



SIFM Quarterly Conference

The SEC Climate Disclosure Rule

Phuong Gomard

March 2023

mazars

The SEC Mandate ...the debate



- **Proposed draft rule for mandatory climate disclosures** (March 2022)



- **Debate** surrounding:
 - Regulatory burden
 - Materiality definition
 - Standardization challenges



- **Legal challenge** regarding SEC's authority

The demand for clarity

Why investors need this



- **Increased investor awareness** of climate change risks and their impact on companies



- Demand for **standardized, comparable, and decision-useful** climate information



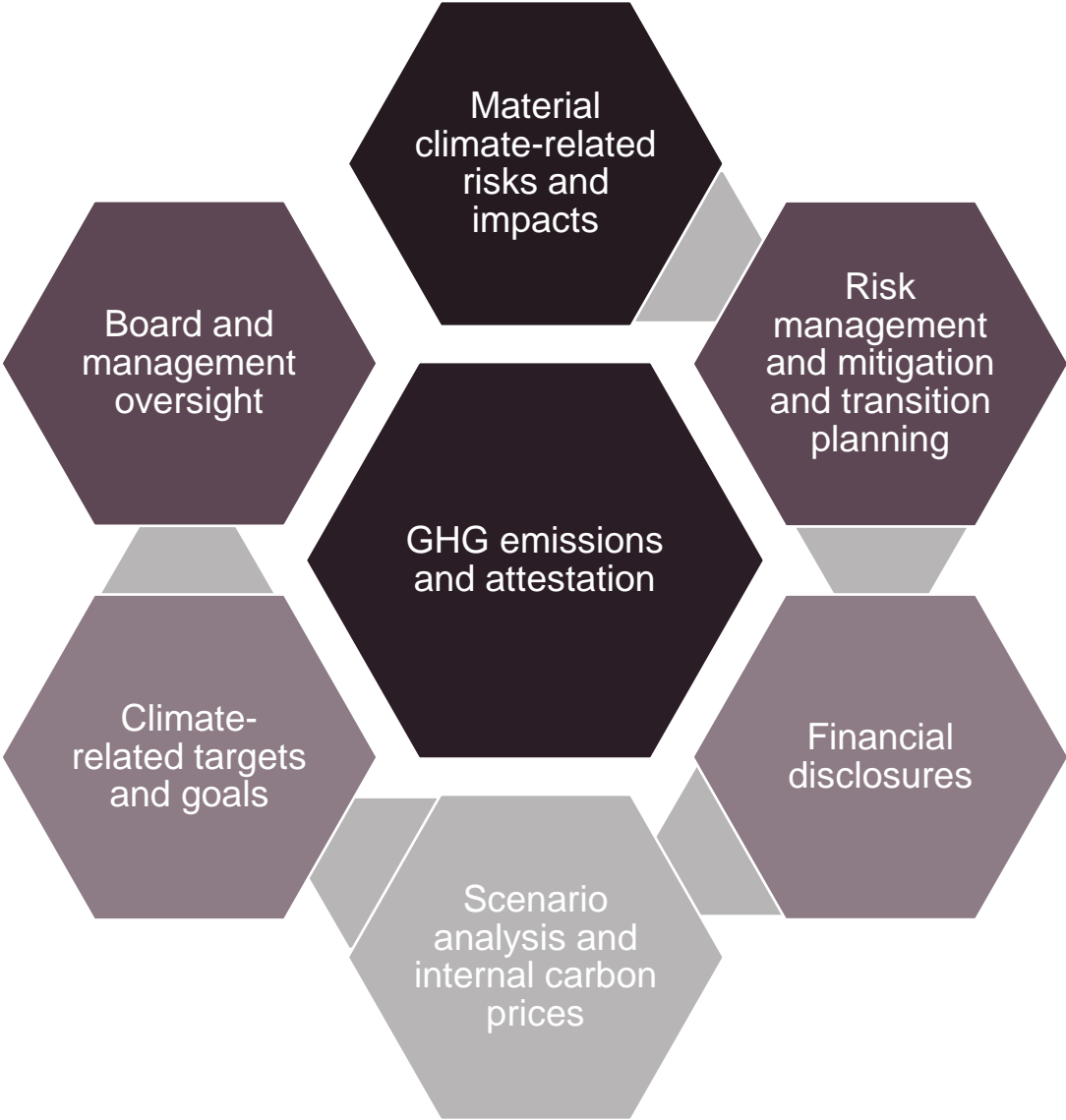
- **Reasons** for investor demand:
 - Heightened awareness of scientific consensus
 - Long-term investment horizons
 - Climate-aware investing becoming mainstream

