

**Please find below ABS comments on AASB ED SR2 – comments from internal stakeholders are in blue.**

**Question 1 - Measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions**

- a) The ISSB proposes an amendment to IFRS S2 that would allow entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions. Specifically, the amendment would permit entities to exclude emissions associated with derivatives, facilitated emissions, and insurance-related emissions from their reporting. This change would focus disclosure solely on financed emissions—those linked to loans and investments made by an entity. However, entities could still choose to report the excluded emissions if they wish.

The Basis for Conclusions (BC7–BC24) outlines the reasoning behind this proposal.

Do you agree with this approach? **Yes**. Why or why not? **Makes sense in terms of reducing unintended complexity for respondents, and also in recognising still-evolving status of measuring facilitated emissions & insurance associated emissions.**

- b) The ISSB proposes adding paragraph 29A(b) to IFRS S2, requiring entities that limit their disclosure of Scope 3 Category 15 greenhouse gas emissions to provide information on the excluded emissions. Specifically, entities must disclose the amount of excluded derivatives (29A(b)(i)) and other financial activities (29A(b)(ii)). Since 'derivatives' is not defined in IFRS Sustainability Disclosure Standards, entities must use judgment in identifying them. The Basis for Conclusions (BC7–BC24) outlines the rationale for these requirements. Do you agree with these disclosure requirements? **Yes**. Why or why not? **Note provision not expected to be over-burdensome & recognise value in providing an indication of exclusions and hence total values (even if detail regarding some activity is lost).**

**Question 2 - Use of the Global Industry Classification Standard in applying specific requirements related to financed emissions**

- a) The ISSB proposes amendments to IFRS S2 regarding the classification of financed emissions for commercial banking and insurance entities. Currently, these entities must use the Global Industry Classification Standard (GICS) to classify counterparties when disaggregating financed emissions data. The proposed changes would allow entities to use an alternative industry-classification system in certain circumstances, providing flexibility in reporting.

Paragraphs BC25–BC38 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? **Yes**. Why or why not? **Flexibility in reporting using classifications other than GICS is important for Australia as Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 is currently used in the business registration process and is widely used by government agencies, industry organisations and researchers for various administrative, regulatory, taxation and research purposes, including industry analysis for policy development and program delivery.**

**Realistic consideration of reporting burden/issues and option of getting data that is not completely consistent versus not getting any.**

Additionally, the ISSB proposes requiring entities to disclose the industry-classification system they use and, if they do not use GICS, to explain their selection criteria.

The Basis for Conclusions (BC25–BC38) outlines the rationale behind these changes.

Do you agree with these proposals? **Yes**. Why or why not? **Potentially provides useful information in understanding effects of different standards used. This information will also inform whether a future correspondence is required between GICS classification and other industry classifications.**

### **Question 3 - Jurisdictional relief from using the GHG Protocol Corporate Standard**

The ISSB proposes an amendment to IFRS S2 to clarify the scope of jurisdictional relief for entities required to use a greenhouse gas measurement method other than the Greenhouse Gas Protocol (2004). The amendment ensures that entities can apply this alternative method to the relevant part of their entity whenever mandated by a jurisdictional authority or stock exchange, for as long as the requirement remains in effect.

The Basis for Conclusions (BC39–BC43) explains the reasoning behind this change.

Do you agree with this amendment? **Yes**. Why or why not? **Seems to be a reasonable allowance of reporting activities that providers are undertaking and having information about this could help with understanding the effects of the different processes used.**

### **Question 4 - Applicability of jurisdictional relief for global warming potential values**

The ISSB proposes an amendment to IFRS S2 to expand jurisdictional relief, allowing entities to use global warming potential (GWP) values mandated by a jurisdictional authority or stock exchange instead of those required by IFRS S2 (paragraphs B21–B22). This flexibility would apply to the relevant part of an entity for as long as the jurisdictional requirement remains in effect.

The Basis for Conclusions (BC44–BC49) outlines the reasoning behind this proposal. Do you agree with this amendment? **Yes**. Why or why not? **As per q.3 - seems to be a reasonable allowance for reporting activities that providers are undertaking and having information about this could help with understanding the effects of the different processes used.**

### **Question 5 – Effective date**

The ISSB proposes to add paragraphs C1A–C1B which would specify the effective date of the amendments. The ISSB expects the amendments would make it easier for entities to apply IFRS S2 and would support entities in implementing the Standard. Consequently, the ISSB proposes to set the effective date so that the amendments would be effective as early as possible and to permit early application.

Paragraphs BC50–BC51 of the Basis for Conclusions describe the reasons for the proposal.

Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? **Yes**. Why or why not? **Most effects are advised to be of low impact (being disclosures rather than changes to the financial data) so timing not an issue. It will also be advantageous if it helps reporters.**

### **Question 6 – Effective date**

## ABS response to AASB ED SR2 Amendments to Greenhouse Gas Emissions Disclosures

Do you have any other comments on the proposals set out in the Exposure Draft? [Agree with overall sentiment that enabling response at the expense of some exact comparability is preferable to less responsiveness or poorer reporting.](#)