



Project:	Climate-related Financial Disclosures	Meeting:	19 and 22 July 2024 (M206)
Topic:	Consider feedback on Exposure Draft ED SR1 <i>Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information</i>	Agenda Item:	4.0
		Date:	12 July 2024
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		Decision-Making:	High
		Project Status:	Consider ED feedback

Objective

- The objectives of this agenda item are for the Board to:
 - consider** feedback received on SMCs 1–8, SMCs 23–29 and GMCs 30–35; and
 - decide** on any changes required to finalise the ASRS Standards.

Abbreviations

- Abbreviations used in this Cover Memo and the accompanying Agenda Papers are outlined in [Appendix A](#) to this Cover Memo.

Attachments

- In addition to this Cover Memo, there are 19 Agenda Papers in the combined pack:
 - Papers relating to SMCs 1–8:
 - Agenda Paper 4.1.0: Executive summary of Agenda Papers 4.1.1–4.1.7
 - Agenda Paper 4.1.1: Presenting the core content of IFRS S1 in the ASRS Standards (SMC 1)
 - Agenda Paper 4.1.2: Conceptual content (SMC 2)

- (iv) Agenda Paper 4.1.3: Entities that do not have material climate-related risks and opportunities (SMC 3)
 - (v) Agenda Paper 4.1.4: SASB Standards and References to Industry-based Guidance on Implementing IFRS S2 (SMC 4) and the requirement to consider ANZSIC when voluntarily making industry-based disclosures (SMC 5)
 - (vi) Agenda Paper 4.1.5: Statement expressly permitting voluntary disclosures (SMC 6)
 - (vii) Agenda Paper 4.1.6: Index table (SMC 7)
 - (viii) Agenda Paper 4.1.7: Interim reporting (SMC 8)
- (b) Papers relating to NFP and public sector entities (SMCs 23–29):
- (i) Agenda Paper 4.2.0: Executive summary of Agenda Papers 4.2.1–4.2.4
 - (ii) Agenda Paper 4.2.1: Modifications to the objective of [draft] ASRS 2 for NFP entities (SMCs 23–24)
 - (iii) Agenda Paper 4.2.2: Proportionality relief paragraphs for NFP entities (SMC 25)
 - (iv) Agenda Paper 4.2.3: Scalability of disclosures for NFP entities (SMCs 26–27)
 - (v) Agenda Paper 4.2.4: NFP public sector considerations (SMCs 28–29)
- (c) Papers relating to the GMCs in ED SR1:
- (i) Agenda Paper 4.3.0: Executive summary of Agenda Papers 4.3.1–4.3.5
 - (ii) Agenda Paper 4.3.1: Application of the *AASB Sustainability Reporting Standard-Setting Framework* (GMC 30)
 - (iii) Agenda Paper 4.3.2: Regulatory issues (GMC 31)
 - (iv) Agenda Paper 4.3.3: Audit and Assurance challenges in relation to ED SR1 (GMC 32)
 - (v) Agenda Paper 4.3.4: [Draft] ASRS Standards providing useful information for users and being in the best interest of the economy (GMCs 33–34)
 - (vi) Agenda Paper 4.3.5: Costs and benefits of applying the proposals in ED SR1 (GMC 35).

4 Additionally, several documents are provided as supporting materials for the Board members reference:

- (a) Agenda Paper 4.1.8: Overview of comments received on SMCs 1–8 expressed in comment letters (Board only)
- (b) Agenda Paper 4.2.5: Overview of comments received on SMCs 23–29 expressed in comment letters (Board only)
- (c) Agenda Paper 4.3.6: Overview of comments received on GMCs expressed in comment letters (Board only)

Analysis

- 5 The analysis in staff papers accompanying this memo contains stakeholder feedback received through comment letters, survey responses and roundtables. Staff acknowledge that stakeholders were able to provide feedback through any, or all three, of these channels and that the feedback provided via the roundtables may be less independent than via the comment letters and surveys (for example because the nature of roundtables makes ongoing dialogue possible between stakeholders as they are forming their views, and between stakeholders and AASB staff responding to questions).
- 6 Staff have used the following terms to describe the proportion of respondents who commented on a particular topic in the accompanying Agenda Papers.

