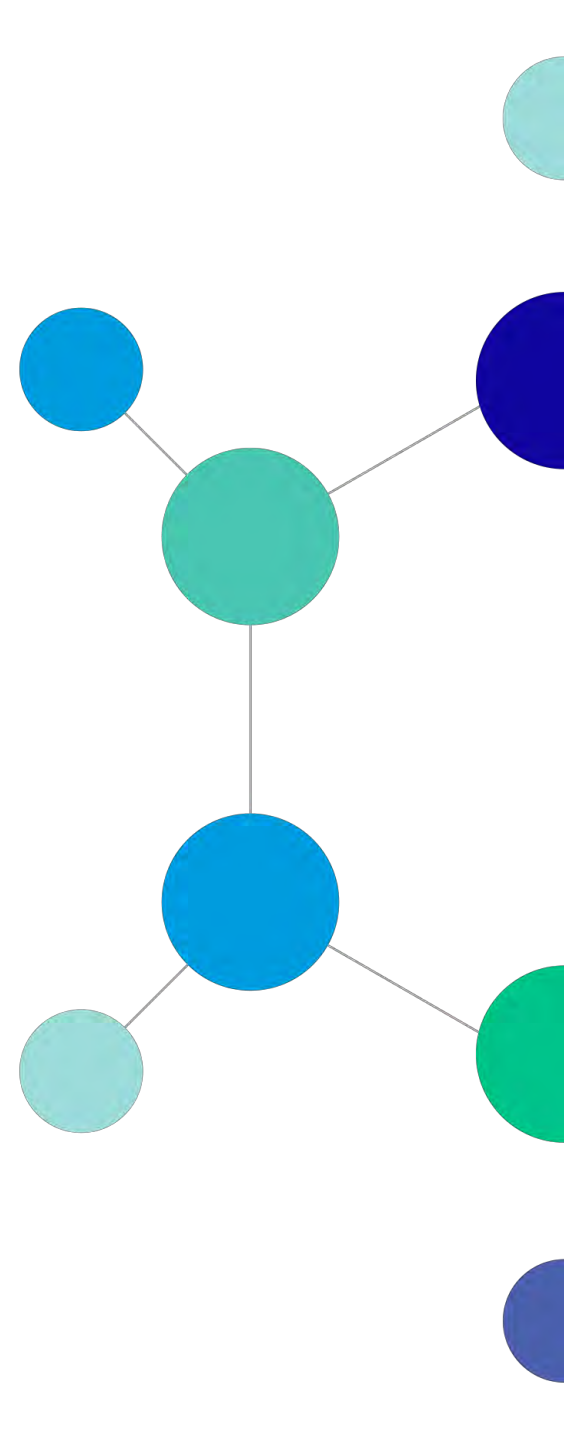


Session 3: Watch Outs for Upcoming Changes at EPA, Updates on Scope 1-3 Emissions & Impacts to both Public & Private Companies





Upcoming Regulatory Changes & Impacts to Public & Private Companies

Genevieve Strand
Director, Government Relations



FEDERAL LANDSCAPE

EO 13990

PROTECTING PUBLIC HEALTH AND THE ENVIRONMENT AND RESTORING SCIENCE TO TACKLE THE CLIMATE CRISIS

“It is essential that agencies capture the full costs of greenhouse gas emissions as accurately as possible, including by taking global damages into account.”



EO 14008

TACKLING THE CLIMATE CRISIS AT HOME AND ABROAD

“We have a narrow moment to pursue action at home and abroad in order to avoid the most catastrophic impacts of that crisis and to seize the opportunity that tackling climate change presents.”





ENVIRONMENTAL PROTECTION AGENCY

GREEN HOUSE GAS REPORTING PROGRAM (GHGRP)

- **Impact:** Large GHG emission sources, fuel and industrial gas suppliers, and CO₂ injection sites must report emissions annually.



