



Grant Thornton climate reporting services

Navigating climate reporting with Grant Thornton: your partner for compliance and sustainability success

Grant Thornton climate reporting services

Companies across all industries are facing pressure to report how they identify, assess, and manage climate-related risks and opportunities.



Regulatory requirements

Comply with evolving global regulatory requirements, minimizing risk of penalties, fines, or legal actions



Stakeholder expectations

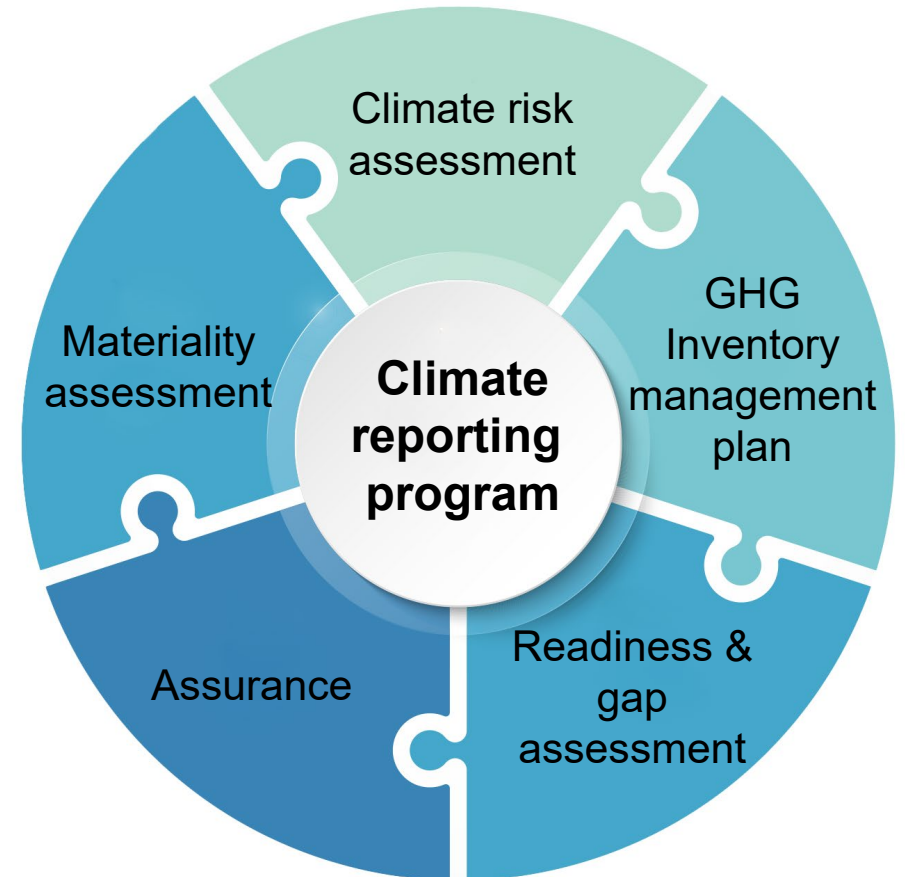
Provide enhanced visibility to stakeholders increasingly prioritizing climate concerns



Risks & opportunities

Foster resilience against environmental challenges and unlock sustainable growth opportunities

