



# Climate-related Financial Disclosure

## Project summary

To address the demand for climate-related financial disclosure requirements while permitting the Board sufficient time to redeliberate its approach to its Sustainability Reporting project, in February 2023, the AASB decided to add a separate project to its work program to develop climate-related financial disclosure requirements for Australia.

## Project contacts

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**Project priority: High**

### Issued Documents

- ED 321 [Request for Comment on ISSB \[Draft\] IFRS S1 and \[Draft\] IFRS S2](#)
- ITC 46 [AASB Agenda Consultation 2022-2026](#)

### AASB Outreach

- Submissions to ED 321
- Roundtable discussions on ED 321
- Roundtable discussion on ITC 46
- Submissions to ITC 46
- Submissions to ITC 48 *Extended External Reporting*

### Project status

- Develop related disclosure requirements

### Board deliberations

- AASB Action Alert Update and Board Papers

### Other

- IFRS Foundation—[International Sustainability Standards Board](#)
- IFRS Foundation—[Technical Readiness Working Group](#)
- ISSB – [Jurisdictional Working Group](#)

### AASB Communications

- [AASB Position Statement on Extended External Reporting Framework](#)
- [FRC/AASB/AUASB Position Statement on Extended External Reporting and Assurance](#)

## Latest project news

### Date

### News

21-22 June 2023

[June 2023 Action Alert](#)

8 March 2023

[March 2023 Action Alert](#)

1 February 2023

[February 2023 Action Alert](#)

The staff of the AASB have prepared this summary for information purposes only. The Board decisions described are tentative and do not change current accounting pronouncements unless otherwise indicated. Official positions of the AASB are determined only after extensive due process and deliberations. While this summary is regularly updated, it does not provide a comprehensive review or statement of events and should not be treated as such.

## AASB Action Alert Update, Minutes and Board Papers

Meeting Date	Update
June 2023	<p>The Board decided to expand the scope of the Climate-related Financial Disclosure project, previously limited to the for-profit sector, to explore the development of sector-neutral Australian climate-related financial disclosure requirements.</p> <p><a href="#">3.0</a> Staff Paper: Scope of the Climate-related Financial Disclosure project</p>
March 2023	<p>The Board supported the Climate-related Financial Disclosure project plan, which included a revised project timeline reflecting the recent change to the ISSB's timeline for completing its first IFRS Sustainability Disclosure Standards.</p> <p>The Board acknowledged the support amongst stakeholders for the development of industry-based requirements and considered how to address the proposed requirements that had been referred to in Appendix B to [Draft] IFRS S2 <i>Climate-related Disclosures</i>, incorporated in AASB ED 321. The Board noted the complexities and challenges associated with the Appendix B industry-based disclosure requirements being based on and referring to SASB (the former Sustainability Accounting Standards Board) industry classifications and associated Standards.</p> <p>The Board decided to remove references to SASB Standards from its baseline of IFRS Sustainability Disclosure Standards and not to publish industry-based illustrative examples until:</p> <ul style="list-style-type: none"><li>(a) the content has been comprehensively internationalised by the ISSB; and</li><li>(b) the content has undergone the AASB's due process in Australia.</li></ul> <p>This decision will be revisited by the Board after the ISSB issues IFRS S2 and its accompanying guidance, which is now expected in June 2023, and additional industry-based materials.</p> <p><a href="#">16.1</a> Staff Paper: Climate-related Financial Disclosure project plan</p> <p><a href="#">16.2</a> Staff Paper: Approach to SASB Standards and the industry-based proposals in Appendix B to [Draft] IFRS S2</p>

## AASB Action Alert Update, Minutes and Board Papers

Meeting Date	Update
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<b>February 2023</b>	<p>To address the demand for climate-related financial disclosure requirements while permitting the Board sufficient time to redeliberate its approach to broader sustainability reporting, the Board supported a “climate first” approach and decided to add a separate project to the Board’s work program to develop climate-related financial disclosure requirements for Australia.</p> <p>The Board also decided to continue applying the preliminary decisions made at its February 2022 (M185) and April 2022 (M186) meetings and the [draft] Sustainability Reporting project plan to its work on developing climate-related financial disclosure requirements. Those decisions are:</p> <ul style="list-style-type: none"><li>(a) to develop a separate suite of sustainability reporting standards alongside the existing Australian Accounting Standards, and address climate as the first sustainability reporting topic;</li><li>(b) to use the work of the IFRS Foundation’s International Sustainability Standards Board (ISSB) as a foundation, with modifications for Australian matters and requirements;</li><li>(c) to focus initially on the development of reporting requirements for sustainability-related financial information, which is consistent with the scope of the ISSB’s work;</li><li>(d) the initial scope of the project relates to the for-profit sectors, with not-for-profit sectors being considered at a later stage; and</li><li>(e) to apply its existing Due Process Framework for Setting Standards to preliminary work on the Sustainability Reporting project.</li></ul> <p>As part of its discussion on a draft project plan, the Board identified additional risks to project delivery for inclusion in the Climate-related Financial Disclosure project plan, including:</p> <ul style="list-style-type: none"><li>(a) further delays in the International Sustainability Standards Board (ISSB) issuing its sustainability and climate-related financial disclosure standards; and</li><li>(b) climate-related financial disclosures not being operational for other sectors or types of entities (for example, not-for-profit public and private sector entities or small-to-medium sized entities).</li></ul> <p>The Board decided to implement the Climate-related Financial Disclosure project plan, subject to a revised project timeline reflecting the recent change to the ISSB’s timeline. The Board will consider an updated Climate-related Financial Disclosure project plan at its next meeting.</p> <ul style="list-style-type: none"><li><a href="#">5.1</a> Cover memo: Sustainability Reporting and Climate-related Financial Reporting</li><li><a href="#">5.2</a> Developing climate-related financial reporting requirements for Australia</li><li><a href="#">5.3.0</a> [Draft] Climate-related Financial Reporting project plan<ul style="list-style-type: none"><li>5.3.1 GRI 305 Emissions 2016 <i>[Supporting Material]</i></li><li>5.3.2 GRI 302 Energy 2016 <i>[Supporting Material]</i></li></ul></li></ul>
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