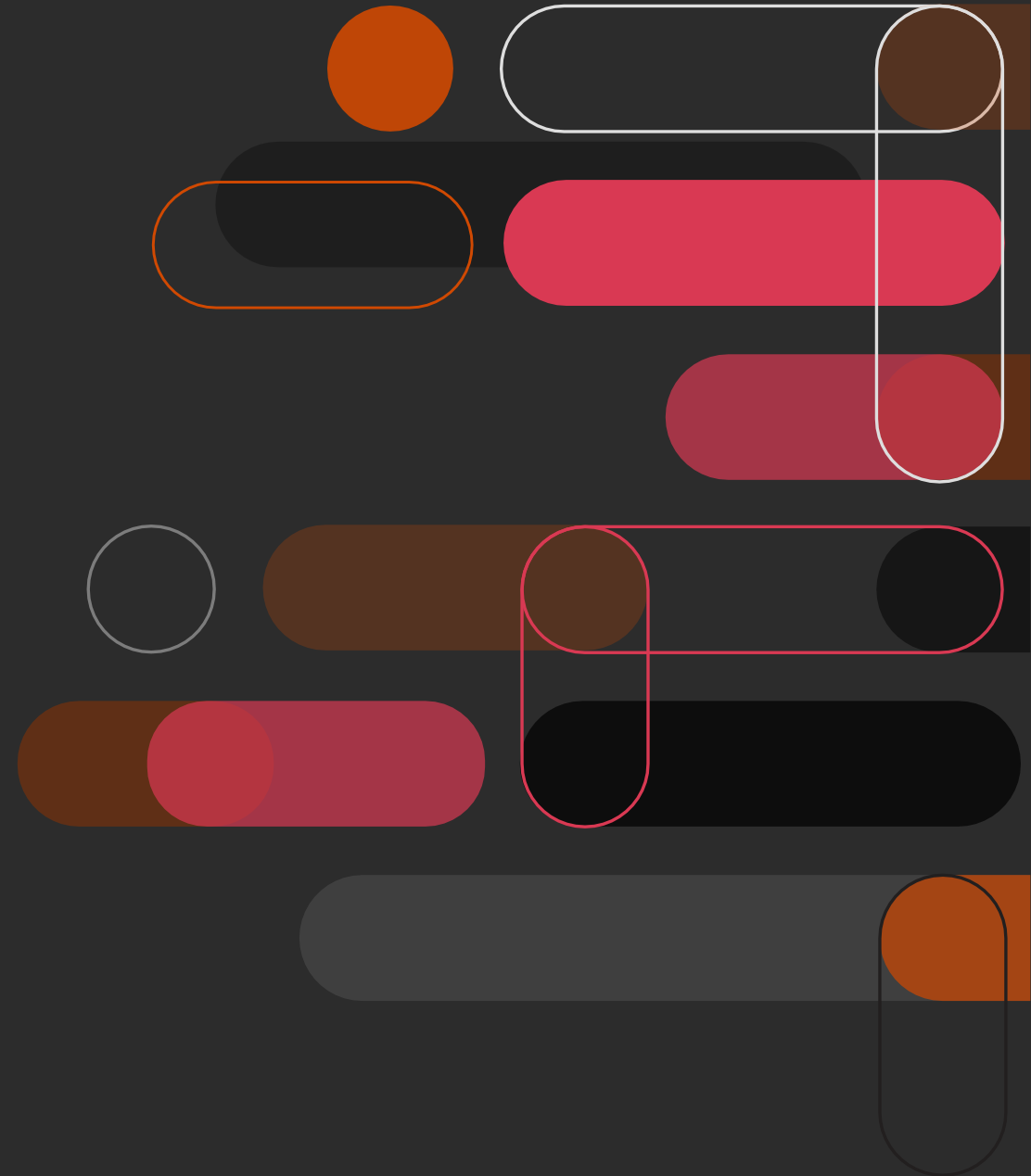


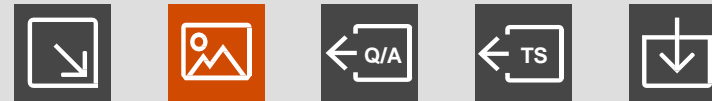
National Office

PwC's Quarterly sustainability webcast



Administrative matters

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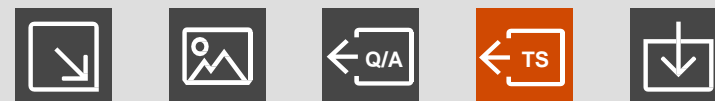
For better sound quality, use headphones.

To enable **closed captioning**, click on the icon located at the bottom of your screen. Once activated, the icon will be red.

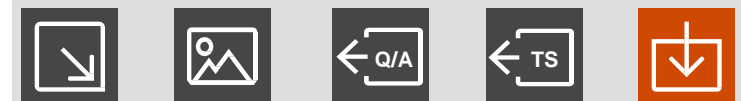
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CPE details



You will have **2 minutes** to answer each timed polling question.

You do not need to get the question correct to get CPE.

Monitor CPE progress by clicking on the CPE icon at the lower-right of your screen:



Prior to meeting the requirements, the CPE icon will initiate progress notes.



