
Stakeholder event— Disclosures about transition plans

14 March 2025

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- Preparer representative bodies

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Purpose of this event

- IFRS S2 *Climate-related Disclosures* requires an entity to disclose the effects on the entity's strategy and decision-making of climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, including information about its climate-related transition plan.
- To reduce fragmentation and the related cost and complexity for preparers seeking to comply with transition plan disclosure requirements, the IFRS Foundation is developing a guidance document to support application of these requirements (**IFRS guidance document**).
- This guidance document will build on the disclosure-specific materials authored by the Transition Plan Taskforce (TPT) for which the IFRS Foundation is now responsible and are now housed on the IFRS Sustainability Knowledge Hub (**TPT materials**).

The IFRS Foundation has organised this event to obtain information from stakeholders to support the ISSB in its work to tailor the TPT materials

Approach to incorporate the TPT materials into IFRS guidance document

Objective

Tailor the TPT materials:

- to ensure global applicability; and
- to deliver full compatibility with the ISSB global baseline and IFRS S2's focus on disclosures of the climate-related risks and opportunities affecting an entity's prospects, to meet the needs of investors and the capital markets

Consider differences between TPT materials and IFRS S2

- Normative statements beyond disclosure
- Policy-oriented or jurisdiction-specific statements
- Disclosure outside the ISSB's remit

Focus of the discussion today

- Whether the TPT material is useful for disclosures about transition plans or whether, for example, the TPT material might be too granular
- Whether there is any inconsistency in following the TPT disclosure recommendations when applying IFRS S2 or any challenge in applying the TPT disclosure recommendations that might result in information that is not globally applicable

Introduction - Relationship between IFRS S2 and the TPT Disclosure Framework



What is a transition plan and what does IFRS S2 require?

IFRS S2 requires an entity to disclose the effects on the entity's **strategy and decision-making** of climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, including:

- how the entity has responded to, and plans to respond to, climate-related risks and opportunities;
- how its business model is changing, or is expected to change;
- what direct or indirect adaptation or mitigation efforts it is undertaking or planning to undertake;
- any plan the entity has to transition towards a lower-carbon economy, including the key assumptions and dependencies on which the plan relies;
- how the entity plans to achieve its climate-related targets, including any GHG targets;
- how the entity is resourcing, or plans to resource, its response to climate-related risks and opportunities; and
- any progress against its previously reported plans.

