The IFRS standards identify governance as one of the most important aspects of managing and reporting on climate-related risks and opportunities. Specifically, companies need to know:

1. **GOVERNANCE**
   - **Metrics and targets:** Concentrate on the monitoring and evaluation of an organization’s progress towards climate-related goals. The IFRS standards ask companies to consider:
     - What progress is the organization making towards its targets?
     - What is the base period for the metrics from which progress can be measured?
     - How are metrics and targets set?
     - What specific metrics have been identified?

2. **STRATEGY**
   - **Strategy:** Focuses on the actual processes involved in identifying those risks and then actively managing them. Companies should focus on:
     - How are sustainability and climate-related risks incorporated into the organization’s overall risk management process?

3. **RISK MANAGEMENT**
   - **While strategy focuses on identifying risks and opportunities, risk management focuses on the actual processes involved in identifying these risks and then actively managing them.** Companies should focus on:
     - How are sustainability and climate-related risks and opportunities identified?
     - How are sustainability and climate-related risks and opportunities managed? Companies are required to gather sustainability and climate change-related data in the 2024 financial year for reporting in 2025. Companies are required to gather sustainability and climate change-related data in the 2024 financial year for reporting in 2025.

4. **METRICS AND TARGETS**
   - **Need for target-based and risk-informed analysis:** A key element of an organization’s progress towards climate-related goals. The IFRS standards ask companies to consider:
     - What information do I need to measure, monitor, evaluate, and manage sustainability and climate-related risks and opportunities?
     - How will metrics be measured?
     - What is the base period for the metrics from which progress can be measured or reported?
     - What targets does the organization have?
     - What progress is the organization making towards its targets?

The time to act is now!