A sound approach to climate reporting should include these five key components



Climate risk assessment

An assessment of the physical and transition risks that impact your business

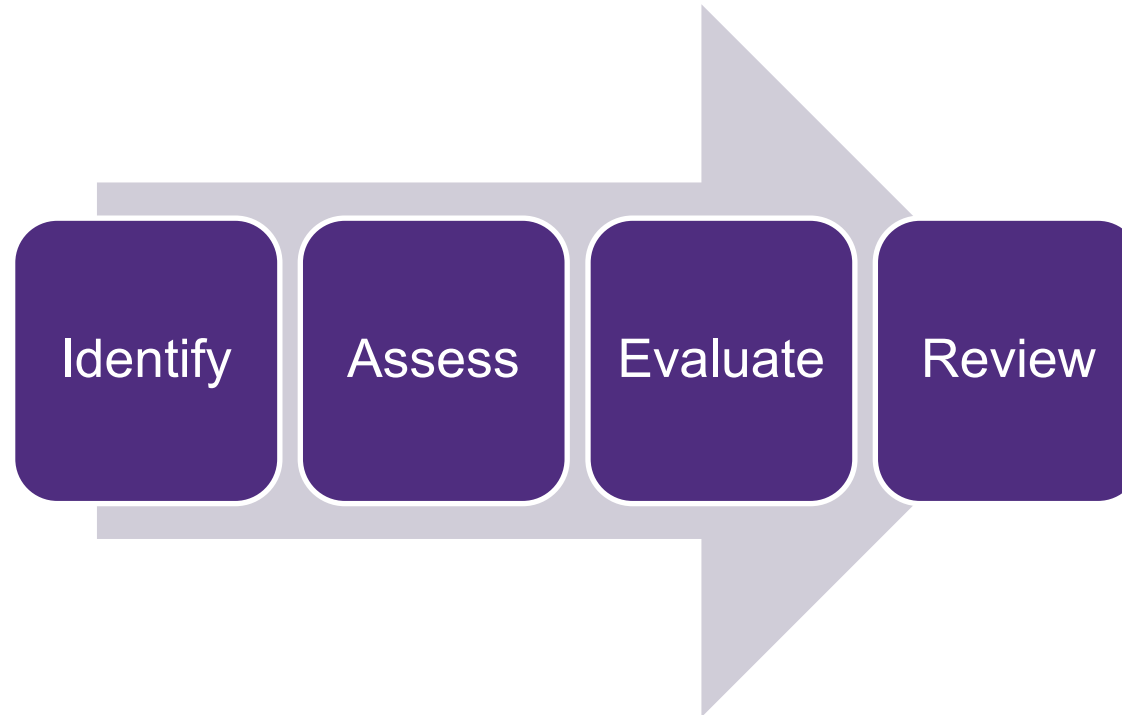
Why

Assessing climate risk will help your business better understand the impact climate has on your financial and operational risks while meeting the reporting requirements of stakeholders and regulators.

Approach

CLIMATE RISK ASSESSMENT KEY STEPS:

1. Identify potential climate risks and opportunities
2. Assess significance of risks & opportunities via scenario planning
3. Evaluate potential impact & response
4. Review findings and finalize output for inclusion in reporting



Outcomes

- ✓ Aligned mapping of climate risk activities with relevant reporting requirements
- ✓ Understand climate risks and opportunities to enhance risk mitigation and unlock value
- ✓ Satisfy stakeholder expectations for awareness and transparency
- ✓ Strengthen voluntary sustainability reporting (CDP, GRI, etc.)

GHG inventory management plan

The creation or review of a high quality GHG inventory which documents the processes for collecting, calculating, and maintaining GHG data

Why A GHG inventory management plan allows organizations to: enhance governance over managing emissions, develop complete & accurate data, enable informed decision-making, reduce costs, and improve sustainability performance.