Term	Extent of response among respondents
Almost all	All except a very small minority (90% or over)
Most	A large majority, with more than a few exceptions (71%-89%)
Many	A small majority or large minority (31%-70%)
Some	A small minority, but more than a few (11%-30%)
Few	A very small minority (10% or less)

Update of the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*

- 7 The Senate plans to debate the Bill further on 12 August 2024. Senator Hume, on behalf of the Opposition, proposed amendments to the Bill on 2nd July to not mandate sustainability reporting for [Group 3 entities](#) and to not mandate reporting of [Scope 3 greenhouse gas emissions](#) in the *Corporation Act 2001*.

Next steps

- 8 Staff plan to present analysis on the following topics for Board deliberation at future meetings:
- (a) any follow-up matters relating to [draft] ASRS 2 and [draft] ASRS 1 arising from the two June Board meetings and the July Board meeting;
 - (b) consideration of which requirements in IFRS S1 are required to be added to ASRS 2 to make ASRS 2 function as a climate-only Standard;
 - (c) any changes required to be made to [draft] ASRS 101; and
 - (d) sweep issues.

Appendix A: Abbreviations

9 The following table outlines common abbreviations used in this Cover Memo and accompanying Agenda Papers.

Abbreviation	Meaning
ABS	Australian Bureau of Statistics
ACNC	The Australian Charities and Not-for-profits Commission
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASIC Act	<i>Australian Securities and Investment Commission Act 2001 (Cth)</i>
BC	Basis for Conclusions
CER	Clean Energy Regulator
Climate Change Act	<i>Climate Change Act 2022</i>
[Draft] ASRS 1	[Draft] ASRS 1 <i>General Requirements for Disclosure of Climate-related Financial Information</i> , draft Australian Sustainability Reporting Standard (ASRS Standard) developed using IFRS S1 as the baseline but with a scope limitation to climate-related financial disclosure
[Draft] ASRS 2	[Draft] ASRS 2 <i>Climate-related Financial Disclosures</i> , draft ASRS Standard developed using IFRS S2 as the baseline
[Draft] ASRS 101	[Draft] ASRS 101 <i>References in Australian Sustainability Reporting Standards</i> , draft ASRS Standard developed as a service standard that would be updated periodically to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards
DCCEEW	Department of Climate Change, Energy, the Environment and Water
ED SR1	Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information (October 2023), the AASB's Exposure Draft exposing [draft] ASRS 1, [draft] ASRS 2 and [draft] ASRS 101 for comment
ED 321	Exposure Draft ED 321 Request for Comment on ISSB [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [draft] IFRS S2 Climate-related Disclosures (April 2022), the AASB's Exposure Draft requesting comments on the ISSB's [draft] IFRS 1 and [draft] IFRS 2
ESRS	European Sustainability Reporting Standards
FAQ	Frequently asked questions
FP entities	For-profit entities
GHG	Greenhouse gas
GHG Protocol Standards	Standards issued by the Greenhouse Gas Protocol
GRI	Global Reporting Initiative
GPFR	General purpose financial reports
GPFS	General purpose financial statements
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IFRS S1	IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>

IFRS S2	IFRS S2 <i>Climate-related Disclosures</i>
IFRS SDS	IFRS Sustainability Disclosure Standards
IPCC	The Intergovernmental Panel on Climate Change
IPCC guidelines	The Intergovernmental Panel on Climate Change guidelines (2006), which provides methodologies for making estimates of national anthropogenic emissions and removals of greenhouse gases.
ISIC	International Standard Industrial Classification
ISO 14064-1	ISO 14064-1:2018 Greenhouse gases–Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
ISSB	International Sustainability Standards Board
ISSB's TIG	Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) of the ISSB
NFP	Not-for-profit
NGA Factors	Australian National Greenhouse Accounts Factors
NGER Scheme legislation	NGER Scheme legislation means: (a) the <i>National Greenhouse and Energy Reporting Act 2007</i> (NGER Act); (b) the <i>National Greenhouse and Energy Reporting Regulations 2008</i> ; and (c) the <i>National Greenhouse and Energy Reporting (Measurement) Determination 2008</i> .
PCAF	Partnership for Carbon Accounting financials
SASB	Sustainability Accounting Standards Board
SMC	Specific Matters for Comment in ED SR1
TCFD	The Task Force on Climate-related Financial Disclosures