

The Chair  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West  
Melbourne VIC 8007

1 March 2024

Dear Sir

**EXPOSURE DRAFT ED SR1 - AUSTRALIAN SUSTAINABILITY REPORTING STANDARDS - DISCLOSURE OF CLIMATE-RELATED FINANCIAL INFORMATION**

Thank you for the opportunity to comment on the Board's Exposure Draft ED SR1 for Australian climate-related financial disclosure requirements. While we agree with the proposal to require disclosure of sustainability information in an entity's financial report, we do not agree with the significant changes proposed to both IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2) which:

- Limit the disclosures to only climate-related information, and
- Significantly change the requirements in IFRS S2 to require the use of the NGER Scheme legislation, where practicable, to measure greenhouse gases.

We believe that it is important for Australian entities that report sustainability information in accordance with [Draft] ASRS 1 *General Requirements for Disclosure of Climate-related Financial Information* (ASRS 1) and [Draft] ASRS 2 *Climate-related Financial Disclosures* (ASRS 2) to be able to claim compliance with IFRS S1 and IFRS S2. We are concerned that several leniencies provided in [Draft] ASRS 2 could result in Australian entities being unable to claim compliance with International Sustainability Reporting Standards. These include:

- Requiring industry-based metrics using ANZSIC industry classifications rather than Industry-based Guidance on Implementing IFRS S2
- GWP values used by NGER Scheme legislation is derived from the Intergovernmental Panel on Climate Change (IPCC) 5<sup>th</sup> assessment report, rather than the latest IPCC report (6<sup>th</sup> assessment report)
- NGER measurement methodologies may not be consistent with IFRS S2 because nitrogen trifluoride (NF<sub>3</sub>) is not included in NGER
- Commercial banking and insurance entities not disclosing Scope 1 and Scope 2 emissions disaggregated by industry and asset class (because this information is not determined when using NGER Scheme legislation)

- Inflated levels of carbon credits because non-Kyoto Australian carbon credit units (ACCU) are not uniquely serialised.

Australia made the mistake in 2005 of developing Australian equivalent to IFRS accounting standards which removed various accounting options, making them more restrictive than standards issued by the International Accounting Standards Board (IASB). These changes were unwound over a number of years due to key stakeholders wanting Australian Accounting standards to be consistent with global accounting standards. We are concerned that Australia is repeating the same mistake with its approach to issuing sustainability related disclosures.

Please refer to Appendix 1 for our detailed comments on your specific and general matters for comment.

If you have any comments regarding this request, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink that reads 'Aletta Boshoff'.

Aletta Boshoff

Partner National Leader, IFRS & Corporate Reporting  
National Leader, ESG & Sustainability

## APPENDIX 1 - Specific matters for comment

### Presenting the core content of IFRS S1 in [draft] ASRS Standards

The AASB is proposing to limit the scope of disclosure requirements based on IFRS S1 to climate-related financial disclosures. Therefore, in developing the [draft] ASRS Standards, all references to “sustainability” in IFRS S1 have been replaced with “climate”. After making that change, the requirements in IFRS S2 in respect to core content disclosures of governance, strategy and risk management duplicate the requirements in IFRS S1. To minimise unnecessary duplication, the AASB considered three possible options regarding how to present the core content disclosure requirements of IFRS S1 in [draft] ASRS Standards (see paragraphs BC21-BC24).

The AASB is proposing to develop two [draft] ASRS Standards ([draft] ASRS 1, based on IFRS S1, and [draft] ASRS 2, based on IFRS S2), and instead of having the same requirements duplicated in both [draft] Standards, decided to include in [draft] ASRS 1 the requirements relating to core content disclosures of governance, strategy and risk management, and in [draft] ASRS 2, to replace relevant IFRS S2 paragraphs with Australian-specific paragraphs cross-referencing the corresponding paragraphs in [draft] ASRS 1.

#### Question 1

In respect of presenting the core content disclosure requirements of IFRS S1, do you prefer:

- (a) Option 1 - one ASRS Standard that would combine the relevant contents of IFRS S1 relating to general requirements and judgements, uncertainties and errors (i.e. all relevant requirements other than those relating to the core content that are exactly the same as the requirements in IFRS S2) within an Australian equivalent of IFRS S2;
- (b) Option 2 - two ASRS Standards where the same requirements in respect to disclosures of governance, strategy and risk management would be included in both Standards;
- (c) Option 3 - two ASRS Standards, by including in [draft] ASRS 1 the requirements relating to disclosures of governance, strategy and risk management, and in [draft] ASRS 2, replacing duplicated content with Australian-specific paragraphs cross-referencing to the corresponding paragraphs in [draft] ASRS 1 (which is the option adopted by the AASB in developing the [draft] ASRS 1 and [draft] ASRS 2 in this Exposure Draft); or
- (d) another presentation approach (please provide details of that presentation method)?

#### BDO Comment

Our preference is for Australian Sustainability Reporting Standards to be developed on the basis of Option 2. We acknowledge that there is duplication between various disclosures in [Draft] ASRS 1 and [Draft] ASRS 2 (particularly given there is only one sustainability topic at the moment, being climate), and we acknowledge the Board’s views noted in BC23-BC24. However, in practice, entities and auditors will find it cumbersome and time-consuming having to continually cross-reference back to [Draft] ASRS 1 for the complete list of disclosures required when applying [Draft] ASRS 2.

In the scheme of things, we consider the benefit to preparers and auditors in terms of time saving will outweigh the cost to the Board of maintaining the duplication in future topic-specific sustainability disclosure standards (given that these disclosures will already be included in the relevant topic-specific standards issued by the International Sustainability Reporting Standard). As more topic-specific standards are issued by the International Sustainability Standards Board (ISSB), we consider that duplicating the requirements in [Draft] ASRS 2 will save the Board time because it won't have to eliminate the duplicated disclosures and add cross-references to [Draft]ASRS 1.

## Replacing duplicated content with references to the Conceptual Frameworks

As noted in paragraphs BC25-BC27, the AASB is of the view that since the Conceptual Framework for Financial Reporting (in respect to for-profit entities) and the Framework for the Preparation and Presentation of Financial Statements (in respect to not-for-profit entities) are not legislative instruments and do not form part of the authoritative Australian Accounting Standards, they should not be made enforceable as part of [draft] ASRS Standards. Accordingly, where components of those Frameworks have been duplicated within IFRS S1 and IFRS S2 as requirements with which an entity must comply, the AASB is proposing to replace the relevant IFRS S1 and IFRS S2 paragraphs with Australian-specific paragraphs cross-referencing to those Frameworks.

