Deloitte.

2024 Sustainability Action Report

Survey findings on ESG disclosure and preparedness

JULY 2024

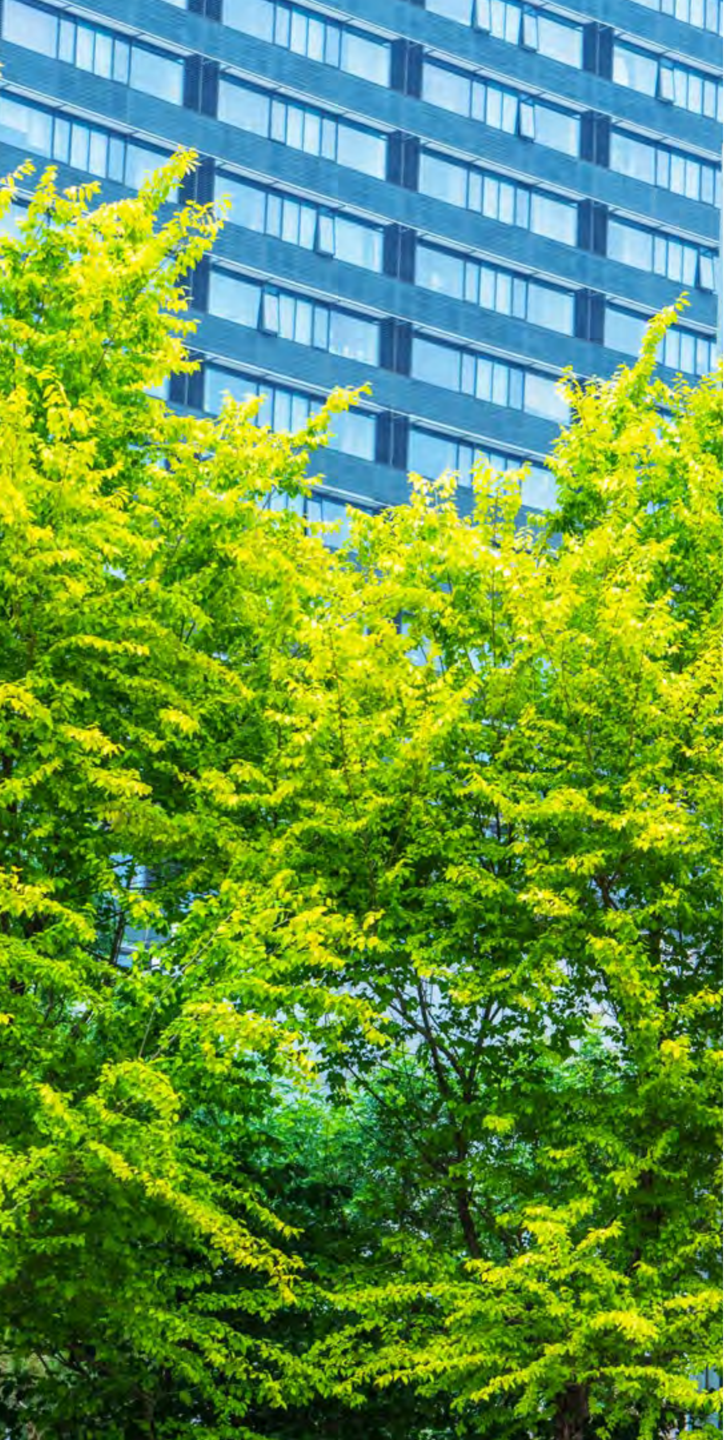
Contents

Research objectives and methodology

Deloitte commissioned an online survey in January 2024 of 300 executives at publicly owned companies with a minimum annual revenue requirement of $500 million or more. This sample size is consistent with our March and December 2022 reports. In 2024, additionally, surveys were conducted to increase the total sample size to 250 in each of the following industries: consumer products; financial services; life sciences and health care; oil and gas; and technology, media, and telecommunications. Each industry surveyed a mix of public and private companies, with a minimum of at least 100 publicly owned companies. Executives are defined as senior finance, accounting, sustainability, and legal executives with a minimum seniority of director, chief risk officers, general counsels, chief legal officers, or chief sustainability officers. Percentages throughout the survey may not sum to 100% due to rounding.

01

Overview



Overview

Since our previous survey published in December 2022, we have seen significant change in the global sustainability landscape. Most organizations now have greater clarity on what's expected of their companies to report the financial effects of climate-related risks on their business and strategy. Depending upon the size and global footprint of their business, the primary regulatory and standard-setting drivers now include the Corporate Sustainability Reporting Directive (CSRD) and the supporting European Sustainability Reporting Standards (ESRS), California's three climate laws, the International Sustainability Standards Board (ISSB) standards that are set to be adopted into regulation in many jurisdictions around the world, and now the Securities and Exchange Commission (SEC). The landmark SEC climate disclosure rule represents a significant change in how US public companies will need to report on climate-related risks.[1] In addition, many regulators and standard setters have moved beyond climate-related disclosure requirements to expand into other areas such as nature and biodiversity, with the advent of the Taskforce on Nature-related Financial Disclosures (TNFD)—a framework to guide nature-related disclosures.

Organizations that have been taking a "wait and see approach" to climate-related risk and reporting may find that they have catching up to do in order to prepare. Many of those who took early action are reporting significant progress and may already be realizing some of the internal and external benefits that can result from a deeper understanding and measurement of environmental, social, and governance (ESG) risks and impacts.

01
02
03
04

02

Main takeaways

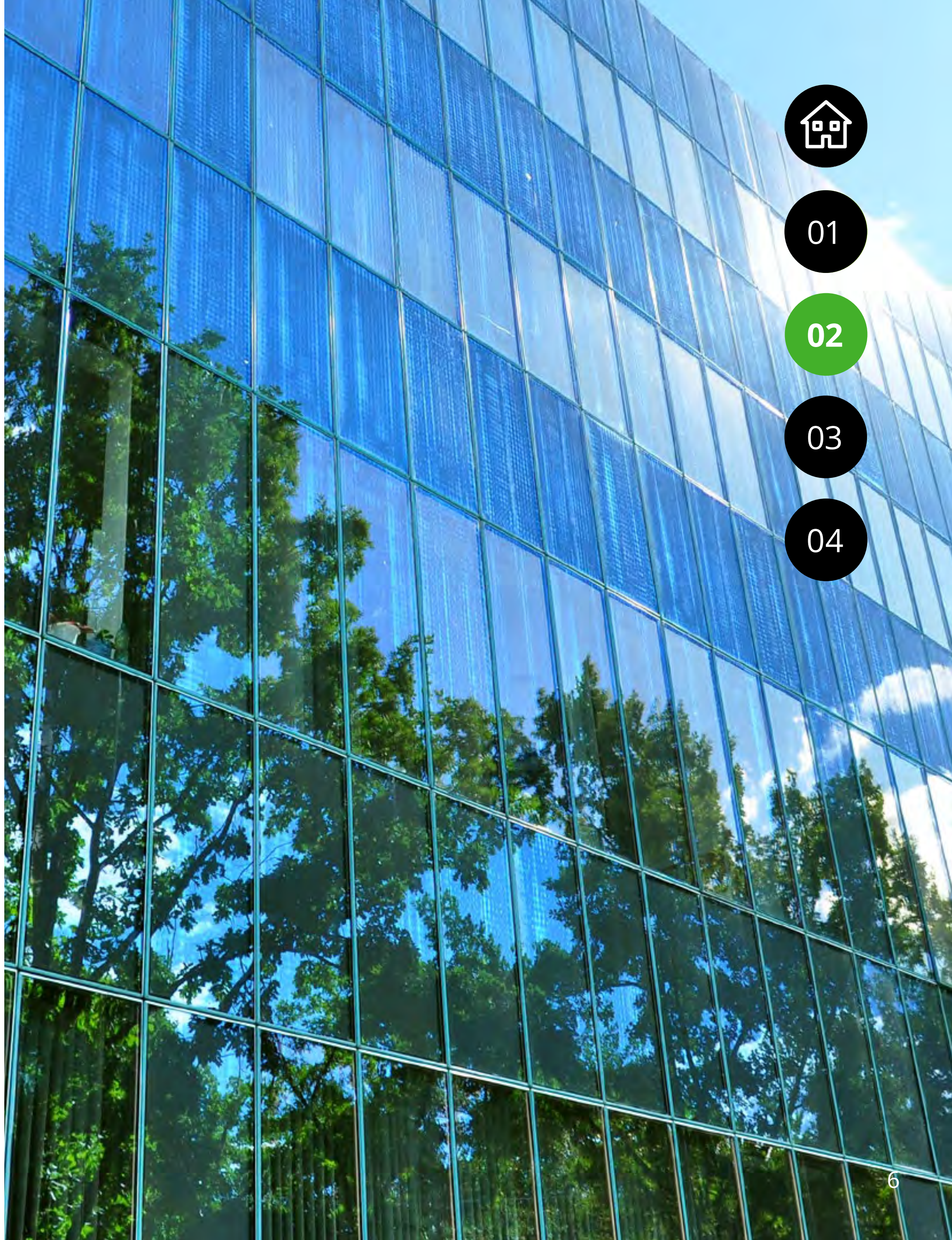
Main takeaways

01 It has been a year of ESG capacity building for organizations.

Companies are making ESG reporting a strategic priority, with established cross-functional ESG councils meeting often and chief sustainability officers (CSO) generally leading the collaboration across the organization in overseeing disclosure. Ninety-eight percent of respondents are reporting some level of progress toward their sustainability goals and targets in the past year.

Similar to our December 2022 report, more than half report having created a cross-functional ESG working group, and more than a third plan to do so. This is up dramatically from our March 2022 report when only 21% of respondents had an established group. Nearly all surveyed (98%) are now meeting at least quarterly, and 43% meet at least once per month. More than four in five executives report significant or moderate progress toward their sustainability goals and targets compared with a year ago. These findings indicate that ESG reporting continues to increase as a strategic focus inside organizations.

A larger percentage of respondents now have a CSO who collaborates across the organization in overseeing their ESG reporting, with an increase of 13% since our December 2022 report. Similarly, there has been a notable rise in the role of the



Main takeaways

general counsel (41%) and executive leadership team (42%), while 44% report that the full board provides oversight. Additionally, based on Deloitte's observations, we have seen the rise of ESG controllers taking on elevated responsibilities for disclosure in many organizations.

