

TCFD Impact on ESG Reporting: Adoption Trends and Investor Perception in The Moradabad Region of Uttar Pradesh

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The Task Force on Climate-Related Financial Disclosures (TCFD) plays a significant role in integrating the aspect of climate into the wider Environmental, Social, and Governance (ESG) practices that are practiced by modern companies. The TCFD offers a rational channel through which companies can evaluate, manage, and publicly report climate-related risks and opportunities by defining four main pillars: governance, strategy, risk management and metrics and targets (TCFD, 2017). Climate governance can be smoothly embedded into corporate strategy and implemented at the top of leadership, which leads to increased levels of transparency, increased resilience, and a connection to emerging stakeholder demands and regulatory requirements. The academic article in question narrows down to the practical gains that become possible due to the adoption of TCFD, specifically the strengthening of investor trust, the strengthening of risk-management practices, and the streamlining of more responsible decision-making in the face of the unstoppable climate change. All of these results highlight the importance of the TCFD as a key tool to fulfil the financial performance and sustainability goals. In addition, the analysis will also consider how performance indicators of empirical character and scenario analytics can enable corporations to assess their vulnerability to physical and transitional climate risks, re-optimize strategic courses in accordance with the anticipated changes, and track performance in terms of sustainability. These data-oriented tools are invaluable to the responsiveness of the corporate strategies to their environmental volatility. Furthermore, by combining elements of current frameworks such as TCFD, the IFRS S1 and S2 sustainability standards seek to standardize global ESG reporting. To facilitate companies to provide significant actionable insights in traditional financial reports, these standards are intended to directly link ESG performance to financial outcomes. The researcher created a questionnaire consisting of eight questions regarding the TCFD recommendations and implementations.

Keywords: Environmental, Social, and Governance (ESG); International Financial Reporting Standards (IFRS); Task Force on Climate-related Financial disclosures (TCFD).

INTRODUCTION

Organizations are supported by TCFD in understanding and reporting the financial consequences of climate change for their operations. The working group is organized around a mission. Therefore, he organized the assessment and revealing climate-related risks and opportunities.

With the disclosure of TCFD, companies can provide consistent, comparable and reliable information to stakeholders. In addition, it strategies for organization as an actor because it put them at the top position in the sustainable carbon economy during the transition. by attacking climatic risks through TCFD's recommendations, companies not only comply with the increasing requirements,

but also position themselves as leaders in environmental, social and governance (ESG). Government combined with climate monitoring at the leadership of effective management forming the basis of the announcement framework, emphasizing the role of leadership in the survey of climate challenges.

The Board of Directors and the management team are responsible for monitoring risks and opportunities related to climate, ensuring that these factors are integrated into the business strategy.

The integration of climate monitoring at this level promotes responsibility and allows companies to arrange climatic targets with their broader goals.

TCFD for corporate governance highlights the importance of transparent

reports, providing involved parties an overview of how the climate consideration is priority in the organization.

Assessing the financial impact of climate risk recommendations to encourage organizations to evaluate how climate change can impact their financial performance. By analysing climate risks and opportunities, businesses can anticipate potential and adaptable disturbances accordingly. This strategy assessment is to identify risks such as harsh weather events or changes in regulations and to determine their meaning to operations and profits. The implementation of TCFD evaluation and climate risk in strategic planning to assist organizations in maintaining the initiative in a dynamic environment.

A clearly defined strategy that allows companies to arrange their climate initiatives for long -term sustainable goals while improving recovery capacity for the development of challenges.

Risk management, Integrating climate risks in the organization process is a powerful TCFD risk management process to ensure that climate risk is determined, evaluated and handled in a systematic manner. This implies the incorporation of climate consideration in business risk management frames to enhance their efficiency. Revealing the climate in risk management provides the parties involved in a clear understanding of how the company reduces potential threats, showing preparation and foresight. By implementing processes to monitor and manage risks, companies can enhance recovery while improving operational efficiency. Such integration facilitates enlightenment decisions and allows

organizations to maintain continuity when faced with uncertainty regarding climate.