### Question 2

Do you agree with the AASB's approach to make references to its *Conceptual Framework for Financial Reporting* (in respect to for-profit entities) and the *Framework for the Preparation and Presentation of Financial Statements* (in respect to not-for-profit entities) instead of duplicating definitions and contents of those Frameworks in [draft] ASRS 1 and [draft] ASRS 2? Please provide reasons to support your view.

### BDO Comment

Yes, we agree.

## Entities that do not have material climate-related risks and opportunities

Treasury's second consultation paper indicated that, where an entity assesses climate-related risks and opportunities as not material, disclosing that fact would be useful information to users. Accordingly, the AASB is proposing that if an entity determines that there are no material climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, the entity shall disclose that fact and explain how it came to that conclusion (see paragraphs BC34-BC36).

### Question 3

Do you agree with the proposed requirements in [draft] ASRS 1 paragraph Aus6.2 and [draft] ASRS 2 paragraph Aus4.2? Please provide reasons to support your view.

#### **BDO Comment**

To be consistent with the proposal in section 296B(1) of Treasury's Exposure Draft *Treasury Laws Amendment Bill 2024: Climate-related Financial Disclosure*, which requires a statement that the entity faces no material climate risks and does not have material climate opportunities, we agree with the Board's proposal to include similar disclosures, including how the entity arrived at that conclusion.

### Modifications to the baseline of IFRS S1 for [draft] ASRS 1

#### Sources of guidance and references to Sustainability Accounting Standards Board (SASB) Standards

As noted in paragraphs BC39-BC41, the AASB is proposing to remove from IFRS S1 and IFRS S2 the requirement for an entity to consider the applicability of SASB Standards and references to Industry-based Guidance on Implementing IFRS S2 issued by the ISSB developed based on SASB Standards. This is mainly because:

- (a) the ISSB's public consultation period was too short for Australian stakeholders to appropriately consider the proposals in Appendix B to [draft] IFRS S2 (issued by the ISSB as Industry-based Guidance on Implementing IFRS S2) and for the AASB to appropriately apply its own due process;
- (b) not all of the proposals in Appendix B to [draft] IFRS S2 are related to climate-related risks and opportunities; and
- (c) the SASB Standards are US-centric and not representative of the Australian or global market

### Question 4

Do you agree with the AASB's views noted in paragraphs BC39-BC41? Please provide reasons to support your view.

#### **BDO Comment**

We do not agree with the Board's proposal for omitting the SASB standards and references to the IFRS S2 Industry-based Guidance for three reasons:

1. US-centric references have been removed from the SASB standards since ED SR1 was issued in October 2023, so they now have more global application. Refer <https://www.ifrs.org/projects/completed-projects/2023/international-applicability-of-the-sasb-standards/>.

2. The final Industry-based Guidance for IFRS S2 appears to relate only to climate-related risks and opportunities (that is, each equivalent SASB standard relates to climate plus broader sustainability topics). Point (b) above notes otherwise.
3. Some Australian entities will have to prepare two sets of climate disclosures in order to claim compliance with International Sustainability Reporting Standards, i.e. using ANZSIC industry classifications to comply with Australian Sustainability Reporting Standards; and using SASB industry classification and metrics to comply with International Sustainability Reporting Standards (for example, if the entity is a subsidiary of a global group, or the entity operates in a foreign jurisdiction, which requires compliance with International Sustainability Reporting Standards).

*BC41 notes that “..an entity that wishes to make additional voluntary disclosures using SASB Standards, or the Standards listed in Appendix C of IFRS S1, would be able to do so.”*

In our view, Australian entities should be given the option to apply either ANZSIC, or the SASB standards and Industry-based Guidance to IFRS S2.

The industry classification system used in Australia is the Australian and New Zealand Standard Industrial Classification (ANZSIC) issued by the Australian Bureau of Statistics. As noted in paragraph BC42, to avoid introducing requirements that would require an entity to use another industry classification system, the AASB is proposing to specify in [draft] ASRS Standards that, if an entity elects to make industry-based disclosures, the entity shall consider the applicability of well-established and understood metrics associated with particular business models, activities or other common features that characterise participation in the same industry, as classified in ANZSIC (see paragraphs Aus48.1, Aus55.1, Aus58.1 and AusB20.1 of [draft] ASRS 1 and paragraphs Aus32.1, Aus37.1, AusB63.1 and AusB67.1 of [draft] ASRS 2).

## Question 5

Do you agree with the AASB’s view that if an entity elects to make industry-based disclosures, the entity should consider the applicability of well-established and understood metrics associated with particular business models, activities or other common features that characterise participation in the same industry, as classified in ANZSIC? Please provide reasons to support your view.

### **BDO Comment**

We do not agree with this proposal.

#### *Duplication of industry-based metrics*

Please refer to our response to Question 4 above. In our view, forcing Australian entities to use the ANZSIC industry classifications, instead of SASB or the IFRS S2 Industry Guidance, may add significant additional costs to Australian entities that have to also provide climate disclosures in accordance with International Sustainability Reporting Standards (for example, an Australian subsidiary providing

information to its parent for overseas climate reporting, or an Australian parent/group required to report according to ISSBs because they conduct business in a foreign jurisdiction).

*ANZSIC is merely an industry classification mechanism*

Using ANZSIC industry classifications does not appear to give entities automatic access to suitable metrics for that industry. That is, other entities with the same ANZSIC code may not have published data metrics, and therefore entities may have limited access to what data metrics similar entities are looking at. We acknowledge that over time as sustainability reporting evolves, more of these ANZSIC industry-based metrics will be available, but in the interim, we recommend allowing entities the option to consider the metrics in the Industry-based Guidance for IFRS S2 (rather than having that as additional voluntary disclosure as noted in BC 41).