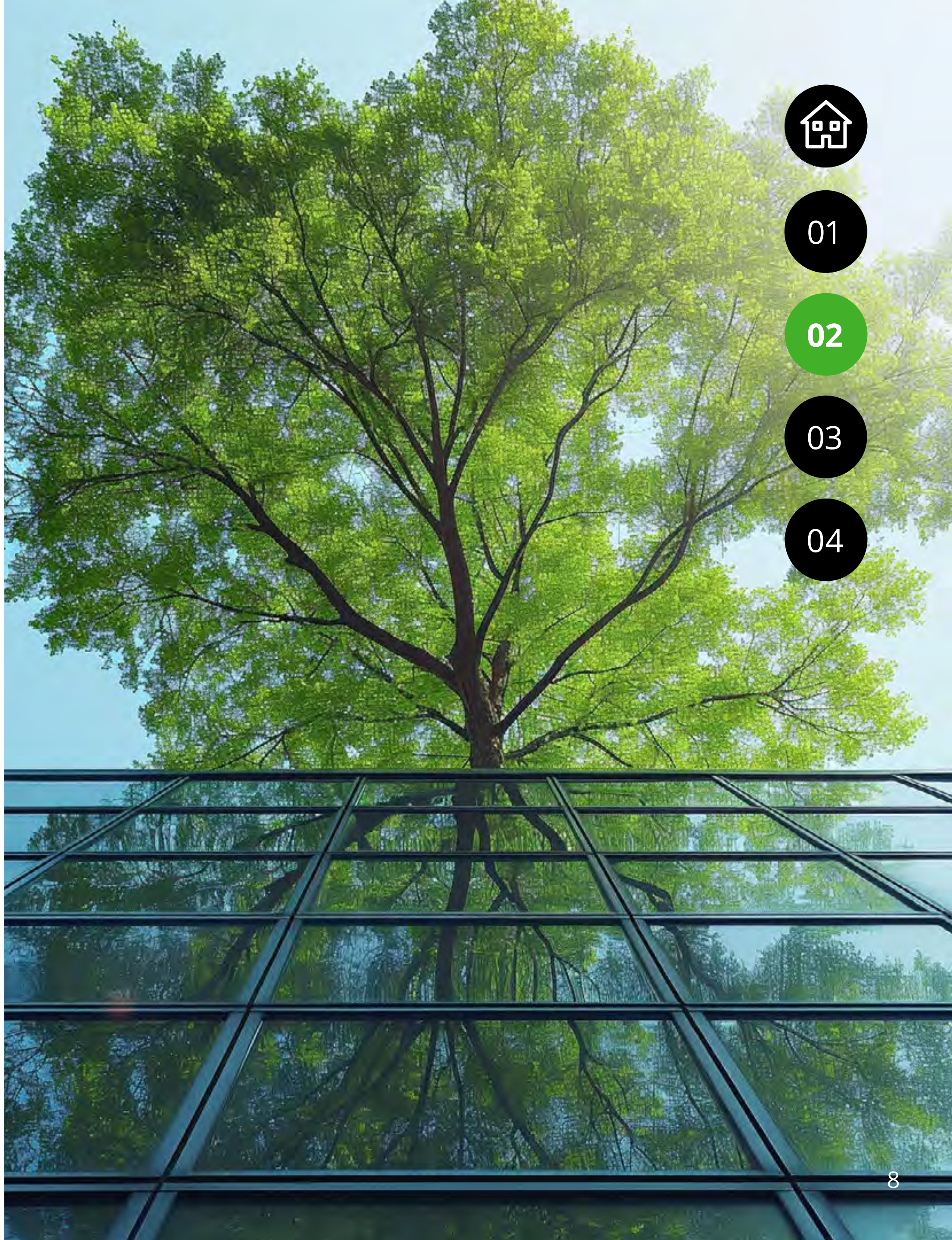
When asked what steps are most commonly being taken at their organization to enhance reporting capabilities in support of greenhouse gas (GHG) emissions measurement, half of executives (50%) reported that they are hiring new resources. In 2024, other common steps taken included establishing oversight through disclosure committee review and strengthening internal infrastructure to accelerate reporting timelines. This is compared to December 2022, in which common steps included ESG in disclosure committee review and integrating ESG into their existing Sarbanes-Oxley Act (SOX) control environment, both at 57%.

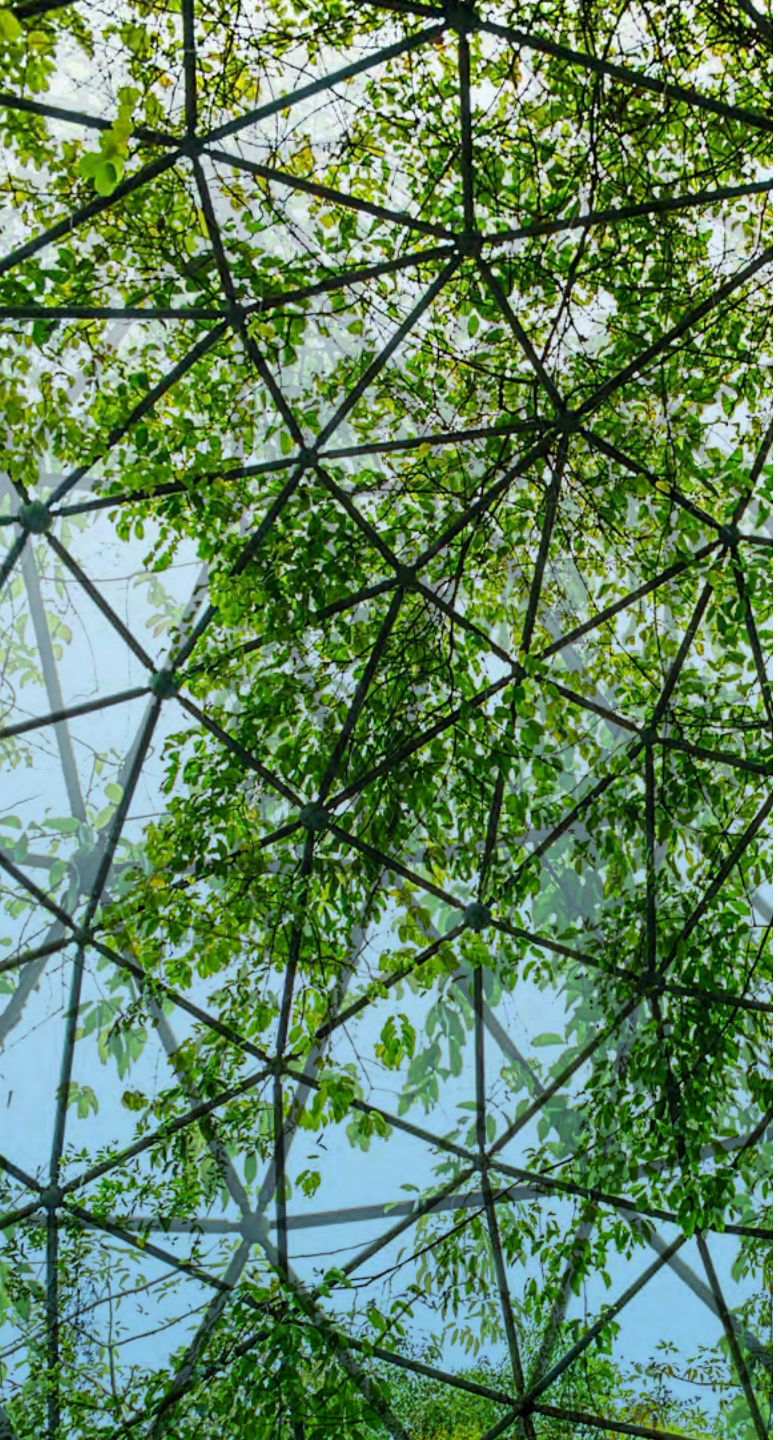
Main takeaways

02 Organizations are investing in sustainability reporting as they recognize internal and external benefits in doing so.

Brand reputation (20%) is the top business outcome companies expect to see from enhanced ESG reporting; another 15% expect enhanced talent attraction, and 14% seek to realize pricing premiums for their products, highlighting how ESG reporting can influence external perceptions of the company. Meanwhile, half (51%) expect to see internal benefits like improved operational efficiencies, reduction in risk, or strengthened trust with stakeholders.

By comparison, when asked to identify the top three expected outcomes of enhancing their company's ESG reporting practices, respondents indicated that reduced risk (53%), increased efficiencies and ROI (52%), and both talent attraction and retention and brand reputation and enhancement (51%) could be positive outcomes of enhanced reporting strategies.





Main takeaways

01
02
03
04

03

Despite the significant progress being made, many report being challenged by poor data quality, and few companies are currently preparing and disclosing Scope 3 GHG emissions.

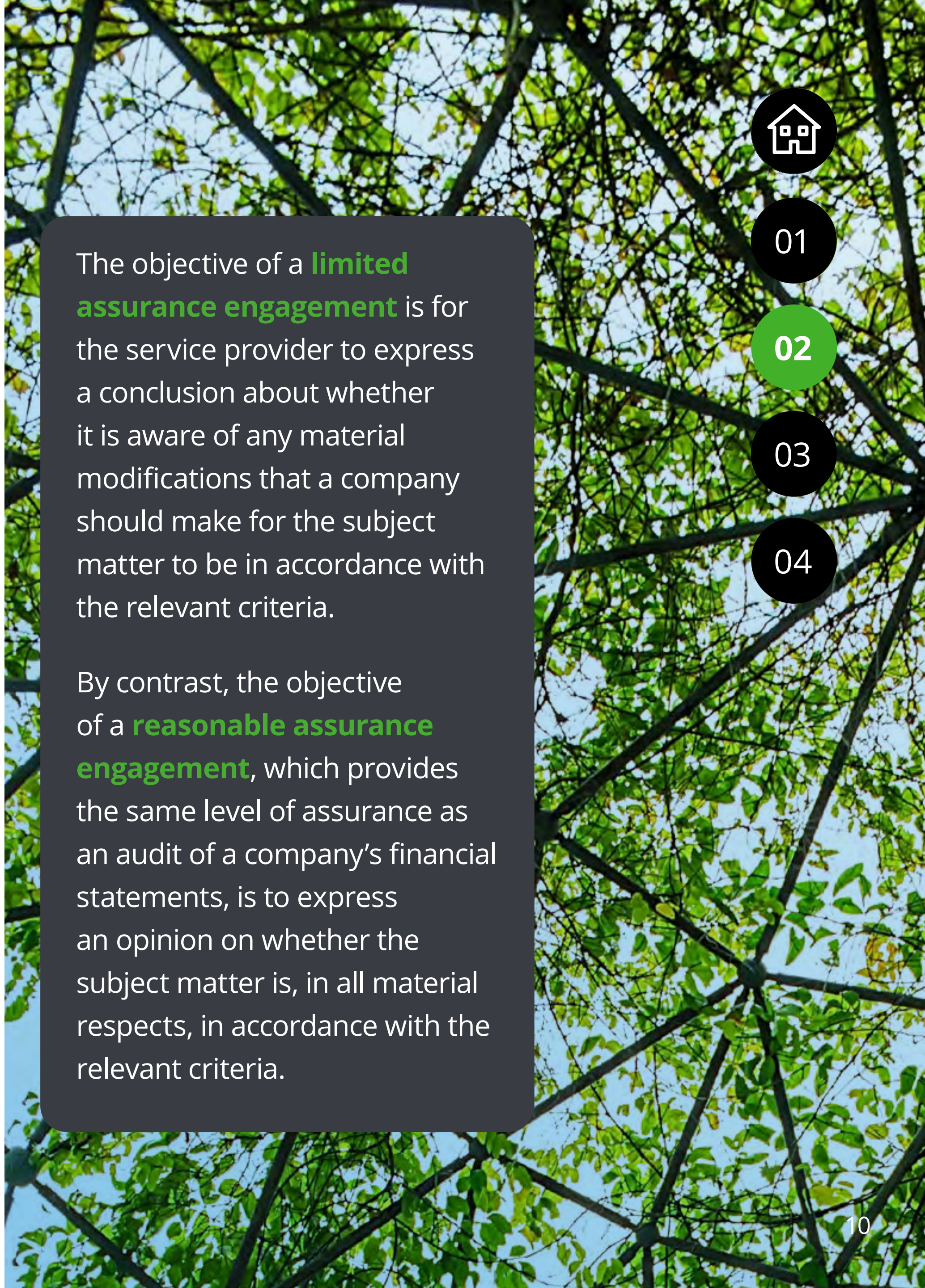
Even as many companies continue to invest in resources and infrastructure to strengthen strategic focus and reporting processes and controls, additional complexities often become more visible, such as industry or geographic-specific considerations, consistency in application of measurement methodologies as reporting standards continue to evolve, and a deepened understanding of assurance considerations, among others. More than half of executives (57%) cite data quality as the top ESG data challenge for their company, and a majority (88%) report it as one of the top three challenges for their company. Most executives (81%) also report challenges related to documentation in their top three, including important control steps such as review, sign-off, and certification of ESG data—key processes and internal controls that are typically well established in financial reporting but generally less established in sustainability reporting.

Data challenges—access, confidence, measurement, and methodology consistency—may be influencing the completeness of the GHG emissions companies are currently disclosing. While most respondents are reporting on Scope 1 and 2 GHG emissions, few are reporting on Scope 3 GHG emissions (only 15%). By comparison, 74% of respondents are currently reporting on Scope 1 GHG emissions (up from 61% in

Main takeaways

December 2022 and 58% in March 2022), and 53% are reporting on Scope 2 GHG emissions (down from 76% in December 2022 and up from 47% in March 2022). While the final SEC climate disclosure rule, published on March 6, 2024,[2] does not specifically require Scope 3 GHG emissions reporting, CSRD, the California Climate Legislation, and International Financial Reporting Standards (IFRS) S2 do require Scope 3 GHG emissions reporting.

