Comparison of key sustainability reporting standards for GHG reporting

Name	CSRD - Corporate Sustainability Reporting Directive	ISSB - International Sustainability Standards Board	SEC - U.S. Securities and Exchange Commission	SECR - Streamlined Energy and Carbon Reporting
Jurisdiction	EU	Global	US	UK
Governing body	Required to report according to the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG).	ISSB is overseen by the International Financial Reporting Standards (IFRS) who publish their own Sustainability Disclosure Standards (IFRS SDS).	SEC is an independent agency of the U.S. Federal Government. A rule was <u>proposed</u> by SEC for *"The Enhancement and Standardization of Climate-Related Disclosures for Investors"*. ***This has not yet been approved.***	Developed by UK Gov. Department for Environment, Food & Rural Affairs (DEFRA), Department for Business, Energy, & Industrial Strategy (BEIS) & Department for Energy Security & Net Zero (DESNZ).
GHG emissions reporting requirements	• **Scope 1 and 2** emissions disclosure, including **dual reporting of scope 2** (market and location-based). • **Scope 3** disclosed in full for 'significant' categories, disaggregated by: - Upstream purchasing - Downstream sold products. - Goods transport - Travel - Financial investments • Requirement to disclose GHG emissions per unit of net turnover. • No requirement to disaggregate emissions by GHG type. • Comparison to previous years required (excl. first year).	• **Scope 1 and 2** emissions disclosure, consolidated for the group and separately for associates, joint ventures, unconsolidated subsidiaries/affiliates. • Reporting of location-based **scope 2** emissions required and encouraged to report market-based. • Material **Scope 3** emissions disclosed stating which GHG Protocol categories are included and justify any exclusions. • Requirement to disclose scope 1 and 2 GHG emissions per unit of physical/economic output. • No requirement to disaggregate emissions by GHG type. • Comparison to previous years required.	• **Scope 1 and 2** emissions disclosure including emissions of equity method investments. • Either market-based, location-based or both methods can be disclosed for **Scope 2.** • **Scope 3** disclosed in full, for categories either material* or if included in any emissions reduction targets set by the company. • Requirement to disclose Scope 1+2 emissions per unit of revenue <u>and</u> production (or appropriate alternative). • Required to report combined and disaggregated emissions by GHG type. • Reporting of most recent year and historical years reported in the consolidated financial statements.	• **Scope 1 and 2** emissions disclosure. Requirement to also report total kWh consumption. Quoted companies must list the percentage of GHG emissions/kWh associated with UK operations. • Either market-based, location-based or both methods can be disclosed for **Scope 2.** • **Scope 3** business travel in rental or employee-owned vehicles where the company is responsible for purchasing the fuel (e.g., expense claims) required. Encouraged to voluntarily report on other scope 3 emissions. • At least one intensity metric must be reported. • No requirement to disaggregate emissions by GHG type. • Comparison to previous years required (excl. first year).
GHG reporting Methodology	Consideration of the GHG Protocol, GRI 305 or Organisational Environmental Footprint Method (European Commission) required.	Requirement to follow the GHG Protocol.	Not required to use the GHG Protocol, although it is recommended as reporting requirements are based on this standard.	GHG protocol not required, but methodology must be disclosed and from a robust, widely accepted source.
Overview of other disclosure requirements	• Assurance of GHG emissions (limited, transitioning to reasonable) required. • Requirement to disclose emission reduction targets including for at least 2030 and 2050. Transition plan required. • Required to disclose the potential financial impact of material climate-related risks & opportunities. • Scenario analysis is required including one 1.5^{o}c aligned warming scenario. • Phase in relief measures in place for companies during early adoption.	• Assurance requirements based on rules imposed by jurisdiction's adopting the standards. • Requirement to disclose emission reduction targets. Targets must align to ambition of the latest climate agreements (i.e., Paris Agreement). • Required to disclose climate-related risks & opportunities including from aligning to a 1.5^{o}c warming scenario. Scenario analysis is required (only in the context of a resilience assessment).	• Assurance of scope 1 and 2 GHG emissions for large accelerated and accelerated filers (limited yr1-3, reasonable yr4+) required. • Requirement to disclose emission reduction targets including any set due to regulatory/legal requirements. • Required to separately disclose climate-related risks and opportunities. No specific scenarios are required to be considered, and resilience may be assessed via any means. Additional disclosures required if scenario analysis is used.	• Assurance not currently required. • Emissions reduction targets and transition plans not required but are encouraged. Any energy efficiency measures implemented during the reporting period must be stated. If no measures have been implemented this must be stated. • No requirement to publish climate-related risks/opportunities.

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How can Carbon Footprint support your organisation?

Carbon Footprint offer a wide range of consultancy services aligned to the sustainability reporting requirements of international frameworks. Tailored support packages can be provided, that meet the reporting needs of your organisation including:

- Scope 1, 2 and 3 operational GHG emission assessments – Carbon Footprint Appraisal
- Assurance services (limited and reasonable level) aligned to ISO4064-3.
- Target setting and Carbon Reduction Plans for GHG emission reductions.
- Scenario analysis screening – a qualitative exercise to define the key climate-related risks and opportunities for your business.

Who needs to comply?

Standard	CSRD	ISSB	SEC (proposed)	SECR
Release date	July 2023	June 2023 IFRS 1+2	TBC	2019
Who needs to comply?	1. Companies reporting under NFRD and large EU-listed* companies (+500 employees). 2. All other listed* and large non-listed EU companies that meet financial or employee criteria. 3. Listed* and EU-registered SMEs, non-complex credit institutions, and captive insurance undertakings. 4. Non-EU businesses generating over +€150m inside the EU and one or more subsidiary branch in the union. *Listed on an EU-regulated market	Not mandated by the ISSB – jurisdictions to decide on adoption of ISSB.	Would apply to the following US-registered companies: **Large Accelerated Filers** (public float of +$700M) **Accelerated filer** (public float of $75M-$700M) **Non-accelerated filers** **Smaller Reporting companies** (public float of <$250M or <$100M in annual revenue and no public float/float of <$700M).	UK-registered companies that meet two or more of the following criteria: • Turnover (or gross income) of £36 million or more, • Balance sheet assets of £18 million or more, • 250 employees or more.
When?	1. FY2024 (published 2025) 2. FY 2025 (published 2026) 3. FY 2026 (published 2027) 4. FY 2028 (published 2029)	Not mandated by the ISSB – jurisdictions to decide on adoption strategies.	TBC	Implemented in 2019, for companies reporting on or after 1st April 2019.