The limits of voluntary frameworks
What they have not delivered so far



Overview of the rule

Disclosure areas



Overview of the rule

Key takeaways

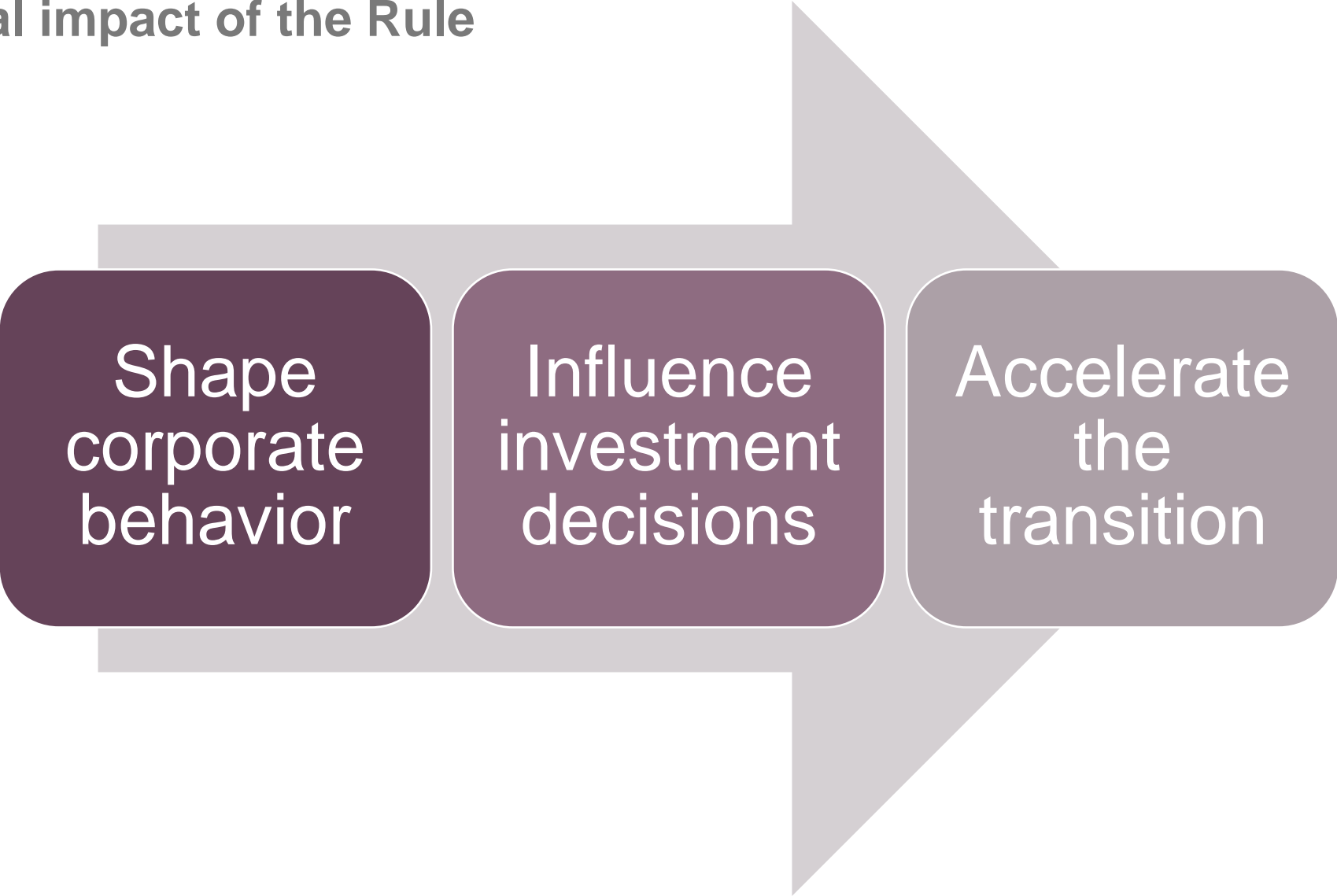
Scope 3 emissions not mandated

Existing voluntary disclosures may trigger disclosures

Materiality qualifiers means new work

While scaled back financial disclosures, still include significant work

The road ahead
The potential impact of the Rule



Contact

Mazars

135 West 50th Street

New York New York 10020-1299

United States

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