Most respondents indicated they are either planning to seek assurance or are actively moving from a limited to reasonable level of assurance over their ESG data since our December 2022 survey. Ninety-nine percent of respondents now plan to obtain assurance or engage in assurance readiness, up from 96% in our December 2022 report, at which time 35% of respondents were planning to seek assurance for the first time. While market practice continues to evolve, this suggests that the trend in assurance has grown even in a voluntary landscape. For example, the [International Federation of Accountants' 2024 report] found that 69% of global companies obtain assurance on at least some of their ESG disclosures, up from 64%. Even with the SEC climate disclosure rule introducing an extended timeline for impacted companies to obtain assurance, many may still be preparing to obtain assurance or engage in assurance readiness to help strengthen internal systems and enhance confidence and preparedness for regulatory requirements that will come into effect over different time horizons. Our latest findings reveal that 78% of respondents have evaluated the steps to move from limited to reasonable assurance or made progress on such a move, though only 13% have completed their evaluation of the next steps to take.



The objective of a **limited assurance engagement** is for the service provider to express a conclusion about whether it is aware of any material modifications that a company should make for the subject matter to be in accordance with the relevant criteria.

By contrast, the objective of a **reasonable assurance engagement**, which provides the same level of assurance as an audit of a company's financial statements, is to express an opinion on whether the subject matter is, in all material respects, in accordance with the relevant criteria.

03

Detailed research findings

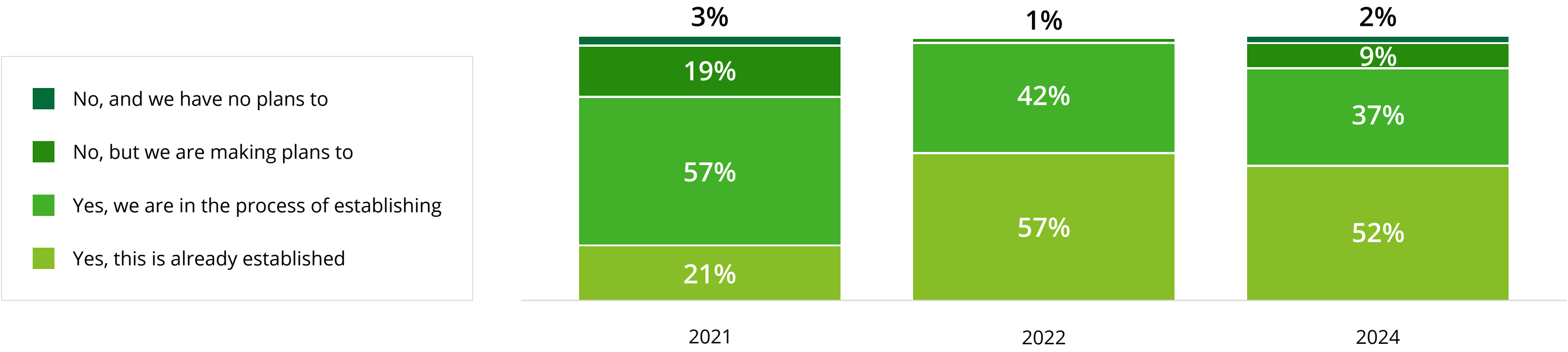
State of sustainability reporting today

Cross-functional ESG teams remain in place

A similar number of respondents in 2024 report having established a cross-functional ESG council (52% in 2024 and 57% in December 2022). This is a significant increase from March 2022 when only 21% of respondents had established an ESG council or working group, and 76% were either making plans or establishing their internal teams. Since the March 2022 report, our survey findings indicate that many companies may have established and operationalized these governance mechanisms.

Private companies are less likely to have an established ESG council or working group, with only **38%** of respondents reporting they have one in place, and **44%** indicating they are in the process of establishing one.

Established a cross-functional ESG council or working group, N=300



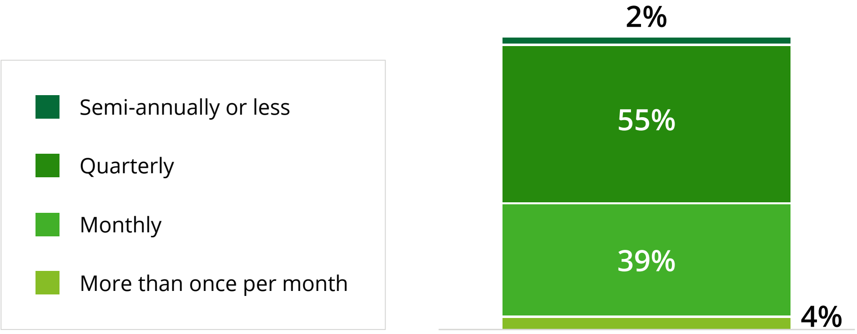
Have you established a cross-functional ESG council or working group to drive strategic attention to ESG for the business?

Detailed research findings

Established groups are meeting quarterly or more often
A preponderance of respondents (98%) in 2024 report having an established ESG council or working group that meets at least quarterly, and more than two in five (43%) are meeting at least once a month. By comparison, private companies are more likely to meet at least once per month, with 49% already doing so.

At the industry level, 54% of financial services respondents indicated they meet at least once a month, whereas technology, media, and telecommunications (TMT) respondents indicated they meet less often, with only 33% of respondents doing so.

How often ESG councils or working groups meet among those with a cross-functional ESG council or working group, N=156



How often does the ESG council or working group within your company meet to discuss and act on ESG priorities?

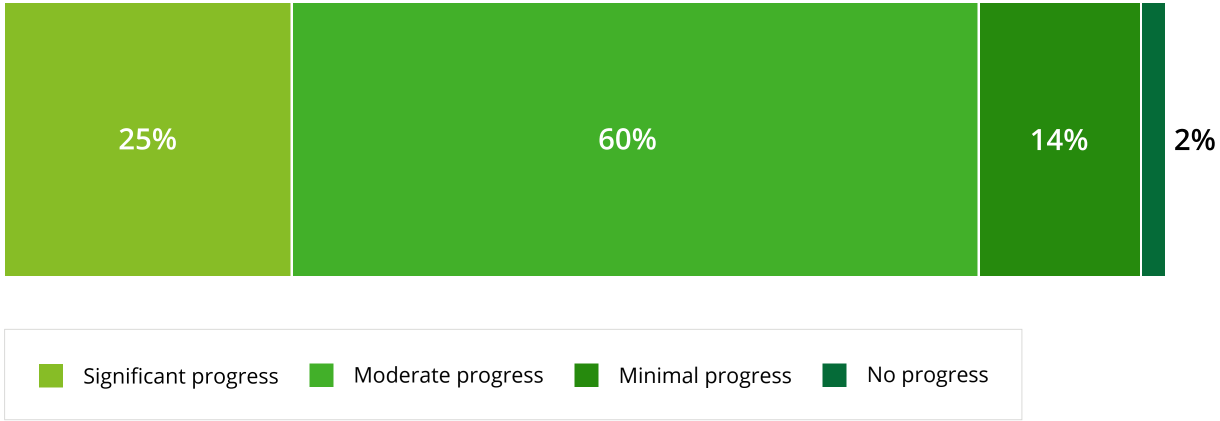
Detailed research findings

Executives report progress in meeting their sustainability goals

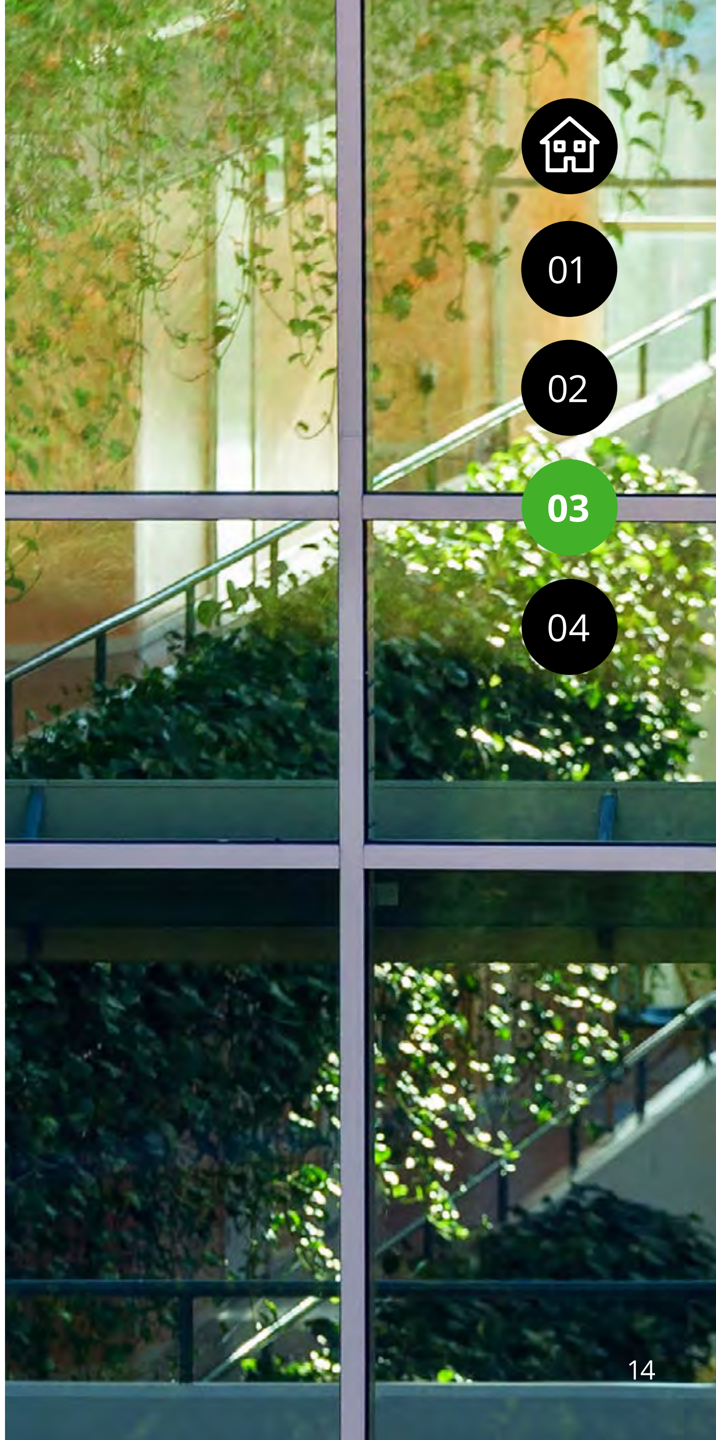
A majority of respondents (98%) have seen progress toward their sustainability goals and targets, where established, in the last year. Just a quarter (25%) report making significant progress, showing there is room to grow but also suggesting that consistent progress may be replacing sharp growth as ESG strategies adjust and are implemented. Only 2% report not having made progress in the last year.

By comparison, respondent companies with an already established cross-functional ESG council or working group were far more likely to make significant progress—38% to just 10%—of those without an ESG council or working group.

Progress made toward sustainability goals and targets in last year, N=300



Compared to a year ago, what type of progress do you believe your company has made toward its sustainability goals and targets?