*Definition of ‘ANZSIC’*

We also note that ‘ANZSIC’ is defined Appendix A of [Draft] ASRS 1 and [Draft] ASRS 2 as:

“The Australian and New Zealand Standard Industrial Classification issued by the Australian Bureau of Statistics, as identified in [draft] ASRS 101 *References in Australian Sustainability Reporting Standards*”

Table 3 in ASRS 101 identifies the Australian Bureau of Statistics 2006 version as the appropriate reference. However, Table 3 is not specific as to the appropriate level of ANZSIC code to be used for this purpose. Information available on the ABS website shows four levels of possible classification:

- [Division codes and titles](#)
- [Division codes with subdivision codes](#)
- [Division codes with subdivision codes and group codes](#)
- [Division codes with subdivision, group and class codes.](#)

Division codes are the most aggregated level of industry, with class codes being the most disaggregated. If reference to ANZSIC is retained by the Board, we recommend that either the definition of ‘ANZSIC’ or Table 3 be amended to refer to the specific level of classification required for assessing appropriate industry-based metrics (with the most disaggregated level likely to produce the most comparable industry-based metrics).

## Question 6

Do you consider that ASRS Standards should expressly permit an entity to also provide voluntary disclosures based on other relevant frameworks or pronouncements (e.g. the SASB Standards)? Entities are able to provide additional disclosures provided that they do not obscure or conflict with required disclosures. Please provide reasons to support your view.

## BDO Comment

We believe that disclosures based on other relevant frameworks or pronouncements (such as SASB Standards) should be optional, not voluntary. We reiterate our position in Questions 4 and 5 above that

requiring ANZSIC, with additional voluntary disclosures in order to comply with IFRS S1 and S2, is onerous for entities having to comply with IFRS S1 and S2. Our preference would be to give entities a choice of whether to use ANZSIC or SASB industries for climate disclosure purposes in Australia.

### Disclosing the location of the entity's climate-related financial disclosures

As noted in paragraphs BC43-BC45, in its second consultation Treasury proposed to require entities to include an index table in its annual report that displays climate-related financial disclosure requirements (i.e. governance, strategy, risk management, and metrics and targets) and the relevant disclosure section and page number. Feedback to that consultation indicated that there was overall support for such an index table and that it would provide useful information to users.

However, the AASB was concerned that requiring an entity to include a detailed index table in its GPFR could be onerous to prepare. The AASB is of the view that the benefits of having such a detailed index table presented in an entity's GPFR would not outweigh the cost and effort required to prepare the index table.

### Question 7

Instead of requiring a detailed index table to be included in GPFR, the AASB added paragraph Aus60.1 to [draft] ASRS 1 to propose requiring an entity to apply judgement in providing information in a manner that enables users to locate its climate-related financial disclosures. Do you agree with that proposed requirement? Please provide reasons to support your view.

### BDO Comment

Yes, we agree with this proposal.

### Interim reporting

Treasury staff observed that the feedback received on the second consultation paper indicated there was a significant degree of confusion over whether interim reporting of climate-related financial disclosures would be mandatory, since IFRS S1 included optional requirements on interim reporting. As noted in paragraph BC46, to help avoid creating confusion around interim reporting the AASB is proposing to omit the following IFRS S1 paragraphs in [draft] ASRS 1:

- (a) IFRS S1 paragraph 69, which requires an entity electing to prepare interim reports to comply with IFRS S1 paragraph B48; and
- (b) IFRS S1 paragraph B48, which provides guidance on the content of interim disclosures should an entity elect to prepare interim reports.



## Question 8

Do you agree with the proposed omission of IFRS S1 paragraphs 69 and B48? Please provide reasons to support your view.

### BDO Comment

Yes, we agree.

## Modifications to the baseline of IFRS S2 for [draft] ASRS 2

### Scope of [draft] ASRS 2

IFRS S2 applies to climate-related risks and opportunities within the context of climate change. As noted in paragraphs BC49-BC50, feedback to ED 321 highlighted that there was a significant degree of confusion on what was meant by “climate” and the boundary of [draft] IFRS S2. Given that IFRS S2 makes no reference to climate-related financial disclosures beyond climate change or other climate-related emissions, the AASB decided to add paragraph Aus3.1 to [draft] ASRS 2 to clarify the scope of the Standard—that [draft] ASRS 2:

- (a) is limited to climate-related risks and opportunities related to climate change; and
- (b) does not apply to other climate-related emissions (e.g. ozone depleting emissions) that are not greenhouse gas (GHG) emissions.

That scope statement would also clarify that [draft] ASRS 2 does not replace existing legislation or pronouncements prescribing reporting requirements related to other sustainability-related topics (e.g. water and biodiversity).

## Question 9

Do you agree with the proposal in [draft] ASRS 2 paragraph Aus3.1 to clarify the scope of the [draft] Standard? Please provide reasons to support your view.

### BDO Comment

Yes, we agree because we believe that this proposal is consistent with IFRS S2, which references climate change in the definition of climate-related risks and opportunities.

### Climate resilience

IFRS S2 does not prescribe the number of scenarios an entity is required to assess to meet the disclosure objective of IFRS S2 paragraph 22.

As noted in paragraphs BC51-BC54, the AASB considered the Treasury’s second consultation paper and added paragraph Aus22.1 to [draft] ASRS 2 to propose requiring an entity required by the

Corporations Act 2001 to prepare climate-related financial disclosures to disclose its climate resilience assessments against at least two possible future states, one of which must be consistent with the most ambitious global temperature goal set out in the Climate Change Act 2022 (i.e. 1.5°C above pre-industrial levels).

The global temperature goal set out in paragraphs 3(a)(i) and 3(a)(ii) of the Climate Change Act is to contribute to “holding the increase in the global average temperature to well below 2°C above pre-industrial levels; and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.” To avoid entities incurring unnecessary costs and effort in determining which temperature goal to select within the range of 1.5°C and below 2°C above pre-industrial levels, the AASB decided to specify the most ambitious global temperature goal set out in the Climate Change Act (i.e. 1.5°C above pre-industrial levels).

Consistent with the ISSB’s reasons, the AASB decided not to specify the upper-temperature scenario that an entity must use in its climate-related scenario analysis, which mainly assesses climate-related physical risks. This is because scenarios used in assessing physical risk would depend on the entity’s facts and circumstances, including the nature and location of its operations.

## Question 10

Do you agree with the proposal in [draft] ASRS 2 paragraph Aus22.1? Please provide reasons to support your view.