Trivia contest

- The polling questions will ask trivia about some of the topics we are covering today.
- Polling questions will pop up with a chime sound, and you will have two minutes to answer the poll.
- After each poll closes, we will share the correct answers to the questions, so you can grade yourself.
- However, viewers who answer **all** polling questions correctly will be eligible for a random prize drawing. We will select 10 winners from each airing of the webcast.
- **Reminder: Your answer does not need to be correct to earn CPE**

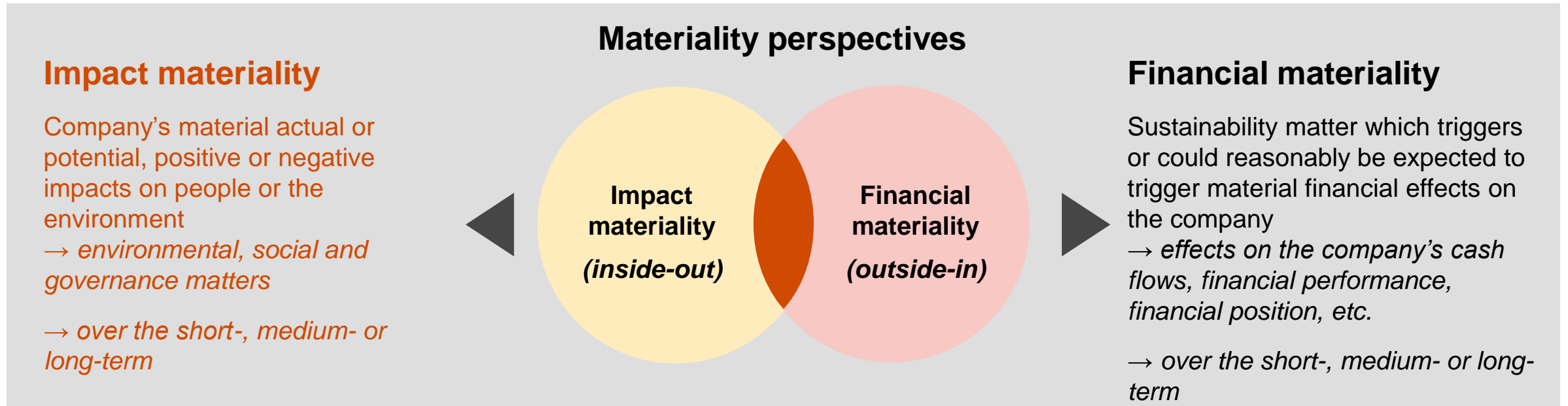


Materiality

Theme	European Commission	ISSB	SEC
Materiality	Materiality would be assessed based on “double materiality,” consisting of “financial materiality” (an outside in perspective) and “impact materiality” (an inside out perspective)	Materiality would be assessed based on factors that could reasonably be expected to influence decisions that the primary users make based on that information	Materiality would be assessed based on the definition of materiality in existing securities laws / Supreme Court precedent A 1% bright-line and de minimis thresholds would be applied for financial statement footnote quantitative disclosures
Time horizons for specific disclosures	Time horizons of short, medium, and long term are prescribed, although the entity may adapt the periods; the definition of long term in the climate standard may be applied differently	Time horizons for disclosure of risks and opportunities over the short, medium, and long term are not defined	Time horizons for disclosure of risks and opportunities over the short term (i.e., 12 months) and long term (i.e., more than 12 months)

- The ISSB’s standards and the SEC rules consider the impact of sustainability on the company through an investor lens and the impact on financial performance. In contrast, the ESRS widen the definition of materiality to also require a company to consider how it has impacted, or will impact, the environment.
- The ESRS also require additional disclosures if the company concludes that climate change is not material, including forward-looking analysis of the factors that could lead to climate change becoming material to the company in the future.

Double materiality



A sustainability matter is “material” when it meets the criteria defined for impact materiality **or** financial materiality **or** both

Consideration of stakeholders → investors + business partners + employees + customers + NGOs, etc.

Targets, transition plans, and scenario analysis

Theme	European Commission	ISSB	SEC
Targets and transition plans	<p>Disclosure of material GHG emission reduction targets would be required in five-year rolling periods, including target values for at least 2030 and, if available, 2050</p> <p>Disclosure about the transition plan's compatibility with the Paris Agreement (or updated international agreement on climate change) would also be required</p>	<p>Disclosure of material climate-related targets set by the company, including how such targets were informed by the "latest international agreement on climate change" (currently the Paris Agreement)</p> <p>Such targets or goals would include those set in response to regulatory requirements or climate-related treaty or law</p>	<p>Disclosure of climate-related targets or goals reasonably likely to materially affect the company's business, results of operations, or financial condition</p> <p>Disclosure of a transition plan would be required if the company adopted a plan to manage a material transition risk</p>
Use of scenario analysis	<p>The use of scenario analysis would be required to assess resilience</p> <p>Explanation is required of whether and how scenario analysis is consistent with the Paris Agreement and limiting climate change to 1.5°C</p>	<p>The use of scenario analysis would be required to assess resilience</p> <p>Disclosure of whether the company used a scenario that aligns with the "latest international agreement on climate change" would be required</p>	<p>Disclosure would be required if scenario analysis is used and it identifies a climate risk that is, or is reasonably likely to be, material on its business, results of operations, or financial condition</p> <p>Does not require consideration of specific scenarios</p>

- The ESRS and ISSB's standards require the targets and scenarios to be compared to the Paris Agreement or updated international agreement on climate change.
- The SEC rules do not require specific targets, transition plans or scenarios to be used.

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- [Q2 2024 Quarterly accounting webcast | June 12, 18, or 27](#)
- [Q3 2024 Quarterly sustainability webcast | August 8 or 14](#)

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