- **Impact:** Provides EPA with funding to enhance standardization and transparency of corporate climate action commitments

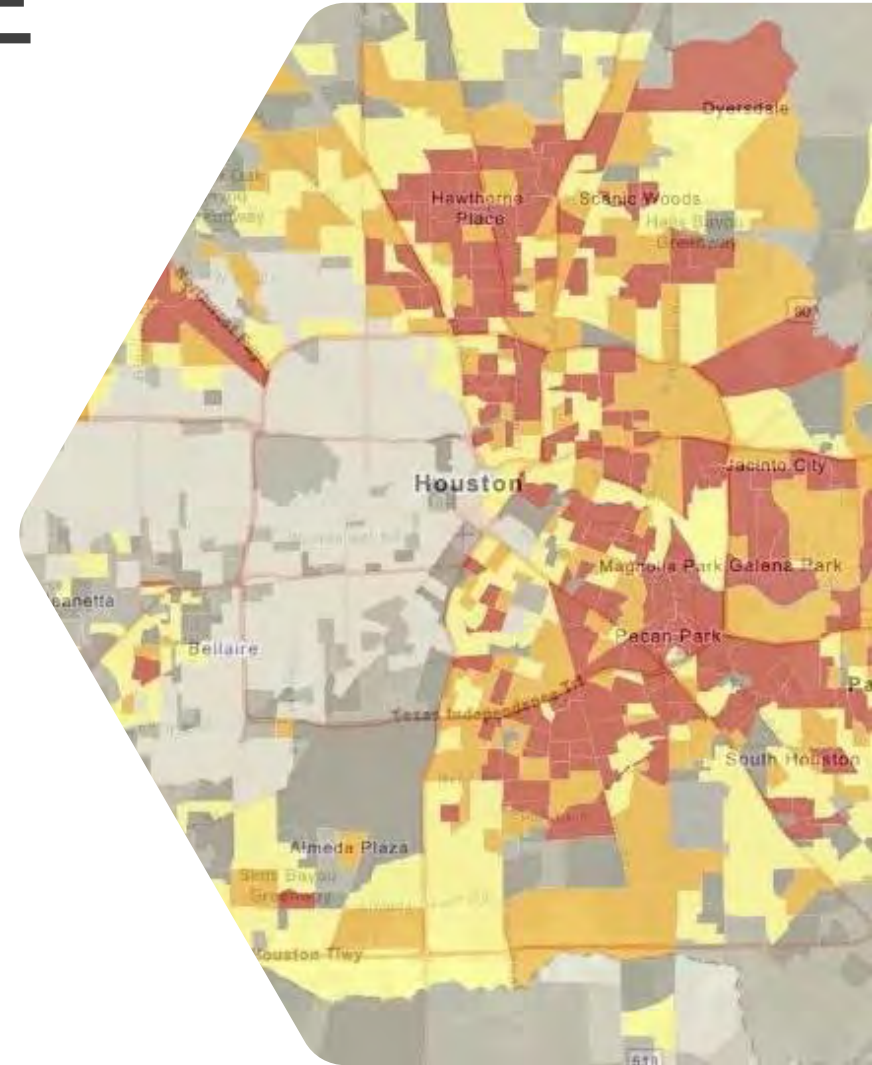
INFLATION
REDUCTION ACT



ENVIRONMENTAL JUSTICE

September 2022: EPA creates Office of Environmental Justice and External Civil Rights (OEJECR)

- **Impact:** The formal creation of a new Assistant Administrator role and Office in EPA signals the emphasis that EPA intends to factor in environmental justice to all of its rulemakings and policy development.





SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

- **Impact:** Companies must supply financial and other information to investors, and cannot deceive, misrepresent or fraudulently portray themselves.





*Investors need
“consistent,
comparable and
decision-useful
information”*

SEC's
STATED GOALS

- April 11, 2022:

SEC issues NPRM

- May 12, 2022:

Comment Period Extended

- June 17, 2022:

Comment Period Closes

- April 2023:

Final Rule Anticipated

RULEMAKING TIMELINE





- **Impact:** All companies subject to SEC reporting will be required to report Scope 1 and 2 GHG emissions, and Scope 3 in some cases.

GREENHOUSE GAS DISCLOSURES (GHG)



FINANCIAL METRICS

- **Impact:** Companies must disclose climate impacts on financial statement line items.

