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ISSB VS. SEC
CLIMATE-RELATED DISCLOSURE REQUIREMENTS COMPARISON

The table below is a comparison between the climate-related disclosure requirements proposed in the ISSB's Draft IFRS S2 Exposure Draft (Paragraphs 1-24) and the SEC's Proposed Rule (Section VII, Statutory Authority). The table is organized using the ISSB's disclosures as the anchoring and ordering point and the SEC's disclosures are matched up as best as can be provided in a side-by-side comparison. Cross references are provided where necessary to show connection between disclosures.

See also the comparison of definitions from Appendix A of the ISSB's Draft IFRS S2 Exposure Draft and the SEC's Proposed Rule (Section VII, Statutory Authority, Item 1500).

ISSB	SEC
OBJECTIVE	
IFRS S2 ¶ 1-2 (OBJECTIVE) 1. The objective of [draft] IFRS S2 Climate-related Disclosures is to require an entity to disclose information about its exposure to significant climate- related risks and opportunities, enabling users of an entity's general purpose financial reporting: a. to assess the effects of significant climate- related risks and opportunities on the entity's enterprise value; b. to understand how the entity's use of resources, and corresponding inputs, activities, outputs and outcomes support the entity's response to and strategy for managing its significant climate-related risks and opportunities; and c. to evaluate the entity's ability to adapt its planning, business model and operations to significant climate-related risks and opportunities. 2. An entity shall apply this [draft] Standard in preparing and disclosing climate- related disclosures in accordance with [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.	
SCOPE	
IFRS S2 ¶ 3 (SCOPE) 3. This [draft] Standard applies to: a. climate-related risks the entity is exposed to, including but not restricted to: i. physical risks from climate change (physical risks); and ii. risks associated with the transition to a lower-carbon economy (transition risks); and b. climate-related opportunities available to the entity.	

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GOVERNANCE	
IFRS S2 ¶4-6 (GOVERNANCE) 4. The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities. 5. To achieve this objective, an entity shall **disclose information about the governance body or bodies** (which can include a board, committee or equivalent body charged with governance) with oversight of climate-related risks and opportunities, and information about management's role in those processes. Specifically, an entity shall disclose: a. the identity of the **body or individual within a body** responsible for oversight of climate-related risks and opportunities; b. how **the body's** responsibilities for climate-related risks and opportunities are reflected in the entity's terms of reference, board mandates and other related policies; c. how **the body** ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities; d. how and how often the **body and its committees** (audit, risk or other committees) are informed about climate-related risks and opportunities; e. how the **body and its committees** consider climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions, and its risk management policies, including any assessment of trade-offs and analysis of sensitivity to uncertainty that may be required; f. how the **body and its committees** oversee the setting of targets related to significant climate-related risks and opportunities, and monitor progress towards them (see paragraphs 23–24), including whether and how related performance metrics are included in remuneration policies (see paragraph 21(g)); and g. a description of **management's role** in assessing and managing climate- related risks and opportunities, including whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee. The description shall include information about whether dedicated controls and procedures are applied to management of climate-related risks and opportunities and, if so, how they are integrated with other internal functions. 6. In preparing disclosures to fulfil the requirements in paragraph 5, an entity shall avoid unnecessary duplication in accordance with [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (see paragraph 78). For example, although an entity shall provide the information required by paragraph 5, when its oversight of sustainability-related risks and opportunities is managed on an integrated basis, providing integrated governance disclosures rather than separate disclosures for each significant sustainability-related risk and opportunity would reduce duplication. **See also Paragraph 21(f) on Remuneration disclosures.**	**17 CFR §229.1501 (ITEM 1501) GOVERNANCE** (a)(1) Describe the **board of director's oversight** of climate-related risks. Include the following, as applicable: (i) The identity of any board members or board committee responsible for the oversight of climate-related risks; (ii) Whether any member of the board of directors has expertise in climate related risks, with disclosure in such detail as necessary to fully describe the nature of the expertise; (iii) The processes by which the board of directors or board committee discusses climate-related risks, including how the board is informed about climate-related risks, and the frequency of such discussion; (iv) Whether and how the board of directors or board committee considers climate-related risks as part of its (v) business strategy, risk management, and financial oversight; and (vi) Whether and how the board of directors sets climate-related targets or goals, and how it oversees progress against those targets or goals, including (vii) the establishment of any interim targets or goals. (2) If applicable, a registrant may also describe the board of director's oversight of climate-related opportunities. (b)(1) Describe **management's role** in assessing and managing climate-related risks. Include the following, as applicable: (i) Whether certain management positions or committees are responsible for assessing and managing climate related risks and, if so, the identity of such positions or committees and the relevant expertise of the position holders or members in such detail as necessary to fully describe the nature of the expertise; (ii) The processes by which such positions or committees are informed about and monitor climate-related risks; and (iii) Whether and how frequently such positions or committees report to the board or a committee of the board on climate-related risks. (2) If applicable, a registrant may also describe management's role in assessing and managing climate-related opportunities.

STRATEGY	
OVERALL	
IFRS S2 ¶ 7-15 STRATEGY **IFRS S2 ¶ 7-8 OBJECTIVE & INTRODUCTORY PARAGRAPH** 7. The **objective of climate-related financial disclosures on strategy** is to enable users of general purpose financial reporting to understand an entity's strategy for addressing significant climate-related risks and opportunities. 8. To achieve this objective, an entity shall disclose information about: a. the **significant climate-related risks and opportunities** that it reasonably expects could affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term (see paragraphs 9–11); b. the **effects** of significant climate-related risks and opportunities **on its business model and value chain** (see paragraph 12); c. the **effects** of significant climate-related risks and opportunities on its **strategy and decision-making**, including its transition plans (see paragraph 13); d. the **effects** of significant climate-related risks and opportunities on its **financial position, financial performance and cash flows** for the reporting period, and the anticipated effects over the short, medium and long term—including how climate-related risks and opportunities are included in the entity's financial planning (see paragraph 14); and e. the **climate resilience of its strategy** (including its business model) to significant physical risks and significant transition risks (see paragraph 15).	**17 CFR §229.1502 (ITEM 1502)** **STRATEGY, BUSINESS MODEL & OUTLOOK**