Detailed research findings

Companies maintain efforts to prepare

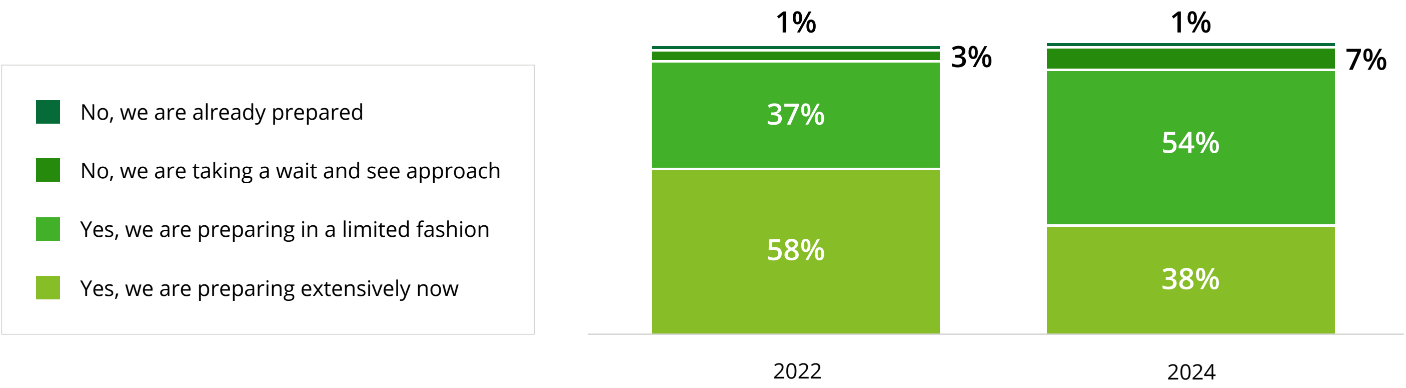
In 2024, nearly all (99%) of respondents indicated they are preparing for increased disclosure requirements.

While there is still a large focus on ESG reporting in 2024, and numerous respondent companies report having established ESG councils or working groups, many of them are not preparing for future change as extensively as they were in December 2022. About a third (38%) of companies are preparing extensively today, compared with 58% in December 2022, demonstrating that progress and maturity over the past few years has likely accelerated current-state preparedness. A larger percentage of private companies (17%) indicated they are taking a "wait and see approach" versus only 8% of public companies. These findings may be reflective of the protracted time period between the SEC's drafted proposal and the final SEC climate disclosure rule.

52% of companies **with a cross-functional ESG group** are preparing extensively;

just **24%** of companies without one are

Preparing for potential increased disclosure requirements, N=300



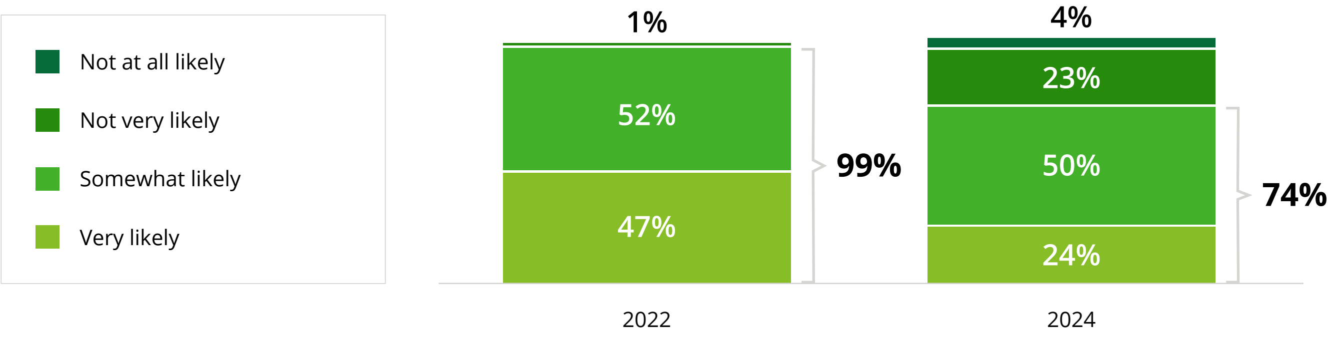
Is your organization taking steps to actively prepare for potential increased ESG regulatory or other disclosure requirements?

Detailed research findings

Investing in technology and tools remains robust

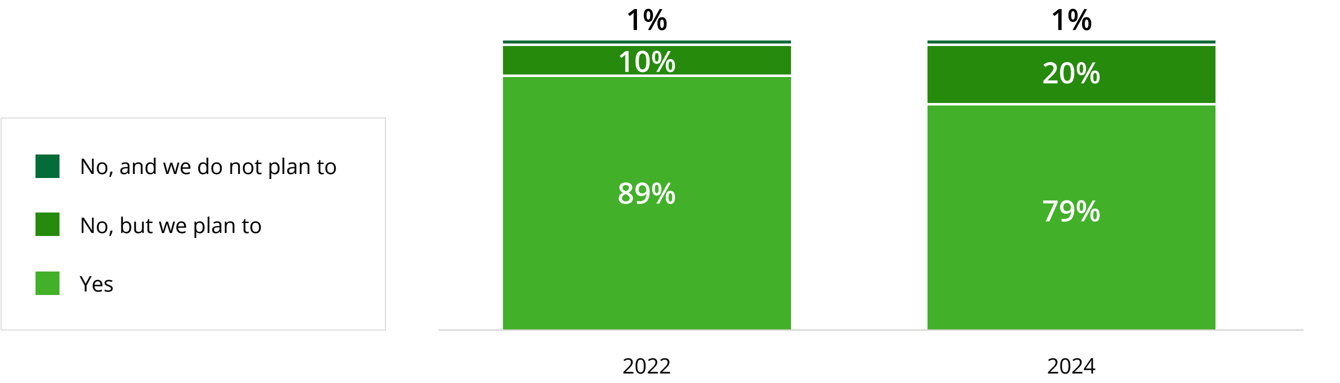
Most respondents (74%) are likely to invest in new technology or tools to enable more timely and higher-quality disclosure, a decrease from 99% in December 2022. This decrease is likely due to some companies having already made investments over the past few years. Nearly all (99%) have already enhanced (or intend to) internal mechanisms to promote preparedness for future requirements. Seventy-nine percent have already done so—a decrease of 10%, from 89% in December 2022. Regardless, the move to strengthen internal governance, systems, processes, and controls remains very high.

Likelihood of investing in new technology or tools, N=300



How likely is your company to invest in new technology or tools to enable more timely data and high-quality disclosure in the next 12 months?

Enhance internal mechanisms to promote preparedness, N=300



Have you enhanced your internal goal-setting and accountability mechanisms in recent months to promote preparedness for future disclosure requirements?

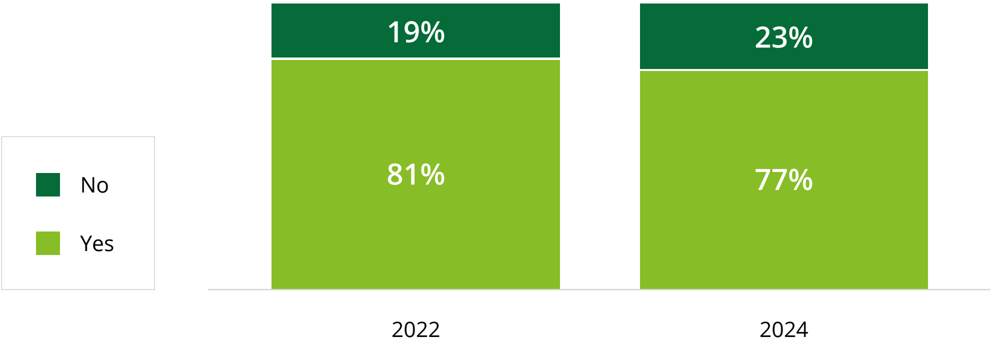
Detailed research findings

New reporting requirements create new roles
Ninety-nine percent of respondents reported they are preparing for a potential increase in requirements in December 2022 and 2024, and 77% report creating new roles and responsibilities to support preparation and execution of enhanced reporting processes and controls to meet regulatory requirements in 2024.

Eighty-six percent of respondents at oil and gas companies reported creating new roles or responsibilities, leading the industries surveyed. By comparison, only 74% of those from financial services firms reported having done so.

87% of respondents at smaller companies (with fewer than 5,000 employees) **created new roles or responsibilities**, compared with 69% of those at larger companies

Created new roles/responsibilities to prepare for potential increased disclosure requirements, N=300



Industry view: Created new roles/responsibilities to prepare for potential increased disclosure requirements, N=250*

	Financial Services	Consumer	Oil and Gas	Tech, Media, and Telecommunications	Life Sciences and Health Care
Yes	74%	80%	86%	81%	80%
No	26%	20%	14%	19%	20%

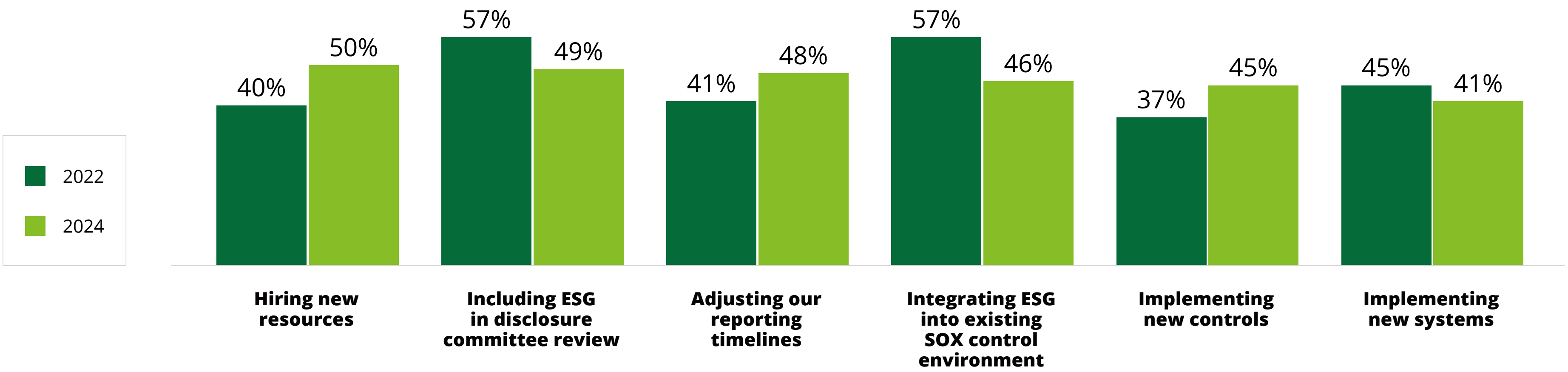
*Each industry oversample surveyed a mix of public and private companies, with a minimum of at least 100 publicly owned companies.

Have you created any new internal roles or responsibilities in recent months to prepare for potential increased ESG regulatory or other disclosure requirements?

Detailed research findings

Hiring new resources is now the most common step taken
To enhance technical measurement and reporting capabilities around GHG emissions, half of respondents (50%) report that hiring new resources is the most common step they are taking, perhaps reflecting that they've made the necessary internal changes, including budgets and investment capacity, to support new talent. In 2024, the other common steps respondents report taking are including ESG in disclosure committee review (49%) and adjusting reporting timelines (48%). This is compared to December 2022, in which common steps were including ESG in disclosure committee review and integrating ESG into their existing SOX control environment, both at 57%.

Steps taken to enhance financial reporting and controls for GHG emissions measurement, N=300



What steps is your company taking to enhance financial reporting capability, and controls around the GHG emissions measurement and related financial reporting impacts of climate change?

Detailed research findings

Companies are responding to pressure from their board and investors at an increased pace

Respondents indicate that strategic choices around how to prepare for evolving regulatory reporting requirements are increasingly influenced by the board of directors (52%), as well as investor pressure (42%). While ESG rating agencies continue to influence (45%), other external sources are less influential.

