Comparison of SEC Final Rules on Climate-Related Disclosures against ISSB Standard, EU CSRD/ESRS Requirements, and California “Climate Accountability Package” Disclosures

On March 6, 2024, the Securities and Exchange Commission (the “SEC”) finalized its long-awaited climate-related disclosures rules (the “Final Rules”), which set forth what climate-related information U.S. listed companies (including foreign private issuers (“FPIs”)) will be required to disclose in their SEC filings. See our prior publications which discuss the Final Rules here and here. Europe has also adopted climate-related disclosure rules. See our prior publications on the Corporate Sustainability Reporting Directive (“CSRD”) and European Sustainability Reporting Standards (“ESRS”) here and here. On October 7, 2023, California Governor Newsom signed into law the “Climate Accountability Package,” including Senate Bill 253, Climate Corporate Data Accountability Act (“SB 253”) and Senate Bill 261, Greenhouse Gases: Climate-Related Financial Risk (“SB 261” and, together with SB 253, the “California Rules”). See our prior publications on the California Rules here and here.

As a result of these various climate-related disclosure regimes, U.S. listed companies that have operations in California and/or Europe and/or conduct business in other regions that require climate disclosures may find themselves subject to several climate-related disclosure regimes. The chart below details the principal requirements under each of the climate-related disclosure regimes; while there are many similarities between the Final Rules and other climate-related disclosure regimes, the chart demonstrates that significant differences exist. In fact, many of the disclosure requirements that have been eliminated or reduced by the SEC in the Final Rules are required under other climate-related disclosure regimes. Companies that are subject to multiple climate-related disclosure regimes will find that compliance with the various requirements across the globe will require a significant amount of time and resources.

At this time, the SEC does not permit companies to substitute compliance with the Final Rules with disclosures made in response to requirements of other climate-related disclosure regimes. The SEC’s rationale behind this decision is to ensure that all U.S. listed companies provide the same climate-related disclosures in their SEC filings, so that investors have access to more consistent, reliable and comparable climate-related information across U.S. listed companies.

When developing programs and processes for compliance with the applicable climate-related disclosure regimes, companies will need to consider their global disclosure obligations, in particular as they concern the following key areas:

- **GHG Emissions Disclosures:** While CSRD and the California Rules require companies to disclosure Scope 3 GHG emissions, in addition to Scope 1 and Scope 2 GHG emissions, the Final Rules only require disclosure of Scope 1 and Scope 2 GHG emissions, and only for accelerated filers and large accelerated filers where the emissions are material. Therefore, although many U.S. listed companies would have no obligation to disclose

GHG emissions under the Final Rules, they may still need to do so under other applicable climate-related disclosure regimes. In addition, the various climate-related disclosure regimes may require GHG emissions reporting over a different jurisdictional boundary or subset of entities in the company's corporate group. As a result, these differences will lead to different disclosures under the different climate-related disclosure regimes which could lead to inconsistent statements or confusion among stakeholders regarding the company's climate risks, plans and financial impacts. This will also require companies to design their controls to collect relevant data in a way that takes into account the specific requirements of each of the climate-related disclosure regimes and subject the various collected data to different attestation services.

- **Climate-Related Targets and Transition Plans:** Under the Final Rules, companies are only required to disclose climate-related targets that have materially affected or are reasonably likely to materially affect the company's business, results of operations or financial condition as well as information necessary to understand the material impact or reasonably likely material impact of the target or goals and provide annual updates on actions taken to achieve such targets or goals. Companies subject to the CSRD are required to disclose their climate-related targets and transition plans, if any, to ensure their business model is compatible with, among other things, the objectives of limiting global warming to 1.5°C in line with the Paris Agreement. The California Rules' broader standard only requires disclosure of a company's measures adopted to reduce and adapt to climate-related financial risk disclosed. As companies develop their transition plans and goals, they should consider the disclosure implications under each of the climate-related disclosure regimes and consider how potentially different required disclosures could impact their liability risk, reputation and other risks.

