



March 2022

Exposure Draft

IFRS[®] Sustainability Disclosure Standard

Illustrative Guidance on [Draft] IFRS S2 Climate-related Disclosures

Comments to be received by 29 July 2022

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Illustrative Guidance

Climate-related Disclosures

Comments to be received by 29 July 2022

This Illustrative Guidance accompanies the ED/2022/S2 *Climate-related Disclosures* (published March 2022; see separate booklet). It is published by the International Sustainability Standards Board (ISSB) for comment only. Comments need to be received by 29 July 2022 and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

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ILLUSTRATIVE GUIDANCE ON CLIMATE-RELATED DISCLOSURES

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Illustrative guidance

This guidance accompanies, but is not part of, [draft] IFRS S2. It illustrates aspects of [draft] IFRS S2 but is not intended to provide an interpretation.

IG1 Paragraph 21 of [draft] IFRS S2 states that ‘an entity shall disclose information relevant to these cross-industry metric categories’. These examples provide an illustration of such information.

Metric category	Unit of measure	Example metrics
Transition risks	amount and percentage	<ul style="list-style-type: none"> • volume of real estate collaterals highly exposed to transition risk • concentration of credit exposure to carbon-related assets • per cent of revenue from coal mining • per cent of revenue passenger kilometres not covered by Carbon Offsetting and Reduction Scheme for International Aviation
Physical risks	amount and percentage	<ul style="list-style-type: none"> • number and value of mortgage loans in 100-year flood zones • wastewater treatment capacity located in 100-year flood zones • revenue associated with water withdrawn and consumed in regions of high or extremely high baseline water stress • proportion of property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress • proportion of real assets exposed to climate-related hazards

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ILLUSTRATIVE GUIDANCE ON CLIMATE-RELATED DISCLOSURES

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Metric category	Unit of measure	Example metrics
Climate-related opportunities	amount and percentage	<ul style="list-style-type: none"> • net premiums written related to energy efficiency and low-carbon technology • number of (1) zero-emissions vehicles, (2) hybrid vehicles and (3) plug-in hybrid vehicles sold • revenues from products or services that support the transition to a lower-carbon economy • proportion of homes delivered certified to a third-party, multi-attribute, green-building standard
Capital deployment	presentation currency	<ul style="list-style-type: none"> • percentage of annual revenue invested in R&D of low-carbon products/services • investment in climate adaptation measures (for example, soil health, irrigation, technology)



IFRS[®]

Foundation

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel **+44 (0) 20 7246 6410**
Email **customerservices@ifrs.org**

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