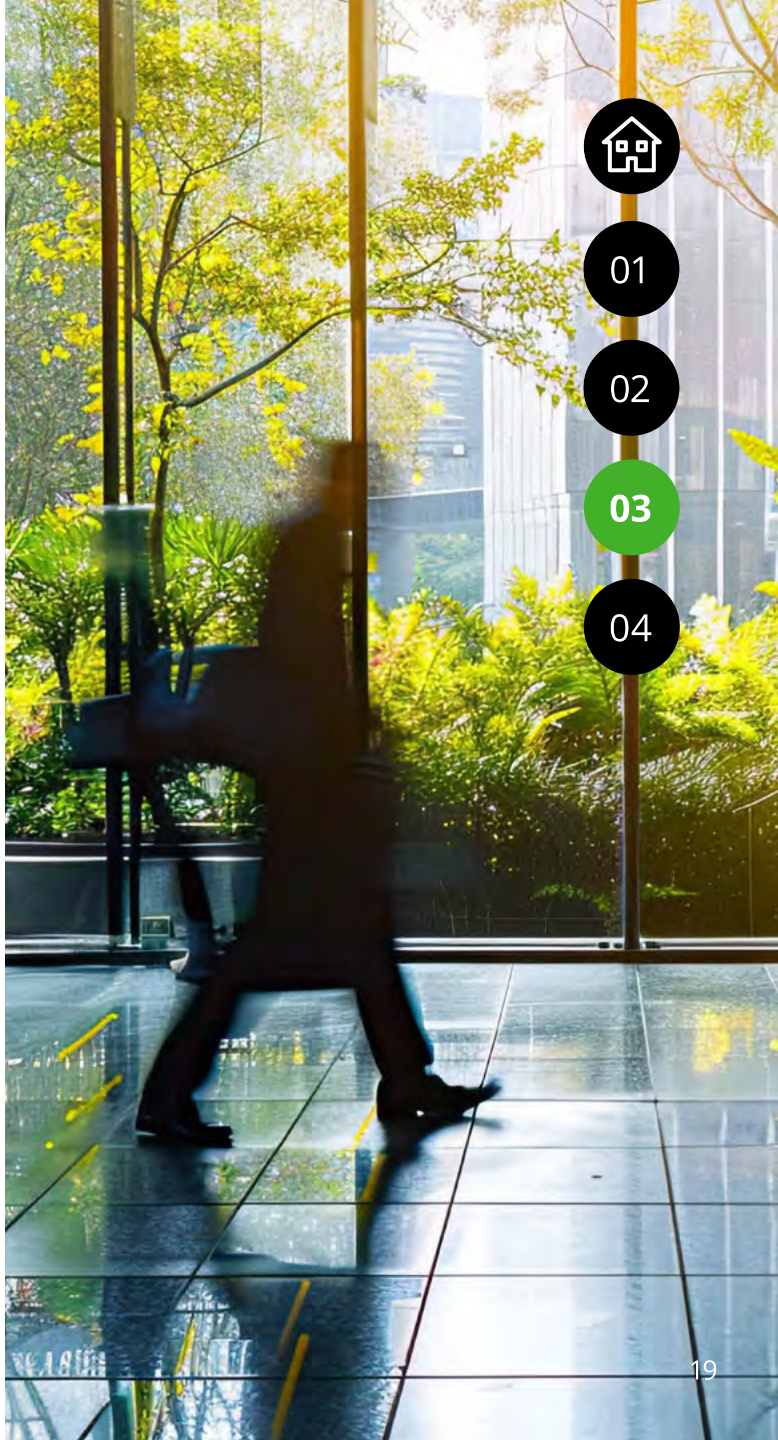
Where pressure on ESG reporting and disclosure policy comes from, N=300*

- **52%** Board of directors
- **39%** Employees
- **42%** Investors
- **38%** Customers/ consumers/clients
- **45%** ESG rating agencies
- **33%** Nongovernmental organizations
- **27%** Government

Internal pressures

External pressures

Which stakeholders do you feel the most pressure from regarding your organization's ESG reporting and disclosure policy?



Detailed research findings

At the industry level, pressure comes from specific sources

While TMT (48%), financial services (49%), and life sciences respondents (51%) report feeling pressure from ESG rating agencies, the oil and gas industry is most likely to face pressure from investors. At the industry level, TMT is most likely to feel pressure from consumers (40%), nongovernmental organizations (30%), and the government (25%).

Where pressure on ESG reporting and disclosure policy comes from*	**Main total** *N=300*	**Financial Services** *N=250*	**Consumer** *N=250*	**Oil and Gas** *N=250*	**Tech, Media, and Telecommunications** *N=250*	**Life Sciences and Health Care** *N=250*
Board of directors	52%	53%	56%	50%	52%	56%
ESG rating agencies	45%	49%	42%	40%	48%	51%
Investors	42%	36%	39%	44%	38%	35%
Employees	39%	31%	31%	31%	35%	31%
Customers/ consumers/clients	38%	38%	33%	32%	40%	34%
Nongovernmental organizations	33%	21%	20%	20%	30%	16%
Government	27%	15%	19%	17%	25%	14%

*Each industry oversample surveyed a mix of public and private companies, with a minimum of at least 100 publicly owned companies.

Which stakeholders do you feel the most pressure from regarding your organization's ESG reporting and disclosure policy?

Detailed research findings

Companies recognize both internal and external benefits to ESG reporting

Brand reputation (20%) is the top business outcome respondents expect to benefit from in response to enhanced ESG reporting; another 15% are looking to improve talent attraction, and 14% seek to realize pricing premiums for their products, highlighting how ESG reporting can influence external perceptions of the company. Meanwhile, half (51%) expect to realize internal benefits like improved operational efficiencies, reduced risk, or strengthened trust with stakeholders.

When asked to identify the top three expected business outcomes, respondents selected reduced risk (53%), increased efficiencies and ROI (52%), and both talent attraction and retention and brand reputation and enhancement at 51%.

Expected business outcomes influenced by enhanced ESG reporting, N=300

20%
Brand reputation and enhancement

17%
Increased efficiencies and ROI

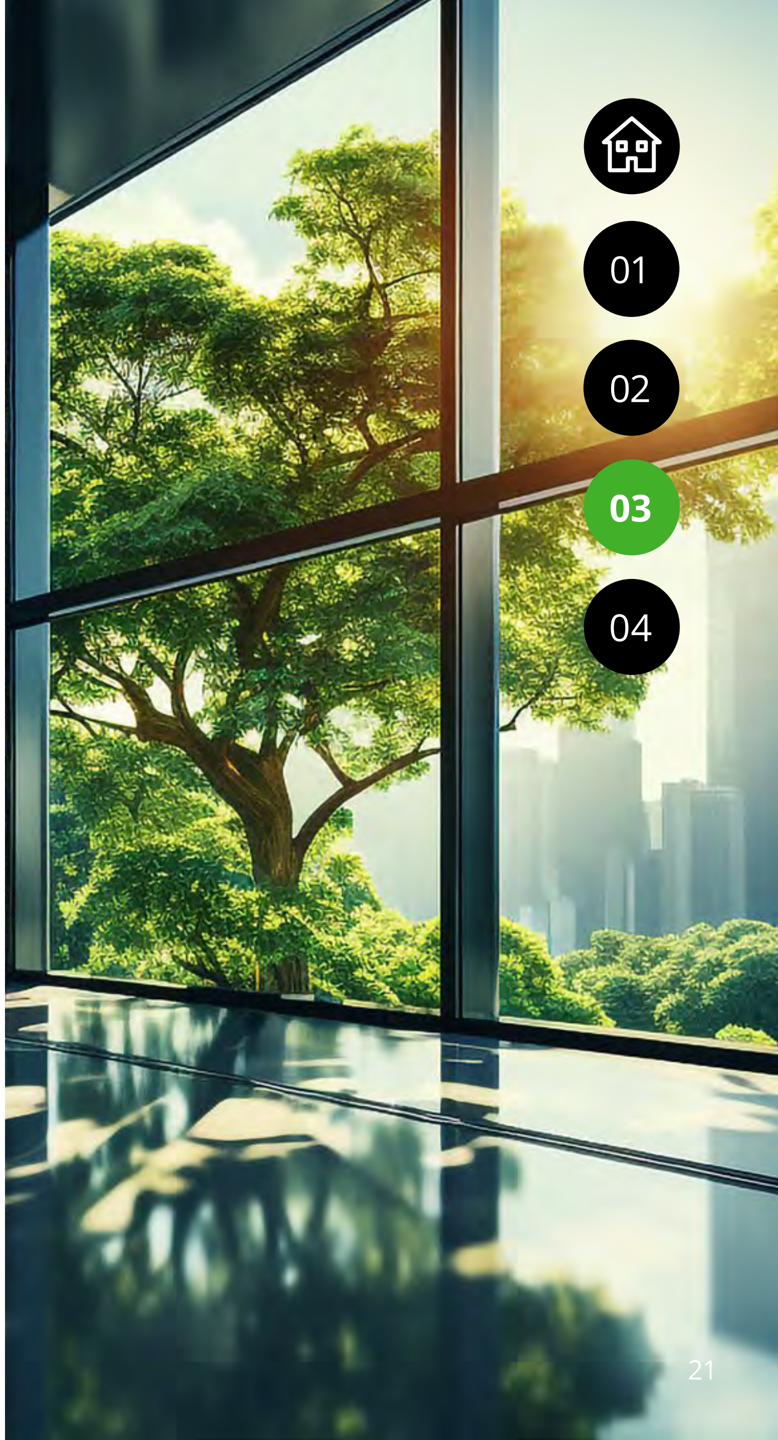
17%
Enhanced trust with stakeholders

17%
Reduced risk

15%
Talent attraction and retention

14%
Premium pricing of products

Please rank how these business outcomes are likely influenced by your company's enhanced ESG reporting.

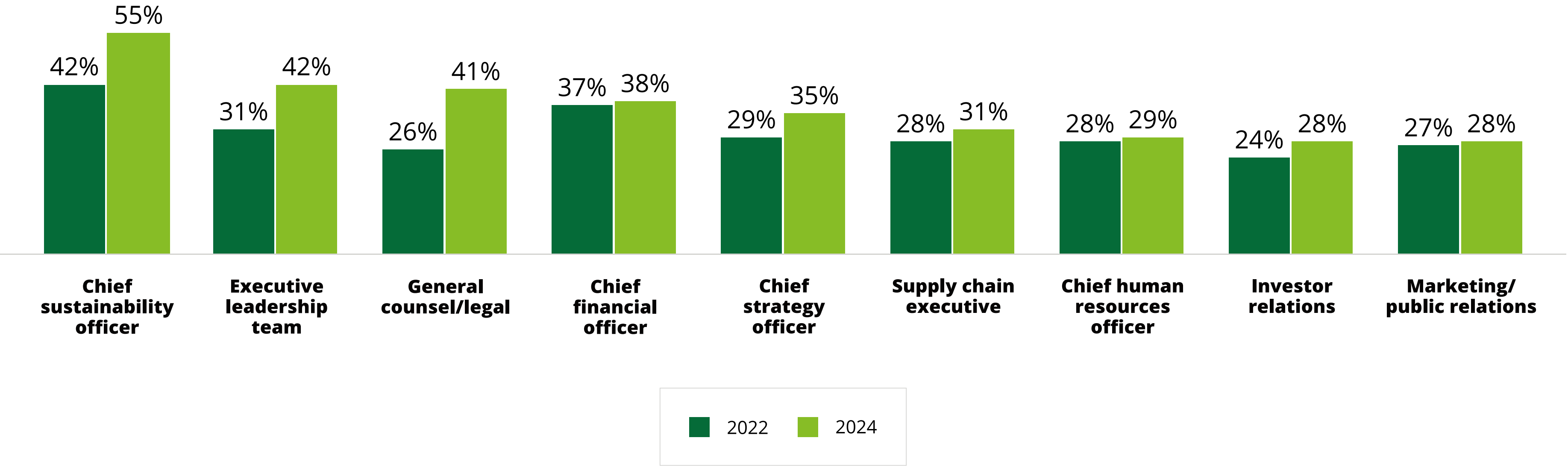


Detailed research findings

Chief sustainability officers' responsibilities are on the rise

While a similar number of chief financial officers and chief strategy officers have assumed management responsibility over ESG disclosure, since December 2022 there has been a notable rise in the role of the chief sustainability officer (from 42% to 55%) and general counsel (from 26% to 41%). Respondents also reported that the executive leadership team likewise assumed additional responsibility over ESG disclosure (from 31% to 42%).