Data and objectives, Monitoring and climate impact rate monitoring and declaring climate performance are essential elements of the satisfaction of TCFD reports. The establishment of measurement measures and objectives may enable organizations to assess their environmental impact and arrange their efforts for long-term sustainable goals. By utilizing data focusing on data, companies can provide responsibilities, improve transparency, and enhance relationships with stakeholders.

- Greenhouse gas emissions, measurement and emission report provides a clear image of a company's carbon footprint, allowing efforts to reduce targets and comply with environmental regulations.
- Data of energy users ,monitoring energy consumption allows organizations to determine ineffective and apply long -term practices to reduce energy consumption and reduce costs.
- Advancement of climatic goals, regular evaluation of the process for climatic goals to ensure that companies are still in the right direction and can adjust strategies if necessary to achieve their goals.
- Financial impact of climate initiatives, monitors the economic impacts of sustainable efforts to help companies balance environmental responsibility with profits.
- The involved indicators of the parties, measure participation thanks to climate -related initiatives that promote stronger links with investors, customers and employees, expressing commitment to shared values.

These efforts enhance confidence with the parties involved and ensure that organizations are still competing in the market responsibility for rapidly changing environmental responsibilities. Integrated TCFD reports on the ESG strategy linking climate publication with ESG targets wider than combined with it within the framework of an organization that packed the gap between climate responsibility and more durable targets. It allows companies to evaluate their environmental performance while dealing with social and administrative aspects. This integration ensures that the risks and opportunities related to climate are not treated in isolation but are part of the cohesive strategy. By arranging the financial announcement environment according to ESG's goals, companies express their commitments on transparency and recovery. such linkages allow organizations to develop globally about sustainability resonating with stakeholders and meet legal expectations for development.

TCFD's Role in Setting ESG Metrics and Sustainability Goals

The instructions of the TCFD on the setting of ESG indicators and sustainability goals are crucial in allowing companies to develop certain, quantifiable targets, which appeal to the wider sustainability interests. With these metrics in place, companies will be able to reliably monitor progress in terms of emissions cuts, resources management, and confidence on the part of the stakeholders, and this will reflect a concrete interest in a sustainable future that will be attractive to

investors and consumers who are more concerned with environmental management.

Moreover, the application of TCFD reporting as a basis of strategic ESG investments goes beyond regulatory compliance and provides essential information that refines strategic decision-making, particularly in the area of ESG investments (Smith and Jones, 2019). By the means of the thorough evaluation of climate-related risks and opportunities, which lie with the disclosure framework, the organizations can find initiatives that can not only be in line with their sustainability objectives but can also produce the quantifiable value to all stakeholders.

In the context of a wider evaluation and management of climate risk, the physical and transition risks described by TCFD still form one of the foundation blocks of the reporting structure. The transition risks that have been caused by regulatory changes, technological advancements and shifting market needs overlap with physical risks such as acute weather extremes. These two aspects of risk can destabilize the business processes, change the supply chains, and affect finances. To generate future-resilient organizations, TCFD risk-related culture, in turn, advocates proactive exposure, evaluation, and alleviation of these vulnerabilities.

Finally, the scenario analysis is one of the most significant aspects of the risk assessment system of the TCFD and allows companies to predict the forthcoming difficulties with climate change. The ability to simulate a range of climate conditions allows companies to get a clearer picture of the

possible financial and operational consequences in case they occur and become vulnerable to the nuances of the problem, formulating compensatory strategies. This proactive stance increases resiliency and guarantees organizational flexibility in a constantly changing climatic environment, thus making enterprises more strategic to face challenges of uncertainty.

