
Transition Implementation Group on IFRS S1 and IFRS S2

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Topic **Scope 3 GHG emissions applying IFRS S2**

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This paper has been prepared for discussion at a public meeting of the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Introduction

1. We have received a submission asking whether the requirement to measure and disclose Scope 3 greenhouse gas (GHG) emissions is limited to emissions captured by the 15 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) (GHG Protocol Value Chain Standard).
2. The objective of this paper is to provide background and analysis to support discussion by the Transition Implementation Group on IFRS S1 and IFRS S2 (the TIG).
3. The TIG provides a public forum for the discussion of implementation questions related to the IFRS Sustainability Disclosure Standards and to provide information for the ISSB to determine what, if any, action will be needed to address those questions.
4. This paper:
 - (a) sets out the relevant requirements in IFRS S1 and IFRS S2;
 - (b) summarises the implementation question raised in the submission;
 - (c) outlines the staff's analysis related to the implementation question; and
 - (d) asks the members of the TIG for their views on the question raised.

Relevant requirements

5. The following paragraphs set out the main requirements in IFRS S2 and the Basis for Conclusions on IFRS S2 related to the implementation question.

6. Paragraph 29(a)(i)(3) of IFRS S2 sets out the requirement to disclose Scope 3 GHG emissions:

29 An entity shall disclose information relevant to the cross-industry metric categories of:

(a) *greenhouse gases*—the entity shall:

(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent (see paragraphs B19–B22), classified as:

- (1) Scope 1 greenhouse gas emissions;
- (2) Scope 2 greenhouse gas emissions; and
- (3) Scope 3 greenhouse gas emissions;

7. Appendix A of IFRS S2 provides the definition of ‘Scope 3 greenhouse gas emissions’:

Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

8. Paragraph 29(a)(vi)(1) of IFRS S2 sets out a specific requirement to disclose additional information about an entity’s Scope 3 GHG emissions:

29 An entity shall disclose information relevant to the cross-industry metric categories of:

- (a) *greenhouse gases*—the entity shall:
 - (vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32-B57, disclose:
 - (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011);

9. Appendix A of IFRS S2 provides the definition of 'Scope 3 categories':

Scope 3 greenhouse gas emissions are categorised into these 15 categories—as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011):

- (1) purchased goods and services;
- (2) capital goods;
- (3) fuel- and energy-related activities not included in Scope 1 greenhouse gas emissions or Scope 2 greenhouse gas emissions;
- (4) upstream transportation and distribution;
- (5) waste generated in operations;
- (6) business travel;
- (7) employee commuting;
- (8) upstream leased assets;

- (9) downstream transportation and distribution;
- (10) processing of sold products;
- (11) use of sold products;
- (12) end-of-life treatment of sold products;
- (13) downstream leased assets;
- (14) franchises; and
- (15) investments.

10. Paragraph B32 of IFRS S2 sets out specific requirements related to disclosing Scope 3 GHG emissions and specifies that an entity must consider all 15 categories of Scope 3 GHG emissions as described in the GHG Protocol Value Chain Standard:

B32 In accordance with paragraph 29(a)(vi), **an entity shall disclose information about its Scope 3 greenhouse gas emissions to enable users of general purpose financial reports to understand the source of these emissions. The entity shall consider its entire value chain (upstream and downstream) and shall consider all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).** In accordance with paragraph 29(a)(vi), the entity shall disclose which of these categories are included in its Scope 3 greenhouse gas emissions disclosures **[emphasis added]**.

11. Paragraph B33 of IFRS S2 states that the requirement in paragraph 29(a)(vi)(1) to provide information about the categories included in its Scope 3 GHG emissions applies regardless of the GHG emissions measurement method that an entity uses:

For the avoidance of doubt, regardless of the method an entity uses to measure its greenhouse gas emissions, the entity is required to disclose the categories included within its measure of Scope 3 greenhouse gas emissions as described in paragraph 29(a)(vi)(1).

