGFS to provide methodological guidance on scenario-based climate risk analysis for macroeconomic and financial stability surveillance	Ongoing; an updated user guide will be published in Q4 2025
(iii) FSB to regularly report on monitoring of climate-related financial vulnerabilities at the global level (including steps taken to mitigate these financial risks)	Annually, beginning 2023
(iv) IAIS has integrated climate monitoring and assessment of risks and vulnerabilities related to climate change risk into the GME	Ongoing

Actions Undertaken	Update
(v) IAIS to publish a GIMAR Special topic on the potential financial stability impact of natural catastrophe insurance protection gaps	Q4 2025
(vi) IMF to incorporate climate-related risks in its assessments of global financial stability in the GFSR	Ongoing
(vii) World Bank and IAIS to prepare an input paper on insurance protection gaps to be delivered to the Sustainable Finance Working Group (SFWG) for the G20 South African Presidency; and to collaborate on the IAIS's 2025 Global Insurance Market Report (GIMAR) Special Topic - potential financial stability implications of Natural Catastrophe protection gaps	Q3 2025
(viii) IMF and World Bank to incorporate climate-related risks in their assessments of financial systems in the context of the FSAP	Ongoing
(ix) World Bank to conduct Country Climate and Development Reports (CCDRs) in EMDEs. These cover: <ul style="list-style-type: none"> <li><i>The opportunities and risks that climate change (both physical risks and transition risks) create for the country's development path</i></li> <li><i>The existing climate commitments, policies and institutional arrangements in the country to improve resilience</i></li> <li><i>The macroeconomic implications of climate change and policies in terms of growth, poverty reduction, fiscal sustainability, and stability of the financial system</i></li> <li><i>The prioritisation of sectoral and macro-fiscal policies to address climate change in the context of development objectives, and identification of operational recommendations</i></li> </ul>	Ongoing

## Block 4 – Supervisory and regulatory practices

Actions Undertaken	Update
<b>1. Developing effective regulatory and supervisory practices and tools</b>	
Steps to develop consistent and effective supervisory and regulatory practices:	
(i) NGFS report on capturing risk differentials from climate-related risks. A <u>Progress Report</u> : lessons learned from the existing analyses and practices of financial institutions, credit rating agencies and supervisors	Completed - <u>Progress report</u> published May 2022.
(ii) NGFS to conduct deep-dives into the prudential supervision of specific climate-related and environmental risks (including litigation and reputational risks)	Completed - <u>Report on microprudential supervision of climate-related litigation risks</u> published in September 2023
(iii) NGFS to examine the role of supervisors in assessing financial institutions' transition plans	Completed - <u>Stocktake report</u> published May 2023.
(iv) NGFS to publish a transition plan package composed of three thematic deep dives (1. Tailoring transition plans: considerations for EMDEs (work lead by the WB); 2. Connecting transition plans: financial and non-financial institutions; 3. Credible transition plans: the micro-prudential perspective).	Completed - <u>Transition Plan package</u> published in April 2024
(v) NGFS to explore target setting in transition plans and the interaction between scenario analysis and transition plans.	Q3 2025
(vi) NGFS to prepare a paper on the integration of adaptation and resilience into transition plans, as input paper to the G20 SFWG	Q2 2025
(vii) BCBS monitored implementation of the principles across member jurisdictions	2023-2024
(viii) BCBS issued revised Basel Core Principles drawing on structural changes since the previous update in 2012	Completed - Q2-2024
(ix) BCBS assessment of materiality of gaps in the existing Basel framework	2024
(x) IAIS published in April 2025 an updated Climate Risk Application Paper providing supporting material relevant to a range of IAIS standards. IAIS updated in December 2024 certain guidance paragraphs in the Insurance Core Principles (ICPs) to integrate	Completed - 2024, Q2 2025

Actions Undertaken	Update
climate risk. The ICP Introduction was also updated to position the response to climate risk within the global framework for insurance supervision.	
(xi) IOSCO developed a set of recommendations for the development of transparent, liquid and well-structured compliance carbon markets and published a report on the state of play of voluntary carbon markets and the vulnerabilities that may require regulatory intervention	Completed – Final report on compliance carbon markets <u>published</u> in July 2023 Final report on voluntary carbon markets <u>published</u> in November 2024.
(xii) FSB to publish a report <u>on climate-related financial risk factors in compensation frameworks</u>	Completed – April 2023
(xiii) FSB published a report on the relevance of transition plans and planning by financial and non-financial firms for financial stability <i>The regulatory work on transition plans is interconnected with the IFRS Foundation's work to tailor the TPT materials and develop a guidance document to support consistent application of the transition plan disclosure requirements in IFRS S2 (see above "block 1").</i>	Completed – Report published in January 2025
(xiv) OECD to update its principles and frameworks on Corporate Governance, Due Diligence, and Effective and Efficient Financial Regulation. The G20/OECD Principles of Corporate Governance, as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, are being updated to include climate and other sustainability considerations	Complete – The G20/OECD Principles of Corporate Governance and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct were updated in 2023.
<b>2. Achieving cross-sector and cross-jurisdiction consistency of approaches</b>	
<i>Cross-jurisdictional consistency within sectors</i>	
(i) NGFS to update the 2020 Guide for Supervisors to provide a set of recommendations and good practices on the supervision of climate and nature-related risks.	2026
(ii) IAIS to increase cross-jurisdictional consistency through the updated Climate Risk Application Paper and knowledge sharing activities	Ongoing, please see 1 (vii) above

Actions Undertaken	Update
(iii) IOSCO published a supervisory practices report which maps the initiatives taken by jurisdictions to address greenwashing, i.e. adopt and implement the 2021 recommendations on asset managers and ESG ratings and data providers [[and the November 2022 Call for Action for financial markets voluntary standard setting bodies and industry association to counter the risk of greenwashing]]	Completed – December 2023
<i>Cross-sectoral consistency and interactions between sectors</i>	
(iv) FSB report promoting consistent regulatory and supervisory approaches to addressing climate-related risks at financial institutions and supporting efforts to incorporate the interactions between sectors in regulatory and supervisory approaches, including recommendations	Completed – <u>Final report</u> published October 2022
(v) IMF and World Bank to incorporate climate-related risks in their assessments of financial supervisory and regulatory frameworks in the context of the FSAP	Ongoing
<b>3. Capacity building</b>	
(i) IMF and World Bank work to assist with capacity building on incorporating climate-related risks in stress testing frameworks, the prudential framework and supervisory practices	Ongoing
(ii) NGFS building a transversal structure across its working groups, leveraging on tools developed by the NGFS Task Force on Capacity Building and Training over the period 2022-2024, (STaR Guide, SKILL). NGFS exploring how to leverage on regional training initiatives and the capacity building expertise among observers and key stakeholders. NGFS regularly organising joint seminars and workshops with external partners, such as the IFRS Foundation on the International Sustainability Standards Board's standards, and the Toronto Centre.	Ongoing - 4 <sup>th</sup> edition of the BIS-NGFS Climate and Environmental Risks Online Course (CEROC) held April-June 2025
(iii) IAIS joint work with several partners (UN Sustainable Insurance Forum, Access to Insurance Initiative and FSI) to develop training materials based on the Application Paper on the supervision of climate-related risks in the insurance sector. Material embedded into the Climate Training Alliance	Ongoing