### **BDO Comment**

Yes, we agree because this amendment would not preclude an entity from complying with IFRS S2.

## Question 11

Do you agree with the AASB’s view that it should not specify the upper-temperature scenario that an entity must use in its climate-related scenario analysis? Please provide reasons to support your view.

### **BDO Comment**

Yes, we agree. An appropriate upper temperature scenario should be determined by entities based on their specific facts and circumstances.

## Cross-industry metric disclosures (paragraphs 29(b)-29(g))

### Question 12

Do you consider the cross-industry metric disclosures set out in paragraphs 29(b)-29(g) of IFRS S2 (and [draft] ASRS 2) would provide useful information to users about an entity's performance in relation to its climate-related risks and opportunities? Please provide reasons to support your view.

#### **BDO Comment**

Yes, we agree.

## Cross-industry remuneration disclosure (paragraphs 29(g) and Aus29.1)

AASB members formed two views regarding whether to require Australian entities to disclose the following information as set out in [draft] ASRS 2 paragraph 29(g):

- (a) a description of whether and how climate-related considerations are factored into executive remuneration; and
- (b) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.

One of the concerns noted by a minority of the AASB is that if [draft] ASRS 2 paragraph 29(g) is included in the final Standard, it might be seen as the AASB replicating remuneration reporting requirements outside of Australian legislation. However, for the reasons outlined in paragraphs BC57-BC63, on balance the AASB decided to propose that entities should be required to disclose that information.

To avoid potential conflicts with existing regulatory requirements or entities attempting to define which of their key management personnel is considered an “executive”, the AASB decided to clarify that, in the context of [draft] ASRS 2, “executive” and “executive management” has the same meaning as “key management personnel” and “remuneration” has the same meaning as “compensation”, both as defined in AASB 124 *Related Party Disclosures*.

### Question 13

Do you agree with the proposed requirements in [draft] ASRS 2 paragraphs 29(g) and Aus29.1 to disclose the information described in points (a) and (b) in the above box? In your opinion, will this requirement result in information useful to users? Please provide reasons to support your view.

#### **BDO Comment**

Yes, we agree.

## Greenhouse gas (GHG) emissions (paragraphs Aus31.1 and B19-AusB63.1 and Australian application guidance)

### Definition of greenhouse gases

As noted in paragraphs BC66-BC69, IFRS S2 defines greenhouse gases as the seven greenhouse gases listed in the Kyoto Protocol. However, the AASB noted that one of those gases, nitrogen trifluoride (NF<sub>3</sub>), is not listed in the *National Greenhouse and Energy Reporting Act 2007* and related regulations (NGER Scheme legislation) as a class of greenhouse gas.

Despite that difference, the AASB decided to incorporate in [draft] ASRS 2 the definition of greenhouse gases from IFRS S2 without any modification. This is because Australia does not have a significant presence in the manufacturing of items containing NF<sub>3</sub>. Therefore, it is expected that not many Australian entities would have material NF<sub>3</sub> emissions to report.

### Question 14

Do you agree with the AASB's proposal to incorporate in [draft] ASRS 2 the definition of greenhouse gases from IFRS S2 without any modification? Please provide reasons to support your view.

### BDO Comment

We agree with the proposal to incorporate the definition of greenhouse gases from IFRS S2 without modification. This is because we believe that Australia should not make changes to the sustainability standards so that Australian entities cannot claim compliance with the ISSB standards.

However, if the Board decides to proceed with the requirement for Australian entities to apply the measurement requirements of the NGER Scheme legislation, where practicable, then we believe that all greenhouse gases listed in the Kyoto Protocol (and incorporated into the GHG Protocol) should be specifically included in the definition of greenhouse gases in the NGER Scheme legislation. This can be achieved by amending the NGER Regulations.

In order to understand the differences between the greenhouse gases listed in the NGER Scheme legislation and the GHG Protocol, we compared the list of gases in the GHG Protocol to the greenhouse gases listed in the NGER Scheme legislation (specifically in the NGER Regulations). We noted that the following hydrofluorocarbons and perfluorocarbons listed in the GHG Protocol Global Warming Potential Values [calculation tool](#) are not included in the NGER Regulations:

#### Hydrofluorocarbons

- HFC-152
- HFC-161
- HFC-236cb
- HFC-236ea
- HFC-245fa
- HFC-365mfc
- Perfluorocarbons (referred to as perfluorinated compounds)

- Nitrogen trifluoride
- PCF-91-18
- Trifluoromethyl sulphur pentafluoride
- Perfluorocyclopropane

Australian ED SR1 notes that it is aware that nitrogen trifluoride is not included and comments that it is not expected to lead to a material omission in Australia. However, we are unsure if  $\text{NF}_3$  and the other hydrofluorocarbons and perfluorocarbons noted above would result in material differences.

### Converting greenhouse gases into a CO2 equivalent value

Paragraphs B21 and B22 of IFRS S2 require an entity to convert greenhouse gases into a CO2 equivalent value using global warming potential (GWP) values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change (IPCC) assessment available at the reporting date. The IPCC has undertaken its 6th assessment in 2023. Therefore, if an entity is preparing climate-related financial disclosures for the period beginning 1 July 2024, under IFRS S2 the entity would be required to convert greenhouse gases using the GWP values in the IPCC 6th assessment report (AR6).

However, entities reporting under NGER Scheme legislation would be required to use the GWP values in the IPCC 5th assessment report (AR5). As noted in paragraphs BC70-BC72, to avoid regulatory burden for certain Australian entities, the AASB added paragraphs AusB22.1 and AusB22.2 to [draft] ASRS 2 to require an entity to convert greenhouse gases using the GWP values in AR5, as identified in [draft] ASRS 101.

### Question 15

Do you agree with the AASB's view that an Australian entity should be required to convert greenhouse gases using GWP values in line with the reporting requirements under NGER Scheme legislation? Please provide reasons to support your view.

#### **BDO Comment**

Please refer to our response to Question 17 below. If the Board proceeds with its approach to apply methodologies set out in NGER Scheme legislation, using Australian-specific data sources and factors for the estimation of greenhouse gas emissions, for consistency, we agree that converting greenhouse gases using GWP values in line with NGER Scheme legislation is appropriate.