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12. Paragraph B34 of IFRS S2 sets out the circumstances in which an entity is required to reassess the scope of its climate-related risks and opportunities and references the 15 categories:

B34 In accordance with paragraph B11 in IFRS S1, on the occurrence of a significant event or a significant change in circumstances, an entity shall reassess the scope of all affected climate-related risks and opportunities throughout its value chain, **including reassessing which Scope 3 categories and entities throughout its value chain to include in the measurement of its Scope 3 greenhouse gas emissions**. A significant event or significant change in circumstances can occur without the entity being involved in that event or change in circumstances or as a result of a change in what the entity assesses to be important to users of general purpose financial reports ...
[emphasis added].

13. The Basis for Conclusions accompany but are not part of IFRS Sustainability Disclosure Standards. The Basis for Conclusions summarise the considerations of the ISSB in developing Standards and thus provide useful context to understand the requirements in Standards, but do not in themselves establish requirements.
14. Paragraph BC80 of the Basis for Conclusions on IFRS S2 discusses the definitions of Scope 1, Scope 2 and Scope 3 GHG emissions. Paragraph BC80(c) explains that Scope 3 GHG emissions are divided into 15 categories:

BC80 IFRS S2 defines the three scopes of greenhouse gas emissions from the perspective of the reporting entity, adopting the definitions used in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol Corporate Standard):[.]
...

(c) Scope 3 greenhouse gas emissions—indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and

downstream emissions. **Scope 3 greenhouse gas emissions are further divided into 15 categories**, eight of which are upstream, and seven of which are downstream from the entity. Scope 3 Category 15 is ‘Investments’—those greenhouse gases emitted by a third party to which the reporting entity provides financing. The investment category is a particularly important reporting category for financial institutions because it is often the most significant part of their greenhouse gas emissions inventory (see paragraphs BC122–BC129) **[emphasis added]**.

15. Paragraph BC87 of the Basis for Conclusions on IFRS S2 explains that although requirements in IFRS S2 for measuring GHG emissions are largely based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol Corporate Standard), IFRS S2 has additional requirements. This explanation notes the reference in IFRS S2 to the 15 categories:

BC 87 The requirements in IFRS S2 for measuring greenhouse gas emissions are largely based on the GHG Protocol Corporate Standard because the use of this method for measuring greenhouse gas emissions provides common approaches and principles that:

- (a) allow an entity to prepare a greenhouse gas emissions inventory that faithfully represents its greenhouse gas emissions;
- (b) align with the predominant corporate practices for compiling a greenhouse gas emissions inventory; and
- (c) promote consistency and transparency in greenhouse gas emissions accounting and disclosure between various entities.

Although IFRS S2 refers to the GHG Protocol Corporate Standard as a basis for measurement of greenhouse gas emissions, **IFRS S2 also sets out additional requirements, such as the categories that an entity is required to include in its measurement of Scope 3 greenhouse gas emissions** and the inputs it is required to use to

measure those emissions. The ISSB noted that the specific requirements in IFRS S2 must be applied in the event of any inconsistency with the GHG Protocol Corporate Standard **[emphasis added]**.

Implementation question received

16. The submission asks if the requirement to measure and disclose Scope 3 GHG emissions is limited to emissions captured by the 15 categories in the GHG Protocol Value Chain Standard (the 15 categories). The question has been asked because the IFRS S2 definition of Scope 3 GHG emissions uses the word ‘include’ when referring to the 15 categories—that is, indicating the 15 categories are a non-exhaustive list and thus Scope 3 GHG emissions include emissions beyond those captured by the 15 categories—whereas market practice has been to focus the disclosure of Scope 3 GHG emissions to the 15 categories. The submission also refers to paragraph B32 of IFRS S2 which states that an entity is required to consider its entire value chain *and* all 15 categories as described in the GHG Protocol Value Chain Standard.
17. This question is important for entities applying IFRS S2 who are exposed to transition risk related to upstream or downstream activities that are not captured by the 15 categories. As an example of this scenario, the submission notes that service companies could be considered to have indirect emissions associated with the services they provide.