- **Consistency of Disclosures, Materiality Determinations and Liability for Misleading Disclosures:** As noted above, each of the climate-related disclosure regimes requires disclosure of different types of information. In addition, each of the climate-related disclosure regimes relies on its own conceptualization of materiality which could also lead to differing disclosures. Companies will need to carefully review their core disclosures to ensure that they comply with, and are consistent across, the various climate-related disclosure regimes. In doing so, they should review each of the relevant materiality determinations in each of the regimes and compare any resulting disclosure requirements against the materiality determinations in other disclosure regimes as well as their voluntary disclosures. In addition, in 2021, the SEC began sending comment letters to companies asking for justification as to why more expansive climate-related disclosures were included outside their SEC filings. To the extent that disclosures are not consistent across documents, companies should carefully evaluate the impact of these differences from a litigation, risk or SEC scrutiny perspective.

Next Steps

Many of the climate-related disclosure regimes will require interpretive guidance or implementing regulations, which may shed further light on how companies can best comply with all of the requirements that apply to them. In addition, there is much litigation that, when resolved, may also significantly impact the required disclosures. On April 4, 2024, the SEC exercised its discretion under Section 25(c)(2) of the Securities Exchange Act of 1934, as amended, and Section 705 of the Administrative Procedure Act, as amended, and stayed the Final Rules pending the completion of judicial review of the consolidated petitions in the United States Court of Appeals for the Eighth Circuit. In its order issuing the stay, the SEC stated that it would continue to vigorously defend the validity of the Final Rules in court and explained that the stay of the Final Rules avoids potential regulatory uncertainty if companies were required to comply with the Final Rules' requirements while challenges to the Final Rules were still pending.

While there is still much that is uncertain about the Final Rules and the other climate-related disclosure regimes, the obligations they impose are quite extensive. Companies should therefore start to assess how the Final Rules could affect their upcoming SEC filings and other global compliance obligations. If companies are subject to several climate-related disclosure regimes, careful analysis of the requirements under each applicable regime will be necessary to ensure consistency of disclosure, avoid unnecessary liability risk and carefully manage stakeholder expectations.

Comparison with International Sustainability Standards Board ("ISSB") Standard, EU CSRD/ESRS, and California "Climate Accountability Package" Disclosures

Topic	ISSB Standard	SEC Final Rule	EU CSRD / ESRS – Climate	California SB 253 & SB 261
Status & Effective Date	Two Standards (S1 & S2) issued by ISSB Applies to annual reporting periods beginning on or after 1 January 2024	Subject to the outcome of legal challenges, the final rules will become effective 60 days after the SEC's adopting release was published in the Federal Register, which is May 28, 2024 Compliance begins with financial year beginning ("FYB") 2025 and will be phased in thereafter depending upon (i) the content of the disclosure and (ii) the status of the company (as a large accelerated filer, an accelerated filer, non-accelerated filer, SRC or EGC)	European Commission adopted final version of ESRS which came into force January 1, 2024 Phase-in for reporting obligation under CSRD depending on size of company / group: For large EU companies / groups reporting will start in 2025 for FY2024 For non-EU companies only mandatory from 2029 for FY 2028	SB 253 and SB 261 signed into law on October 7, 2023 Under SB 261, climate-related financial risk report due: **January 1, 2026** and then biennial Under SB 253, annual emissions reporting begins: **2026 – Scope 1 & 2** [annual date TBD] **2027 – Scope 3** [no later than 180 days after Scope 1 & 2] and then annual CARB must develop implementing regulations California Governor Newsom indicated implementation concerns (deadlines, burden, duplicative reporting) and directed his administration to address through the regulatory process
Jurisdiction	Countries to consider ways to adopt, apply or otherwise be informed by the standards	All companies (including foreign private issuers) who file reports with the SEC	CSRD applies to EU companies and non-EU companies with EU nexus via their EU subsidiaries: **In 2025**: EU listed companies, credit institutions or insurance undertakings in the EU with: (1) > 500 employees and either (2) a balance sheet total >€20 [25] million or (3) net turnover > €40 [50] million **In 2026**: EU companies that meet at least two of three criteria: (1) balance sheet >EUR 20 [25] million; (2) Sales revenue >EUR 40 [50] million; (3) > 250 employees on average **In 2027**: any EU company which exceeds at least two of the following three criteria (i.e., any large or SME entity that is not a micro company): balance sheet total >€350K [450K] net turnover >€700K [900K] employees >10 and is a public	US business entity that does business in California and: Emissions — under SB 253, has total annual revenues in excess of **$1 billion** Climate risk – Under SB 261, has total annual revenues in excess of **$500 million** The CA Climate Acts do not define doing business in California, which may be an area for clarification For California tax purposes, a company is considered to be doing business in California if it engages in any transaction for the purpose of financial gain within California, is organized or commercially domiciled in California, or its California sales, property or payroll exceed certain amounts (detailed here)