ESG disclosure management responsibility, N=300



Who in your company has management responsibility for ESG disclosure?

Detailed research findings

Chief sustainability officers are most common in several industries

Consumer products (67%), oil and gas (67%), and life sciences respondent companies (62%) reported a CSO is charged with management responsibility for sustainability disclosure. Financial services company respondents also reported a prominent role for a CSO (58%), though 47% also rely on a chief financial officer.

ESG disclosure management responsibility*	Main total N=300	Financial Services N=250	Consumer N=250	Oil and Gas N=250	Tech, Media, and Telecommunications N=250	Life Sciences and Health Care N=250
Chief sustainablity officer	55%	58%	67%	67%	52%	62%
Executive leadership team	42%	37%	35%	32%	39%	40%
General counsel/legal	41%	38%	34%	36%	43%	39%
Chief financial officer	38%	47%	31%	27%	38%	32%
Chief strategy officer	35%	33%	39%	26%	39%	38%
Supply chain executive	31%	34%	29%	30%	32%	28%
Chief human resources officer	29%	20%	16%	21%	24%	22%
Investor relations	28%	21%	20%	18%	33%	24%
Marketing/public relations	28%	26%	18%	24%	29%	19%

*Each industry oversample surveyed a mix of public and private companies, with a minimum of at least 100 publicly owned companies.

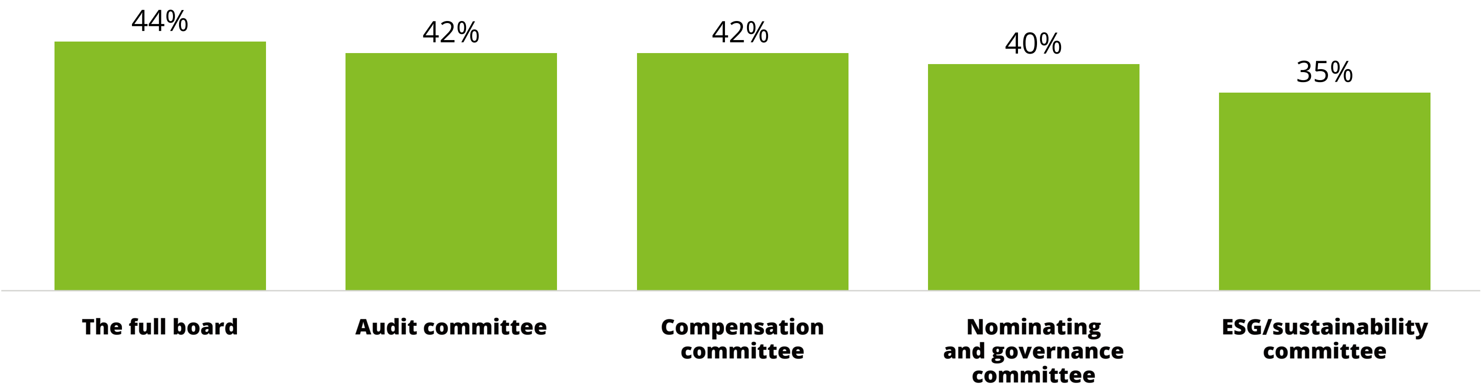
Who in your company has management responsibility for ESG disclosure?

Detailed research findings

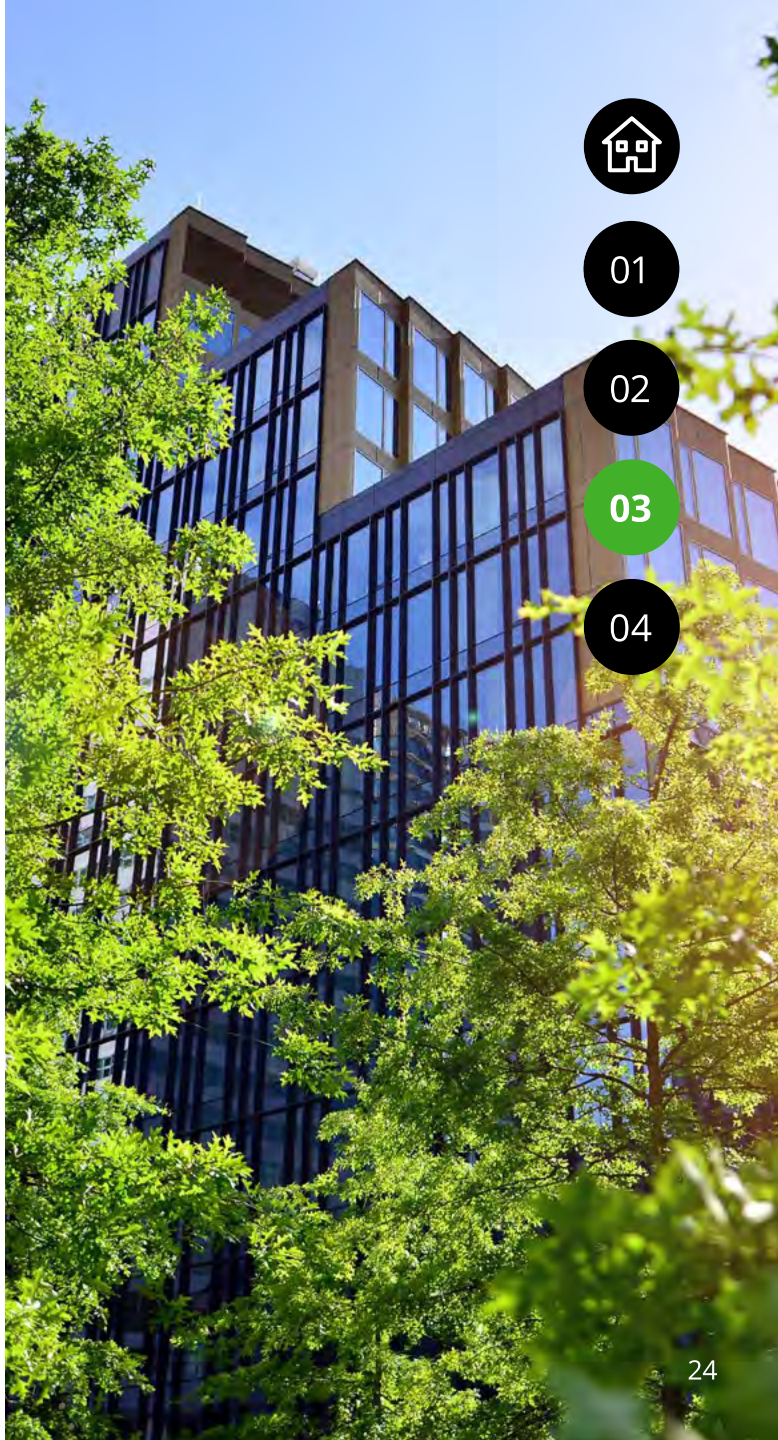
The full board—or an existing committee—oversees ESG

Respondents reported that the full board (44%) most commonly oversees ESG. Additionally, our 2024 findings show that it is also common for an existing committee, like the audit committee (42%) or compensation committee (42%), to provide oversight. Over a third of respondents indicated that the nominating and governance committee, or their ESG and sustainability committee, also exercises oversight. A recent survey by [Deloitte's Center for Board Effectiveness]() found that, among the S&P 500, the nominating and governance committee most commonly exercises oversight of ESG at the board of directors level.

ESG board-level oversight, N=300



Where does primary responsibility for oversight of ESG reside at the board level?



Detailed research findings

Volume and means of reporting

ESG data quality and review remain challenges for companies

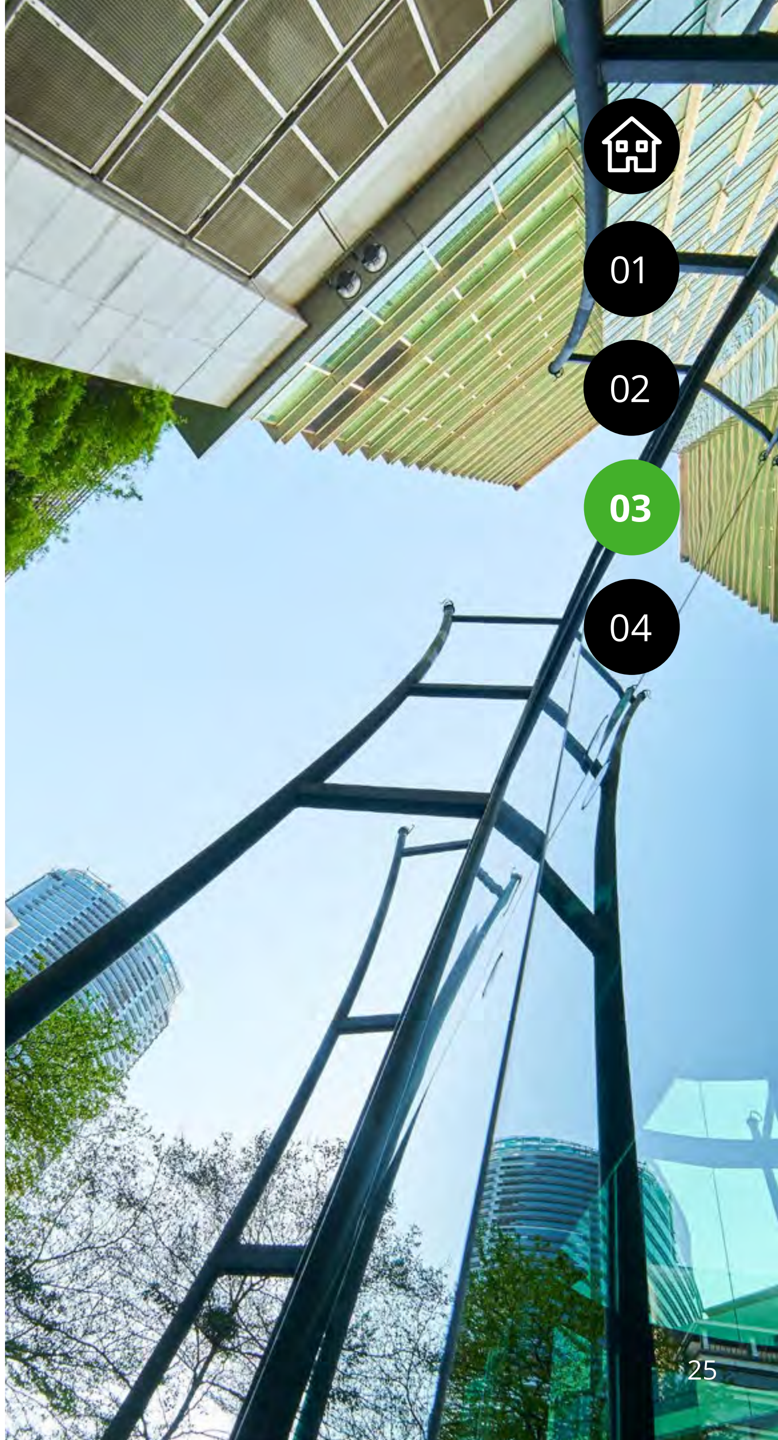
Among respondents, the top two challenges to high-quality ESG reporting were ESG data quality (including accuracy and completeness) and data processes and controls that are well established in financial reporting (including documentation, reviews, approvals, and sign-offs), at 76% and 52% respectively.

More than half (57%) cite data quality as their single biggest challenge, and 88% report it as a top three challenge. Similarly, 81% of respondents reported that documentation, review, and sign-off is a top three challenge.

Top two challenges with ESG data, N=300

76%	52%	36%	28%	8%
Quality (accuracy/completeness)	Review (documentation/sign-off)	Availability (access)	Consistency (methodology and standards application)	Aggregation (consolidation)

Of the following, please rank the top three challenges with respect to ESG data for your company.

