The markets mandating climate-related disclosures by 2025 represent

56% of the global GDP

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Mandatory Climate-Related Financial Disclosures

- Which markets are affected?
- Why are climate disclosures becoming mandatory – and why now?
- What are the similarities among the reporting requirements from different markets?
- When does each mandate come in effect and for whom?
- What do you need to disclose in each market?

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Which markets are affected?

- 🇧🇷 Brazil
- 🇨🇦 Canada
- 🇭🇰 Hong Kong
- 🇪🇺 EU
- 🇳🇿 New Zealand
- 🇸🇬 Singapore
- 🇨🇭 Switzerland
- 🇬🇧 UK
- 🇺🇸 USA

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”

…an organization’s stance on climate change is critical viability information for investors.

— Financial Stability Board

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Why are climate disclosures becoming mandatory — and why now?

1. To ensure standardization of carbon accounting.

2. To involve the industry in national carbon accounting and to reach the Paris agreement targets.

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Better data from companies about the sustainability risks they are exposed to, and their own impact (...) is essential for the successful implementation of the European Green Deal.

— European Parliament

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What are the similarities among the reporting requirements from different markets?

All markets base the format of climate-related disclosures on the TCFD framework

The TCFD Framework

4 key areas:

1. Governance
2. Strategy
3. Risk management
4. Metrics & Targets

1. Governance

- Board oversight on climate-related risks & opportunities
- Management's involvement in assessing & managing climate change

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Finance Committee (a Board-level committee of the Board of Directors) oversees legal and regulatory affairs as well as environmental and social responsibilities. In 2020 the Committee met four times. The Finance Committee is composed of non-executive Board members, with at least one member qualifying as an independent director. The Committee oversees and approves the company's Sustainability Goals and commitments, including those related to climate change. One of the Sustainability Goals overseen is the commitment to reduce ABI emissions by 25% across our value chain (Scopes barley crop yie our supply cha watersheds an committee me scenarios and

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	

C1.2

(C1.2) Provide the highest man

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

C1.2a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Efficiency target Supply chain engagement	The corporate executive team oversees our 2025 Sustainability Goals. Progress is tracked through a comprehensive sustainability goal dashboard. The sustainability goal dashboard includes our 2025 sustainability goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. The corporate executive team oversees strategic planning at the highest levels of the organization and cascades initiatives throughout the organization to beverage and vertically integrated facilities. Target progress is shared throughout the organization and linked to a variable executive compensation structure to ensure accountability for achievement and best-practice sharing.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Efficiency	The CSO is a member of the corporate executive team, which is upheld to overseeing the 2025 Sustainability Goals. Progress is tracked through a comprehensive sustainability goal dashboard. The sustainability goal dashboard includes our 2025 Sustainability Goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, and number of start- ssful in the accelerator program. The CSO oversees the strategic planning of the Sustainability Council and carries this target (or KPI) and is directly le for achievement of dashboard KPIs. Target progress is shared throughout the organization and directly linked to a variable executive tion structure to ensure accountability for achievement and best-practice sharing.
			tive Board oversees public climate-related sustainability disclosures and the progress of several 2025 sustainability goals. The goals overseen entail: of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % of returnable packaging, % of recycled content in primary packaging, er of start-ups successful in the accelerator program.
Business unit manager	Monetary reward	Emissions reduction target Efficiency target	Business Unit Managers oversee site/facility level implementation of corporate sustainability initiatives to advance the 2025 Sustainability Goals that entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), % returnable packaging, % of recycled content in primary packaging, and number of start-ups successful in the accelerator program. These are part of 2 other targets that these employees carry throughout the year. Targets are directly tied to their compensation model.
			bility managers are missions, % of sage (hl/hl), lerator program. by the CSO.
			ll as other cknowledgement in s, recognition of
	reward	reduction target	y purchased per hectoliter and GHG emissions target across the value chain. These are part of 2 other targets that these employees carry throughout the year. Targets are directly tied to these managers' compensation model.
Facilities manager	Monetary reward	Energy reduction target	Facilities managers oversee site/facility-level implementation of corporate sustainability initiatives. Site/facility-level targets include: Total energy purchased per hectoliter, GHG emissions target, Water use target, and Watershed protection target. Incentives are tied to site/facility-level progress in addition to individual manager roles and responsibilities and directly tied to their compensation model.
Other, please specify (Employees)	Monetary reward	Energy reduction target	In some regions in which we operate, site/facility employees are eligible to receive monetary rewards for achieving performance targets that include energy and greenhouse gas emissions targets as well as other climate-related targets. These incentives are directly tied to individual employee roles and responsibilities.
Other, please specify (Various groups and individual employees)	Monetary reward	Energy reduction target	Various roles and individual employee assignments are responsible for goals that can directly impact energy reduction performance. As an example, barley experts are rewarded for the agricultural development goal, and packaging experts for the packaging reduction goal. Responsibility for these role-related goals is cascaded throughout the organization. This approach reflects a level of functional integration that we believe will yield long-lasting results.
		npany formance inst a nate- ted tainability ex	The CFO is a member of the corporate executive team, which is upheld to overseeing the 2025 Sustainability Goals. The goals overseen entail: Reduction of Scopes 1, 2, and 3 GHG emissions, % of renewable electricity contracted, % of farmers skilled, connected, and financially empowered, % of watershed protection programs implemented, water usage (hl/hl), energy usage (MJ/hl), and % of recycled content in primary packaging.