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			interest entity (e.g., listed securities or insurance company) **In 2029**: Large non-EU companies through their EU subsidiaries, if: (1) Group net turnover of >EUR 150 million in the EU; and (2) At least one subsidiary which is public interest entity or large EU company or branch in the EU with net EU turnover > €40 million [Thresholds in brackets represent the proposed changes of the Accounting Directive by EU Commission to account for the impact of inflation]	
Acceptance of Other Standards	'Building blocks approach' adding other standards to the baseline ISSB standards	No, reporting under any other standard not permitted although the SEC leaves open this possibility depending on future developments in international climate reporting practices	Yes, but only if deemed "equivalent" by decision of the European Commission While not 'equivalent', the European Commission has stated that "Companies that are required to report in accordance with ESRS on climate change will to a very large extent report the same information as companies that will use the ISSB standard on climate-related disclosures" [Although this does not include double-materiality (see below), as this is only required under the ESRS, other regimes are also limited as to financial materiality]	Yes, but only if report satisfies California requirements: Emissions — SB 253 directs CARB to promulgate regulations for emissions reporting that allow a reporting entity to submit reports prepared to meet other national and international reporting requirements, as long as those reports satisfy "all" of the requirements of SB 253, including disclosure in a manner consistent with the **Greenhouse Gas Protocol** standards and guidance Climate risk – SB 261 provides that climate-related financial risk reporting may be satisfied by a report prepared consistent with Final Report of Recommendations of the **Task Force on Climate-related Financial Disclosures** (June 2017) or the International Financial Reporting Standards Sustainability Disclosure Standards, as issued by **ISSB** The California report must also disclose measures adopted to reduce and adapt to climate-related financial risk disclosed In 2033, CARB may consider adopting an alternative globally recognized emissions accounting standard
Location of Disclosure	Sustainability-related disclosures made at the same time and covering the same reporting period as financial performance, but not mandatory to appear within the	Climate-related disclosures presented in the Regulation S-K portion (unaudited) of registration statements or annual reports (i) in a separate, appropriately captioned section of registration statements or annual	Sustainability information on E, S and G (including climate disclosures) to be included in the company's management report, preferably as a single separately identifiable section of the management	Submitted to and published by CARB and published publicly by company on its own website. CARB will contract with an academic institution to develop analysis of GHG submissions and create a digital