Strategies for Mitigating Identified Climate Vulnerabilities

1. Addressing climate vulnerabilities is one of the building blocks of an imperative for firms aiming to reduce the risks outlined in TCFD reports. By creating accurate strategies organisational can reduce the potential disruptions and enhance their resilience in the face of climate related adversities.
2. The use of renewable energy alternatives decreases reliance on fossil fuels de facto curbing emissions and promotes sustainability goals.
3. Investment in sustainable technologies strengthens the expansion of operations through the leveraging of innovative technologies that boost efficiency and reduce environmental harm.
4. Improving the diversity of supply chains by building stronger networks reduces the consequences of supply-chain disruptions that occur because of severe weather events or lack of resources.
5. The upgrading of climate resilient infrastructure helps facilities to become more resilient to climatic extremes to minimize damage and maintain the continuity of operations.

6. Establishing strategic alliances with stakeholders who are engaged in climate initiatives drives innovation and adds to the sum total of impact.

Taking these strategies, firms can significantly reduce the risks from climate vulnerabilities. The implementation of TCFD gives organisations the power to showcase their adaptability to changing environmental conditions while maintaining their competitive advantage in a market that has an increasing focus on sustainability.

TCFD Reporting Requirements & Compliance

The framework on which TCFD reporting requirements are based is a well-defined framework that assists organisations in reporting on their climate-related risks and opportunities. These principles promote transparency encompassing structures of governance, strategic needs, risk management procedures and performance indicators which are employed to deal with climate challenges. Based on the TCFD disclosure framework, the companies can present their stakeholders with a holistic evaluation of their disclosure. Not only has this structure created similarity in reporting but also aided in the fact that the company initiatives may be aligned to the international standards of sustainability. This approach will create confidence in the investors, controllers and customers - demographic groups that are increasingly moving climate stewardship to the frontline. Action Plan to comply with TCFD.

To be compliant with the Task Force on Climate-related Financial Disclosures

(TCFD) organisations must engage in an overall process that will result in both the operation practices and reporting processes involving a conscious set of climate-related considerations. To begin with, the firms need to evaluate their sensitivity to the risks of climatic conditions and potential opportunities and subsequently develop efficient strategies to deal with these variables. This is a task that demands robust inter-departmental cooperation where governance, strategic planning and risk management are in synergy with reporting standards that exist. The ongoing review and the continual refinement of the reporting structure remains necessary in the process of keeping up with the evolving regulatory needs. Corporations put their practices at the centre of their operations, which makes them a strong foundation to climate accountability.

Examples of the challenges faced by TCFD Reporting Challenges & How to Overcome Them.

The TCFD compliance implies a thorough process that incorporates the idea of climate into the core of corporate activities and disclosures. The recommendation to the enterprises is to begin by examining how it is exposed to climate-related risks and opportunities and devise strategies of addressing the problems in a very real and conclusive way. This undertaking involves a lot of coordination among various departments to ensure that governance, strategic direction and risk management and reporting principles are in tandem. There is a need to constantly review and make changes to reporting

mechanism to ensure that they keep abreast with the evolving regulatory environments. Organisations, by adopting such practices as a routine in organisations, can develop an effective accountability framework on climate related issues.

Organizations can usually struggle to implement the recommendations of TCFD, including the unavailability of quality data, organizational regulatory environment, and mismatch in the measures. The best response to these challenges is to adopt proactive measures including investing in latest reporting tools and promoting interaction with counterparts in the industry to exchange best practices. In addition, it is necessary to be on open communication with the stakeholders to resolve these challenges. Through these strategies, companies seal loopholes in their reporting and ensure that reports are aligned with procedures they employ in dealing with risk. Effective performance on such challenges is not only enhancing the compliance initiatives in the organisation but also enhancing its willingness to be sustainable.

Tools And Resources To Be TCFD Aligned ESG Reporting

The emergence of ESG reporting instruments in line with the Task Force on Climate-Related Financial Disclosures (TCFD) model has enabled companies to adhere to reporting rules and obligations of disclosure and simplify reporting processes. The tools help organisations to gather, examine and report data as per the established guidelines. With the help of these sources, companies create precise, comprehensive

reports that are sincere proxies of their climate-related policies and effects. Moreover, consistency of reporting requires underpinning with these tools, which ensures that standards of regulation are followed. By introducing innovative technologies into the reporting structure, efficiency and quality are increased, along with the ultimate international sustainability goals.