CLIMATE RELATED RISKS & OPPORTUNTITIES	
IFRS S2 ¶9-10 **CLIMATE-RELATED RISKS & OPPORTUNITIES** 9. An entity shall disclose information that enables users of general purpose financial reporting to **understand the significant climate-related risks and opportunities that could reasonably be expected to affect the entity's business model, strategy and cash flows**, its access to finance and its cost of capital, over the short, medium or long term. Specifically, the entity shall disclose: a. a **description of significant climate-related risks and opportunities and the time horizon** over which each could reasonably be expected to affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term. b. **how it defines short, medium and long term** and how these definitions are linked to the entity's strategic planning horizons and capital allocation plans. c. **whether the risks identified are physical risks or transition risks.** For example, acute physical risks could include the increased severity of extreme weather events such as cyclones and floods, and examples of chronic physical risks include rising sea levels or rising mean temperatures. Transition risks could include regulatory, technological, market, legal or reputational risks. **10.** In identifying the significant climate-related risks and opportunities described in paragraph 9(a), an entity shall **refer to the disclosure topics defined in the industry disclosure requirements (Appendix B).** **See Paragraph 21(b & c) on Physical & Transition Risk disclosures.** **See Paragraph 21(d) on Climate-Related Opportunities disclosures.**	**17 CFR §229.1502(a)** **CLIMATE-RELATED RISKS & OPPORTUNITIES** (a) **Describe any climate-related risks reasonably likely to have a material impact on the registrant**, including on its business or consolidated financial statements, which may manifest over the short, medium, and long term. If applicable, a registrant may also disclose the actual and potential impacts of any climate-related opportunities when responding to any of the provisions in this section. (1) **Discuss such climate-related risks,** specifying whether they are **physical or transition risks and the nature of the risks** presented. (i) For **physical risks**, describe the **nature of the risk**, including if it may be categorized as an **acute or chronic risk,** and the location and nature of the properties, processes, or operations subject to the physical risk. (A) If a **risk concerns the flooding** of buildings, plants, or properties located in flood hazard areas, disclose the percentage of those assets (square meters or acres) that are located in flood hazard areas in addition to their location. (B) If a **risk concerns the location of assets in regions of high or extremely high water stress**, disclose the amount of assets (e.g., book value and as a percentage of total assets) located in those regions in addition to their location. Also disclose the percentage of the registrant's total water usage from water withdrawn in those regions. (ii) For **transition risks**, describe the nature of the risk, including whether it relates to regulatory, technological, market (including changing consumer, business counterparty, and investor preferences), liability, reputational, or other transition-related factors, and how those factors impact the registrant. A registrant that has significant operations in a jurisdiction that has made a GHG emissions reduction commitment may be exposed to transition risks related to the implementation of the commitment. (2) **Describe how the registrant defines short-, medium-, and long-term time horizons**, including how it takes into account or reassesses the expected useful life of the registrant's assets and the time horizons for the registrant's climate-related planning processes and goals.

VALUE CHAIN, STRATEGY, DECISION-MAKING & TRANSITION PLAN EFFECTS	
IFRS S2 ¶11-13 **STRATEGY AND DECISION-MAKING** 11. In preparing disclosures to fulfil the requirements in paragraphs 12–15, an entity shall refer to and consider the applicability of cross-industry metric categories and the industry-based metrics associated with disclosure topics, as described in paragraph 20. VALUE CHAIN 12. An entity shall disclose information that enables users of general purpose financial reporting to understand **its assessment of the current and anticipated effects of significant climate-related risks and opportunities on its business model**. Specifically, an entity shall disclose: a. a description of the current and anticipated effects of significant climate-related risks and opportunities on its **value chain**; and b. a description of **where in its value chain significant climate-related risks and opportunities are concentrated** (for example, geographical areas, facilities or types of assets, inputs, outputs or distribution channels). STRATEGY, DECISION-MAKING & TRANSITION PLANS 13. An entity shall disclose information that enables users of general purpose financial reporting **to understand the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its transition plans**. Specifically, an entity shall disclose: a. **how it is responding to significant climate-related risks and opportunities** including how it **plans to achieve any climate-related targets** it has set. This shall include: i. information about **current and anticipated changes to its business model**, including: (1) about **changes the entity is making in strategy and resource allocation to address the risks and opportunities identified in paragraph 12**. Examples of these changes include resource allocations resulting from demand or supply changes, or from new business lines; resource allocations arising from business development through capital expenditures or additional expenditure on operations or research and development; and acquisitions and divestments. This information includes plans and critical assumptions for legacy assets, including strategies to manage carbon- energy- and water-intensive operations, and to decommission carbon-energy- and water-intensive assets. (2) information about **<u>direct</u> adaptation and mitigation efforts it is undertaking** (for example, through changes in production processes, workforce adjustments, changes in materials used, product specifications or through introduction of efficiency measures). (3) information about **<u>indirect</u> adaptation and mitigation efforts it is undertaking** (for example, by working with customers and supply chains or use of procurement). ii. **how these plans will be resourced**. **See Paragraph 21(e) on Capital Deployment disclosures.**	**17 CFR §229.1502(b) & (c)** **IMPACTS ON STRATEGY BUSINESS MODEL & OUTLOOK** (b) Describe **the actual and potential impacts of any climate-related risks** identified in response to paragraph (a) of this section on the registrant's **strategy, business model, and outlook**. (1) Include **impacts on the registrant's**: (i) **Business operations**, including the types and locations of its operations; (ii) **Products or services**; (iii) **Suppliers** and other parties in its **value chain**; (iv) **Activities to mitigate or adapt** to climate-related risks, including adoption of new technologies or processes; (v) **Expenditure for research and development;** and (vi) **Any other** significant changes or impacts. (2) Include **the time horizon** for each described impact (i.e., in the short, medium, or long term, as defined in response to paragraph (a) of this section). (c) **Discuss** whether and **how any impacts described in response to paragraph (b)** of this section are **considered as part of the registrant's business strategy, financial planning, and capital allocation**. Provide both **current and forward-looking disclosures** that **facilitate** an **understanding** of whether **the implications of the identified climate-related risks have been integrated** into the **registrant's business model or strategy**, including how any resources are being used to mitigate climate-related risks. Include in this discussion how and of the metrics referenced in §210.14–02 of this chapter and §229.1504 or any of the targets referenced in § 229.1506 relate to the registrant's business model or business strategy. If applicable, include in **this discussion the role that carbon offsets or RECs** play in the registrant's climate-related business strategy. **See Financial Effects section IFRS Drafts S2 Paragraph 14 which follows relative to the comparative disclosures 17 CFR §229.1502(c) above.** **See requirements related to Transition Plans under Risk Management 17 CFR §229.1503(c) below.**

TARGETS (MOSTLY CARBON OFFSETS) b. **information regarding climate-related targets** for these plans including: i. the **processes** in place for **review of the targets**; ii. the amount of the entity's emission target to be achieved through emission reductions within the entity's value chain; iii. the **intended use of carbon offsets** in achieving emissions targets. In explaining the intended use of carbon offsets the entity shall disclose information including: (1) the **extent to which the targets rely on the use of carbon offsets**; (2) **whether the offsets will be subject to a third-party offset verification or certification** scheme (certified carbon offset), and if so, which scheme, or schemes; (3) the **type of carbon offset**, including whether the offset will be nature-based or based on technological carbon removals and whether the amount intended to be achieved is through carbon removal or emission avoidance; and (4) any **other significant factors** necessary for users to understand the credibility and integrity of offsets intended to be used by the entity (for example, assumptions regarding the permanence of the carbon offset). See also Targets and Goals section IFRS S2 Paragraphs 23-24 and the SEC comparison at CFR §229.1506 which follows. PROGRESS c. quantitative and qualitative information about the **progress of plans disclosed in prior reporting periods** in accordance with paragraph 13(a)–(b). Related requirements are provided in paragraph 20.	**See Targets and Goals section IFRS Drafts S2 Paragraphs 23-24 and the SEC comparison at 17 CFR §229.1506 which follows.** **The Paragraph 17 CFR §229.1506(d) on carbon offsets but is duplicated for comparison below:** (d) If **carbon offsets** or RECs have been used as part of a registrant's plan to achieve climate-related targets or goals, disclose the amount of carbon reduction represented by the **offsets** or the amount of generated renewable energy represented by the RECS, the **source of the offsets or RECs**, a description and location of the underlying projects, any registries or other authentication of the offsets or RECs, and the cost of the offsets or RECs.