However, we note that requiring this methodology will result in Australian entities unable to claim compliance with IFRS S2 for global reporting purposes because:

- IFRS S2, paragraphs B21 and B22 require GWP values based on a 100- year time horizon, from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date (which is currently IPCC Sixth 6th Report)
- NGER Scheme legislation requires the use of GWP values in the IPCC 5th assessment report.

To avoid this area of non-compliance, the NGER Regulations could be updated to refer to the latest Intergovernmental Panel on Climate Change assessment available at the reporting date.

## Market-based Scope 2 GHG emissions

IFRS S2 paragraph 29(a)(v) requires an entity to disclose its location-based Scope 2 GHG emissions. However, the Treasury's second consultation paper proposed a phased-in approach to requiring an entity to also disclose market-based Scope 2 GHG emissions. The AASB added paragraphs Aus31.1(f) and AusC4.2 to propose requiring an entity that would be required by the Corporations Act 2001 to prepare climate-related financial disclosures to disclose its market-based Scope 2 GHG emissions in addition to its location-based Scope 2 GHG emissions, except for the first three annual reporting periods in which such an entity applies [draft] ASRS 2 (see also paragraphs BC78-BC79).

## Question 16

Do you agree with the proposals set out in [draft] ASRS 2 paragraphs Aus31.1(f) and AusC4.2? Please provide reasons to support your view.

### BDO Comment

Yes, we agree with the proposal to require market-based Scope 2 GHG emissions data because it provides more accurate data based on specific power purchase contracts that the entity has negotiated. We also agree with the deferral of this requirement until the fourth annual reporting period, with no comparatives for years 1, 2 and 3.

## GHG emission measurement methodologies

The AASB added paragraphs Aus31.1(b) and AusB25.1 in [draft] ASRS 2 to specify that an entity would be required to:

- (a) consider the measurement of its Scope 1 GHG emissions, location-based Scope 2 GHG emissions, market-based Scope 2 GHG emissions (when applicable) and Scope 3 GHG emissions separately;
- (b) apply methodologies set out in NGER Scheme legislation, using Australian-specific data sources and factors for the estimation of greenhouse gas emissions, to the extent practicable; and
- (c) when applying a methodology in NGER Scheme legislation is not practicable, apply:
  - (i) a methodology that is consistent with measurement methods otherwise required by a jurisdictional authority or an exchange on which the entity is listed that are relevant to the sources of the greenhouse gas emissions; or
  - (ii) in the absence of such a methodology, a relevant methodology that is consistent with GHG Protocol Standards.

The diagram in the Australian Application Guidance accompanying [draft] ASRS 2 illustrates the application of paragraphs Aus31.1(b) and AusB25.1. See also paragraphs BC73-BC76.

## Question 17

Do you agree with the proposals in [draft] ASRS 2 paragraphs Aus31.1(b) and AusB25.1? Please provide reasons to support your view.

### BDO Comment

We do not agree with these proposals. As noted in our introductory comment above, we believe that Australia should adopt IFRS S2 as issued by the ISSB without incorporating significant changes so that an entity applying the Australian sustainability standard can claim compliance with IFRS S2.

IFRS S2.29(a)(ii) requires preparers to:

- (ii) *measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23-B25);*

We believe that Australian entities should use the GHG Protocol to measure their greenhouse gas emissions because this is a widely accepted standard that is globally understood.

However, we do note that it may be efficient for entities already reporting under NGER to continue to do so. We therefore recommended an additional ‘Aus’ paragraph permitting NGER reporters to continue to use the NGER Scheme legislation when calculating their Scope 1 and Scope 2 emissions for sustainability reporting purposes.

We believe that applying NGER Scheme Legislation by non-NGER reporters or NGER reporters with sustainability reporting obligations overseas may result in such entities having to duplicate emissions calculations if they are required to also report according to the GHG Protocol, applying the financial control or equity approach.

#### *Additional issues identified with the current drafting*

We also note it is not clear whether all, or only parts of the NGER Scheme legislation are relevant for calculating Scope 1 and Scope 2 emissions. The NGER Scheme Legislation is defined in [Draft] ASRS 1 as shown below:

- |                                |   |
|--------------------------------|---|
| <b>NGER Scheme legislation</b> | For the purposes of this [draft] Standard, NGER Scheme legislation means: <ul style="list-style-type: none"><li>(a) the <i>National Greenhouse and Energy Reporting Act 2007</i>;</li><li>(b) the <i>National Greenhouse and Energy Reporting Regulations 2008</i>; and</li><li>(c) the <i>National Greenhouse and Energy Reporting (Measurement) Determination 2008</i>.</li></ul> |
|--------------------------------|---|

### *Operational control*

The NGER Act identifies facilities/activities over a certain size which must report for a specified purpose. This includes facilities/activities that the entity controls, hence the use of the ‘operational control’ method is required in the NGER Act. The ‘operational control’ method may not be appropriate when calculating Scope 1 and Scope 2 emissions for an accounting consolidated group. We therefore recommend additional guidance for paragraph Aus 31.1(b) to clarify whether the ‘operational control’ method must be used.

### *Measurement methodologies*

[Draft] ASRS 2, paragraph Aus31.1(b) requires an entity to apply ‘**relevant methodologies set out in NGER Scheme legislation, to the extent practicable**’ to measure greenhouse gas emissions.

[Draft] ASRS 2, paragraph AusB25.1 then requires an entity to ‘**apply methodologies set out in NGER Scheme legislation, using Australian-specific data sources and factors for the estimation of greenhouse gas emissions, to the extent practicable.**’

Neither of these paragraphs specify which parts of NGER Scheme legislation should be used. While the NGER Regulations contain GWP values that are Australian-specific, the NGER Measurement Determination (2008) contains emissions factors and methods of measuring emissions calculations for different industries, and many industries are not covered. We recommend additional guidance and/or examples for paragraph Aus 31.1(b) to illustrate how the NGER Regulations and NGER Measurement Determination (2008) could be used by entities in different industries to calculate Scope 1 and Scope 2 emissions, particularly for entities operating in industries which are not covered by NGER Scheme legislation.

