

SEC CLIMATE DISCLOSURE RULE

Brief Summary





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HOW CSE CAN HELP WITH SEC: ESG REPORTING AND CARBON METRICS:

CSE offers services to create and improve **ESG Reporting** and Ratings by ensuring compliance with global standards such as **GRI, SASB, TCFD** and the new **SEC requirements for Scope 1, 2, and Scope 3 emissions** disclosures.

TRAINING AND CERTIFICATION:

CSE provides **specialized training** and certification, equipping companies with the knowledge and skills necessary for complying with **SEC Climate Rule and other ESG Guidelines**.

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KEY HIGHLIGHTS OF THE SEC CLIMATE RULE:

The rule requires disclosures of **direct (Scope 1)** and indirect (**Scope 2**) greenhouse gas (GHG) emissions for all publicly traded companies.

Companies with a public float over \$75 million also need to disclose **Scope 3** emissions if material.

Disclosures are subject to internal controls and may require **external audit**.

The aim is to provide **transparency and accountability** in environmental impact, giving stakeholders clear and comparable sustainability data.

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FIRST FOUR IMPORTANT STEPS A COMPANY MUST TAKE

1 Conduct a GHG Emissions Assessment: Identify and calculate direct, indirect, and if applicable, Scope 3 emissions to establish a baseline.

2 Risk Assessment: Evaluate how climate-related risks could impact business operations and financial performance via a financial Materiality Assessment.

3 Set Targets: Define short and long-term goals for reducing GHG emissions.

4 ESG Reporting and Review: Monitor progress and update disclosures regularly in compliance with SEC requirements.

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COMPLIANCE DATES AND WHICH COMPANIES ARE AFFECTED:

All **US-based** and foreign publicly traded companies **listed on US stock** markets are required to comply.

The rule mandates disclosures of **Scope 1 and Scope 2 emissions** for all companies, with larger companies also required to disclose **Scope 3 emissions**.

The earliest effective dates start **with reporting on 2025 information in 2026**, with additional delays for smaller companies and **GHG emissions** disclosures.

Compliance deadlines **vary depending** on the reporting size of the company, **with larger entities facing earlier deadlines**.

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WHAT ESG FRAMEWORKS ARE INCLUDED:

The SEC's rule likely aligns with established standards such as **GRI, SASB, TCFD, GHG protocol** and others, guiding companies in systematic reporting of sustainability practices, risks, and impacts.

HOW CSE CAN HELP WITH SEC

CSE is a pioneer, award-winning organization in sustainability, established in 2005, empowering companies and professionals globally through Certified Training Programs and specialized ESG services.

www.cse-net.org

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