FINANCIAL STATEMENTS EFFECTS

IFRS S2 ¶14
EFFECTS ON FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

14. An entity shall disclose information that enables users of general purpose financial reporting to **understand the effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period**, and the **anticipated effects over the short, medium and long term**—including how climate-related risks and opportunities are included in the entity's financial planning.

    An entity **shall disclose quantitative information unless it is unable to do so**. If an entity is unable to provide quantitative information, it shall provide qualitative information. When providing quantitative information, an **entity can disclose single amounts or a range**.

    Specifically, an entity shall disclose:

    a. how significant climate-related risks and opportunities have affected its **most recently reported financial position, financial performance and cash flows**;
    b. information about the climate-related risks and opportunities identified in paragraph 14(a) for which there is a significant risk that there **will be a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements within the next financial year**;
    c. how it **expects its financial position to change over time**, given its strategy to address significant climate-related risks and opportunities, reflecting:
        i. its **current and committed investment plans** and their anticipated effects on its financial position (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements);
        ii. its **planned sources of funding to implement its strategy**;
    d. how it **expects its financial performance to change over time**, given its strategy to address significant climate-related risks and opportunities (for example, increased revenue from or costs of products and services aligned with a lower-carbon economy, consistent with the latest international agreement on climate change; physical damage to assets from climate events; and the costs of climate adaptation or mitigation); and
    e. if the entity **is unable to disclose quantitative information** for paragraph 14(a)–(d), an explanation of why that is the case.

17 CFR §229.1502(d)
IMPACT ON CONSOLIDATED FINANCIAL STATEMENTS

(d) Provide a **narrative discussion** of whether and how any climate-related risks described in response to paragraph (a) of this section **have affected or are reasonably likely to affect the registrant's consolidated financial statements**.

The discussion should **include any of the climate-related metrics referenced in § 210.14–02 of this chapter** that demonstrate that the identified climate-related risks have had a material impact on reported financial condition or operations.

See also Article 14 (17 CFR §210.14-01 and 14-02) and the section below which provides the detailed financial statement metrics required by the SEC's Proposed Rule.

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INTERNAL CARBON PRICE	
See Paragraph 21(f) which follows on internal carbon price disclosures. **21(f) internal carbon prices:** i. the **price for each metric tonne of** greenhouse gas emissions that the entity uses to assess the costs of its emissions; ii. an explanation of **how the entity is applying the carbon price in decision-making** (for example, investment decisions, transfer pricing and scenario analysis);	**17 CFR §229.1502(e)** **INTERNAL CARBON PRICE** (e)(1) If a registrant maintains an internal carbon price, disclose: (i) The **price in units of the registrant's reporting currency per metric ton of CO2e**; (ii) The **total price**, including how the total price is estimated to change over time, if applicable; (iii) The **boundaries for measurement of overall CO2e on which the total price is based** if different from the GHG emission organizational boundary required pursuant to §229.1504(e)(2); and (iv) The **rationale for selecting the internal carbon price** applied. (2) Describe **how the registrant uses any internal carbon price** described in response to paragraph (e)(1) of this section **to evaluate and manage climate-related risks**. (3) If a **registrant uses more than one internal carbon price**, it must provide the disclosures required by this section for each internal carbon price, and disclose its reasons for using different prices.

CLIMATE RESILIENCE (SCENARIO ANALYSIS)

IFRS S2 ¶15
CLIMATE RESILIENCE

15. An entity shall **disclose** information that enables users of general purpose financial reporting to **understand the resilience of the entity's strategy** (including its business model) to climate-related changes, developments or uncertainties—taking into consideration an entity's identified significant climate-related risks and opportunities and related uncertainties.

The entity shall use climate-related scenario analysis to assess its climate resilience **unless it is unable to do so**. If an entity is **unable to use climate-related scenario analysis**, it shall **use an alternative method or technique to assess its climate resilience**. When providing **quantitative information**, an entity can disclose **single amounts or a range**. Specifically, the entity shall disclose:

a. the **<u>results of the analysis</u> of climate resilience**, which shall enable users to understand:
   - i. the **implications**, if any, of the entity's findings **for its strategy**, including how it would need to respond to the effects identified in paragraph 15(b)(i)(8) or 15(b)(ii)(6);
   - ii. the **significant areas of uncertainty** considered in the analysis of climate resilience;
   - iii. the **entity's capacity to adjust or adapt its strategy** and business model over the short, medium and long term to climate developments in terms of:
     - (1) the **availability of, and flexibility in, existing financial resources,** including capital, to address climate-related risks, and/or to be redirected to take advantage of climate-related opportunities;
     - (2) the **ability to redeploy, repurpose, upgrade or decommission existing assets**; and
     - (3) the **effect of current or planned investments** in climate- related mitigation, adaptation or opportunities for climate resilience.

b. **<u>how the analysis has been conducted</u>**, including:
   - i. when climate-related scenario analysis is used:
     - (1) **which scenarios** were used for the assessment and the sources of the scenarios used;
     - (2) whether the analysis has been conducted by **comparing a diverse range** of climate-related **scenarios**;
     - (3) whether the **scenarios used** are associated with **transition risks** or increased **physical risks**;
     - (4) whether the entity has used, among its scenarios, a **scenario aligned with the latest international agreement** on climate change;
     - (5) an **explanation of why** the entity has decided that its chosen scenarios are relevant to assessing its resilience to climate-related risks and opportunities;
     - (6) the **time horizons used** in the analysis;
     - (7) the **inputs used in the analysis**, including—but not limited to—the scope of risks (for example, the scope of physical risks included in the scenario analysis), the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); and
     - (8) **assumptions about the way the transition to a lower- carbon economy will affect the entity,**

17 CFR §229.1502(f)
SCENARIO ANALYSIS

(f) **Describe** the **resilience of the registrant's business strategy** in light of **potential future changes in climate-related risks**.

Describe any **analytical tools, such as scenario analysis, that the registrant uses** to assess the impact of climate-related risks on its business and consolidated financial statements, and to support the resilience of its strategy and business model.

If the registrant uses scenario analysis to assess the resilience of its business strategy to climate-related risks, **disclose** the scenarios considered (e.g., an increase of no greater than 3 °C, 2 °C, or 1.5 °C above pre-industrial levels), **including parameters, assumptions, and analytical choices, and the projected principal financial impacts** on the registrant's business strategy under each scenario. The disclosure should include both **qualitative** and **quantitative** information.

including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology. ii. **when climate-related scenario analysis** is not used: (1) an **explanation of the methods or techniques used** to assess the entity's climate resilience (for example, single-point forecasts, sensitivity analysis or qualitative analysis); (2) the **climate-related assumptions used in the analysis** including whether it includes a range of hypothetical outcomes; (3) an explanation of **why the entity has decided that the chosen climate-related assumptions are relevant** to assessing its resilience to climate-related risks and opportunities; (4) the **time horizons** used in the analysis; (5) the **inputs used in the analysis,** including—but not limited to—the scope of risks (for example, the scope of physical risks included in the analysis), the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); (6) assumptions about the way the transition to a lower-carbon economy will affect the entity, including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology; and (7) an **explanation of why the entity was unable to use climate-related scenario analysis** to assess the climate resilience of its strategy.	