ve a process for identifying, assessing, and responding to climate-related risks and opportunities?

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment

(C1.1b) Provide further details on the board's oversight of climate-related issues.

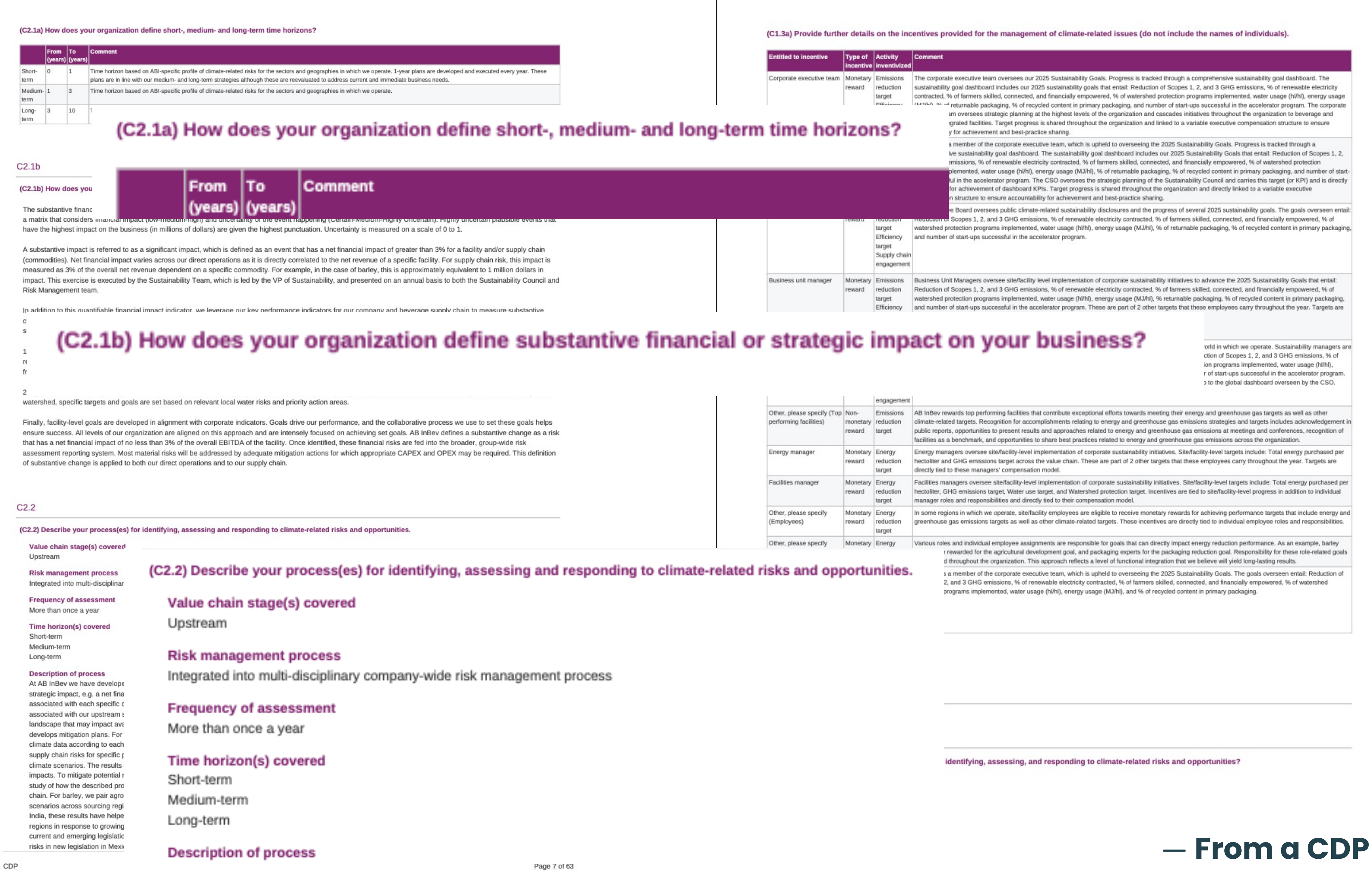
Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain

— From a CDP report

2. Strategy

- Short-
- Medium-
- And long-term risks and opportunities

- The impact of the identified risks and opportunities on your business
  - Future strategy
  - Budget
  - Scenario-based resilience analysis



— From a CDP report

3. Risk management

- Process for identifying climate risks and opportunities
- Process for managing identified climate risks and opportunities
- How climate risk & opportunity identification and management are integrated in the financial risk management

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4. Metrics & Targets

- Process for identifying climate risks and opportunities
- Process for managing identified climate risks and opportunities
- How climate risk & opportunity identification and management are integrated in the financial risk management

You will need answers to…

- What financial risks does climate change impose on your company?
- What financial opportunities can your company leverage?
- What risks does our company impose on climate change?
- How does your company assess these risks?
- What are your climate KPIs?
- What are you doing about the risks – present & future plans
- How are you doing it?
- How is top management involved?

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🇨🇦 Canada

- **Who:** Financial institutions (banks and insurance companies)
- **When:** 2024
- **What:** Climate-related risks, quantified emissions

- Climate related opportunities may be omitted

🇭🇰 Hong Kong

- **Who:** 2,500 companies listed in the HKEX
- **When:** 202
- **What:** Board and management accountability and **knowledge** on climate-related issues
- Classification of risks into *Physical* (impact from climate patterns) & Transition (market changes and adaptation)
- Scenario-based analysis with a clear scope and boundaries
- **Risk prioritization** based on a combination of
  - likelihood,
  - impact,
  - adaptability,
  - recovery
- Selection of metrics based on the following principles:
  - decision-useful,
  - understandable,
  - verifiable,
  - objective,
  - comparable.
- Definition of targets relative to a **baseline** and including **time horizon**

🇸🇬 Singapore

- **Who:** Companies listed in SGX within
  - Finance
  - Agriculture, food and forest products
  - Energy

- **When:** 2024 for 2023

- **What:** Disclose the **level of assurance** (limited, reasonable)
  - Pay extra attention that their **data is accurate and complete**
  - Directors or managers undergo **sustainability training**

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🇪🇺 EU

Who & When:

- **2024:** 12,000 companies and their subsidiaries already submitting non-financial reports
  - Banks and insurance companies,
  - Companies with over 500 employees
  - Non-European companies with a turnover of over €150 million for 2023.

