Consultation on Exposure Draft
IFRS S2 Climate-related Disclosures
Request for Comments – July 2022

Comments

	Question	GRI Response
1.	**Objective of the Exposure Draft**	
1a	Do you agree with the objective that has been established for the Exposure Draft? Why or why not?	Yes, we agree with the objectives that were set for the Exposure Draft.
1b	Does the objective focus on the information that would enable users of general-purpose financial reporting to assess the effects of climate-related risks and opportunities on enterprise value?	Not fully. The impact of climate-related risks on enterprise value, which is comprised of aspects such as market capitalization, debt, minority interest, preferred shares, and total cash and cash equivalents, can only be assessed when entities have thoroughly embedded relevant climate factors into these elements, and are ready to translate various climate scenarios with assumptions that feature entities' unique considerations into the financial language, as examples. The Exposure Draft focuses on information related to strategy and climate risk management, which is not sufficient for report users to assess the effects of climate-related risks and opportunities on enterprise value. Further study of the data needed for the composition of "enterprise value" in the context of climate risk may be needed over the course of time to help establish new methods and approaches for the standard calculation of enterprise value.
1c	Do the disclosure requirements set out in the Exposure Draft meet the objectives described in paragraph 1? Why or why not? If not, what do you propose instead and why?	Partially meets the objectives. Disclosure requirements set out in the Exposure Draft echo the objectives described in paragraph 1. However, more guidance regarding the establishment of linkages between the four pillars can assist the entity to analyze the 4 pillars from a holistic and integrated perspective. For example, the expectation for entities to assess risk and opportunities through metrics; specify achievable, realistic, and timely targets through climate-related risk and opportunity assessment; draw conclusions about strategy and business plan from scenario analysis; continuously report performance and achievement back to governance level to quickly adjust strategy and response, if necessary, etc. The integrated effect, as well as their interpretation in financial language, are expected to

	Question	GRI Response
		better align the disclosure with the objective of assessing the effects of climate-related risks and opportunities on an entity's enterprise value.
2.	**Governance**	
	Do you agree with the proposed disclosure requirements for governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities? Why or why not?	Agree. A key signal for investors about the entity's level of climate-related risk and opportunity or resilience management is the level of board focus. According to our assessment of Canadian financial institutions that reported in alignment with TCFD, those that disclose detailed climate-related information in terms of strategy, risk management, and metrics & targets are usually supported by strong climate governance. The disclosure of governance processes, controls, and procedures can demonstrate the board's level of attention to climate issues, and whether climate-related risks and opportunities are reflected in policy formulation, risk oversight, performance oversight, and strategy setting processes, thereby helping report users to understand board engagement and how it relates to the effectiveness of climate risk management at the firm level.
3.	**Identification of climate-related risks and opportunities**	
3a	Are the proposed requirements to identify and to disclose a description of significant climate-related risks and opportunities sufficiently clear? Why or why not?	Somewhat clear. The size and scope of the impact of climate-related risks and opportunities on the company's cash flow, business, and strategy can only be known after quantitative analysis. Thus, capable firms should be encouraged to disclose a description of significant climate-related risks and opportunities along with quantitative assessment. The company should focus on the disclosure of material risks and opportunities, and provide brief supplementary data or supporting evidence for those immaterial ones. As significant risk exposures change over time, companies should regularly re-analyze material climate-related risks, adjust their strategic plans, reallocate capital plans, and highlight the changes in the disclosure of next year.
3b	Do you agree with the proposed requirement to consider the applicability of disclosure topics (defined in the industry requirements) in the identification and description of climate-related risks and opportunities? Why or why not? Do you believe that this will lead to improved relevance and comparability	Yes. Additional proposed requirements: Materiality analysis not only allows firms to allocate their resources in a more effective and efficient manner by narrowing risks that have the greatest potential impacts, but also allows providers of capital and other stakeholders to understand the company's main climate-related risk exposures. Climate-related risks should be defined as material by default unless firms can prove otherwise, and the materiality determination can be tied to key metrics, if necessary.