RISK MANAGEMENT

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IFRS S2 ¶16-18
RISK MANAGEMENT

16. The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reporting to understand the process, or processes, by which climate-related risks and opportunities are identified, assessed and managed.

17. To achieve this objective, an entity shall disclose:

IDENTIFY

a. the **process, or processes, it uses to <u>identify</u> climate-related**:
   i. risks; and
   ii. opportunities;
b. the **process, or processes, it uses to <u>identify</u> climate-related risks <u>for risk management</u> purposes**, including when applicable:
   i. how it assesses **the likelihood and effects associated with such risks** (such as the qualitative factors, quantitative thresholds and other criteria used);
   ii. how it **prioritises climate-related risks relative to other types of risks**, including its use of risk-assessment tools (for example, science-based risk-assessment tools);
   iii. the **input parameters** it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and
   iv. whether it **has changed the processes used compared to the prior reporting period**;
c. the process, or **processes, it uses to <u>identify, assess and prioritise</u> climate-related <u>opportunities</u>**;

MONITOR & MANAGE

d. the process, or processes, it uses **to <u>monitor and manage</u> the climate- related**:
   i. risks, including related policies; and
   ii. opportunities, including related policies;

INTEGRATE

e. the **extent to which** and how the **<u>climate-related risk</u>** identification, assessment and management process, or processes, are **<u>integrated</u> into the entity's overall risk management process**; and
f. the **extent to which** and how the **<u>climate-related opportunity</u>** identification, assessment and management process, or processes, are **<u>integrated</u> into the entity's overall management process**.

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17 CFR §229.1503 (ITEM 1503)
RISK MANAGEMENT

(a) Describe any **processes the registrant has for identifying, assessing, and managing climate-related risks**. If applicable, a registrant may also describe any processes for identifying, assessing, and managing climate-related opportunities when responding to any of the provisions in this section.

IDENTIFY

(1) When describing any processes for **<u>identifying and assessing</u> climate-related risks, disclose, as applicable, how the registrant**:
   (i) Determines the relative **significance of climate-related risks compared to other risks**;
   (ii) Considers **existing or likely regulatory requirements** or policies, such as GHG emissions limits, when identifying climate-related risks;
   (iii) Considers **shifts in customer or counterparty preferences**, technological changes, or changes in market prices in assessing potential transition risks; and
   (iv) **Determines the materiality of climate-related risks**, including how it assesses the potential scope and impact of an identified climate-related risk, such as the risks identified in response to §229.1502.

MANAGE

(2) When describing any **processes for <u>managing</u> climate-related risks**, disclose, as applicable, how the registrant:
   (i) Decides **whether to mitigate, accept, or adapt to a particular** risk;
   (ii) **Prioritizes whether to address climate-related risks**; and
   (iii) Determines how to **mitigate any high priority risks**.

INTEGRATE

(b) Disclose whether and how any processes described in response to paragraph (a) of this section are **<u>integrated</u> into the registrant's overall risk management system or processes**. If a separate board or management committee is responsible for assessing and managing climate-related risks, a registrant should disclose how that committee interacts with the registrant's board or management committee governing risks.

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Requirements related to Transition Plans are supposedly included under Paragraph 13, but there are no specific requirements listed. 18. In preparing disclosures to fulfil the requirements in paragraph 17, an entity shall avoid unnecessary duplication in accordance with [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (see paragraph 78). For example, although an entity shall provide the information required by paragraph 17, when its oversight of sustainability-related risks and opportunities is managed on an integrated basis, providing integrated risk management disclosures rather than separate disclosures for each significant sustainability-related risk and opportunity would reduce duplication.	TRANSITION PLAN (c)(1) **If the registrant has adopted a transition plan** as part of its - climate-related risk management strategy, **describe the plan**, including the relevant metrics and targets used to identify and manage any physical and transition risks. To allow for an understanding of the registrant's progress to meet the plan's targets or goals over time, a registrant must update its disclosure about the transition plan each fiscal year by describing the actions taken during the year to achieve the plan's targets or goals. (2) If the registrant has adopted a transition plan, discuss, as applicable: (i) **How the registrant plans to mitigate or adapt to any identified physical risks**, including but not limited to those concerning energy, land, or water use and management; (ii) **How the registrant plans to mitigate or adapt to any identified transition risks**, including the following: (A) Laws, regulations, or policies that: (1) Restrict GHG emissions or products with high GHG footprints, including emissions caps; or (2) Require the protection of high conservation value land or natural assets; (B) Imposition of a carbon price; and (C) Changing demands or preferences of consumers, investors, employees, and business counterparties. (3) If applicable, a registrant that has adopted a transition plan as part of its climate-related risk management strategy may also describe **how it plans to achieve any identified climate-related opportunities**, such as: (i) The production of products that may facilitate the transition to a lower carbon economy, such as low emission modes of transportation and supporting infrastructure; (ii) The generation or use of renewable power; (iii) The production or use of low waste, recycled, or other consumer products that require less carbon intensive production methods; (iv) The setting of conservation goals and targets that would help reduce GHG emissions; and (v) The provision of services related to any transition to a lower carbon economy.

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<tr><th colspan="2">METRICS AND TARGETS</th></tr>
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<tr><td>IFRS S2 ¶19-24
METRICS & TARGETS
OBJECTIVE OF DISCLOSURE (¶19-20)

19. The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reporting to understand how an entity measures, monitors and manages its significant climate-related risks and opportunities. These disclosures shall enable users to understand how the entity assesses its performance, including progress towards the targets it has set.
20. To achieve this objective, an entity shall disclose:
a. information relevant to the cross-industry metric categories (see paragraph 21), which are relevant to entities regardless of industry and business model;
b. industry-based metrics (as set out in Appendix B) which are associated with disclosure topics and relevant to entities that participate within an industry, or whose business models and underlying activities share common features with those of the industry;
c. other metrics used by the board or management to measure progress towards the targets identified in paragraph 20(d); and targets set by the entity to mitigate or adapt to climate-related risks or maximise climate-related opportunities</td><td></td></tr>
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CROSS INDUSTRY & GREEN HOUSE GAS EMISSIONS METRICS

IFRS S2 ¶21
GHG EMISSIONS,
TRANSITION & PHYSICAL RISKS, OPPORTUNITIES,
CAPITAL DEPLOYMENT,
INTERNAL CARBON PRICES & REMUNERATION

