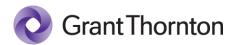


# Appendix: Changes in the Australian exposure drafts

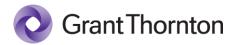
#### **Draft ASRS 1**

Area	IFRS S1	[Draft] ASRS 1
Interaction with other	Includes definitions and content	Includes references to the Conceptual
pronouncements	identical to the Conceptual	Framework for Financial reporting
	Framework for Financial Reporting.	and Framework for the Preparation
		and Presentation of Financial
A 11	F (1) 111	Statements.
Application	For-profit entities <i>only</i> .	Both for-profit and not-for-profit entities.
		Language has been clarified so that
		the concepts of "the entity's
		prospects" and "business model" now
		incorporate "the entity's ability to
		further its objectives over the short, medium, and long term".
Scope of issues	All sustainability-related risks and	Only <i>climate-related</i> risks and
0000001100000	opportunities that are reasonably	opportunities that are reasonably
	expected to affect the entity.	expected to affect the entity.
	i s	1
Determination of	No requirement to disclose anything if	If the entity determines that there are
material climate-	the entity determines that there are	no material climate-related risks and
related risks and	no material climate-related risks and	opportunities that could reasonably
opportunities	opportunities that could reasonably	be expected to affect the entity's
	be expected to affect the entity's	prospects, the entity is required to
	prospects.	disclose this fact and explain how it
Sources of guidance	Requires entities to consider the	came to this conclusion.  Removes requirement to refer to the
Sources of guidance	applicability of disclosure topics in	SASB standards.
	the SASB standards.	onob standards.
Location of	Requires the entity to identify the	Removes the requirement for an index
disclosures	report within which the climate-	of disclosures or similar, provided that
	related financial information is	the information is provided in a
	located.	manner that allows the user to locate
		its disclosures.
Timing of reporting	Gives examples of information being	Specifies the same reporting period
	prepared for a period other than 12	as the related financial statements.
	months and interim reporting.	Does not address interim reporting.



## **Draft ASRS 2**

Area	IFRS S2	[Draft] ASRS 2
Interaction with other pronouncements	Includes definitions and content identical to the Conceptual Framework for Financial Reporting.	Includes references to the Conceptual Framework for Financial reporting and Framework for the Preparation and Presentation of Financial Statements.
General disclosure requirements	Includes requirements related to general disclosures on governance, strategy, and risk management, identical to IFRS S1.	Includes references to the general disclosure requirements of [draft] ASRS 1.
Application	For-profit entities <i>only</i> .	Both for-profit and not-for-profit entities.
		Language has been clarified so that the concepts of "the entity's prospects" and "business model" now incorporate "the entity's ability to further its objectives over the short, medium, and long term".
Cross industry metrics – executive remuneration	Requires disclosure of whether and how climate-related considerations are factored into <i>executive</i> remuneration.	Requires disclosure of whether and how climate-related considerations are factored into key management personnel remuneration as defined in AASB 124 Related Party Disclosures.
Scope of standard	Climate-related risks and opportunities.	Clarifies that the Standard does not apply to climate-related emissions that are not greenhouse gas (GHG) emissions, and does not replace existing legislation or pronouncements prescribing reporting requirements related to other sustainability-related topics.
Use of climate scenario analysis	Does not mandate the use of a particular scenario or number of scenarios.	Requires that resilience assessments are performed against at least two relevant possible future states, one of which must be consistent with the most ambitious global temperature goal set out in the <i>Climate Change Act 2022</i> (currently 1.5 degree scenario).



## **Draft ASRS 2**

Area	IFRS S2	[Draft] ASRS 2
Measurement of greenhouse gas emissions	Requires that greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol Corporate Standard.	potential values (GWP values) from the IPCC report as those applying under the Paris Agreement and the National Greenhouse and Energy Reporting Act 2007 (NGER)  Requires the entity to prioritise the methodologies in NGER scheme legislation as the default methodologies to measure greenhouse gas emissions before referring to
Disclosure of scope 2 emissions	Requires an entity to disclose location-based Scope 2 greenhouse gas emissions and information about contractual instruments related to Scope 2 emissions.	foreign frameworks.  Requires an entity that is required by the Corporations Act 2001 to prepare climate-related financial disclosures to additionally disclose its market-based Scope 2 greenhouse gas emissions (transitional relief for the first 3 years that the entity applies ASRS 2).
Disclosure of scope 3 emissions	Requires that the data used in the disclosed emissions is aligned to the reporting period.	Permits an entity to disclose Scope 3 emissions using data from the immediately preceding reporting period, if reasonable and supportable data for the current period is not available to the entity at the reporting date without undue cost or effort.
Disclosure of scope 3 emissions	Requires that sources of Scope 3 emissions are categorised in accordance with the 15 categories of Scope 3 emissions in the Greenhouse Gas Protocol Standards.	Removes the requirement to disclose the sources categorised in accordance with the 15 categories of Scope 3 emissions in the Greenhouse Gas Protocol Standards.
Industry-based metrics	Requires entities to consider the applicability of metrics in the SASB standards.	Removes requirement to refer to the SASB standards.  When identifying material industry-based metrics, entities must use an industrial classification system that aligns with that developed by the Australian Bureau of Statistics.



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