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	same report as the company's financial statements	reports, (ii) in another appropriate section of registration statements or annual reports (such as Risk Factors, Business or Management's Discussion and Analysis) or (iii) by incorporating by reference from another SEC filing Large accelerated filers' and accelerated filers' material Scope 1 and Scope 2 emissions information presented in either the Regulation S-K portion (unaudited) of (i) 10-K, (ii) 10-Q for the second fiscal quarter in the fiscal year immediately following the year to which the GHG emissions metrics disclosure, (iii) 20-F or (iv) amendment to 20-F Attestation report included in the filing that contains such GHG emissions disclosures to which the attestation report relates Disclosure of financial statement effects of severe weather events and other natural conditions including costs and losses presented in the Regulation S-X portion of 10-K (i.e., in a new note to audited financial statements) Disclosures must be electronically tagged as climate-related disclosures in Inline XBRL	report; not permissible as a separate sustainability report anymore (apart from the management report)	platform to allow consumers, investors, and other stakeholders to view reported data elements aggregated in a variety of ways, including multiyear data, in a manner that is easily understandable and accessible All data sets and customized views will be available in electronic format for access and use by the public Likewise, CARB will contract for a biennial review of the disclosure of climate-related financial risk contained in a subset of publicly available climate-related financial risk reports by industry and analysis of the systemic and sector wide climate-related financial risks facing the state
Scope of Sustainability Related Disclosures				
General Sustainability Disclosure Required?	Disclosure of "All sustainability related risks and opportunities that could reasonably be expected to affect an entity's prospects"	Extensive disclosure of material climate-related matters including as they related to risk and risk management, strategy, governance, targets and goals, GHG emissions metrics (Scope 1 and 2 only) and specified financial statement impacts	Comprehensive disclosure of *material* sustainability matters and some general, traditional reporting matters (such as corporate governance)	Climate-related financial risk disclosure based on TCFD or ISSB
ESG Coverage	Climate-related risks and opportunities	Climate-related risks that have materially impacted or are reasonably likely to have a material impact on the company Optional: impact of climate-related opportunities If the company has adopted a transition plan to manage a material transition risk, description of the plan and annual updates describing any actions taken during the year under the plan	Environmental, Social and Governance disclosure requirements	Climate-related financial risks and measures adopted to reduce and adapt to climate-related financial risks

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Investor Focus	Primary users are “existing and potential investors, lenders and other creditors”	Climate-related disclosure should enable investors to make informed judgments about the impact of climate-related risks on current and potential investment	No restriction: “Users of sustainability statements” are primarily “existing and potential investors, lenders and other creditors” “Users” also includes business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics	Digital platform will feature individual reporting entity disclosures, and will allow consumers, investors, and other stakeholders to view reported data elements aggregated in a variety of ways, including multiyear data, in a manner that is easily understandable and accessible to residents of the state All data sets and customized views will be available in electronic format for access and use by the public
Materiality Perspective	Single materiality Materiality of information is judged in relation to whether omitting, misstating or obscuring that information could reasonably be expected to influence decisions of primary users of general purpose financial reports, which provide information about a specific reporting entity	Single materiality A matter is material if there is substantial likelihood that a reasonable investor would consider it important when determining whether to buy or sell securities or how to vote or a reasonable investor would view omitting the disclosure to have significantly altered the total mix of available information Disclosure of the aggregate amount of expenditures expensed as incurred and losses incurred during the fiscal year in connection with severe weather events and other natural conditions, if the aggregate amount of expenditures expensed as incurred and losses equals or exceeds 1% of the absolute value of income or loss before income tax expense or benefit for the relevant fiscal year Such disclosure will not be required if the aggregate amount of expenditures expensed as incurred and losses is less than $100,000 for the relevant fiscal year Disclosure of the aggregate amount of capitalized costs and charges incurred during the fiscal year in connection with severe weather events and other natural conditions, if the aggregate amount of the absolute value of capitalized costs and charges equals or exceeds one percent of the absolute value of stockholders’ equity or deficit at the end of the relevant fiscal year Such disclosure will not be required if the aggregate amount of the absolute value of capitalized costs and charges is less than $500,000 for the relevant fiscal year	Double materiality Reporting should include all ESG topics that are material, while materiality means either impact materiality or financial materiality (so called double materiality) Definitions are as follows: Impact materiality: companies’ / groups’ impact on the people and the environment (including an analysis of the whole value chain) Financial materiality: how sustainability matters impact companies’ / groups’ business/have material financial effects for a company A few ESG topics will have to be reported on regardless of materiality assessment	Single materiality “Climate-related financial risk” means material risk of harm to immediate and long-term financial outcomes due to physical and transition risks, including, but not limited to, risks to corporate operations, provision of goods and services, supply chains, employee health and safety, capital and financial investments, institutional investments, financial standing of loan recipients and borrowers shareholder value, consumer demand, and financial markets and economic health