21. An entity shall disclose information relevant to the cross-industry metric categories of:
    a. **greenhouse gas emissions**—the entity shall disclose:
        i. its **absolute gross greenhouse gas emissions generated** during the reporting period, measured in accordance with the **Greenhouse Gas Protocol Corporate Standard**, **expressed as metric tonnes of CO_2** equivalent, classified as:
            (1) Scope 1 emissions;
            (2) Scope 2 emissions;
            (3) Scope 3 emissions;
        ii. its greenhouse **gas emissions intensity for each scope** in paragraph 21(a)(i)(1)–(3), expressed as metric tonnes of CO_2 equivalent per unit of physical or economic output;
        iii. for **Scope 1 and Scope 2 emissions** disclosed in accordance with paragraph 21(a)(i)(1)–(2), the entity shall **disclose emissions separately** for:
            (1) the **consolidated accounting group** (the parent and its subsidiaries);
            (2) **associates, joint ventures, unconsolidated subsidiaries or affiliates** not included in paragraph 21(a)(iii)(1);
        iv. the **approach it used to include emissions for the entities included in paragraph 21(a)(iii)(2)** (for example, the equity share or operational control method in the Greenhouse Gas Protocol Corporate Standard);
        v. the **reason, or reasons, for the entity's choice of approach in paragraph 21(a)(iv)** and how that relates to the disclosure objective in paragraph 19;
        vi. for **Scope 3 emissions** disclosed in accordance with paragraph 21(a)(i)(3):
            (1) an entity shall include **upstream and downstream emissions in its measure of Scope 3 emissions**;
            (2) an entity shall disclose the **categories included within its measure of Scope 3 emissions**, to enable users of general purpose financial reporting to understand which Scope 3 emissions have been included in, or excluded from, those reported;
            (3) **when the entity's measure of Scope 3 emissions includes information provided by entities in its value chain**, it shall explain the basis for that measurement;
            (4) if the entity **excludes those greenhouse gas emissions in paragraph 21(a)(vi)(3), it shall state the reason for omitting them**, for example, because it is unable to obtain a faithful measure;

17 CFR §229.1504 (ITEM 1504)
GREENHOUSE GAS EMISSIONS

(a) General.
Disclose a registrant's GHG emissions, as defined in §229.1500(h), for its **most recently completed fiscal year, and for the historical fiscal years** included in **its consolidated financial statements in the filing**, to the extent such historical GHG emissions data is reasonably available.

(1) For each required disclosure of a registrant's Scopes 1, 2, and 3 emissions, disclose the emissions both **disaggregated by each constituent greenhouse gas**, as specified in § 229.1500(g), and **in the aggregate, expressed in terms of CO_2e**.
(2) When disclosing a registrant's Scopes 1, 2, and 3 emissions, **exclude the impact of any purchased or generated offsets**.

(b) Scopes 1 and 2 emissions.
(1) **Disclose** the registrant's total **Scope 1 emissions and total Scope 2 emissions separately** after calculating them from all sources that are included in the **registrant's organizational and operational boundaries.**
(2) When calculating emissions pursuant to paragraph (b)(1) of this section, a registrant may **exclude emissions from investments that are not consolidated, are not proportionately consolidated, or that do not qualify for the equity method of accounting** in the registrant's consolidated financial statements.

(c) Scope 3 emissions.
(1) **Disclose the registrant's total Scope 3 emissions if material.** A registrant **must also disclose its Scope 3 emissions if it has set a GHG emissions reduction target or goal that includes its Scope 3 emissions**.

Disclosure of a registrant's **Scope 3 emissions must be separate from** disclosure of its **Scopes 1 and 2 emissions**.

If required to disclose **Scope 3 emissions, identify the categories of upstream or downstream activities** that have been included in the calculation of the Scope 3 emissions. If any category of Scope 3 emissions is significant to the registrant, **identify all such categories and provide Scope 3 emissions data separately for them**, together with the registrant's total Scope 3 emissions.

(2) If required to disclose Scope 3 emissions, **describe the data sources used to calculate the registrant's Scope 3 emissions**, including the use of any of the following:
    (i) **Emissions reported by parties in the registrant's value chain**, and whether such reports were verified by the registrant or a third party, or unverified;
    (ii) **Data concerning specific activities**, as reported by parties in the registrant's value chain; and
    (iii) **Data derived from economic studies, published databases, government statistics, industry associations, or other third-party sources outside of a registrant's value chain**, including industry averages of emissions, activities, or economic data.

(3) **A smaller reporting company**, as defined by §§ 229.10(f)(1), 230.405, and 240.12b–2 of this chapter, **is exempt from**, and need not comply with, the disclosure requirements of this paragraph (c).

(d) GHG intensity.

(1) **Using the sum of Scope 1 and 2 emissions, disclose** GHG intensity in terms of metric tons of **CO2e per unit of total revenue** (using the registrant's reporting currency) and **per unit of production relevant to the registrant's industry** for each fiscal year included in the consolidated financial statements. **Disclose the basis for the unit of production** used.

(2) **If Scope 3 emissions are otherwise disclosed**, separately **disclose GHG intensity using Scope 3 emissions only**.

(3) **If a registrant has no revenue or unit of production** for a fiscal year, it **must disclose another financial measure of GHG intensity or another measure of GHG intensity per unit of economic output**, as applicable, with an explanation of why the particular measure was used.

(4) **A registrant may also disclose other measures of GHG intensity**, in addition to metric tons of CO2e per unit of total revenue (using the registrant's reporting currency) and per unit of production, if it includes an explanation of why a particular measure was used and why the registrant believes such measure provides useful information to investors.

(e) Methodology and related instructions.

(1) A registrant must describe the methodology, significant inputs, and significant assumptions used to calculate its GHG emissions. The description of the registrant's methodology must include the registrant's organizational boundaries, operational boundaries (including any approach to categorization of emissions and emissions sources), calculation approach (including any emission factors used and the source of the emission factors), and any calculation tools used to calculate the GHG emissions. A registrant's description of its approach to categorization of emissions and emissions sources should explain how it determined the emissions to include as direct emissions, for the purpose of calculating its Scope 1 emissions, and indirect emissions, for the purpose of calculating its Scope 2 emissions.

(2) The organizational boundary and any determination of whether a registrant owns or controls a particular source for GHG emissions must be consistent with the scope of entities, operations, assets, and other holdings within its business organization as those included in, and based upon the same set of accounting principles applicable to, the registrant's consolidated financial statements.

(3) A registrant must use the same organizational boundaries when calculating its Scope 1 emissions and Scope 2 emissions. If required to disclose Scope 3 emissions, a registrant must also apply the same organizational boundaries used when determining its Scopes 1 and 2 emissions as an initial step in identifying the sources of indirect emissions from activities in its value chain over which it lacks ownership and control and which must be included in the calculation of its Scope 3 emissions. Once a registrant has determined its organizational and operational boundaries, a registrant must be consistent in its use of those boundaries when calculating its GHG emissions.

(4) A registrant may use reasonable estimates when disclosing its GHG emissions as long as it also describes the assumptions underlying, and its reasons for using, the estimates.