Staff analysis

18. The overarching disclosure objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. In the context of IFRS S2, information is required to be provided about an entity’s GHG emissions to inform an understanding of an entity’s

climate-related transition risk. As for all disclosures required by ISSB Standards, an entity is required to provide information if it is material.

19. IFRS S2 requires particular disclosures to be provided about indirect GHG emissions. As part of these disclosures, paragraph 29(a)(i)(3) requires an entity to disclose its absolute gross Scope 3 GHG emissions generated during the reporting period. To determine what is required to be included in an entity's measurement and disclosure of Scope 3 GHG emissions, an entity refers to the definition of Scope 3 GHG emissions.
20. The definition of 'Scope 3 greenhouse gas emissions' has two components:
 - (a) The first component states that Scope 3 GHG emissions are indirect GHG emissions (not included in Scope 2 GHG emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. The reference to the value chain means that the definition of Scope 3 is broad, with value chain being defined by IFRS S1 as 'the full range of interactions, resources and relationships related to a reporting entity's business model and the external environment in which it operates'.
 - (b) The second component explains what is included in Scope 3 GHG emissions. It explains that Scope 3 GHG emissions include the Scope 3 categories in the GHG Protocol Value Chain Standard. The use of the word 'include' is generally used in ISSB Standards to refer to a non-exhaustive list.
21. The staff note that there are many ways in which an entity might provide products or services that facilitate or otherwise are associated with indirect GHG emissions. The GHG Protocol Value Chain Standard includes some GHG emissions that could be described as capturing an entity's role in facilitating GHG emissions. For example, one category—category 15—includes GHG emissions attributable to debt underwriting activities that can be described as facilitated emissions.¹ However, many

¹ The description of Category 15 in the GHG Protocol Value Chain Standard states that the category is applicable to investors and companies that provide financial services. It also states that investments are categorised as a downstream Scope 3

other products or services could be described as facilitating emissions in a way that is not captured by the 15 categories.²

22. Notably, in other parts of IFRS S2 that address Scope 3 GHG emissions requirements, emphasis is placed on the 15 categories. For example, paragraph B32 of IFRS S2 sets out requirements related to Scope 3 GHG emissions including what an entity is required to consider when measuring those emissions. Consistent with the definition of ‘Scope 3 greenhouse gas emissions’, paragraph B32 requires an entity to consider its entire value chain but also refers to the 15 categories. Paragraph B32 also emphasises that the information provided is intended to enable primary users to understand the sources of emissions. The staff notes that providing information about the categories included in measurement is consistent with providing this understanding.
23. The staff also note a prominence of references to the 15 categories in other Scope 3 GHG emissions requirements in IFRS S2. The prominence and specific wording used in referring to the 15 categories could be viewed as indicating that the requirement to disclose Scope 3 GHG emissions in IFRS S2—or its focus—is on only those emissions captured by the 15 categories. For example,
- (a) The definition of ‘Scope 3 categories’ in Appendix A of IFRS S2 states that Scope 3 GHG emissions *are* categorised into the 15 categories. This wording could be read as implying that *all* Scope 3 GHG emissions can be categorised into the 15 categories and thus the requirement to disclose Scope 3 GHG emissions is limited to those captured by the 15 categories.
 - (b) Other requirements in IFRS S2 related to Scope 3 requirements, including providing additional information about Scope 3 GHG emissions, focus on the 15 categories:

category because the provision of capital or financing is a service provided by the reporting entity (page 51 of the GHG Protocol Value Chain Standard).

² In this paper, the term ‘facilitated emissions’ is used to describe emissions associated with activities broader than the activities described in paragraph BC129 of the Basis for Conclusions on IFRS S2. This paragraph uses the term ‘facilitated emissions’ to describe GHG emissions attributable to an entity engaged in financial activities associated with investment banking.

