

Climate-Related Financial Risk Report, Front Section

the opening section of a California climate-related financial risk report, checked against the statute that requires it | Marked-up specimen

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A revenue threshold taken from the wrong statute, a filing described as a submission to the agency, a framework named by the wrong year, a reporting interval stated as annual, emissions data described that the report does not contain, and no explanation of two disclosures the company did not complete.

ORIGINAL, WITH EDITS MARKED

SPECIMEN, PREPARED BY EDITFAST FOR ILLUSTRATION. NOT A REAL REPORT. Prepared for Kestrel Foods Corporation (fictitious), climate-related financial risk report, front section

EXTRACT FROM THE COMPANY'S RECORD (reproduced unchanged in both panels)

CR-1 Total annual revenues for the last fiscal year were \$612,000,000.

CR-2 The company does business in California and is not regulated by the Department of Insurance.

CR-3 The reporting team completed nine of the eleven recommended disclosures.

CR-4 Scenario analysis and a scope 3 inventory were not completed, and both are scheduled for the next cycle.

CR-5 The report is posted at the company's own website and the link has been entered on the agency docket.

CR-6 The company has not been asked by any agency to submit the report as a filing.

CR-7 The company decided to publish this cycle although enforcement of the statute is enjoined.

CR-8 The company follows the Task Force framework as published in June 2017.

CR-9 Section 6 of the report is reserved for the company's account of incomplete disclosures.

CR-10 Counsel advises that enforcement is enjoined pending appeal and that the state board has said it will not enforce the January 1, 2026 deadline.

CR-11 Counsel has determined that the company is a covered entity under section 38533.

CR-12 The two disclosures not completed are Strategy (c) and Metrics and Targets (b), as identified by the reporting team.

1. ABOUT THIS REPORT

1.1 Kestrel Foods Corporation publishes this report because its annual revenue exceeds \$1,000,000,000 and it does business in California.¹

1.2 This report is filed with the California Air Resources Board each year.²

1.3 The report follows the TCFD 2021 framework.³

1.4 Emissions data in section 4 covers scope 1, scope 2, and scope 3 for the 2026 reporting year.⁴

1.5 All recommended disclosures have been addressed.⁵

WHAT CHANGED, AND WHY

#	Was	Now	Reason
1	1.1 Kestrel Foods Corporation publishes this report because its annual revenue exceeds \$1,000,000,000 and it does business in California.	1.1 Kestrel Foods Corporation reports as a covered entity under Health and Safety Code section 38533, which reaches business entities with total annual revenues over \$500,000,000 that do business in California. Revenue for the last fiscal year was \$612,000,000.	One billion dollars is the threshold in section 38532, which governs emissions reporting. Section 38533, the statute this report is written under, uses \$500,000,000. CR-1 puts the company above the second figure and below the first, and CR-11 records the determination of status.
2	1.2 This report is filed with the California Air Resources Board each year.	1.2 The report is made available to the public on the company's own internet website, as section 38533 requires, and the location of that link has been posted on the agency's public docket.	The statute requires the entity to make the report available to the public on its own internet website. The board maintains a docket for these reports, and the location of an entity's public link is posted there. CR-5 and CR-6 record that this is what the company did and that no filing was requested.
3	1.3 The report follows the TCFD 2021 framework.	1.3 The report follows the recommended framework and disclosures in the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures, published in June 2017, which is one of the frameworks section 38533 names.	CR-8 records the June 2017 edition. The statute names that final report by title and date, or a successor to it, and a year matching neither leaves a reader unable to tell which document was followed.
4	1.4 Emissions data in section 4 covers scope 1, scope 2, and scope 3 for the 2026 reporting year.	1.4 Emissions data in section 4 covers scope 1 and scope 2. No scope 3 inventory was completed for this cycle.	CR-4 records that no scope 3 inventory was completed, so the sentence described data the report does not contain. CR-1 puts revenue at \$612,000,000, below the one billion dollar threshold in section 38532, so that statute is not the reason for the absence either.
5	1.5 All recommended disclosures have been addressed.	1.5 Nine of the eleven recommended disclosures are addressed in full.	CR-3 records nine of eleven. The Task Force framework carries eleven recommended disclosures across its four thematic areas.

#	Was	Now	Reason
6	(nothing in the section accounts for the two disclosures not completed)	1.6 Two are not. The reporting team identifies them as Strategy (c) and Metrics and Targets (b), and both are scheduled for the next cycle. Where a covered entity does not complete a report consistent with all required disclosures under clause (i) of subparagraph (A), section 38533 has the entity provide the recommended disclosures to the best of its ability. It also provides a detailed explanation for any reporting gaps and describes the steps it will take to prepare complete disclosures. That explanation is given at section 6.	The statute anticipates incomplete reports and prescribes what accompanies them. CR-3, CR-4 and CR-12 record the gaps and which disclosures they fall under, CR-9 records where the account belongs, and nothing in the draft acknowledged any of that.
7	(nothing in the section states the reporting interval)	1.7 Section 38533 sets the report on or before January 1, 2026 and biennially after that. Counsel advises that enforcement of that section is enjoined pending appeal, and that the state board has said it will not enforce that deadline. This report is published while that position stands.	The draft described the report as annual at 1.2. The statute sets the first date and then a two-year interval. CR-7 and CR-10 record the decision to publish and the advice behind it.
8	(nothing in the section names the framework or accounts for what was compiled)	1.8 Following the state board's checklist, this report is prepared under the Task Force framework, and section 1.5 and section 1.6 state which recommendations and disclosures have been compiled and which have not.	The board's draft checklist asks for a statement of which reporting framework is being applied, and of which recommendations and disclosures have been compiled and which have not. CR-8 records the framework and CR-3 records the count.