(i) When disclosing its GHG emissions for its most recently completed fiscal year, if actual reported data is not reasonably available, a registrant may use a reasonable estimate of its

	GHG emissions for its fourth fiscal quarter, together with actual, determined GHG emissions data for the first three fiscal quarters, as long as the registrant promptly discloses in a subsequent filing any material difference between the estimate used and the actual, determined GHG emissions data for the fourth fiscal quarter. (ii) In addition to the use of reasonable estimates, a registrant may present its estimated Scope 3 emissions in terms of a range as long as it discloses its reasons for using the range and the underlying assumptions. (5) A registrant must disclose, to the extent material and as applicable, any use of third-party data when calculating its GHG emissions, regardless of the particular scope of emissions. When disclosing the use of third-party data, it must identify the source of such data and the process the registrant undertook to obtain and assess such data. (6) A registrant must disclose any material change to the methodology or assumptions underlying its GHG emissions disclosure from the previous fiscal year. (7) A registrant must disclose, to the extent material and as applicable, any gaps in the data required to calculate its GHG emissions. A registrant's GHG emissions disclosure should provide investors with a reasonably complete understanding of the registrant's GHG emissions in each scope of emissions. If a registrant discloses any data gaps encountered when calculating its GHG emissions, it must also discuss whether it used proxy data or another method to address such gaps, and how its accounting for any data gaps has affected the accuracy or completeness of its GHG emissions disclosure. (8) When determining whether its Scope 3 emissions are material, and when disclosing those emissions, in addition to emissions from activities in its value chain, a registrant must include GHG emissions from outsourced activities that it previously conducted as part of its own operations, as reflected in the financial statements for the periods covered in the filing. (9) If required to disclose Scope 3 emissions, when calculating those emissions, if there was any significant overlap in the categories of activities producing the Scope 3 emissions, a registrant must describe the overlap, how it accounted for the overlap, and the effect on its disclosed total Scope 3 emissions.
NOT ADDRESSABLE BY ISSB	**(f) Liability for Scope 3 emissions disclosures.** (1) A statement within the coverage of paragraph (f)(2) of his section that is made by or on behalf of a registrant is deemed not to be a fraudulent statement (as defined in paragraph (f)(3) of this section), unless it is shown that such statement was made or reaffirmed without a reasonable basis or was disclosed other than in good faith. (2) This paragraph (f) applies to any statement regarding Scope 3 emissions that is disclosed pursuant to §§ 229.1500 through 229.1506 and made in a document filed with the Commission. (3) For the purpose of this paragraph (f), the term fraudulent statement shall mean a statement that is an untrue statement of material fact, a statement false or misleading with respect to any material fact, an omission to state a material fact necessary to make a statement not misleading, or that constitutes the employment of a manipulative, deceptive, or fraudulent device, contrivance, scheme, transaction, act, practice, course of business, or an artifice to defraud as those terms are used in the Securities Act of 1933 or the Securities Exchange Act of 1934 or the rules or regulations promulgated thereunder.

21, continued…. b. **transition risks**—the amount and percentage of assets or business activities vulnerable to transition risks;	See Paragraphs 9-10 on Climate-Related Risks and Opportunities.
c. **physical risks**—the amount and percentage of assets or business activities vulnerable to physical risks;	See Paragraphs 9-10 on Climate-Related Risks and Opportunities.
d. **climate-related opportunities**—the amount and percentage of assets or business activities aligned with climate-related opportunities;	See Paragraphs 9-10 on Climate-Related Risks and Opportunities.
e. **capital deployment**—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	See Paragraph 13 on Strategy and Decision-making.
f. internal carbon prices: i. the price for each metric tonne of greenhouse gas emissions that the entity uses to assess the costs of its emissions; ii. an explanation of how the entity is applying the carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis);	See Internal Carbon Price section.
g. remuneration: i. the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations; and ii. a description of how climate-related considerations are factored into executive remuneration (also see paragraph 5(f)). 22. In preparing disclosures to fulfil the requirements in paragraph 21(b)–(g), an entity shall a. **consider whether industry-based metrics associated with disclosure topics**, as described in paragraph 20(b), including those defined in an applicable IFRS Sustainability Disclosure Standard or those that otherwise satisfy [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information **could be used in whole or part to meet the requirements**; and b. in accordance with paragraphs 37–38 of [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, **consider the relationship of these amounts with the amounts recognised and disclosed in the accompanying financial statements** (for example, the carrying amount of assets used should be consistent with amounts included in the financial statements and when possible the connections between information in these disclosures and amounts in the financial statements should be explained).	See Paragraphs 4-6 on Governance.

TARGETS	
IFRS S2 ¶23-24 **TARGETS & GOALS** 23. An entity **shall disclose its climate-related targets**. For each climate-related target, an entity shall disclose: a. **metrics used to assess progress** towards reaching the target and achieving its strategic goals; b. the **specific target the entity has set** for addressing climate-related risks and opportunities; c. whether this **target is an absolute target or an intensity target**; d. the **objective of the target** (for example, mitigation, adaptation or conformance with sector or science-based initiatives); e. how the **target compares with those created in the latest international agreement on** climate change and whether it has been validated by a third party; f. whether the **target was derived using a sectoral decarbonisation approach**; g. the **period over which the target applies**; h. the **base period from which progress is measured**; and i. any **milestones or interim targets**. 24. In identifying, selecting and disclosing the metrics described in paragraph 23(a), an entity shall refer to and **consider the applicability of industry-based metrics**, as described in paragraph 20(b), including those defined in Appendix B, those included in an applicable IFRS Sustainability Disclosure Standard, or those that otherwise satisfy [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. **See also Paragraph 13(b) on Targets above.**	**17 CFR §229.1506 (ITEM 1506)** **TARGETS & GOALS** (a) (1) A registrant must **provide disclosure** pursuant to this section **if it has set any targets or goals related to the reduction of GHG emissions, or any other climate-related target or goal** (e.g., regarding energy usage, water usage, conservation or ecosystem restoration, or revenues from low-carbon products) such as actual or anticipated regulatory requirements, market constraints, or other goals established by a climate-related treaty, law, regulation, policy, or organization. (2) A registrant may provide the disclosure required by this section as part of its disclosure in response to §229.1502 (Strategy, Business Model, or Outlook) or §229.1503 (Risk Management). (b) **If the registrant has set climate-related targets or goals, disclose the targets or goals**, including, as applicable, a description of: (1) The **scope of activities and emissions included in the target;** (2) The **unit of measurement**, including whether the target is **absolute or intensity based;** (3) The **defined time horizon** by which the **target is intended to be achieved**, and whether the time horizon is consistent with one or more goals established by a climate-related treaty, law, regulation, policy, or organization; (4) The defined **baseline time period** and **baseline emissions against which progress will be tracked** with a consistent base year set for multiple targets; (5) Any **interim targets** set by the registrant; and (6) **How the registrant intends to meet its climate-related targets or goals**. For example, for a target or goal regarding net GHG emissions reduction, the discussion could include a strategy to increase energy efficiency, transition to lower carbon products, **purchase carbon offsets** or RECs, or engage in carbon removal and carbon storage. (c) Disclose **relevant data to indicate whether the registrant is making progress toward meeting the target or goal and how such progress has been achieved**. A registrant must update this disclosure each fiscal year by describing the actions taken during the year to achieve its targets or goals. (d) If **carbon offsets** or RECs have been used as part of a registrant's plan to achieve climate-related targets or goals, disclose the amount of carbon reduction represented by the **offsets** or the amount of generated renewable energy represented by the RECS, the **source of the offsets or RECs**, a description and location of the underlying projects, any registries or other authentication of the offsets or RECs, and the cost of the offsets or RECs.

