

GETTING STARTED WITH THE SEC

A checklist for climate-related disclosures

This checklist can be utilized by all SEC registrants as a resource to prepare for the most immediate activities required by the ruling. Timelines of required disclosure will differ depending on the registrant. This checklist is not comprehensive and does not cover all requirements of the regulation. For more specific guidance, reach out to an **ESG team member**.

Step 1

UNDERSTAND THE REGULATION AND DETERMINE REPORTING GAPS

- ☐ Evaluate your applicability and specific reporting requirements. Determine the disclosure timeline for your company.
- ☐ Provide awareness and education to key internal stakeholders.
- ☐ Identify and upskill the appropriate internal team members.
- ☐ Identify reporting gaps by inventorying the climate-related information that your company is currently tracking and disclosing.

Step 2

ASSESS CLIMATE-RELATED RISKS AND IMPACTS

- ☐ Develop the approach on how you will assess climate-related risk across your company.
- ☐ Identify climate-related risks and impacts by performing a climate risk assessment.
- ☐ Document procedures for identifying, assessing and managing material risks in alignment with risk management processes.

Step 3

CALCULATE SCOPE 1 AND 2 GREENHOUSE GAS (GHG) EMISSIONS AND QUANTIFY MATERIAL FINANCIAL IMPACTS

- ☐ Gather respective data and calculate scope 1 and 2 GHG emissions in accordance with the GHG protocol.
- ☐ Report material scope 1 and 2 GHG emissions.
- ☐ Identify and calculate the losses incurred as a result of severe weather events and other natural conditions.
- ☐ Consider providers to provide third-party assurance.

Step 4

SET AND TRACK PROGRESS AGAINST GOALS AND TARGETS

- ☐ Set climate-related goals and targets in line with business objectives.
- ☐ Identify and disclose the actions taken to make progress toward meeting established goals and targets.
- ☐ If your company has a transition plan, disclose progress according to the plan.

Step 5

ENSURE PROPER GOVERNANCE OVER REPORTED DATA AND SCALE REPORTING PROCESSES IN STEP WITH REGULATIONS

- ☐ Determine and disclose the board's role in oversight of climate risks.
- ☐ Incorporate identification, assessment and mitigation of climate-related risks into your company's enterprise risk management function.
- ☐ Refine and enhance climate-related data management processes.



SEC factsheet and timeline



SEC announces final rules for climate-related disclosures



Greenhouse gas emissions 101: GHG reporting basics



How TCFD and the GHG protocol are driving ESG regulations

Let's connect



bakertilly.com/esg



mallory.thomas@bakertilly.com



benjamin.martin@bakertilly.com