### *To the extent practicable*

Given the issues described above with respect to using NGER Scheme legislation measurement methodologies, and in particular, the fact that the NGER Measurement Determination (2008) does not cover all industries, we are concerned about how the term ‘to the extent practicable’ will be interpreted by preparers in practice. That is, if an entity cannot find its relevant industry, can it automatically revert to using the GHG Protocol for measuring Scope 1 and Scope 2 emissions (as outlined in the hierarchy in [Draft] ASRS 2, paragraph Aus31.1(b))?

We recommend additional guidance so that preparers can determine when it is not practicable to use NGER Scheme legislation.

## **Providing relief relating to Scope 3 GHG emission**

As noted in paragraphs BC80-BC81, the AASB decided to add paragraph AusB39.1 to [draft] ASRS 2 to propose permitting an entity to disclose in the current reporting period its Scope 3 GHG emissions using data for the immediately preceding reporting period, if reasonable and supportable data related to the current reporting period is unavailable
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## Question 18

Do you agree with the proposal in paragraph AusB39.1 of [draft] ASRS 2? Please provide reasons to support your view.

### BDO Comment

Yes, we agree. Section 296D(1)(d)(i) of the Exposure Draft for *Treasury Laws Amendment Bill 2024: Climate-related financial disclosure* allows for this.

### Scope 3 GHG emission categories

IFRS S2 paragraphs B32-B33 require an entity to categorise the sources of its Scope 3 GHG emissions based on the 15 categories listed in the IFRS S2 definition, which was taken from the GHG Protocol Standards. However, as noted in paragraphs BC82-BC85, the AASB observed that those 15 categories of Scope 3 GHG emissions are not referenced in IPCC guidelines or the Paris Agreement. The AASB was unsure whether requiring categorisation of the sources of Scope 3 GHG emissions under the 15 categories listed in the IFRS S2 definition would achieve international alignment if entities in other jurisdictions that are parties to the Paris Agreement are able to disclose different categories.

The AASB considered whether it would be more appropriate to require Australian entities to categorise the sources of their Scope 3 GHG emissions consistent with the categories outlined in IPCC guidelines and National Greenhouse Gas Inventory reporting requirements. However, the AASB rejected that approach because the objective of IFRS S2 paragraphs B32-B33 is to disclose information about the entity's activities that give rise to Scope 3 GHG emissions, and the IPCC sectoral classifications do not appear to be sufficient in identifying the entity's activities. For example, it is unclear whether the sectoral categories would provide information about emissions arising from business travel, employee commuting and investments, which are categories in IFRS S2.

The AASB decided to add the Scope 3 GHG emission categories in IFRS S2 to [draft] ASRS 2 as examples of categories that an entity could consider when disclosing the sources of its Scope 3 GHG emissions, rather than requiring an entity to categorise the sources of emissions in accordance with the categories of the GHG Protocol Standards (see [draft] ASRS 2 paragraph AusB33.1).

## Question 19

Do you agree with the AASB's approach in [draft] ASRS 2 paragraph AusB33.1 to include the Scope 3 GHG emission categories in IFRS S2 as examples of categories that an entity could consider when disclosing the sources of its Scope 3 GHG emissions, rather than requiring an entity to categorise the sources of emissions in accordance with the categories of the GHG Protocol Standards? Please provide reasons to support your view.

## BDO Comment

We do not agree with this proposal and the Board's rationale for removing the requirement to disclose which of the 15 Scope 3 GHG categories were included in the entity's Scope 3 GHG emission disclosures.

IFRS S2, paragraph 29(a)(vi)(1) requires disclosure of the relevant 15 GHG Protocol categories included in the entity's Scope 3 emissions, even if the entity did not use the GHG Protocol to measure its Scope 3 emissions (refer IFRS S2, paragraph B33). Following this logic, Australian entities should similarly be required to disclose which of the 15 GHG Protocol categories were included in Scope 3 emissions.

Our conclusion is based on the hierarchy for measuring Scope 3 emissions being the same in [Draft] ASRS 1 as in IFRS S2. That is, NGER Scheme Legislation is ignored because it does not cover Scope 3 emissions. So, the hierarchy noted in IFRS S2, paragraph 29(a)(ii) for measuring GHG emissions is:

1. If a jurisdictional authority or an exchange on which the entity is listed requires a measurement method other than the GHG Protocol, use that method
2. If 1. above does not apply, use the GHG Protocol.

The hierarchy proposed in [Draft] ASRS 2, paragraph Aus31.1(b) to measure GHG emissions is:

1. Apply relevant methodologies in *NGER Scheme Legislation* to the extent practicable (ignore as NGER does not address Scope 3)
2. Apply a methodology that is consistent with that required by a jurisdictional authority or an exchange on which the entity is listed
3. Apply the GHG Protocol.

## Financed emissions

As noted in paragraph BC86, IFRS S2 paragraphs 29(a)(vi)(2) and B58-B63 require an entity that participates in asset management, commercial banking or financial activities associated with insurance to provide additional disclosures relating to its financed emissions.

When incorporating those IFRS S2 requirements relating to financed emissions, instead of requiring an entity to disclose the information outlined in IFRS S2 paragraphs B61-B63, the AASB proposes to require an entity to consider the applicability of those disclosures related to its financed emissions (see [draft] ASRS 2 paragraphs AusB59.1, AusB61.1 and AusB63.1). This is because IFRS S2 paragraphs B61-B63 are based on GHG Protocol Standards requirements, which require an entity to disaggregate its Scope 1 and Scope 2 GHG emissions (in addition to its Scope 3 GHG emissions). The AASB is of the view that entities that apply methodologies set out in NGER Scheme legislation to measure their Scope 1 and Scope 2 GHG emissions may not have the information necessary for those disaggregated disclosures.

An entity is required to disclose the information outlined in [draft] ASRS 2 paragraphs AusB61.1 and AusB63.1 if those disclosures are applicable to the entity.

## Question 20

Do you agree with the AASB's proposal to require an entity to consider the applicability of those disclosures related to its financed emissions, as set out in [draft] ASRS 2 paragraphs AusB59.1, AusB61.1 and AusB63.1, instead of explicitly requiring an entity to disclose that information? Please provide reasons to support your view.