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ATTESTATION OF GHG EMISSIONS	
NOT ADDRESSABLE BY ISSB	**17 CFR §229.1505 (ITEM 1505)** **ATTESTATION OF GHG EMISSIONS** **(a) Attestation.** (1) A registrant that is required to provide Scope 1 and Scope 2 emissions disclosure pursuant to § 229.1504 and that is an accelerated filer or a large accelerated filer must include an attestation report covering such disclosure in the relevant filing. For filings made by an accelerated filer or a large accelerated filer for the second and third fiscal years after the compliance date for § 229.1504, the attestation engagement must, at a minimum, be at a limited assurance level and cover the registrant's Scope 1 and Scope 2 emissions disclosure. For filings made by an accelerated filer or large accelerated filer for the fourth fiscal year after the compliance date for § 229.1504 and thereafter, the attestation engagement must be at a reasonable assurance level and, at a minimum, cover the registrant's Scope 1 and Scope 2 emissions disclosures. (2) Any attestation report required under this section must be provided pursuant to standards that are publicly available at no cost and are established by a body or group that has followed due process procedures, including the broad distribution of the framework for public comment. An accelerated filer or a large accelerated filer obtaining voluntary assurance prior to the first required fiscal year must comply with subparagraph (e) of this section. Voluntary assurance obtained by an accelerated filer or a large accelerated filer thereafter must follow the requirements of paragraphs (b) through (d) of this section and must use the same attestation standard as the required assurance over Scope 1 and Scope 2. **(b) GHG emissions attestation provider.** The GHG emissions attestation report required by paragraph (a) of this section must be prepared and signed by a GHG emissions attestation provider. A GHG emissions attestation provider means a person or a firm that has all of the following characteristics: (1) Is an expert in GHG emissions by virtue of having significant experience in measuring, analyzing, reporting, or attesting to GHG emissions. Significant experience means having sufficient competence and capabilities necessary to: (i) Perform engagements in accordance with professional standards and applicable legal and regulatory requirements; and (ii) Enable the service provider to issue reports that are appropriate under the circumstances. (2) Is independent with respect to the registrant, and any of its affiliates, for whom it is providing the attestation report, during the attestation and professional engagement period. (i) A GHG emissions attestation provider is not independent if such attestation provider is not, or a reasonable investor with knowledge of all relevant facts and circumstances would conclude that such attestation provider is not, capable of exercising objective and impartial judgment on all issues encompassed within the attestation provider's engagement. (ii) In determining whether a GHG emissions attestation provider is independent, the Commission will consider: (A) Whether a relationship or the provision of a service creates a mutual or conflicting interest between the

	attestation provider and the registrant (or any of its affiliates), places the attestation provider in the position of attesting such attestation provider's own work, results in the attestation provider acting as management or an employee of the registrant (or any of its affiliates), or places the attestation provider in a position of being an advocate for the registrant (or any of its affiliates); and (B) All relevant circumstances, including all financial or other relationships between the attestation provider and the registrant (or any of its affiliates), and not just those relating to reports filed with the Commission. (iii) The term ''affiliates'' as used in this section has the meaning provided in 17 CFR 210.2–01, except that references to ''audit'' are deemed to be references to the attestation services provided pursuant to this section. (iv) The term ''attestation and professional engagement period'' as used in this section means both: (A) The period covered by the attestation report; and (B) The period of the engagement to attest to the registrant's GHG emissions or to prepare a report filed with the Commission (''the professional engagement period''). The professional engagement period begins when the GHG attestation service provider either signs an initial engagement letter (or other agreement to attest a registrant's GHG emissions) or begins attest procedures, whichever is earlier. **(c) Attestation report requirements.** The GHG emissions attestation report required by paragraph (a) of this section must be included in the separately captioned ''Climate-Related Disclosure'' section in the filing. The form and content of the attestation report must follow the requirements set forth by the attestation standard (or standards) used by the GHG emissions attestation provider. Notwithstanding the foregoing, at a minimum the report must include the following: (1) An identification or description of the subject matter or assertion being reported on, including the point in time or period of time to which the measurement or evaluation of the subject matter or assertion relates; (2) An identification of the criteria against which the subject matter was measured or evaluated; (3) A statement that identifies the level of assurance provided and describes the nature of the engagement; (4) A statement that identifies the attestation standard (or standards) used; (5) A statement that describes the registrant's responsibility to report on the subject matter or assertion being reported on; (6) A statement that describes the attestation provider's responsibilities in connection with the preparation of the attestation report; (7) A statement that the attestation provider is independent, as required by paragraph (a) of this section; (8) For a limited assurance engagement, a description of the work performed as a basis for the attestation provider's conclusion; (9) A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria;

	(10) The GHG emissions attestation provider's conclusion or opinion, based on the applicable attestation standard(s) used; (11) The signature of the attestation provider (whether by an individual or a person signing on behalf of the attestation provider's firm); (12) The city and state where the attestation report has been issued; and (13) The date of the report. **(d) Additional disclosures by the registrant.** In addition to including the GHG emissions attestation report required by paragraph (a) of this section, a large accelerated filer and an accelerated filer must disclose the following information within the separately captioned ''Climate-Related Disclosure'' section in the filing, after requesting relevant information from any GHG emissions attestation provider as necessary: (1) Whether the attestation provider has a license from any licensing or accreditation body to provide assurance, and if so, identify the licensing or accreditation body, and whether the attestation provider is a member in good standing of that licensing or accreditation body; (2) Whether the GHG emissions attestation engagement is subject to any oversight inspection program, and if so, which program (or programs); and (3) Whether the attestation provider is subject to record-keeping requirements with respect to the work performed for the GHG emissions attestation engagement and, if so, identify the record-keeping requirements and the duration of those requirements. **(e) Disclosure of voluntary attestation.** A registrant that is not required to include a GHG emissions attestation report pursuant to paragraph (a) of this section must disclose within the separately captioned ''Climate-Related Disclosure'' section in the filing the following information if the registrant's GHG emissions disclosures were subject to third-party attestation or verification: (1) Identify the provider of such attestation or verification; (2) Describe the attestation or verification standard used; (3) Describe the level and scope of attestation or verification provided; (4) Briefly describe the results of the attestation or verification; (5) Disclose whether the third-party service provider has any other business relationships with or has provided any other professional services to the registrant that may lead to an impairment of the service provider's independence with respect to the registrant; and (6) Disclose any oversight inspection program to which the service provider is subject (e.g., the AICPA's peer review program).

INTERACTIVE DATA REQUIREMENT	
NOT ADDRESSED BY ISSB IN THIS DRAFT STANDARD	**17 CFR §229.1507 (ITEM 1507)** **INTERACTIVE DATA** Provide the disclosure required by this Subpart 1500 in an Interactive Data File as required by § 232.405 of this chapter (Rule 405 of Regulation S–T) in accordance with the EDGAR Filer Manual.