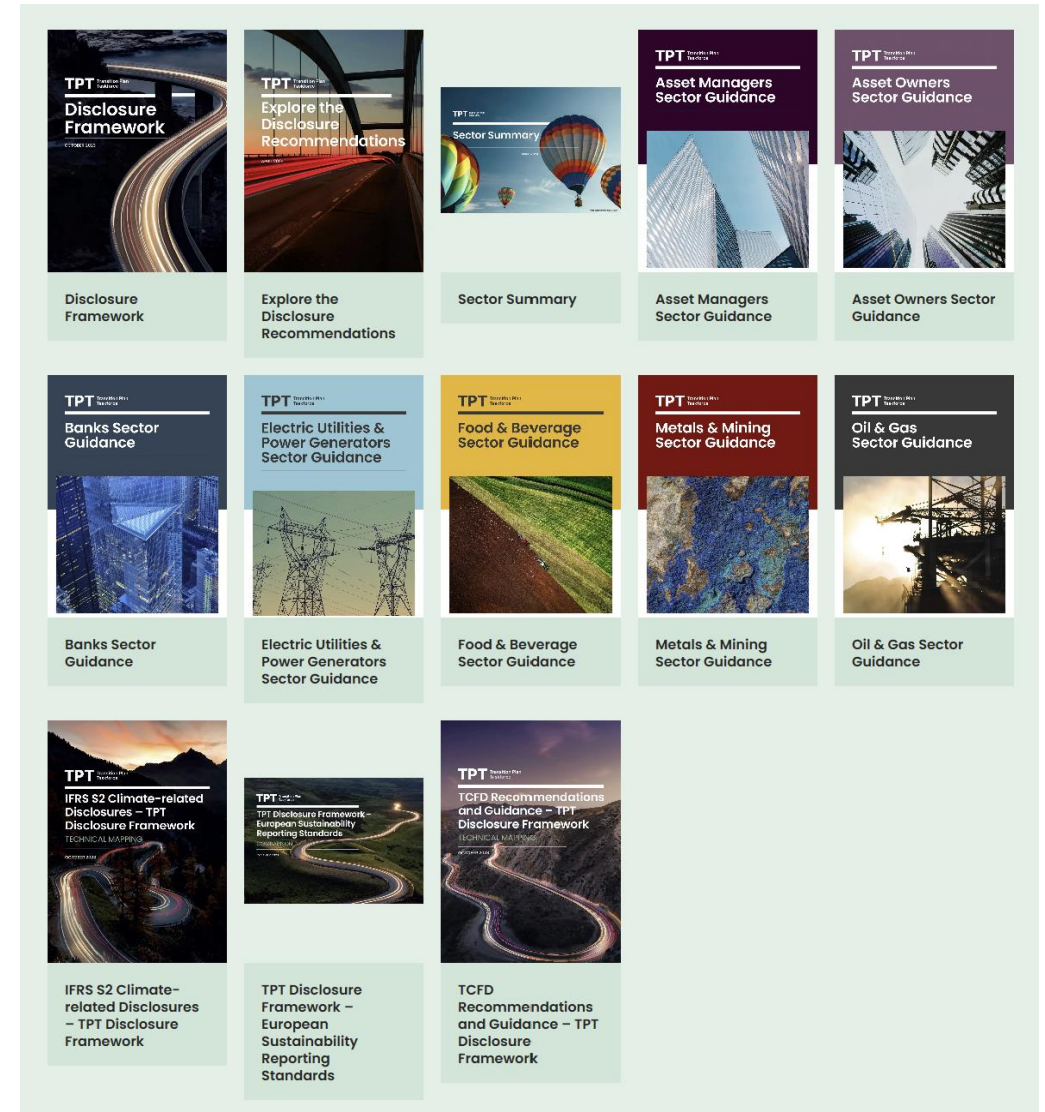
(see paragraph 14 of IFRS S2)

‘A climate-related transition plan is an aspect of an entity’s overall strategy that lays out the entity’s targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions.’

(Defined term in Appendix A of IFRS S2)