### BDO Comment

While we believe that Australia should not make changes to [Draft] ASRS 2 because entities will not be able to claim compliance with IFRS S2, we do understand the Board's rationale for entities participating in commercial banking or insurance to only 'refer to and consider the applicability' of disclosures described in [Draft] ASRS 2, paragraphs AusB59.1-AusB63.1 (i.e. they may not be able to access disaggregated Scope 1, 2 and 3 emissions by industry and asset class, given that NGER does not require such disaggregation). However, the disclosures for asset management entities in AusB61.1 do not require such disaggregation, so we are unsure why this leniency has been provided for asset managers (perhaps the Board envisaged that some asset management entities may not be able to obtain Scope 3 emissions data from its investees, and therefore need to also consider the applicability of Scope 3?).

We note in BC86(a) (last sentence) that an entity is required to disclose this information if those disclosures are applicable to the entity. It would be useful for the Board to clarify in a final standard what they mean by 'applicability'.

### Superannuation entities

As noted in paragraphs BC87-BC88, the AASB has heard from some stakeholders that superannuation entities may have challenges complying with climate-related financial disclosure requirements set out in IFRS S1 and IFRS S2.

## Question 21

In your opinion, are there circumstances specific to superannuation entities that would cause challenges for superannuation entities to comply with the proposed requirements in [draft] ASRS 1 and [draft] ASRS 2? If so, please provide details of those circumstances and why they would lead to superannuation entities being unable to comply with the proposed requirements or else able to comply only with undue cost or effort.

### BDO Comment

Treasury's Exposure Draft *Treasury Laws Amendment Bill 2024: Climate-related Financial Disclosure* requires superannuation entities to prepare sustainability reports if they are either a registrable superannuation entity that meet the size tests in section 292A, or have \$5 billion of assets under management. However, many of the investees (whose Scope 1 and Scope 2 emissions will be included as Scope 3 emissions of the superannuation entity) are not required to, and do not prepare data for

their Scope 1 and Scope 2 emissions. Climate disclosures of many superannuation entities will therefore be incomplete, and incomparable with other entities that have access to this data.

If investees do not produce the data directly, superannuation entities would be required to use alternative estimation methods which may be costly, and onerous to apply in practice. Noting the requirement to measure Scope 3 emissions in [Draft] ASRS 2, paragraph B39 using all reasonable and supportable information that is available to the entity at the reporting date without ‘undue cost or effort’, requiring superannuation entities to estimate the Scope 1 and Scope 2 emission of investees is likely to result in undue cost and effort.

### Carbon credits

IFRS S2 defines a carbon credit as “An emissions unit that is issued by a carbon crediting programme and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialised, issued, tracked and cancelled by means of an electronic registry.” [emphasis added]

As noted in paragraphs BC90-BC92, non-Kyoto Australian carbon credit units (ACCU) are not uniquely serialised. The AASB is proposing to modify the definition of carbon credit in [draft] ASRS 2 to specify that carbon credits issued under the Australian Carbon Credits Units Scheme meet the definition of carbon credit, to ensure non-Kyoto ACCUs can also be recognised as carbon credits in the context of the [draft] Standard.

### Question 22

Do you agree with the AASB’s proposal to modify the definition of carbon credit in [draft] ASRS 2? Please provide reasons to support your view.

#### **BDO Comment**

Yes, we agree with this proposal, but this will cause a non-compliance with IFRS S2.

### Questions specific to not-for-profit entities

As noted in paragraphs BC28-BC30, the AASB is proposing to specify the objective of [draft] ASRS 1 and [draft] ASRS 2 in respect to a not-for-profit entity. Paragraph Aus3.1(b) of [draft] ASRS 1 and paragraph 2.2(b) of [draft] ASRS 2 state that the objective would be for a not-for-profit entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, access to finance or cost of capital, and its ability to further its objectives, over the short, medium or long term.

### Question 23

Do you agree with paragraph Aus3.1(b) of [draft] ASRS 1 and paragraph 2.2(b) of [draft] ASRS 2 that the objective of a not-for-profit entity would be to disclose information about climate-related risks and

opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital, and its ability to further its objectives, over the short, medium or long term? Please provide reasons to support your view.

### **BDO Comment**

Yes, we agree.

## **Question 24**

Is there additional guidance that you consider would be helpful in explaining the objective of a not-for-profit entity preparing climate-related financial disclosures? If so, please provide details of that guidance and explain why you think it would be helpful.

### **BDO Comment**

N/A

[Draft] ASRS 1 paragraph Aus6.1 and [draft] ASRS 2 paragraph Aus4.1 propose that a not-for-profit entity would not need to undertake an exhaustive search for information to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, but would be required to use all reasonable and supportable information available to the entity at the reporting date without undue cost or effort in preparing material climate-related financial information required by [draft] ASRS 1 and [draft] ASRS 2.

As noted in paragraphs BC31-BC33, the AASB is of the view that the clarification in [draft] ASRS 1 paragraph Aus6.1 and [draft] ASRS 2 paragraph Aus4.1, together with the practical expedients already provided in the baseline of IFRS S1 and IFRS S2 (and the [draft] ASRS) relating to certain quantitative disclosures, would be sufficient to address cost-benefit concerns for not-for-profit entities to prepare climate related financial disclosures and concerns with the scalability of [draft] ASRS 1 and [draft] ASRS 2 for not-for-profit entities.

## **Question 25**

Do you agree with the proposal in [draft] ASRS 1 paragraph Aus6.1 and [draft] ASRS 2 paragraph Aus4.1? Please provide reasons to support your view.

### **BDO Comment**

Yes, we agree.

## Question 26

Do you agree with the AASB's view noted in paragraphs BC31-BC33 that the proposed clarification in [draft] ASRS 1 paragraph Aus6.1 and [draft] ASRS 2 paragraph Aus4.1, together with the practical expedients already provided through the baseline of IFRS S1 and IFRS S2, would be sufficient to address the cost-benefit and scalability concerns for not-for-profit entities preparing climate-related financial disclosures? Please provide reasons to support your view.

### **BDO Comment**

Yes, we agree.

## Question 27

If you disagree with the AASB's view in Question 26, what other modifications could be made to the baseline of IFRS S1 and IFRS S2 as included in the [draft] ASRS to assist not-for-profit entities to comply with climate related financial disclosure requirements without undue cost or effort? Please specify which requirements in [draft] ASRS 1 and [draft] ASRS 2 you would suggest modifying, how those requirements could be modified and why you think the modifications would be helpful.