The TCFD Reporting has several advantages to Businesses.

Transparency of Disclosures to investors.

Transparent disclosures are also the elements of the TCFD framework in the ESG strategies, as they provide investors with detailed information on how organisations are coping with climate-related risks. This kind of transparency builds trust and allows stakeholders to evaluate whether the firm is determined to be resilient on the long run (McKinsey, 2023).

Sponsoring Sustainable Investing and ESG-related Capital Attraction

However, embracing TCFD principles in ESG strategies, businesses can occupy the role of sustainability leaders, thus being attractive to investors with an environmental responsibility. The introduction of TCFD reporting standards can be taken as an intentional attempt to control climate risks and pursue new opportunities, matching the financial performance to ecological stewardship (International Integrated Reporting Council, 2022). Companies that respond to these dimensions get new financing

sources and joint ventures that support the growth strategies and climate goals.

The case study outlines the reasons for the vulnerability of organizations to climate change and suggests measures that can be adopted by companies to become resilient to climate change.

One of the key components of TCFD reporting involves reporting on the vulnerabilities and developing mitigation actions to take. This improves the ability of an organisation to overcome the changing environmental issues. TCFD reporting benefits are not limited to compliance but create a well-organized system that enhances the operational resilience. The physical and transitional risks are mitigated to enable organisations to overcome the harmful consequences of climate disruptions at the expense of meeting stakeholder expectations. This flexibility will provide a competitive edge in a market environment that is increasingly being characterised by environmental factors.

Put Differently, Stakeholder Trust and Corporate Reputation Need to Be Established

The assistance of ESG risk management and TCFD guidelines shows that there is a proactive attitude to climate risks and opportunities. This commitment appeals to the stakeholders such as the customers, employees and the investors who are very serious in transparency and accountability in corporate behaviours. Implementing the TCFD through an ESG framework enables firms to strengthen their relationships with such stakeholders

through a focus on sustainable practices. Moreover, compliance with TCFD principles helps to improve the image of a company as a responsible and innovative player that can look forward to long-term success in an era where climate issues are of paramount importance.

The TCFD is an important part of risk management, as it allows companies to anticipate and manage the financial impacts of climate change. This forward-looking approach helps build trust relationships with stakeholders, develop decision-making skills and enable businesses to exploit the opportunities available in the emerging green economy. For organisations who want to be world-class in sustainability, the TCFD will be integral to their ESG strategies to ensure they're ready to face the challenges and invest in their reputation for accountability and innovation.

The implementation of compulsory TCFD reporting is enhancing the recognition of climate-related risks and integrating ESG as a central theme in annual reports. This conclusion is drawn from an analysis conducted by the strategic communications firm Luminous, which examined the reporting practices of significant institutional investors. Companies are progressively associating ESG not only with their strategic objectives (16 percent), business models (14 percent), and key performance indicators (15 percent), but also with executive compensation (16 percent), indicating a serious commitment to the issue, according to Luminous.

The International Financial Reporting Standards (IFRS) organization, along with its

subsidiary, the International Sustainability Standards Board (ISSB), has introduced its sustainability standards, IFRS S1 and S2. The voluntary reporting for S1 and S2 commenced on January 1, 2024, across several jurisdictions, with mandatory compliance expected to follow approximately one year later, contingent on the specific country.

One of the primary objectives of IFRS S1 and S2 is to unify the most pertinent standards from current frameworks into a comprehensive global standard, while also offering investors insights that link ESG factors with financial risks or returns in businesses.

The IFRS traditional accounting standards are implemented across 140 jurisdictions globally. The organization seems to be striving for a comparable level of acceptance for its ESG standards, S1 and S2. Presently, over 20 countries have either endorsed these standards or will mandate their use.