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Climate-Related Targets				
Goals and Objectives	Disclosure of an entity's quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation, including any GHG emissions targets	Disclosure of climate-related targets or goals if such targets or goals have materially affected or are reasonably likely to materially affect the company's business, results of operations, or financial condition and annual updates on progress towards meeting such targets or goals	Disclosure of climate-related targets, including: Relationship of target and policy objectives Defined level of ambition and (where applicable) Whether target is absolute or relative Scope of the target Methodologies and significant assumptions	Requires disclosure of company's "measures adopted to reduce and adapt to climate-related financial risk disclosed" CARB implementing regulations may interpret this to include climate-related targets/goals
Measurement and Timeframe	Original metric and objective to assess progress Period over which the target applies and base period for measuring progress For quantitative targets, whether it is absolute or intensity based	Unit of measurement in terms of CO_2e; intensity-based disclosure is no longer required In connection with the disclosure of goals or targets: Defined time horizon to achieve the target and whether the time horizon is based on goals established by a treaty, law, regulation, policy or organization Defined baseline time period and means for tracking progress	Baseline value and base year for measuring progress Timeframe to achieve the target, including milestones or interim targets GHG emission reduction targets in five-year rolling periods (at least up to 2030) for Scope 1, Scope 2, and Scope 3 emissions in absolute value	No metrics or timeframe for "measures" specified in statute CARB implementing regulations may provide further detail in future
Effect of Climate-Related Risks and Opportunities on the Business	Current and anticipated effects on business model and value chain Effect on and climate resilience of strategy and decision making, including its climate-related transition plan Effect on financial position, financial performance and cash flows over short, medium and long term	Description of any climate-related risks that have materially impacted or are reasonably likely to have a material impact on the company, including on its strategy, results of operations, and financial condition, as well as the actual or potential material impacts of those same risks on its strategy, business model, and outlook Optional: impact of climate-related opportunities	Disclosure of potential financial effects from climate-related physical and transition risks over short, medium and long term, including: Assets (monetary amounts and %) at risk Share of net revenue at risk Liabilities (monetary amounts and percentage) relating to transition risks that may have to be recognized Mandatory disclosure of assessment of potential financial effects from climate-related opportunities	Disclosure of "climate-related financial risk", which means material risk of harm to immediate and long-term financial outcomes due to physical and transition risks, including, but not limited to, risks to corporate operations, provision of goods and services, supply chains, employee health and safety, capital and financial investments, institutional investments, financial standing of loan recipients and borrowers, shareholder value, consumer demand, and financial markets and economic health

