



AASB S2 *Climate-related Disclosures* Implementation Advisory Panel

Terms of Reference

April 2025

Objectives and Scope of Activities

- 1 The objective of the AASB S2 *Climate-related Disclosures* Implementation Advisory Panel is to support the implementation of AASB S2.
- 2 The Advisory Panel is a group of individuals:
 - (a) with expertise or responsibility relating to the preparation of climate-related information for primary users of general purpose financial reports; and
 - (b) involved in implementing AASB S2.
- 3 The Australian Accounting Standards Board (AASB) developed and issued AASB S2 to require in-scope entities to provide useful information to primary users of general purpose financial reports 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 over the short, medium or long term. The AASB supports the implementation of AASB S2 through a variety of activities – including the Advisory Panel.
- 4 The Advisory Panel is a forum for:
 - (a) Australian stakeholders to submit implementation questions related to Australian-specific issues in implementing AASB S2;
 - (b) identifying information to enable the AASB to determine what action (if any) may be needed to address Australian-specific issues in implementing AASB S2; and
 - (c) hearing from a range of Australian stakeholders to inform the AASB on matters being considered by the ISSB's Transition Implementation Group on IFRS S1 and IFRS S2 (ISSB TIG) that are relevant to AASB S2 (including Appendix D of AASB S2).¹
- 5 Australian-specific implementation questions to be discussed by the Advisory Panel should meet **all of the following three criteria**:
 - (a) the question relates to:
 - (i) the implementation of an Australian-specific requirement in AASB S2; or
 - (ii) the Australian-specific implementation of a paragraph in AASB S2 that is aligned with IFRS S2; **and**
 - (b) the question indicates that AASB S2 can be applied in different ways, resulting in possible diversity in practice; **and**

1 The ISSB TIG has considered some implementation questions that relate exclusively to IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. The Advisory Panel would consider such implementation questions only if they are related to requirements of AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* that are incorporated into Appendix D of AASB S2.

- (c) the question is expected to be pervasive (i.e. relevant to a range of stakeholders).
- 6 Based on the nature and urgency of an implementation question submitted by an Australian stakeholder, staff will assess the most appropriate avenue for consideration. Questions may be referred, in the first instance, to the Advisory Panel for Australian-specific implementation questions or the ISSB TIG for globally applicable implementation questions. This approach aims to balance the need to maintain alignment between AASB S2 and the ISSB global baseline for climate-related financial disclosures, and ensure implementation questions are considered in a timely manner. All submissions will be noted on the submission log, which the Advisory Panel will have the opportunity to consider at each Advisory Panel meeting.
- 7 AASB staff may support Australian stakeholders to make a submission to the ISSB TIG. The Advisory Panel will consider all implementation questions considered by the ISSB TIG that are relevant to AASB S2, including any submitted by Australian stakeholders, before the ISSB TIG meets. Any implementation questions submitted by Australian stakeholders, but not considered by the ISSB TIG, may still be considered by the Advisory Panel depending on the nature and urgency of the question.

Organisational Structure

- 8 The Advisory Panel comprises between 10–15 members, with the Chair or Managing Director of the AASB having the discretion to make changes to the membership at any time. Advisory Panel members are appointed to one-year terms, renewable at the discretion of the Chair or Managing Director of the AASB.
- 9 As the questions considered by the Advisory Panel address the application of requirements set out in AASB S2, members are expected to be familiar with AASB S2 and be capable of discussing its requirements in detail. They are expected to be able to consider different perspectives and to participate in a free exchange of ideas in a constructive manner. The membership overall should reflect a diverse mix of members and the range of entities mandated to implement AASB S2 at the time.
- 10 Potential members of the Advisory Panel may be identified by AASB staff, AASB Board members or current Advisory Panel members. Final selection of Advisory Panel members is approved by the Chair or Managing Director of the AASB. Panel membership is published on the AASB website.
- 11 The Chair or Managing Director of the AASB may, at their discretion, invite individuals or representatives of organisations to attend and participate in a specific meeting in which their contribution is expected to be particularly useful to the topic under discussion. In this capacity, they participate in the Advisory Panel discussions on the same basis as members.
- 12 The Advisory Panel is chaired by a senior member of AASB staff.
- 13 Members are appointed in an individual capacity and at meetings are expected to express their individual views, unless it is explicitly stated that they are the opinions of their organisation. As members serve in an individual capacity, alternates are not accepted, except in exceptional circumstances as approved by the Chair or Managing Director of the AASB.
- 14 Members and observers are expected to make reasonable efforts to attend all meetings and to read the agenda papers. The Chair and Managing Director of the AASB reserve the right to ask members to resign or to terminate their membership where it is considered that a member does not contribute actively to the objectives of the Advisory Panel.

- 15 Members and observers of the Advisory Panel serve on a voluntary, unpaid basis, but are compensated for any appropriate travel expenses when specifically requested by the Chair or Managing Director of the AASB to travel to a meeting.
- 16 The Advisory Panel Terms of Reference will be reviewed by the AASB on an annual basis and more frequently if required by circumstances.
- 17 A recommendation for the winding up of the Advisory Panel is made by senior AASB staff and approved by the Board via a simple majority.

Meetings

- 18 During meetings, members are expected to share their own views on the issues discussed. In reaching their own views, members are expected to discuss the questions to be considered at an Advisory Panel meeting with other relevant stakeholders.
- 19 The Advisory Panel is expected to have at least three meetings in a calendar year. Meetings may be conducted approximately one week before meetings of the ISSB TIG. The expected duration of these meetings is between a half-day and one full day, subject to the number and complexity of the issues to be considered at the meeting. Additional meetings may be scheduled as determined by the Chair or Managing Director of the AASB, particularly in the first year of operation of the Advisory Panel.
- 20 Meetings may be held virtually and/or in person.
- 21 Any individual can submit a potential implementation question via the AASB website for discussion at Advisory Panel meetings, subject to the submission criteria (refer to paragraph 5). Submitters are not identified to the Advisory Panel or publicly. AASB staff will evaluate each submission, prioritise the issues for discussion at an Advisory Panel meeting and set the meeting agenda. With the agreement of the Chair or Managing Director of the AASB, AASB staff may recommend that some of the submissions received may be better addressed through other means. A submission log will be provided to the Advisory Panel noting all issues submitted and proposed action.
- 22 Supporting papers for Advisory Panel meetings are prepared by AASB staff. The agenda and supporting papers are available in advance of meetings so that members are fully prepared and capable of actively and constructively participating in the Advisory Panel's discussions.
- 23 Administrative support for the meetings, as well as maintaining the minutes, is the responsibility of AASB staff.

Communication

- 24 Meetings of the Advisory Panel are conducted in closed sessions.
- 25 The agenda for a meeting is posted publicly on the AASB website in advance of the meeting. A summary of each meeting is published on the website.
- 26 Members of the Advisory Panel are not permitted to hold themselves out as representing the views of the AASB or the Advisory Panel. All media or other enquiries are referred to the Chair or Managing Director of the AASB.