In alignment with the IFRS emphasis on corporate accounting, S1 and S2 are classified as single-materiality standards, meaning they address the environmental, social, and governance (ESG) effects on companies. Conversely, numerous other frameworks adopt a double-materiality approach, which considers the impacts on both companies and the broader macro environment.

At first glance, S1 and S2 appear to be straightforward and adaptable, allowing for a more financially pertinent method of ESG reporting.

- S1 addresses all risks and opportunities associated with sustainability that are likely to affect companies' cash flow, financing options, or capital costs over the short, medium, and long term.
- S2 outlines the requirements for climate-related disclosures and is designed to be implemented in conjunction with S1.

In practice, the standards are intricate yet organized and rational, enabling companies to present data tailored to their specific jurisdictions and sectors. However, the extensive array of documents, webinars, and varying levels of IFRS membership indicates that these standards can be quite challenging to navigate, especially at the outset.

IFRS S1 and S2 assert that they are not attempting to create something entirely new, aiming instead to alleviate existing confusion. These standards are developed based on the existing frameworks and guidelines set forth by the International Accounting Standards Board, TCFD, SASB, and the Climate Disclosure Standards Board, while also working in conjunction with the GRI, which are all recognized frameworks. Furthermore, S1 and S2 are designed to be in harmony with both current and future global regulations, thereby minimizing the reporting obligations for businesses.

Source: William Cox ; Article: Will IFRS S1 and S2 help make ESG reporting easier and more meaningful.

The newly introduced standards are designed to create a cohesive framework for sustainability reporting, enhancing the current guidelines established by the International Accounting Standards Board (IASB), the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the Climate Disclosure Standards Board (CDSB). By integrating elements of financial reporting, IFRS S1 and S2 adopt a comprehensive approach to sustainability reporting, delivering critical data that investors need to make well-informed decisions. It is interesting to note that these standards have a very strong focus on complete disclosures on material risks and opportunities. Corporations are now expected to provide detailed information about the risks and prospects that can significantly affect their financial results and the strategic actions they have taken to reduce such risks. This approach is in concurrence with the existing SEC 10-K and 20-F filings, in the process streamlining the assimilation of sustainability disclosures into conventional financial statements. Moreover, IFRS S1 and S2 require entities to disclose empirical data that demonstrates the role of the ESG (environmental, social and governance) initiatives on financial performance.

The data thus provided is indispensable to the investors to assess the efficacy of a firm's ESG initiatives and facilitate judicious investment decisions. IFRS S1 and S2 aim to reduce the burden of sustainability reporting provided by providing



a standardized framework to reduce the reporting burden faced by corporations and ensuring consistency with current and future global regulatory requirements. By incorporating financial reporting aspects of sustainability disclosures, these standards enable firms to better evaluate and govern the environmental, social and governance impacts. This kind of integration has the natural benefit of strengthening the risk-management processes and decision-making. In addition, the standards drive common vocabulary and structural paradigm of sustainability reporting, hence promoting comparability and transparency in various sectors and geographies. Finally, the implementation of IFRS S1 and IFRS S2 have the potential to become a breakthrough that will enhance reporting effectiveness, investor trust, and be in the focus of driving the economy towards sustainable growth.

The need to have standardized sustainability reporting grows even more pressing in the age of the demands of ecological degradation, climate change, and social inequity. A clear and rigorous framework like that provided by IFRS S1 and S2 is, therefore, likely to have an immense impact on the course of corporate sustainability practices.

IFRS S1 and S2 believe that they do not propose entirely new concepts, and therefore do not contribute to the increase of regulatory ambiguity. Rather, they are built on the known frameworks and standards established by the International Accounting Standards Board, TCFD, SASB and the Climate Disclosure Standards Board, whilst at the same time

complying with the Global Reporting Initiative. The intention is to achieve compatibility with current and future global statutory regimes, to reduce to a minimum the administrative burden which enterprises bear.