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Alignment with International Agreements on Climate Change	Description of how international agreements on climate change have informed each climate-related target and whether the target and methodology has been validated by a third-party, and whether a GHG target was derived using sectoral decarbonization approach	Description of whether time horizon for climate-related targets is consistent with goals established by climate-related treaty, law, regulation, policy or organization	Reporting is aligned with: GHG emission reduction targets on limiting global warming to 1.5°C (Paris Agreement or an updated international agreement on climate change), and the GHG Protocol	Reporting is aligned with: For risk reporting, TCFD standards or ISSB standards For GHG emission reporting, global GHG Protocol
Greenhouse Gas (GHG) Emission Disclosures				
Scope	Disclosure of absolute gross GHGs classified as Scope 1, Scope 2 and Scope 3, measurement approach and rationale	Mandatory disclosure by accelerated filers and large accelerated filers of gross Scope 1 and Scope 2 emissions, if material, for the most recent fiscal year and, to the extent previously disclosed in a SEC filing, for the historical fiscal year(s) included in the consolidated financial statements in the filing Scope 1 and 2 drafted generally to align with the GHG Protocol	Mandatory disclosure of: Scope 1, Scope 2 and Scope 3 emission metrics (one year phase-in for Scope 3 emission for certain companies and groups) Total GHG emissions GHG removals and storage / emission reductions (inside and outside value chain)	Annually disclose all of the reporting entity's Scope 1, Scope 2, and Scope 3 emissions While SB 253 applies its own definitions of Scope 1, 2 and 3 emissions, these are drafted generally to align with the GHG Protocol definitions of Scope 1, 2 and 3 emissions: "Scope 1 emissions" means all direct GHG emissions that stem from sources that a reporting entity owns or directly controls, regardless of location, including, but not limited to, fuel combustion activities "Scope 2 emissions" means indirect GHG emissions from consumed electricity, steam, heating, or cooling purchased or acquired by a reporting entity, regardless of location "Scope 3 emissions" means indirect upstream and downstream GHG emissions, other than Scope 2 emissions, from sources that the reporting entity does not own or directly control and may include, but are not limited to, purchased goods and services, business travel, employee commutes, and processing and use of sold products
Assurance Required	Not specified	Following an initial transition period, attestation report by independent service provider with expertise in measuring, analyzing, reporting or attesting to GHG emissions at the limited assurance level covering Scope 1 and Scope 2 emissions for accelerated filers and large accelerated filers	Assurance by auditor/service provider required for the sustainability report (subject to a phase in requiring only limited assurance at the beginning) Commission shall, no later than October 1, 2028, adopt delegated acts in order to provide for reasonable assurance standards, following an assessment to	Assurance engagement, performed by an independent third-party assurance provider, of the GHG public disclosure A copy of the complete assurance provider's report on the GHG emissions inventory is to be provided to the emissions reporting organization:

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		Following an additional transition period, beginning the seventh fiscal year after the compliance date for GHG emissions disclosures large accelerated filers must procure such attestation reports at the reasonable assurance level Attestation reports must be provided pursuant to standards publicly available at no cost or widely used for GHG emissions assurance, and established by a body or group that has followed due process procedures, including broad distribution of the framework for public comment	determine if reasonable assurance is feasible for auditors and for undertakings	Scope 1 and 2 — engagement performed at a limited assurance level beginning in 2026 and at a reasonable assurance level beginning in 2030 Scope 3 — on or before January 1, 2027, CARB may establish an assurance requirement for third-party assurance engagements of Scope 3 emissions – if established, shall be performed at a limited assurance level beginning in 2030
Breakdown of GHG Emissions	Disclosure of absolute gross GHG emissions classified by scope and whether an absolute target or intensity target	Disclosure by large accelerated filers' and accelerated filers' material Scope 1 and Scope 2 emissions separately, each expressed in the aggregate in gross terms of CO_2e (excluding the impact of any purchased or generated offsets) If any constituent gas of the disclosed emissions is individually material, separate disclosure of such constituent gas	Gross emissions in absolute terms and intensity terms (per net revenue) Emissions by scope in absolute terms	Separate disclosure of Scope 1, Scope 2 and Scope 3 Report in conformance with the GHG Protocol standards and guidance, i.e., disclosure of absolute gross GHG emissions classified by scope
Reporting Boundary	Disclosure of Scope 1 and Scope 2 emissions separated into: Consolidated accounting group (company and its subsidiaries) Associates, joint ventures and unconsolidated subsidiaries and affiliates not included in consolidated group	Disclosure of the method used to determine the organizational boundaries, and if the organizational boundaries materially differ from the scope of entities and operations included in the company's consolidated financial statements, a brief explanation of such difference	Reporting will generally be on a consolidated basis (with parents reporting for subsidiaries) and the reporting boundary is the one retained for financial statements complemented by information about upstream and downstream value chain Companies should use best efforts to report on their upstream and downstream value chain beyond the consolidated group	All Scope 1, 2, and 3 emissions of reporting entities must be reported What is currently unclear about the California regulations is whether the GHG disclosure must be reported on a consolidated basis or only for entities that satisfy the definition of "reporting entity"
Calculation Methodology	Greenhouse Gas Protocol (GHG Protocol) applied to measure GHG emissions (unless listed company required to use other method)	Companies required to describe methodology, significant inputs and significant assumptions used to calculate GHG emissions, including for example, whether the company's calculation was pursuant to the GHG Protocol, an EPA regulation, an applicable ISO standard or another standard	Companies required to consider the principles, requirements and guidance in the GHG Protocol in compiling information for GHG emissions	Measure and report GHG emissions in conformance with the GHG Protocol standards and guidance, including the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development, including guidance for scope 3 emissions calculations that detail acceptable use of both primary and secondary data sources, including the use of industry