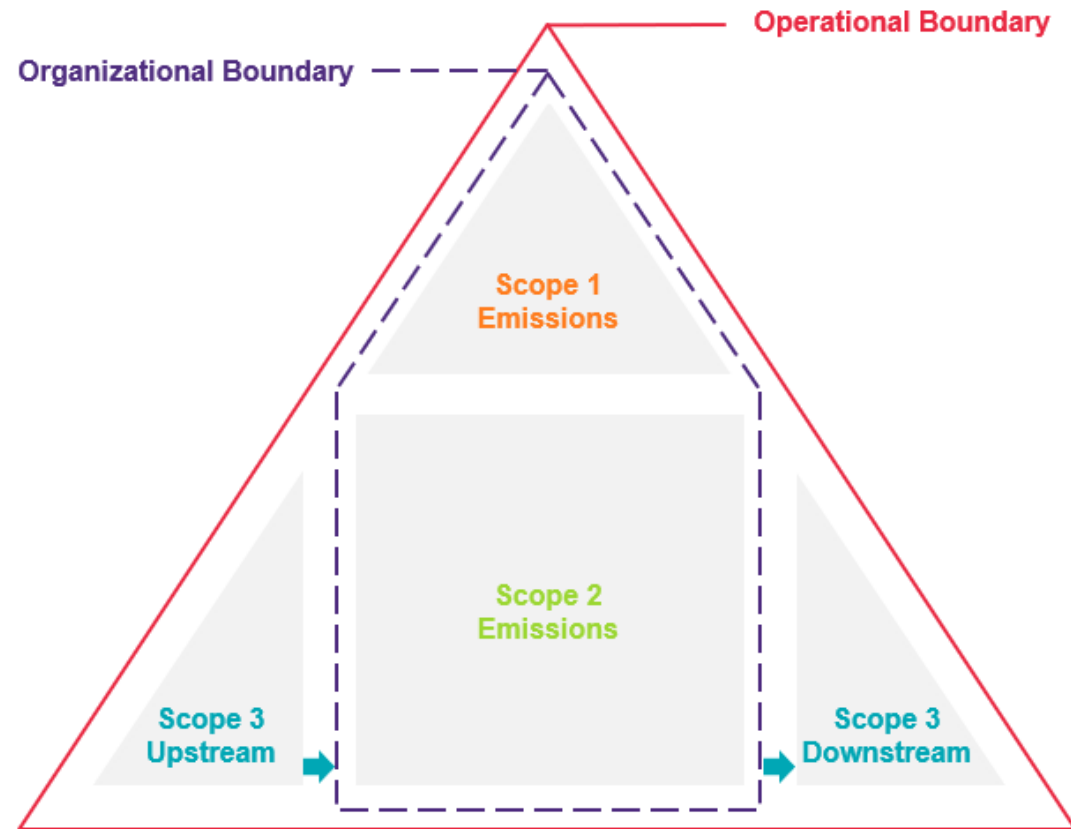
Approach

PART 1: GHG INVENTORY DESIGN

Define GHG inventory parameters including organizational and operational boundaries, emissions sources and related activity data.

PART 2: GHG INVENTORY DEPLOYMENT

Calculate GHG emissions metrics internally or via software service. Train data and process owners, software selection and implementation support available, if desired.



Outcomes

- ✓ Material emission sources are identified, data collected, GHG emissions calculated, and estimations developed
- ✓ Key decisions related to GHG policy, governance, and boundaries are made
- ✓ Alignment with relevant reporting frameworks

Readiness & gap assessment

Identify and assess gaps within the processes, controls, & data against the relevant disclosure framework

Why Increases quality of processes, controls, and data, enhances climate reporting confidence, and prevents surprises during assurance.

Approach

READINESS & GAP ASSESSMENT KEY STEPS

- 1. Understand & Analyze** - Understand existing processes through interviews and existing disclosure review
- 2. Gap Assessment** - Evaluate compliance of reported metrics against selected reporting frameworks
- 3. Summarize Findings** and process improvement recommendations

Ex. metric: GHG emissions reporting

Ex. Frameworks: GHG protocol, ISSB, CSRD, CDP, ESRS etc.

Gap/
Observation

Recommendation

Needs Improvement

Minimal
Improvement

Assurance Ready

Impact

Effort

Outcomes

- ✓ Identification of any missing or incomplete disclosures in relation to the reporting framework
- ✓ Identifying crucial gaps and observations to address before assurance
- ✓ A list of go-forward recommendations on how your company can address gaps and observations identified

Assurance

Provide limited or reasonable assurance over reported sustainability information.

Why

Your company has established a reliable and repeatable reporting process, has confidence in the completeness and accuracy of the metrics, and is seeking limited or reasonable assurance to increase market confidence or meet compliance requirements.

Outcomes

- ✓ Meet regulatory or compliance requirements
- ✓ Increase market confidence in reported ESG metrics
- ✓ Assess current reporting against well known standards and regulations

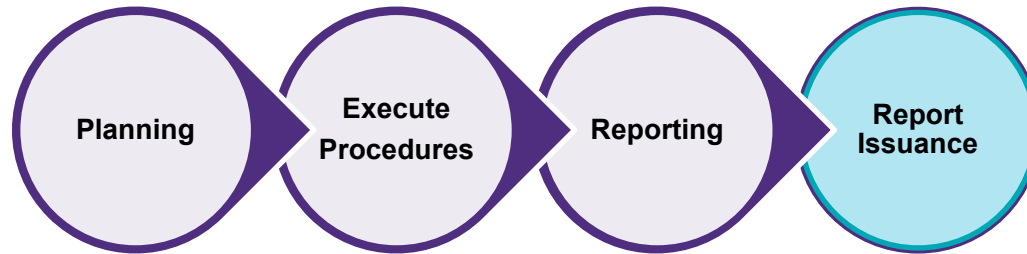
PART 1: ATTESTATION PROCEDURES

Conduct limited or reasonable assurance in accordance with the standards issued by the AICPA.

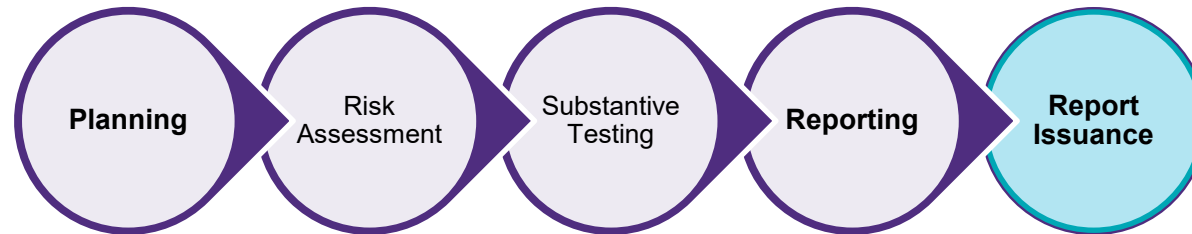
PART 2: REPORT

Issue an assurance report to be used externally, providing assurance to external stakeholders