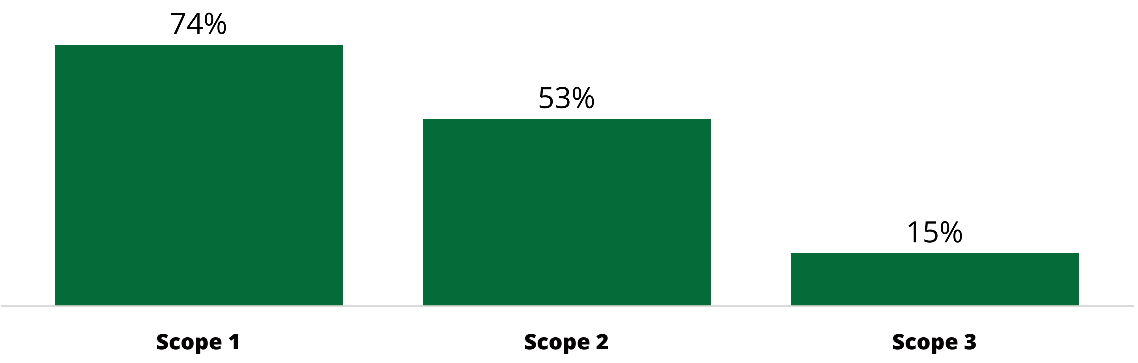


Detailed research findings

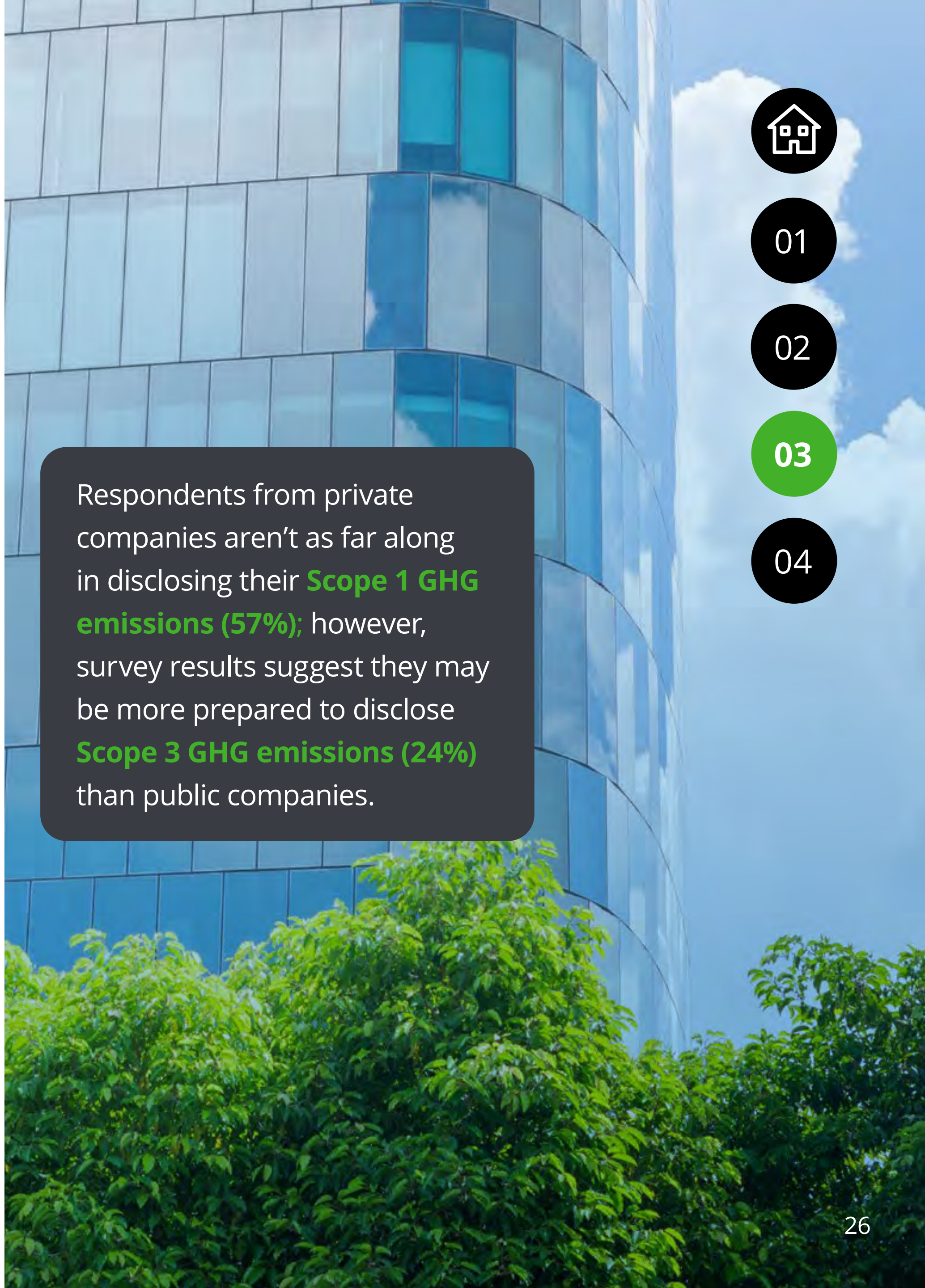
Few companies currently prepare and disclose Scope 3 GHG emissions
While most respondents are currently reporting on Scope 1 (74%) and Scope 2 (53%) GHG emissions, only 15% are currently preparing and disclosing Scope 3 GHG emissions. While the final SEC climate disclosure rule[3] does not specifically require Scope 3 GHG emissions reporting, CSRD, the California Climate Legislation, and IFRS S2 do.

While respondents with an already established cross-functional ESG group are more likely to be disclosing Scope 1 GHG emissions (80%), they are not more likely than responding companies without one to be preparing and disclosing Scope 2 or Scope 3 GHG emissions.

GHG emissions companies currently prepare and disclose, N=300



What level of GHG emissions reporting does your company currently prepare and disclose?



Respondents from private companies aren't as far along in disclosing their **Scope 1 GHG emissions (57%)**; however, survey results suggest they may be more prepared to disclose **Scope 3 GHG emissions (24%)** than public companies.

Detailed research findings

Not all industries are currently disclosing Scope 1 GHG emissions

Consumer products and oil and gas industry respondents reported limited disclosure of Scope 1 GHG emissions; in fact, more oil and gas companies are currently disclosing Scope 2 GHG emissions (59%) than Scope 1 GHG emissions (48%).

GHG emissions companies currently prepare and disclose, N=300*

Greenhouse gas emissions currently prepares and discloses	Main total N=300	Financial Services N=250	Consumer N=250	Oil and Gas N=250	Tech, Media, and Telecommunications N=250	Life Sciences and Health Care N=250
Scope 1	74%	66%	52%	48%	78%	62%
Scope 2	53%	56%	49%	59%	55%	53%
Scope 3	15%	20%	25%	21%	16%	20%

*Each industry oversample surveyed a mix of public and private companies, with a minimum of at least 100 publicly owned companies.

What level of GHG emissions reporting does your company currently prepare and disclose?

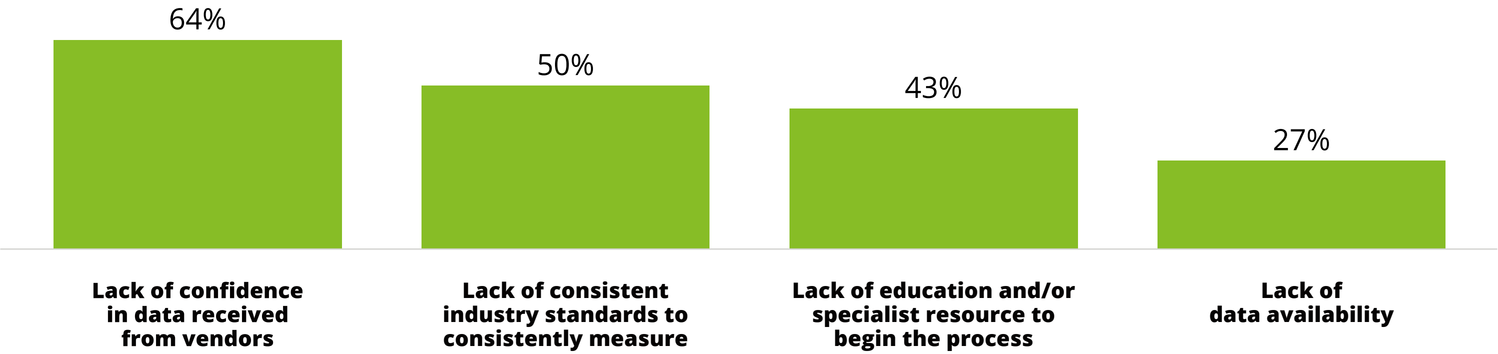
Detailed research findings

Supply chain data confidence, quality lag

For the 15% of respondents that currently prepare and disclose Scope 3 GHG emissions, many find challenges in measuring GHG emissions in a consistent and complete manner. The top challenge is a lack of confidence and completeness in the primary data they receive from the supply chain partners (64%). Another 50% of respondents also report a lack of consistent industry standards and methodologies, potentially leading to inconsistent boundary setting, measurement, and use of secondary proxy data. Lack of education (43%) and lack of data availability (27%) were less frequently cited as common challenges across this group.

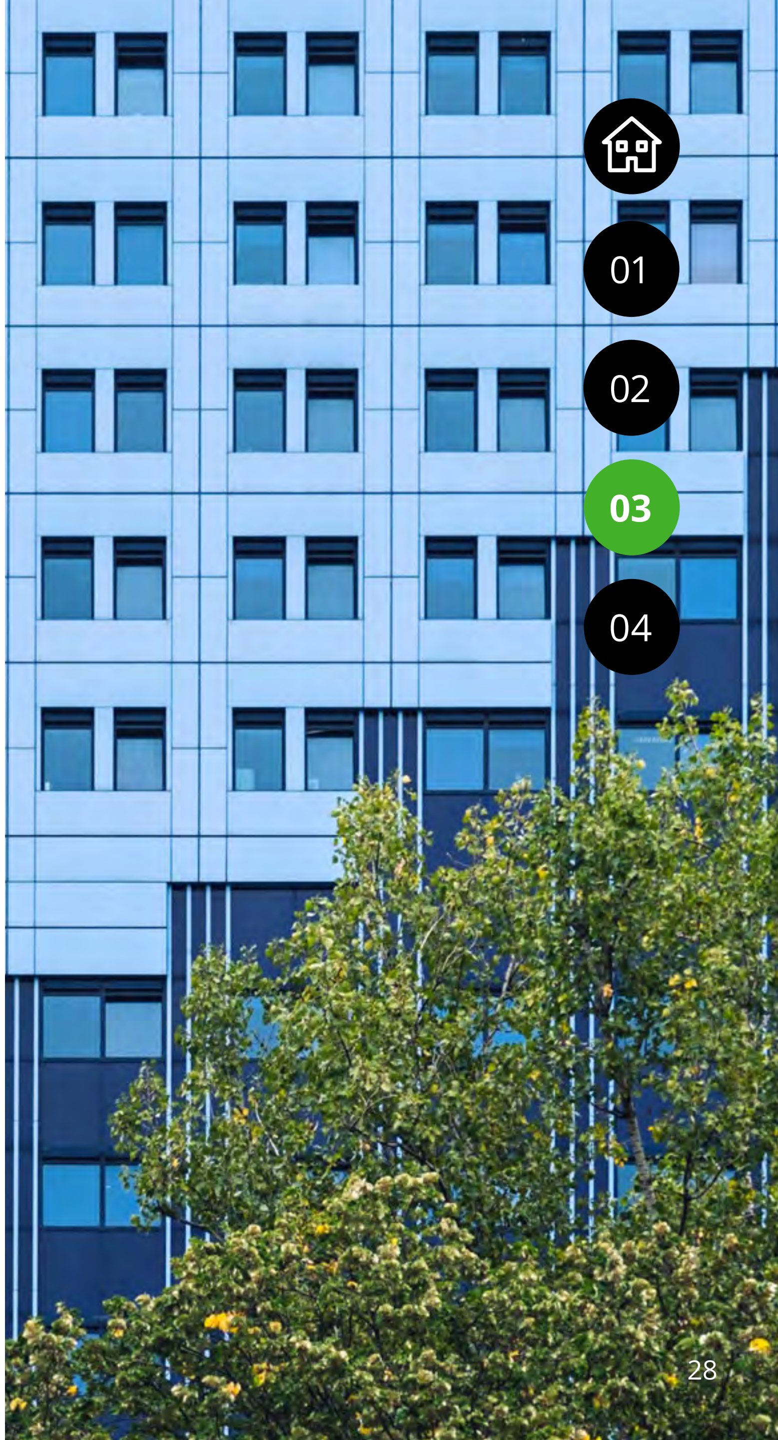
Challenges in measuring Scope 3 GHG emissions

Asked among those who currently disclose Scope 3, N=44*



*Small base size, findings are directional.