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- (i) paragraph 29(a)(vi)(1) requires an entity to disclose the categories included within the entity's measure of Scope 3 GHG emissions;
 - (ii) paragraph B33 states that an entity is required to disclose the categories included within its measure of Scope 3 GHG emissions regardless of the method it uses to measure its GHG emissions; and
 - (iii) paragraph B34, in specifying when an entity is required to reassess the scope of all affected climate-related risk and opportunities throughout its value chain, specifically identifies that reassessing of the Scope 3 categories is part of this requirement.
24. In addition, the prominence of the 15 categories related to Scope 3 GHG emissions is also evidenced in the Basis for Conclusions on IFRS S2.
- (a) Paragraph BC80(c) provides context about the definitions of Scope 1, Scope 2, and Scope 3 GHG emissions and notes that Scope 3 GHG emissions are further divided into 15 categories.
 - (b) Paragraph BC87 explains that the GHG emissions disclosure requirements in IFRS S2 are largely based on the GHG Protocol Corporate Standard but include additional requirements. As part of this explanation, it states that one of the additional requirements is the categories that are required to be included in the measurement of Scope 3 GHG emissions.
25. The staff also considered the definition of Scope 3 GHG emissions used by the GHG Protocol Value Chain Standard and, from an interoperability perspective, the descriptions of Scope 3 included in European Sustainability Reporting Standards (ESRS) and Global Reporting Initiative (GRI) Standards.³ These descriptions refer to Scope 3 GHG emissions as being 'all' indirect GHG emissions not included in Scope

³ The Glossary in the GHG Protocol Value Chain Standard defines 'Scope 3 emissions' as 'All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.' Annex II of the European Sustainability Reporting Standards (ESRS) defines 'Scope 3 GHG emissions' as 'All **indirect GHG emissions** (not included in **scope 2 GHG emissions**) that occur in the **value chain** of the reporting undertaking, including both upstream and downstream **emissions**. **Scope 3 GHG emissions** can be broken down into **scope 3 categories**.' The guidance section of Disclosure 102-7 of GRI 102: Climate Change 2025 states 'Scope 3 GHG emissions are all indirect GHG emissions (not included in Scope 2) that occur in the organization's upstream and downstream value chain.'

2 whereas the definition of Scope 3 in IFRS S2 does not refer to ‘all’ indirect GHG emissions. This suggests that the ISSB’s definition of Scope 3 GHG emissions and the associated disclosure requirements are potentially narrower than other approaches that include the word ‘all’ in describing the indirect emissions included in Scope 3 GHG emissions.

Staff view

26. This paper addresses a specific question about which Scope 3 GHG emissions an entity is required to include within its measurement and disclosure of Scope 3 GHG emissions when applying IFRS S2. Prior to addressing that question, the staff think it is important to note that in applying IFRS S2, regardless of the specific requirements related to Scope 3 GHG emissions, an entity is required to provide material information about its climate-related risks and opportunities. More specifically, if an entity’s activities are exposed to climate-related transition risk, an entity is required to provide information to enable the objective of IFRS S2 to be met and its related requirements.
27. The objective of IFRS S2 is to require companies to provide information about climate-related risks and opportunities that is useful to primary users. Climate-related risks include climate-related transition risks. Therefore, even if an entity does not provide information about Scope 3 GHG emissions beyond the 15 categories, an entity is still required to provide material information that enables primary users of its sustainability-related financial disclosures to understand all of the climate-related transition risks that could reasonably be expected to affect the entity’s prospects. The staff have considered the application of IFRS S2 for an entity that is exposed to climate-related transition risk from activities that are not captured by the 15 categories described in the GHG Protocol Value Chain Standard in paragraphs 33-39 of this paper.
28. In addressing the specific question submitted to the TIG, the staff think that despite the definition of ‘Scope 3 GHG emissions’ in IFRS S2 not referring to ‘all’ indirect

GHG emissions—unlike other standards and frameworks noted in paragraph 25—the definition of Scope 3 GHG emissions in IFRS S2 **is not limited** to the 15 categories, because:

- (a) the definition refers to indirect emissions from all of an entity’s activities (that is, the activities in the entity’s value chain); and
- (b) the definition states that indirect emissions ‘include’ the 15 categories and the word ‘include’ is generally used in IFRS Standards to describe an open population.⁴

29. However, disclosure requirements in IFRS S2 related to Scope 3 GHG emissions, including related to providing additional information about those emissions, are largely focused on the 15 categories. The staff think that the prominence of the 15 categories including as it relates to specific disclosure requirements could reasonably be read as indicating a requirement to ensure GHG emissions from the 15 categories are included but that GHG emissions from other sources are not required to be measured. It is also clear that an entity is required to consider climate-related risks and opportunities throughout its value chain.⁵ *However, the staff also note that there is an overarching requirement to ensure that the objective of IFRS S2 is satisfied. That is that an entity is required to disclose information about its climate-related risks and opportunities that is useful to primary users in making decisions related to providing resources to the entity.*
30. This perspective, which balances the particular emissions required to be measured and disclosed with the requirement to still meet the objectives of IFRS S2, is consistent with the ISSB’s discussions and decisions related to the prospective amendments to

⁴ The staff note that the GHG Protocol is currently working on potential updates to its guidance. The GHG Protocol’s discussions as part of this project have included considering a category of GHG emissions beyond the 15 categories that would capture further facilitated emissions. Refer to: ‘GHG Protocol Corporate Suite of Standards and Guidance Update Process’, Greenhouse Gas Protocol, 2024, <https://ghgprotocol.org/ghg-protocol-corporate-suite-standards-and-guidance-update-process>.

⁵ In fact, the reference in the definition of Scope 3 GHG emissions to the indirect emissions ‘including’ the 15 categories arguably is intended to reinforce this.

IFRS S2.⁶ The prospective amendments clarify that an entity is permitted to limit its measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions which means other types of Category 15 emissions—such as those associated with investment banking (referred to as facilitated emissions⁷)—can be excluded from an entity’s measure of Scope 3 GHG emissions. However, the ISSB also noted that this clarification does not negate the requirement that an entity is required to provide information to enable primary users to understand the entity’s climate-related risks and opportunities, including transition risks.

31. The staff note that the view that IFRS S2 requires an entity to focus on and include the 15 categories in its measurement of scope 3 GHG emissions and that other scope 3 GHG emissions are not required to be measured, would also be consistent with market practice. For example, while not directly relevant for those applying ISSB Standards, the staff notes that the GHG Protocol Value Chain Standard acknowledges potential sources of Scope 3 GHG emissions not captured by the 15 categories but does not require these emissions to be disclosed. The GHG Protocol Value Chain Standard permits such emissions to be reported separately as optional information.⁸
32. The staff notes that IFRS S2 requires the disclosure of GHG emissions because information about an entity’s risks and opportunities arising from GHG emissions—including those related to Scope 3 GHG emissions—can help primary users assess an entity’s exposure to specific climate-related risks and opportunities arising from efforts to transition to a lower-carbon economy. Limiting the requirement to measure and disclose Scope 3 GHG emissions to the 15 categories enables most entities to

⁶ Refer to the [Amendments to Greenhouse Gas Emissions Disclosures \(Amendments to IFRS S2\)](#) project page for more information.

⁷ Paragraph IN2 of the Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures* uses the term ‘facilitated emissions’ to describe emissions associated with specific financial activities related to investment banking.

⁸ The staff notes that the disclosures required by the GHG Protocol Value Chain Standard are not relevant to those applying ISSB Standards. However, a reference to requirements in the GHG Protocol Value Chain Standard has been included in this paper for context about current market practice. The staff note that IFRS S2 references the GHG Protocol Value Chain Standard as part of the definition of Scope 3 GHG emissions and as part of the requirement for an entity to disclose the Scope 3 categories that are included in its measure of Scope 3 GHG emissions. This means the permission to exclude emissions from sources that are not captured in the 15 categories is not relevant in applying IFRS S2.

provide a faithful representation of its climate-related transition risks and material information about its Scope 3 GHG emissions.