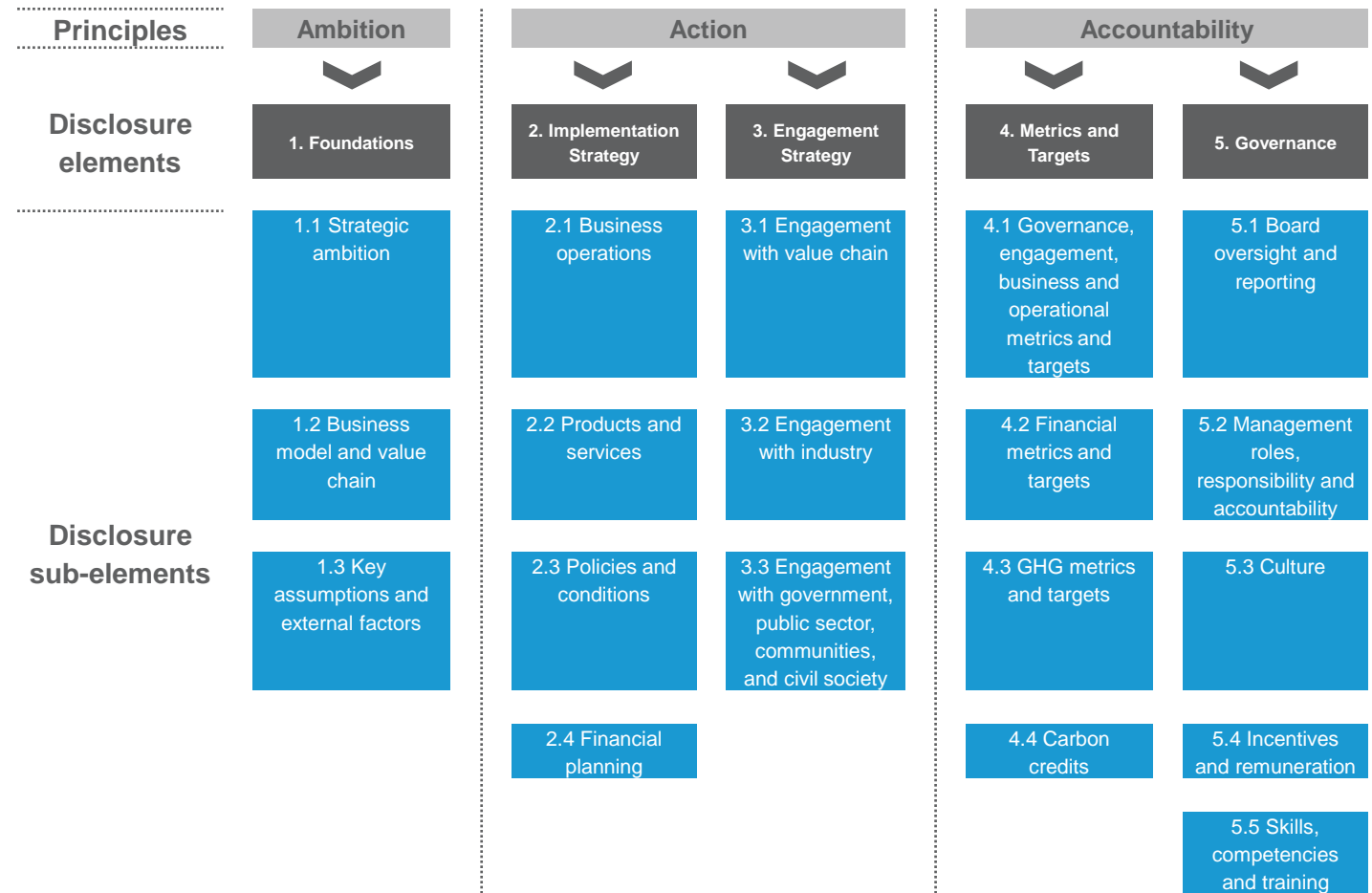
TPT materials

- The TPT was established by the UK Government at COP 26 to develop a framework for transition plan disclosures
- It began its work in Spring 2022 and published its disclosure framework in October 2023, informed by feedback from regulators and multilateral bodies internationally
- In April 2024 the TPT published final sector-specific materials, including deep dive transition plan guidance materials for seven sectors
- The IFRS Foundation has assumed responsibility only for the TPT's *disclosure-specific* materials (13 documents)
- Other legacy TPT content – including guidance on the transition planning process – has been assumed by the [International Transition Plan Network](#)



TPT Disclosure Framework: structure

- The TPT Disclosure Framework has three guiding principles:
 - ambition
 - action
 - accountability
- It is organised across five elements, which are detailed in 19 sub-elements.
- Each sub-element is supported by a series of disclosure recommendations.
- IFRS S2 Climate-related Disclosures–TPT Disclosure Framework Technical Mapping* provides a mapping between the requirements in IFRS S2 relevant to transition planning and the recommendations in the TPT Framework that the TPT considered as a source of additional guidance for entities when making disclosures.



Experience about the use of the TPT Disclosure Framework



Discussion points

- Whether you have considered (or you are considering) the use of the TPT Disclosure Framework in disclosing information about transition plans
- Aspects of the TPT Disclosure Framework that you find more helpful to develop high-quality and comparable disclosures about transition plans
- Aspects of the TPT Disclosure Framework that are not addressed (or you expect will not be addressed) in your disclosures about transition plans and possible reasons

Use of the TPT materials in applying IFRS S2



Discussion points

- Whether you see any inconsistency in following the TPT disclosure recommendations when applying IFRS S2 (for example, in providing the information required by paragraph 14 of IFRS S2)
- Whether you see any other challenge in applying the TPT disclosure recommendations that might result in information that is not globally applicable

Closing



Next steps

- Continued engagement with stakeholders
- Drafting of IFRS guidance document
- Expected publication in Q2 2025

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