



## TOPICS:

ESG risk

## SOURCE

Financial Stability Board

## FSB Publishes Roadmap for Addressing Financial Risks From Climate Change

- The Financial Stability Board (FSB) 2025 update to its Roadmap for Addressing Financial Risks from Climate Change outlines **a coordinated global approach to integrating climate-related risks into the financial system**. The roadmap continues to follow its **four core blocks**: firm-level disclosures, data availability, vulnerabilities analysis and regulatory/supervisory practices and tools.
- In **firm-level disclosures**, the FSB emphasizes the transition from voluntary to mandatory climate-related disclosures. It highlights the growing adoption of standards by the International Sustainability Standards Board (ISSB) and encourages jurisdictions to incorporate these into national regulatory frameworks. Coordination with international bodies such as IOSCO and IAIS remains central to promoting global alignment.
- On **data availability**, the FSB supports initiatives to close climate data gaps, including efforts by the NGFS and IMF. Priorities include improving the consistency, granularity, and accessibility of climate data, with a focus on forward-looking metrics and emissions exposure across sectors.
- The **vulnerability analysis** section underscores the importance of assessing systemic implications of climate risks through scenario analysis and stress testing. The FSB notes the continued development of methodologies to evaluate transmission channels, and the increasing role of climate scenario exercises conducted by central banks and supervisors.
- **Regulatory and supervisory practices** have advanced, with authorities incorporating climate risks into risk management expectations, capital frameworks, and disclosure requirements. The FSB encourages further supervisory convergence and cross-border information sharing, while highlighting work underway to assess whether existing regulatory frameworks adequately capture climate-related risks.

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