Staff note

33. The staff have considered examples of entities that provide services that are not captured in the 15 categories and apply IFRS S2 based on the read of Scope 3 GHG emissions requirements outlined in paragraph 29 of this paper.

Example: Entities' activities are not captured by the 15 categories

34. Company A operates a business in which it provides transportation services to entities that operate mines—that is, it transports coal from the third-party mines to the customers of those mines (coal mine transportation services). Based on the description of the 15 categories of Scope 3 GHG emissions, the company would not have attributable Scope 3 GHG emissions for its role in facilitating the use of coal, because the company does not purchase or use the coal that it transports. However, the demand for coal affects the demand for Company A's transportation services. Because of Company A's location, it does not have a viable alternative to use its infrastructure to transport goods other than coal.
35. In applying IFRS S2, Company A identifies climate-related risks related to the transition to a lower-carbon economy. This includes: (1) reputational risks from its association with the coal industry; and (2) falling demand for its transportation services as the economy transitions and the volume of its customers' coal mining operations declines. These risks could reasonably be expected to affect the company's prospects, including because:
- (a) the views of investors about its association with the coal industry could negatively affect Company A's ability to raise capital or negatively affect its cost of capital; and

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- (b) the transition to a lower carbon economy is expected to result in a decline in the demand for coal. In turn, this decline is expected to result in a decline for Company A's transportation services which would reduce future cash flows.
36. In applying IFRS S2, the company is required to provide material information about climate-related risks and opportunities. Because Company A's activities are exposed to climate-related transition risks that could reasonably be expected to affect its prospects, it would need to provide information about these risks to enable the objective of IFRS S2 to be met. The objective of IFRS S2 is to require entities to provide information about climate-related risks and opportunities that is useful to primary users. Climate-related risks include climate-related transition risks. Therefore, Company A would need to provide information about its climate-related transition risks including reputational risk and the risk of declining demand.
37. In providing information about its climate-related transition risk related to the transportation of coal, Company A would also apply specific disclosure requirements in IFRS S2. Company A would apply such requirements to provide information about the reputational risk and risk of declining demand identified in paragraph 35 of this paper. Examples of some of these disclosure requirements include the provision of information about:
- (a) the current and anticipated effects of climate-related risks on the entity's business model and value chain (paragraph 13 of IFRS S2);
 - (b) the current and anticipated changes to the entity's business model to address climate-related risks (paragraph 14(a) of IFRS S2);
 - (c) the resilience of the entity's strategy and business model to climate-related changes (paragraph 22 of IFRS S2); and
 - (d) the amounts and percentage of assets or business activities vulnerable to climate-related transition risks (paragraph 29(b) of IFRS S2).
38. Having applied the requirements in the Standards—including those outlined in paragraph 37—the entity would need to disclose additional information if the

disclosures applying the requirements in the Standards are insufficient to enable users of general purpose financial reports to understand the effects of the climate-related transition risks on the entity's prospects (applying paragraph 15(b) of IFRS S1). In relation to climate-related transition risks arising from its transportation services, this could include, for example, information about GHG emissions attributable to those activities or other information about those activities such as highlighting the portion of revenue generated from its transportation services to the coal industry.

39. Company B also provides coal mine transportation services. Like Company A, because Company B does not purchase or use the coal that it transports, the 15 categories do not capture emissions related to the company's transportation of the coal. In contrast to Company A, although Company B exclusively transports coal today, its location and infrastructure would enable it to transport other types of goods without significant cost or investment in new equipment. Therefore, Company B's assessment of whether its role in transporting coal gives rise to a climate-related transition risk—that is whether such a role could reasonably be expected to affect its prospects—might be different to Company A, and if a risk is identified, the information it provides about that risk might also be different from the information provided by Company A.

Question for the TIG

40. The staff present the following question for the TIG members.

Question for TIG members
1. What are your views on the question and analysis presented?