The grand goal is to foster interoperability with other entrenched frameworks. Consequently, organisations who have adopted any of the prominent, presently active frameworks will find the implementation of S1 and S2 more tractable. Nevertheless, these standards are not simply a summation of extant guidelines nor simply a compendium of data. The performance measures that are considered "materially relevant" under S1 and S2 reflect the conventions of financial reporting and are intended to be included in regular financial reporting alongside conventional financial information. In essence, S1 and S2 have a lot in common with SEC 10-K and 20-F filings in that they are focused on actionable information that investors need to make informed decisions about capital allocation, equity and debt transactions, and active engagement in governance.

- Detailed accounts of all interconnected factors that could influence company performance, including both macro risks (like economic recessions or climate change) and micro risks (such as debt, cybersecurity, or liquidity issues)
- Potential benefits, such as the effect on equity value resulting from a range of ESG-compliant products, for instance
- Plans and methodologies that organizations have implemented or are planning to implement to mitigate risks, enhance

opportunities, and thereby boost financially relevant outcomes

- Statistical evidence illustrating the influence of ESG initiatives on critical financial metrics like revenue or cost of capital
- Forecasted performance metrics, which include historical and anticipated greenhouse gas emissions data and how these may correlate with minimizing the risk of regulatory penalties, for example
- Adaptability in data calculation, and if companies are unable to quantify all effects, descriptive accounts will suffice.

Objectives

To examine the implementation of TCFD recommendations in developing markets.

To evaluate investor views and the financial consequences of TCFD compliance.

METHODOLOGY

The research paper has been conducted in Moradabad district of U.P state. The questionnaire consists of 8 questions to know the perception of businesses, banks, asset managers and government integrating climate-related reporting, total sample of 100 people in Moradabad district used for the study paper. To gather data, a convenient sampling technique has been employed. The goal of the current study work is to ascertain businesses awareness of climate-related reporting.

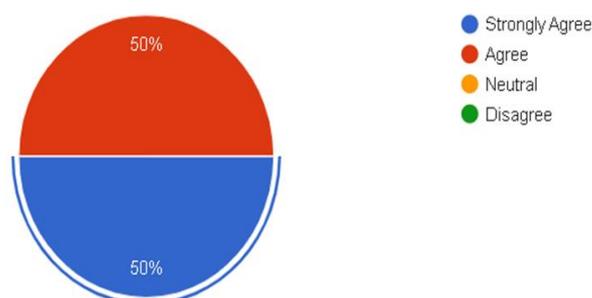
The research article examines how businesses understand and manage climate risks, supports sustainability efforts, and enhances market transparency.

Results:

To gather primary data, the researcher has developed a questionnaire. After collecting primary data, the results of research paper are:

Question 1. The implementation of TCFD recommendations has notably enhanced the overall quality of ESG reporting in emerging markets.

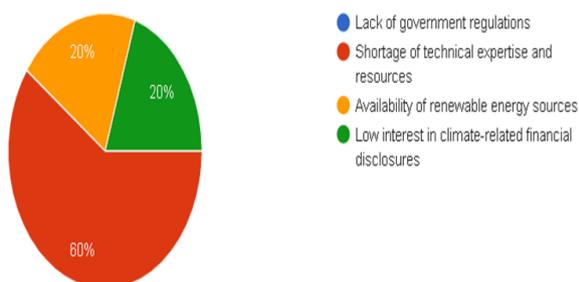
The implementation of TCFD recommendations has notably enhanced the overall quality of ESG reporting in emerging markets.	No. of Respondents in percent
Strongly Agree	50
Agree	50
Neutral	00
Disagree	00



All the 100 respondents said 'Agree'.

Question 2. Which of the following is a major obstacle to the implementation of TCFD (Task Force on Climate-related Financial Disclosures) recommendations in emerging markets?