What are the biggest challenges to your company in measuring Scope 3 GHG emissions?

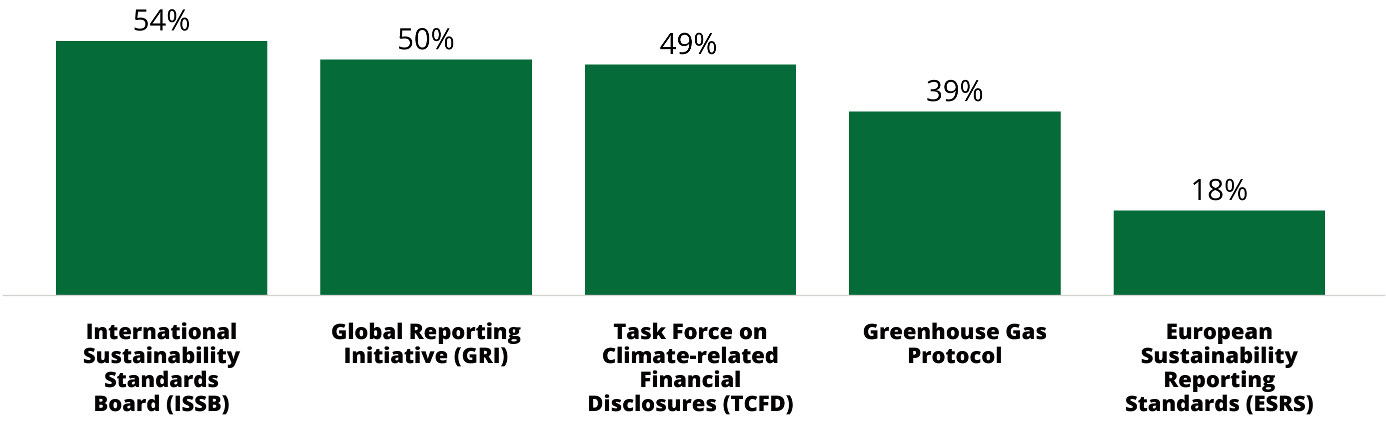


Detailed research findings

Companies use multiple standards and frameworks

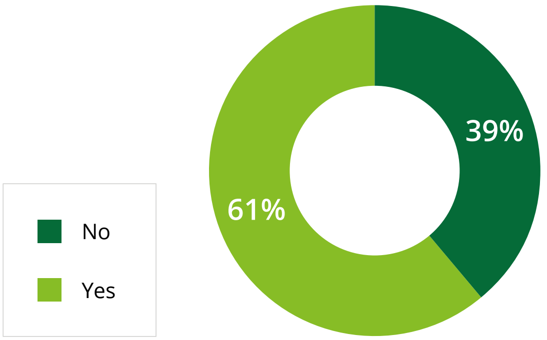
Based on the survey results, it appears that many respondents are using more than one standard or framework for ESG disclosures, with ISSB/Sustainability Accounting Standards Board (SASB) (54%), GRI (50%), and TCFD (49%) leading the way. At the industry level, oil and gas and financial services respondents are the most likely to reference multiple standards or frameworks, with ISSB/SASB and TCFD most commonly used. Seventy-five percent of oil and gas company respondents indicate applying the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control over Sustainability Reporting (ICSR) guidance, whereas only 60% of financial services are doing so.

Reporting standards currently used for ESG disclosures, N=300



Which reporting standards or frameworks are you currently using for your ESG disclosures?

Applying the COSO framework to ESG reporting process, N=300



Are you applying the COSO ICSR guidance to your ESG reporting process?

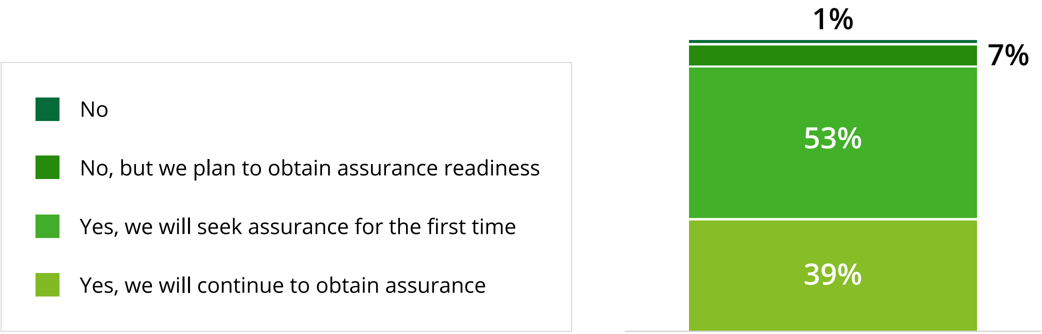
Detailed research findings

Most will seek assurance for the next reporting cycle

Similar to previous years, most respondents indicate they will obtain assurance for the next reporting cycle, with nearly all (99%) executives reporting that their company is already seeking assurance (39%) or has plans to do so (53%).

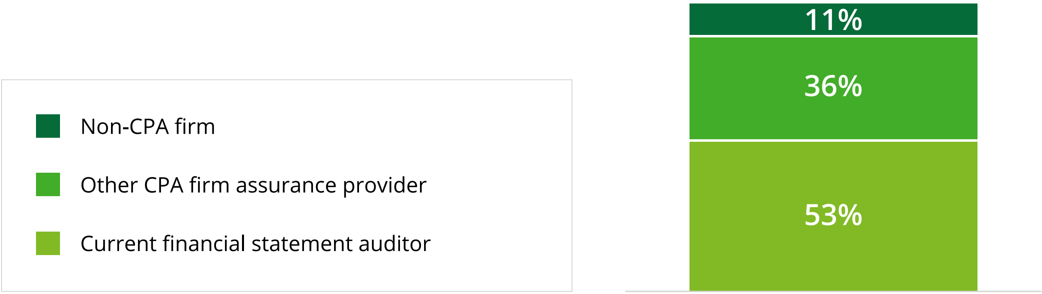
Private companies are continuing to mature in their assurance readiness. **Less than a third (30%) are currently obtaining assurance, compared with 39% of public companies.**

Plan to obtain assurance or engage in assurance readiness for the next reporting cycle, N=300



Do you plan to obtain assurance over ESG disclosures for the next reporting cycle?

Service provider used for assurance asked among those planning to obtain assurance, N=277

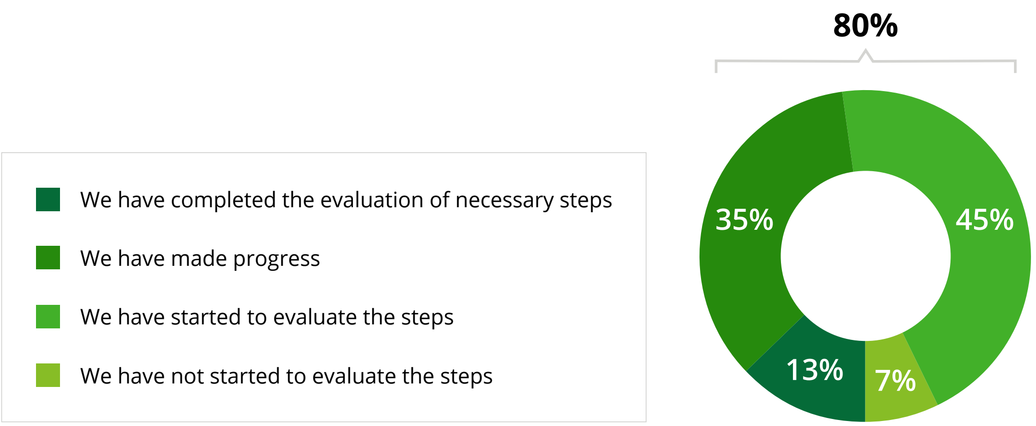


Which service provider performs external assurance over ESG reporting?

Detailed research findings

The move from limited to reasonable assurance
Around four out of five (80%) respondents indicate they are evaluating steps or making progress on moving from limited to reasonable assurance, and another 13% indicated they have completed the evaluation of the necessary steps. Just 7% say they have not yet started to evaluate the steps to transition to reasonable assurance.

Progress made moving from limited to reasonable assurance, N=300



Has your company started to plan for moving from limited to reasonable assurance?

Sixty-two percent of private company respondents are currently evaluating the necessary steps to move to reasonable assurance or have made progress, although **28%** have completed that review.

Most TMT respondents (86%) indicated they had not completed an evaluation of necessary steps to move from limited to reasonable assurance, although 78% are in the process of doing so. Thirty-seven percent of oil and gas company respondents have completed an evaluation, compared with only 14% of TMT companies.

04

Resources

Survey questions

1. Have you established a cross-functional ESG council or working group to drive strategic attention to ESG for the business?
2. How often does the ESG council or working group within your company meet to discuss and act on ESG priorities?
3. Compared to a year ago, what type of progress do you believe your company has made toward its sustainability goals and targets?
4. Is your organization taking steps to actively prepare for potential increased ESG regulatory or other disclosure requirements?
5. How likely is your company to invest in new technology or tools to enable more timely data and high-quality disclosure in the next 12 months?
6. Have you enhanced your internal goal-setting and accountability mechanisms in recent months to promote preparedness for future disclosure requirements?
7. Have you created any new internal roles or responsibilities in recent months to prepare for potential increased ESG regulatory or other disclosure requirements?
8. What steps is your company taking to enhance financial reporting capability, and controls around the GHG emissions measurement and related financial reporting impacts of climate change?
9. Which stakeholders do you feel the most pressure from regarding your organization's ESG reporting and disclosure policy?
10. Please rank how these business outcomes are likely influenced by your company's enhanced ESG reporting.
11. Who in your company has management responsibility for ESG disclosure?
12. Where does primary responsibility for oversight of ESG reside at the board level?
13. Of the following, please rank the top three challenges with respect to ESG data for your company.
14. What level of GHG emissions reporting does your company currently prepare and disclose?
15. What are the biggest challenges to your company in measuring Scope 3 GHG emissions?
16. Which reporting standards or frameworks are you currently using for your ESG disclosures?
17. Are you applying the COSO ICSR guidance to your ESG reporting process?
18. Do you plan to obtain assurance over ESG disclosures for the next reporting cycle?
19. Which service provider performs external assurance over ESG reporting?
20. Has your company started to plan for moving from limited to reasonable assurance?

Endnotes

[1] On April 4, 2024, the SEC voluntarily stayed the effective date of the final rule pending judicial review of petitions challenging it, which have been consolidated for review by the US District Court of Appeals for the Eighth Circuit. The SEC stated that it "will continue vigorously defending the [climate rule's] validity in court" but issued the stay to "facilitate the orderly judicial resolution of" challenges presented against the climate rule and to avoid "potential regulatory uncertainty if registrants were to become subject to the [climate rule's] requirements" before the legal challenges were settled. The stay does not reverse or change any of the final rule's requirements nor does it affect the SEC's existing 2010 interpretive release on climate change disclosures. For additional details, read Deloitte's "Comprehensive Analysis of the SEC's Landmark Climate Disclosure Rule."

[2] Ibid.

[3] Ibid.

Deloitte.