INSIDE FINANCIAL STATEMENTS	
ISSB DOES NOT HAVE AUTHORITY OVER DISCLOSURES INSIDE FINANCIAL STATEMENTS: THIS IS SOMETHING THAT SHOULD BE ADDRESSED BY IASB GIVEN IMPORTANCE OF ANCHORIND DISCLOSURES IN FINANICAL STATEMENTS	**17 CFR §210.1400 (ARTICLE 1400)** **17 CFR §210.14–01** **CLIMATE-RELATED DISCLOSURE INSTRUCTIONS** **(a) General.** A registrant must include disclosure pursuant to § 210.14–02 in any filing that is required to include disclosure pursuant to subpart 229.1500 of this chapter and that also requires the registrant to include its audited financial statements. The disclosure pursuant to § 210.14–02 must be included in a note to the financial statements included in such filing. **(b) Definitions.** The definitions in § 229.1500 (Item 1500 of Regulation S– K) apply to this Article 14 of Regulation S–X. **(c) Basis of calculation.** When calculating the metrics in this Article 14, except where otherwise indicated, a registrant must: (1) Use financial information that is consistent with the scope of the rest of its consolidated financial statements included in the filing; and (2) Whenever applicable, apply the same accounting principles that it is required to apply in preparation of the rest of its consolidated financial statements included in the filing. **(d) Historical periods.** Disclosure must be provided for the registrant's most recently completed fiscal year, and for the historical fiscal year(s) included in the consolidated financial statements in the filing (e.g., a registrant that is required to include balance sheets as of the end of its two most recent fiscal years and income statements and cash flow statements as of the end of its three most recent fiscal years would be required to disclose two years of the climate-related metrics that correspond to balance sheet line items and three years of the climate-related metrics that correspond to income statement or cash flow statement line items). **17 CFR §210.14–02 CLIMATE-RELATED METRICS.** **(a) Contextual information.** Provide contextual information, describing how each specified metric was derived, including a description of significant inputs and assumptions used, and, if applicable, policy decisions made by the registrant to calculate the specified metrics. **(b) Disclosure thresholds.** (1) Disclosure of the financial impact on a line item in the registrant's consolidated financial statements pursuant to paragraphs (c) and (d) of this section (including any impacts included pursuant to paragraphs (i) and (j) of this section) is not required if the sum of the absolute values of all the impacts on the line item is less than one percent of the total line item for the relevant fiscal year. (2) Disclosure of the aggregate amount of expenditure expensed or the aggregate amount of capitalized cost incurred pursuant to paragraphs (e) and (f) of this section (including any impacts included pursuant to paragraphs (i) and (j) of this section) is not required if such amount is less than one percent of the total

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	expenditure expensed or total capitalized costs incurred, respectively, for the relevant fiscal year. **(c) Financial impacts of severe weather events and other natural conditions.** Disclose the impact of severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise on any relevant line items in the registrant's consolidated financial statements during the fiscal years presented. Disclosure must be presented, at a minimum, on an aggregated line-by-line basis for all negative impacts and, separately, at a minimum, on an aggregated line-by-line basis for all positive impacts. Impacts may include, for example: (1) Changes to revenues or costs from disruptions to business operations or supply chains; (2) Impairment charges and changes to the carrying amount of assets (such as inventory, intangibles, and property, plant and equipment) due to the assets being exposed to severe weather, flooding, drought, wildfires, extreme temperatures, and sea level rise; (3) Changes to loss contingencies or reserves (such as environmental reserves or loan loss allowances) due to impact from severe weather events; and (4) Changes to total expected insured losses due to flooding or wildfire patterns. **(d) Financial impacts related to transition activities.** Disclose the impact of any efforts to reduce GHG emissions or otherwise mitigate exposure to transition risks on any relevant line items in the registrant's consolidated financial statements during the fiscal years presented. Disclosure must be presented, at a minimum, on an aggregated line-by-line basis for all negative impacts and, separately, at a minimum, on an aggregated line-by-line basis for all positive impacts. Impacts may include, for example: (1) Changes to revenue or cost due to new emissions pricing or regulations resulting in the loss of a sales contract; (2) Changes to operating, investing, or financing cash flow from changes in upstream costs, such as transportation of raw materials; (3) Changes to the carrying amount of assets (such as intangibles and property, plant, and equipment) due to, among other things, a reduction of the asset's useful life or a change in the asset's salvage value by being exposed to transition activities; and (4) Changes to interest expense driven by financing instruments such as climate-linked bonds issued where the interest rate increases if certain climate-related targets are not met. **(e) Expenditure to mitigate risks of severe weather events and other natural conditions.** Disclose separately the aggregate amount of expenditure expensed and the aggregate amount of capitalized costs incurred during the fiscal years presented to mitigate the risks from severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise. For example, a registrant may be required to disclose the amount of expense or capitalized costs, as applicable, to increase the resilience of assets or operations, retire or shorten the estimated useful lives of impacted assets, relocate assets or operations at risk, or otherwise reduce the future impact of severe weather events and other natural conditions on business operations.

	(f) Expenditure related to transition activities. Disclose separately the aggregate amount of expenditure expensed and the aggregate amount of capitalized costs incurred during the fiscal years presented to reduce GHG emissions or otherwise mitigate exposure to transition risks. For example, a registrant may be required to disclose the amount of expense or capitalized costs, as applicable, related to research and development of new technologies, purchase of assets, infrastructure, or products that are intended to reduce GHG emissions, increase energy efficiency, offset emissions (purchase of energy credits), or improve other resource efficiency. A registrant that has disclosed GHG emissions reduction targets or other climate-related commitments must disclose the expenditures and costs related to meeting its targets, commitments, and goals, if any, in the fiscal years presented. **(g) Financial estimates and assumptions impacted by severe weather events and other natural conditions.** Disclose whether the estimates and assumptions the registrant used to produce the consolidated financial statements were impacted by exposures to risks and uncertainties associated with, or known impacts from, severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise. If yes, provide a qualitative description of how the development of such estimates and assumptions were impacted by such events. **(h) Financial estimates and assumptions impacted by transition activities.** Disclose whether the estimates and assumptions the registrant used to produce the consolidated financial statements were impacted by risks and uncertainties associated with, or known impacts from, a potential transition to a lower carbon economy or any climate-related targets disclosed by the registrant. If yes, provide a qualitative description of how the development of such estimates and assumptions were impacted by such a potential transition or the registrant's disclosed climate-related targets. **(i) Impact of identified climate-related risks.** A registrant must also include the impact of any climate-related risks (separately by physical risks and transition risks, as defined in § 229.1500(c) of this chapter), identified by the registrant pursuant to § 229.1502(a) of this chapter, on any of the financial statement metrics disclosed pursuant to paragraphs (c) through (h) of this section. **(j) Impact of climate-related opportunities.** A registrant may also include the impact of any opportunities arising from severe weather events and other natural conditions, any impact of efforts to pursue climate-related opportunities associated with transition activities, and the impact of any other climate-related opportunities, including those identified by the registrant pursuant to § 229.1502(a) of this chapter, on any of the financial statement metrics disclosed pursuant to paragraphs (c) through (h) of this section. If a registrant makes a policy decision to disclose the impact of an opportunity, it must do so consistently for the fiscal years presented, including for each financial statement line item and all relevant opportunities identified by the registrant.

INDUSTRY BASED METRICS	
APPENDIX B OF DRAFT IFRS S2 IFRS - Appendix B—Industry-based disclosure requirements	**NOT APPLICABLE**