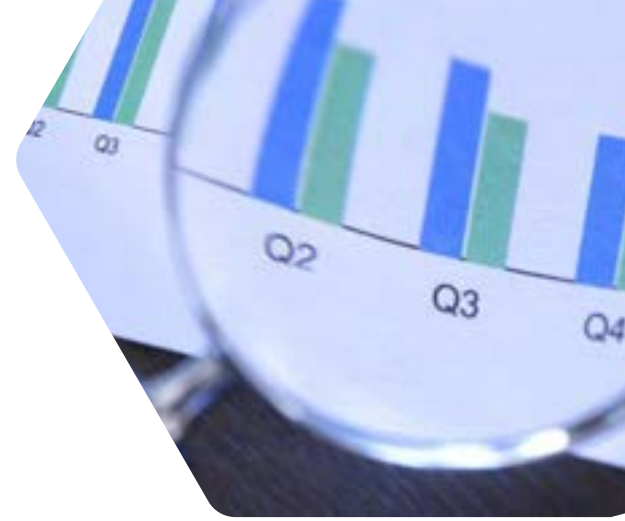


CLIMATE RISK DISCLOSURES

- **Impact:** Companies must disclose physical and transition risks related to climate change.

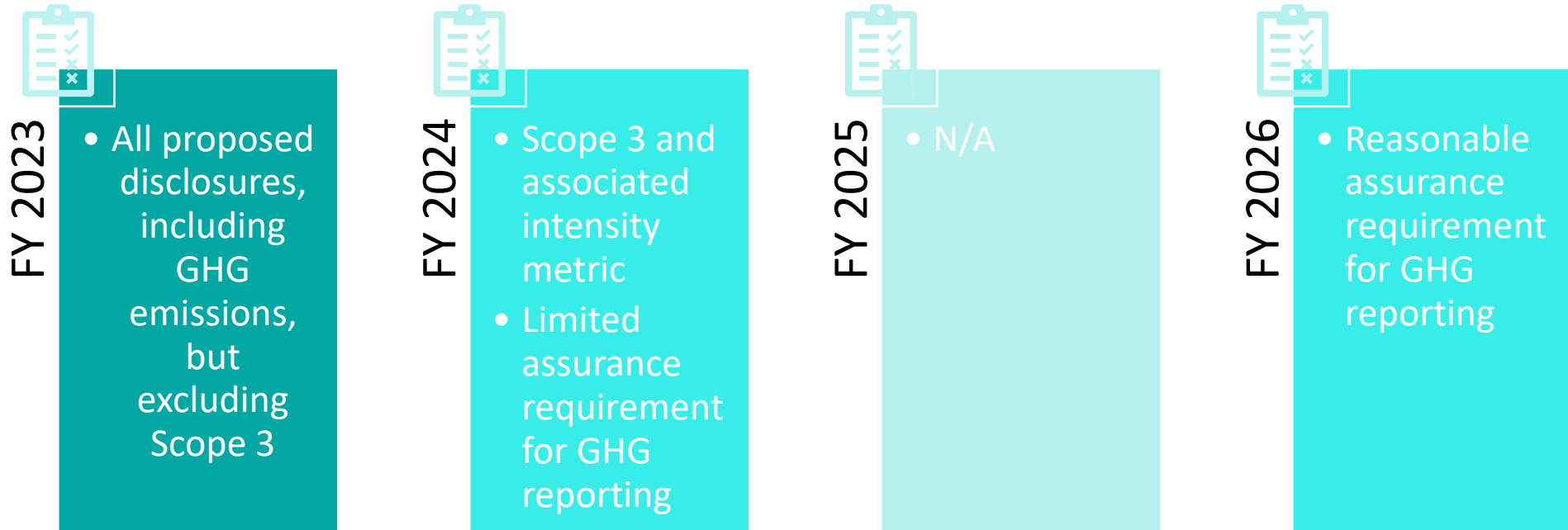
TARGETS AND GOALS

- **Impact:** Companies must report information on how goals are set, tracked and accomplished.