### **BDO Comment**

N/A

## Questions specific to not-for-profit public sector entities

Paragraphs BC105-BC106 set out a high-level overview of two matters raised by not-for-profit public sector stakeholders regarding applying climate-related financial disclosure requirements:

- (a) whether climate-related financial disclosures should be provided by public sector entities on a mandatory or voluntary basis, and by which level of government entities; and
- (b) how to determine the value chain of a government and public sector entities with multi-stakeholder groups.

Additionally, as noted in paragraphs BC107-BC109, the AASB is proposing to defer consideration of whether to undertake a domestic standard-setting project to develop Australian requirements or guidance for not-for-profit public sector entities to report the effect of climate-related risks and opportunities, and related government policies, on the economy, environment and people (i.e. climate-related impact reporting) until it has considered the results of the International Public Sector Accounting Standards Board's project on Climate related Disclosures in due course.

Questions 28-29 below are designed for the AASB to obtain information on whether additional modifications to [draft] ASRS 1 and [draft] ASRS 2 may be needed to better support the application of the proposed requirements by not-for-profit public sector entities

## Question 28

Unless already provided in response to Question 27, are there any other modifications or additions that could be made to the baseline of IFRS S1 and IFRS S2 as included in the [draft] ASRS to:

- (a) assist not-for-profit public sector entities to apply the concept of value chain and other climate related financial disclosure requirements; and
- (b) better support alignment with public sector projects related to climate-related matters, such as the Australian Government's Australian Public Service (APS) Net Zero 2030 policy, which is a policy for the APS to reduce its greenhouse gas emissions to net zero by 2030?

In your response, please specify:

- (a) which requirements in [draft] ASRS 1 and [draft] ASRS 2 you would suggest modifying, how those requirements could be modified and why you think the modifications would be helpful; and
- (b) which of the following levels of government entities should be subject to your suggested modifications or additional requirements. Please provide reasons to support your view.
  - (i) Whole of Government;
  - (ii) General Government Sector;
  - (iii) Government departments;
  - (iv) Government entities; and
  - (v) Local governments.

### **BDO Comment**

N/A

## Question 29

Do you agree with the AASB's proposed approach of deferring consideration of whether to undertake a domestic standard-setting project to address Australian public sector climate-related impact reporting? Please provide reasons to support your view.

### **BDO Comment**

N/A

## General matters for comment

The AASB would also particularly value comments on the following general matters:

### Question 30

Has the [AASB Sustainability Reporting Standard-Setting Framework \(September 2023\)](#) been applied appropriately in developing the proposals in this Exposure Draft.

#### BDO Comment

Paragraph 6 of the [AASB Sustainability Reporting Standard-Setting Framework \(September 2023\)](#) regarding Australian/New Zealand convergence notes (*emphasis added*):

“In the context of sustainability reporting, this could mean that the AASB *departs from, amends or adds to the baseline of IFRS Sustainability Disclosure standards* to ensure that a single set of Australian Sustainability Reporting Standards is applied for all types of entities required to comply with the Standards.”

We also note paragraph 13 (*emphasis added*):

“As a secondary assumption underpinning this Framework, the AASB considers that differences between sustainability reporting standards issued in Australia and in New Zealand *should be minimised*, if possible, to reduce the costs for entities that operate in both countries.”

Following our comments in our covering letter, several Board decisions taken in [Draft] ASRS 1 result in [Draft] ASRS 1 and [Draft] ASRS 2 not being aligned with IFRS S1 and IFRS S2, resulting in Australian entities not being able to claim compliance with International Sustainability Disclosure Standards.

### Question 31

Are there any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, including any issues relating to:

- (a) not-for-profit entities; and
- (b) public sector entities?

#### BDO Comment

N/A



## Question 32

Do the proposals create any auditing or assurance challenges and, if so, please explain those challenges?

### BDO Comment

Section 301B(2) of Treasury's Exposure Draft *Treasury Laws Amendment Bill 2024: Climate-related Financial Disclosure* proposes a review engagement for Scope 1 and Scope 2 emissions until 2030, and an audit of the whole sustainability report thereafter (section 307AB). Tier 1 entities will therefore require a review engagement for Scope 1 and Scope 2 emissions for years beginning on or after 1 July 2024 (years ending 30 June 2025).

We foresee challenges with these review requirements and timelines because:

- It is not likely that Australian sustainability assurance standards will be ready in time for the 1 July 2024 start date. The International Auditing and Assurance Standards Board (IAASB) is not expected to have finalised the International Standard on Sustainability Assurance Engagements before 1 July 2024, which is the date nominated in section 1705D(2) of Treasury's Exposure Draft *Treasury Laws Amendment Bill 2024: Climate-related Financial Disclosure* as being the date by which the Australian Auditing and Assurance Standards Board (AUASB) must make the first such auditing standards.

We note that Australia's general approach to assurance standard setting is to align with international standards, so releasing domestic standards before the international standards are finalised runs the risk of Australian sustainability assurance standards being out-of-step with international standards.

- The International Ethics Standards Board for Accountants (IESBA) only published its Exposure Draft for an international standard on ethics for sustainability assurance on 29 January 2024, with comments due by 10 May 2024. It is therefore unlikely that such a standard will be ready to commence assurance engagements by 1 July 2024.
- The 1 July 2024 start date means that our clients and the firm's partners and staff need to be upskilled in a very short period of time on assurance and ethical standards that are not yet finalised. It will be very difficult to ensure clients and audit teams have the necessary knowledge and experience prior to this date.

## Question 33

Would the proposals result overall in climate-related financial information that is useful to users?

### BDO Comment

In order for the sustainability information to be useful to users, we believe that it should be consistent with IFRS S1 and IFRS S2 as issued by the ISSB.

## Question 34

Are the proposals in the best interests of the Australian economy?

### **BDO Comment**

In order for the sustainability information to be in the best interest of the Australian economy, we believe that it should be consistent with IFRS S1 and IFRS S2 as issued by the ISSB.

## Question 35

Unless already provided in response to specific matters for comment above, what are the costs and benefits of the proposals, whether quantitative (financial or non-financial) or qualitative? In relation to quantitative financial costs, the AASB is particularly seeking to know the nature(s) and estimated amount(s) of any expected incremental costs of the proposals.

### **BDO Comment**

N/A