Limited Assurance



Reasonable Assurance



Materiality assessment

Identify and prioritize material topics to inform ESG strategy & reporting

Why

A materiality assessment allows an organization to narrow the breadth of ESG topics and focus on what is important to your business to help with communicating ESG commitments, goals and progress to stakeholders and align with reporting requirements

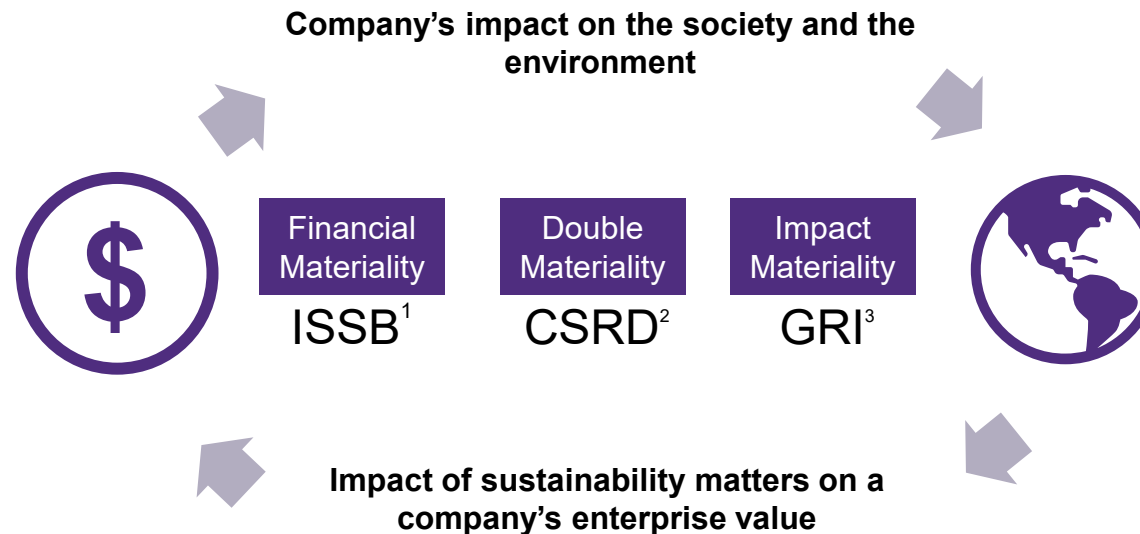
Approach

PART 1: LONG LIST & INTERVIEWS

Conduct a comprehensive analysis of potential material ESG topics through research of internal and public-facing materials as well as interviews with key internal and external stakeholders.

PART 2: MATERIALITY MATRIX

Generate a materiality matrix that identifies and prioritizes ESG topics for reporting.



Outcomes

- ✓ Identification of ESG topics most material to the company
- ✓ Understanding the company's impact on society or the environment as well as the impact of sustainability issues on the company's enterprise value
- ✓ Insights gained into how to best prioritize resources to address different ESG topics
- ✓ Ability to report in compliance with disclosure requirements

¹International Sustainability Standards Board

²Corporate Sustainability Reporting Directive

³Global Reporting Initiative

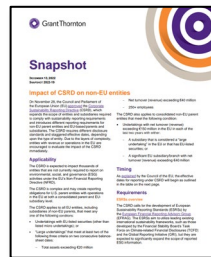
Our experience supporting ESG reporting compliance

As ESG reporting requirements emerge globally, GT's ESG services are focused on helping companies understand, implement, and improve ESG disclosures that meet future climate reporting requirements. The following resources provide additional insight on how GT can help companies prepare for the next phase of ESG reporting.

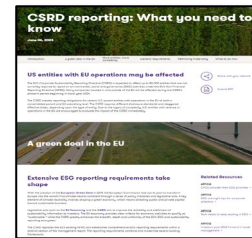
| SEC | CSRD | ISSB |
|--|--|--|
| SEC climate disclosure rule (proposed) | Corporate Sustainability Reporting Directive | International Sustainability Standards Board |



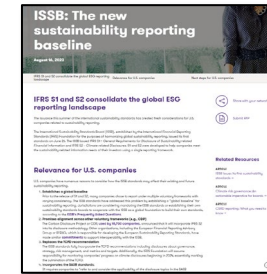
The new SEC climate rule and evolving ESG landscape



Impact of CSRD on non-EU entities



CSRD reporting: What you need to know



ISSB: The new sustainability reporting baseline

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