- **2025:** large companies and their subsidiaries not currently subjected to non-financial reports

- **2028:** Listed SMEs

🇪🇺 EU

What

- physical and transitional classification of risks
- Evaluation of supply chain resilience
- Scenario-based adaptation plans
- Carbon removals reported in a separate, additional section
- Strategy to reduce absolute emissions in Scopes 1, 2, 3

🇪🇺 EU

What:

- Physical and transitional classification of risks
- Evaluation of supply chain resilience
- Scenario-based adaptation plans
- Carbon removals reported in a separate, additional section
- Strategy to reduce absolute emissions in Scopes 1, 2, 3

🇪🇺 EU

Climate impact category

- Business plan for carbon neutrality transition by 2050
- Absolute emissions reduction targets for 2030 and 2050
- Scientific motivation of targets
- Annual progress report against targets

- +Scope 3 targets and reduction plans optional for the first 3 years but with motivation of omission

🇨🇭 Switzerland

- **Who:** Companies listed in SIX with over 500 employees and over 20 million Swiss francs in assets/40 million Swiss Francs in turnover
- **When:** 2024
- **What:** In accordance with the EU

- **Or what?**
  - 100,000 Swiss Francs for non-compliance

🇧🇷 Brazil

- **Who:** Segments 1-4 of Regulated Financial Institutions
- **When:** 2021
- **What:**
  - Governance,
  - Strategy
  - Risk management
  - (2022) Emissions metrics & targets

🇳🇿 New Zealand

- **Who:** Large companies listed in NZX (insurers, banks and investment managers)
- **When:** 2023

🇬🇧 UK

Who & When:

- **2023:**
    - Companies listed in LSEG
    - Banks
    - Insurance companies
    - Private companies with a turnover of over £500 million or over 500 employees
    - Companies with over 500 employees
    - Non-European companies with a turnover of over €150 million for 2023.
- **2025:** Across the economy

🇬🇧 UK

What:

- How climate-related Risks & Opportunities are:
  - Identified
  - Assessed
  - Managed
  - Integrated into the company’s overall risk management
  - Related to the company’s operation + time period & impact
- Climate targets & how they related to identified risks & opportunities
- KPIs & Metrics for progress against targets
- Metrics &KPI calculation methodology

🇬🇧 UK

What:

- Scenario-based resilience analysis
- Scopes 1, 2, 3*

**Scope 3 optional only for the first year*

🇺🇸 USA

Who & When:

- **2024:** Large accelerated filers
    - (Aggregated global float of $700 million)

- **2025:** Accelerated filers & Non-accelerated filers

(Accelerated filers:

- Companies with a public float of $75 million or more, but less than $250 million in annual revenue or
- Companies with a public float of more than $250 million but less than $100 million in annual revenue)

- **2026:** Smaller reporting companies
    - Companies with public float of less than $250 million
    - annual revenue of less than $100 million
    - no public float/public float of less than $700 million.

🇺🇸 USA

What:

- Scope 1, 2, 3 – if Scope 3 is material
- Emissions in absolute terms & terms of intensity
    - Per unit of revenue in $
    - Per unit of product
    - Methodology
    - Data sources
    - Assumptions
    - Breakdown per greenhouse gas

🇺🇸 USA

What:

Strategy & Governance

- Board & management expertise and responsibilities
- Responsibility-related processes
- Risk assessment in 4 levels
  - Physical
  - Regulatory
  - Technological
  - Reputational
  - + Impact on business model

🇺🇸 USA

What:

Additional

- 1) Offsets – if offsets are used as a primary reduction strategy, company is classified as high-risk
  - Use & quality disclosed in detail
  - Discrepancies to be included in the risk assessment
- 2) Renewable energy credits – Disclosed in detail
- 3) Low-carbon product revenue
- 4) Internal carbon price
  - Measurement boundaries for CO_2e
  - Price
  - Price change over time
  - Rationale

Contact us!

hello@carboncloud.com

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