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## ISSB meeting

Date	<b>October 2022</b>
Project	<b>Climate-related Disclosures</b>
Topic	<b>Cover note and summary of redeliberations</b>
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This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). 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<sup>®</sup> Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

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## Objective

1. At this meeting we will continue redeliberating the proposals in the Exposure Draft IFRS S2 *Climate-related Disclosures* ([draft] S2) by initiating redeliberations of the proposed requirements for an entity to disclose its Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions. Additionally, we will seek ISSB decisions on aspects of [draft] S2 that are likely to influence the interoperability of IFRS Sustainability Disclosure Standards with jurisdictional requirements, including those in the European Financial Reporting Advisory Group's (EFRAG) European Sustainability Reporting Standards (ESRS). Finally, we will present for discussion by the ISSB a range of considerations related to industry-based requirements, which may have implications for Appendix B of [draft] S2.
2. We will discuss the following papers:
  - (a) Agenda Paper 4A: Scope 1 and Scope 2 greenhouse gas emissions;
  - (b) Agenda Paper 4B: Scope 3 greenhouse gas emissions;
  - (c) Agenda Paper 4C: Greenhouse gas emissions measurement method;
  - (d) Agenda Paper 3C & 4D: Interoperability—key matters; and
  - (e) Agenda Paper 6: Industry-based materials.

## Next Steps

3. At future Board meetings, we will continue redeliberating the project proposals.

## Summary of redeliberations

4. The Appendix summarises the redeliberations for this project, including the ISSB's tentative decisions.

## Appendix A—Tentative decisions by the ISSB

Topic and ref	Tentative decisions by the ISSB
<p><b>Scalability/ proportionality</b></p>	<p>The ISSB tentatively decided that mechanisms should be identified to enable disclosure requirements to be scalable, when relevant. In particular, the ISSB considered whether to:</p> <ul style="list-style-type: none"> <li>(a) amend the proposed disclosure requirements so that an entity, based on specific criterion related to scalability, would not be required to provide a particular disclosure (or would be required to provide an alternative disclosure that is simpler to apply);</li> <li>(b) amend the proposed disclosure requirements so that an entity that meets a criterion of being unable to provide a disclosure is required to explain how it meets the criterion;</li> <li>(c) provide materials to assist preparers in the application of the standards, which include the ISSB providing guidance to support application;</li> <li>(d) provide materials to assist preparers in the application of the standards, which include referring to other sustainability-related protocols, frameworks and guidance as resources for further guidance, measurement methodologies and inputs to calculations to support application; and</li> <li>(e) amend the proposed disclosure requirements to differentiate the application by entities, by identifying requirements that are ‘basic’ and ‘advanced’ that could be utilised by a jurisdiction for a transition period.</li> </ul> <p>The ISSB tentatively decided on factors to assess which scalability mechanisms are appropriate for responding to specific scalability challenges:</p> <ul style="list-style-type: none"> <li>(a) whether the scalability challenges are temporary (in other words transitional) or more permanent (for example, due to data availability);</li> <li>(b) the extent to which the set of entities with a scalability challenge can be specifically identified;</li> <li>(c) the extent of available market guidance, methods, industry-practices and techniques; and</li> <li>(d) the maturity of the underlying methods and techniques that underpin the disclosure requirement.</li> </ul>

<p><b>Strategy and decision-making and targets</b></p> <p>Proposal: <a href="#">[draft] S2</a> paragraphs 13, 23</p> <p>Feedback: <a href="#">Sept 22 AP4A</a> questions 5, 10</p>	<p>This topic is yet to be redeliberated.</p>
<p><b>Financial position, financial performance and cash flows</b></p> <p>Proposal: [draft] S2 paragraphs 12, 13</p> <p>Feedback: Sept 22 AP4A questions 4, 6</p>	<p>This topic is yet to be redeliberated.</p>
<p><b>Climate resilience</b></p> <p>Proposal: <a href="#">[draft] S2</a> paragraph 15</p> <p>Feedback: <a href="#">Sept 22 AP4A</a> question 7</p>	<p>This topic is yet to be redeliberated.</p>
<p><b>GHG emissions</b></p>	<p>This topic is yet to be redeliberated.</p>

<p>Proposal: <a href="#">[draft] S2</a> paragraph 21a</p> <p>Feedback: <a href="#">Sept 22 AP4A</a> question 9(c)-(f)</p>	
<p><b>Industry-based requirements: Appendix B</b></p> <p>Proposal: <a href="#">[draft] S2</a> Appendix B</p> <p>Feedback: <a href="#">Sept 22 AP4A</a> question 11</p>	<p>This topic is yet to be redeliberated.</p>
<p><b>Financed and facilitated emissions</b></p> <p>Proposal: <a href="#">[draft] S2</a> Appendix B</p> <p>Feedback: <a href="#">Sept 22 AP4A</a> question 11(d)-(i)</p>	<p>Initial redeliberation began September 2022; no decisions made by the ISSB yet.</p>