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				average data, proxy data, and other generic data in Scope 3 emissions calculations
Other Key Disclosure Requirements				
Governance Disclosures	Disclosure about the governance bodies with oversight of sustainability-related and climate-related risks and opportunities, including how the governance body's responsibilities for climate-related risks and opportunities are reflected in the terms of reference, board mandates and other related policies and management's role regarding climate-related risks and opportunities	Disclosure of oversight of climate-related risks by board (including identifying the applicable committee or subcommittee) including processes by which the board, committee or subcommittee is informed about climate-related risks, whether and how the board oversees progress against targets, goals or transition plans Disclosure of management's role in assessing and managing the company's material climate-related risks including whether and which management positions or committees are responsible for assessing and managing climate-related risks, position holders' relevant expertise, processes by which climate-related risks are assessed and managed, and whether management reports information about climate-related risks to the board or a board committee or subcommittee	Disclosure of roles and responsibilities of governance bodies and management level, including: Mandate, roles and responsibilities of governance bodies regarding strategy of sustainability matters List and composition (including diversity) of the committees involved in definition of sustainability strategy Description of sustainability related expertise of individual members and relevant bodies and how availability of the appropriate skills and expertise to oversee sustainability matters is ensured Process and frequency for informing governance bodies about sustainability matters	No governance disclosures specified in statute, however, must disclose measures adopted to reduce and adapt to climate-related financial risk disclosed, and CARB implementing regulations may interpret to require relevant governance measures
Executive Remuneration	Disclosure of: Whether and how climate-related considerations are factored into executive remuneration Percentage of executive management remuneration linked to climate-related considerations Whether and how performance metrics for sustainability-related risks and opportunities are included in remuneration policies	No requirement to disclose executive remuneration linked to climate-based incentives Item 402(b) of Regulation S-K requires disclosure if climate-related targets or goals are a material element of Named Executive Officer compensation	Description of integration of sustainability strategies and performance in incentive schemes (disclosure already required under EU Shareholder Rights Directives for listed companies)	No compensation disclosures specified in statute, however, must disclose measures adopted to reduce and adapt to climate-related financial risk disclosed, and CARB implementing regulations may interpret to require relevant compensation measures

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Internal Carbon Price	Disclosure of: Whether and how a carbon price is applied in decision making Price of each metric ton of GHG emissions the entity uses to assess the costs of its GHG emissions	Disclosure of: Price per metric ton of CO_2e, total price including estimated change in price in the short-term (next 12 months) or long-term (beyond the next 12 months) Rationale if different internal carbon prices are used Boundaries if the scope of entities and operations to describe internal carbon price is materially different than those used to calculate GHG emissions for companies that use an internal carbon price if the use is material to how the company evaluates and manages a climate-related risk identified as having materially impacted or reasonably likely to have a material impact on the company, including its business strategy, results of operations or financial condition	Disclosure of: Whether internal carbon pricing schemes are applied Type of internal carbon pricing schemes How they support decision making and incentivize the implementation of climate-related policies and targets	No carbon price disclosure specified in statute, however, must disclose measures adopted to reduce and adapt to climate-related financial risk disclosed, and must disclose climate risk in conformance with TCFD or ISSB

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