REPORTING TIMELINES

LARGE ACCELERATED FILERS


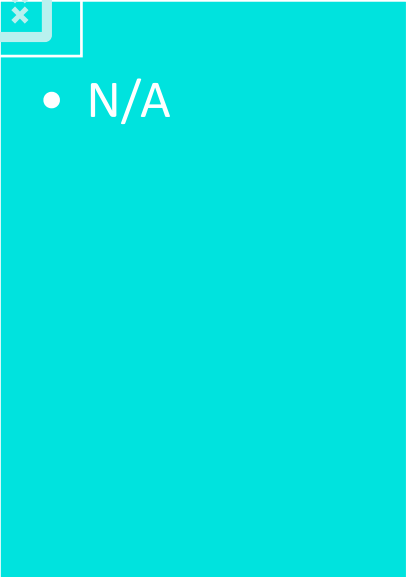

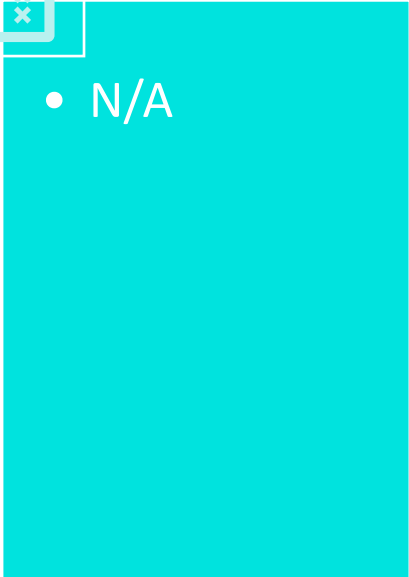

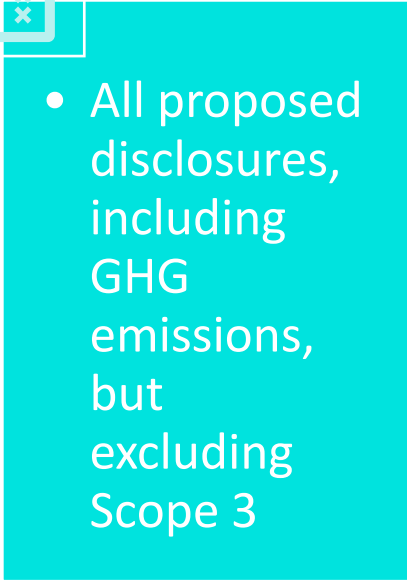


REPORTING TIMELINES ACCELERATED AND NON-ACCELERATED FILERS

FY 2023	 <ul style="list-style-type: none">• N/A
FY 2024	 <ul style="list-style-type: none">• All proposed disclosures including GHG emissions, but excluding Scope 3
FY 2025	 <ul style="list-style-type: none">• Limited assurance for GHG reporting
FY 2026	 <ul style="list-style-type: none">• N/A
FY 2027	 <ul style="list-style-type: none">• Reasonable assurance for GHG reporting

REPORTING TIMELINES

SMALLER REPORTING COMPANIES

	
FY 2023	<ul style="list-style-type: none">• N/A
	
FY 2024	<ul style="list-style-type: none">• N/A
	
FY 2025	<ul style="list-style-type: none">• All proposed disclosures, including GHG emissions, but excluding Scope 3

- **Impact:** Creates a safe harbor for Scope 3 emissions to alleviate concerns about liability for information from third parties in a registrant's value chain.



SAFEHARBOR PROVISIONS

- Appropriate scope
- Reasonable timelines
- Leverage existing programs
- Materiality
- Flexibility
- Clarity and comparability
- Limiting company costs and liability



SOCMA ISSUE ADVOCACY

ENFORCEMENT TASK FORCE

- **Impact:** The SEC task force has initiatives to proactively identify ESG-related misconduct consistent with increased investor reliance on climate and ESG-related disclosure and investment.



ESG-RELATED ENFORCEMENT ACTIONS

- **Impact:** SEC has issued fines and citations for misstatements, omissions, and misrepresentation.
- Shareholders have also taken actions against companies for misrepresentations.





COMPANY IMPACTS



How might these requirements impact your business, directly or indirectly?



What
hurdles or
challenges
do you
foresee?



What
resources
are needed?

YOUR GOVERNMENT RELATIONS TEAM



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