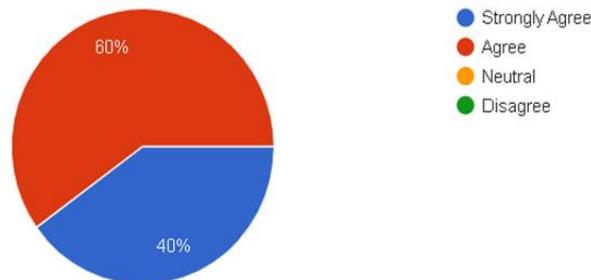
Which of the following is a major obstacle to the implementation of TCFD recommendations in emerging markets?	No. of Respondents in percent
Lack of government regulations	00
Shortage of technical expertise and resources	60
Availability of renewable energy sources	20
Low interest in climate-related financial disclosures	20



60 percent of the majority except that there is an obstacle in technical expertise resources whereas 20 percent says the less availability of renewable energy sources and 20 percent respond to low interest in climate – related financial disclosures.

Question 3. Regulatory backing and government initiatives play a vital role in promoting the adoption of TCFD recommendations in these markets.

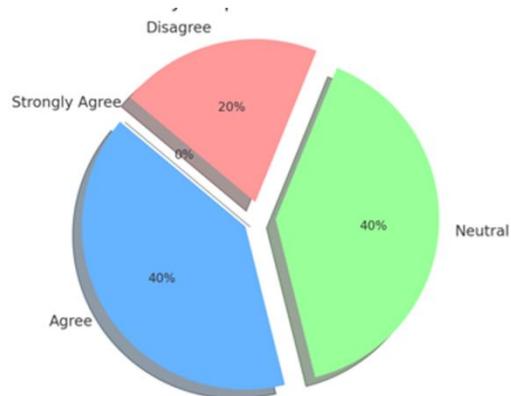
Regulatory backing and government initiatives play a vital role in promoting the adoption of TCFD recommendations in these markets.	No. of Respondents in percent
Strongly Agree	40
Agree	60
Neutral	00
Disagree	00



60percent of respondent are agree and 40 percent are strongly agreed with the statement. Question 4. Investors show greater confidence in TCFD-aligned.

Disclosures compared to traditional ESG reports.

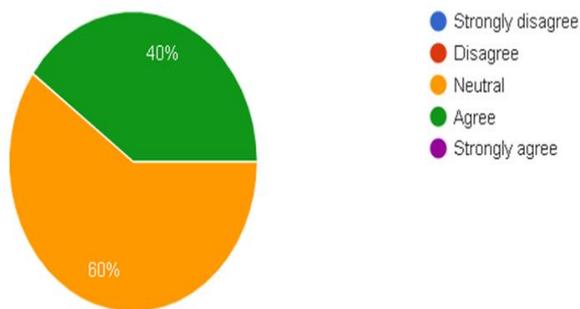
Investors show greater confidence in TCFD-aligned disclosures compared to traditional ESG reports	No. of Respondents in percent
Strongly Agree	00
Agree	40
Neutral	40
Disagree	20



Investors show greater confidence in TCFD-aligned disclosures compared to traditional ESG reports -40 percent are agree 40 percent are neutral and 20 percent states that they are disagree with the statement.

Question 5. The lack of standardized reporting frameworks in emerging markets hinders the effective adoption of TCFD recommendations.

The lack of standardized reporting frameworks in emerging markets hinders the effective adoption of TCFD recommendations.	No. of Respondents in percent
Strongly disagree	00
Disagree	00
Neutral	60
Agree	40
Strongly agree	00

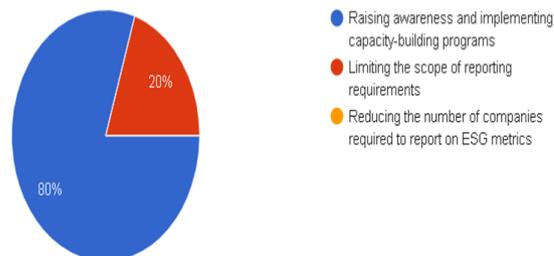


60percent are neutral and 40 percent are agreed with the statement.

Question 6. Which of the following could accelerate the adoption of TCFD recommendations in emerging markets?

Which of the following could accelerate the adoption of TCFD recommendations in emerging markets? No. of Respondents in percent

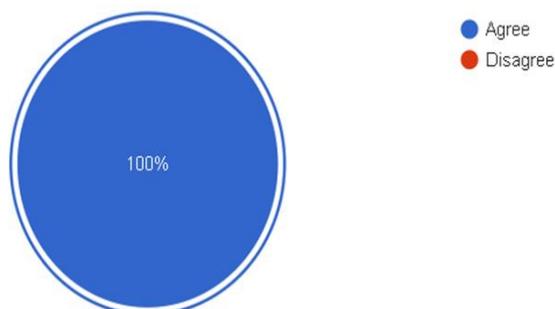
Which of the following could accelerate the adoption of TCFD recommendations in emerging markets?	No. of Respondents in percent
Raising awareness and implementing capacity-building programs	80
Limiting this scope of reporting requirements	20
Reducing the number of companies required to report on ESG metrics	00



80% of respondents said that raising awareness and implementing capacity-building programs are useful for accelerating the adoption of TCFD recommendations in emerging markets, while 20% said that limiting the scope of reporting requirements would be more effective.

Question 7. Governments and regulatory bodies in emerging markets have established clear policies TCFD implementation.

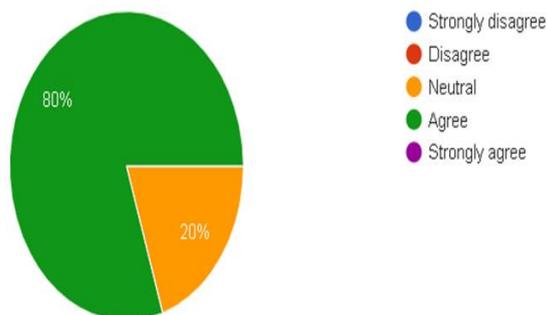
Governments and regulatory bodies in emerging markets have established clear policies TCFD implementation	No. of Respondents in percent
Agree	100
Disagree	00



All respondents are Agree.

Question 8. The implementation of TCFD recommendations has positively influenced long-term investment decision-making in emerging markets.

The implementation of TCFD recommendations has positively influenced long-term investment decision-making in emerging markets	No. of Respondents in percent
Strongly disagree	00
Disagree	00
Neutral	20
Agree	80
Strongly agree	00



80 percent of the respondents are agreed, and 20 percent are disagreed.

Conclusion

The research highlights that the adoption of TCFD recommendations has significantly enhanced the quality of ESG reporting in emerging markets. However, several challenges hinder for widespread implementation, including a shortage of technical expertise, lack of standardized reporting frameworks, and limited interest in climate-related financial disclosures.

The empirical results highlight the centrality of the endorsement by governments and policy interventions in promoting the adoption of the framework of Task Force on Climate-related Financial Disclosures (TCFD). Stakeholders such as institutional investors express greater confidence in a disclosure that is in line with TCFD guidelines, thus supporting the inescapable importance of

transparency and truthfulness in the larger context of Environmental, Social, and Governance (ESG) reporting.

To accelerate the adoption curve, a significant number, about 80 per cent, of respondents emphasised the need for creating awareness and setting up capacity-building activities. Conversely, there was a minority (about one-fifth) who supported the reduction of the scope of reporting obligations. In emerging economies, the new but nascent calibration of the TCFD policy architecture, therefore, suggests that further regulatory consonance and state support may catalyse increased uptake.

All things considered, this inquiry sets out the premise that following TCFD standards does to buttress investor certainty and to buttress astute capital allotment to sustainable endeavours. Yet, in spite of these gains, the navigation of regulatory and technological impediments remains a formidable prerequisite in order to achieve a widespread, substantive implementation in the context of the emerging market situation.

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