	Question	GRI Response
	of disclosures? Why or why not? Are there any additional requirements that may improve the relevance and comparability of such disclosures? If so, what would you suggest and why?	
4.	**Concentrations of climate-related risks and opportunities in an entity's value chain**	
4a	Do you agree with the proposed disclosure requirements about the effects of significant climate-related risks and opportunities on an entity's business model and value chain? Why or why not?	Agree with qualitative disclosures, but have an additional suggestion. The value chain covers a wide range of resources, activities, and participants, all of which vary widely across different industry sectors. The standardization of the content, order, and focus of disclosure can help prevent companies from missing key risks. For example, disclosure by companies that produce physical products will be more related to direct emissions from manufacture, logistics, and transportation, while the financial service industry is indirectly exposed to climate-related issues in their lending and investment portfolios, and disclosure of their engagement with investee firms in the value chain better reflects their ambition and commitment to achieve net-zero (or align climate risk with overall risk appetite) for their portfolios. In this regard, more guidance or standardization by sector could clarify the focus and direction of value chain disclosure.
4b	Do you agree that the disclosure required about an entity's concentration of climate-related risks and opportunities should be qualitative rather than quantitative? Why or why not? If not, what do you recommend and why?	Partially agree. Qualitative disclosure can provide sufficient information regarding governance, risk management policies, procedures, and other climate management related issues. When it comes to climate-related risks and opportunities identification and assessment in the value chain, quantitative analysis can facilitate comparative analysis, avoid subjectivity, and allow users to better understand the size and scope of risk exposure. A phase-in approach is recommended for firms just starting to disclose, those that have important data, tools, and models under development, and SMEs that face other challenges. If conditions permit, these firms could be expected to move from qualitative to quantitative assessment within 3-5 years. Large-scale firms, especially publicly listed firms and government-owned entities that have sufficient resources and data or have already voluntarily disclosed in alignment with TCFD and/or SASB, could be expected to conduct quantitative assessment immediately, and disclose this information in the next reporting cycle.

	Question	GRI Response
5.	**Transition plans and carbon offsets**	
5a	Do you agree with the proposed disclosure requirements for transition plans? Why or why not?	Yes. A transition plan is an important tool to demonstrate to investors and stakeholders that an organization's business model will remain profitable in a net-zero carbon economy. According to CDP's study of 13,100+ organizations that disclosed on their platform, only one-third of these organizations reported developing a low-carbon transition plan. Moreover, less than 1% reported on all 24 key indicators available in the CDP Climate Change questionnaire on credible climate transition plans.
5b	Are there any additional disclosures related to transition plans that are necessary (or some proposed that are not)? If so, please describe those disclosures and explain why they would (or would not) be necessary.	No.
5c	Do you think the proposed carbon offset disclosures will enable users of general-purpose financial reporting to understand an entity's approach to reducing emissions, the role played by carbon offsets and the credibility of those carbon offsets? Why or why not? If not, what do you recommend and why?	Yes. The proposed carbon offset disclosures are clear in the sense that it encourages entities to disclose their reliance on carbon offset in achieving emissions targets, and highlights the importance of both removal offsets and avoidance offsets in addressing the initial problem of GHGs being released into the atmosphere. The proposals of disclosing whether the offsets will be subject to a third-party offset verification or certification scheme can further increase the credibility of carbon offsets. Paragraph 13 b (iii) (4) is important to be included in the final standard as it requires entities to disclose any other factors that are not specifically addressed in the Draft, but are material for users to understand the credibility and integrity of offsets.
5d	Do you think the proposed carbon offset requirements appropriately balance costs for preparers with disclosure of information that will enable users of general-purpose financial reporting to understand an entity's approach to reducing emissions, the role played by carbon offsets and the soundness or credibility of those carbon offsets? Why or	Yes. The proposed carbon offset requirements that seek third-party offset verification or certification scheme will give rise to additional cost for entities, but looking at the economy as a whole, the benefits to the users of general-purpose financial reporting are substantial because the proposal brings clarification on the soundness and credibility of disclosed carbon offsets, which allows report users to make more informed investment decisions.

	Question	GRI Response
	why not? If not, what do you propose instead and why?	
6.	**Current and anticipated effects**	
6a	Do you agree with the proposal that entities shall disclose quantitative information on the current and anticipated effects of climate-related risks and opportunities unless they are unable to do so, in which case qualitative information shall be provided (see paragraph 14)? Why or why not?	Yes. Quantitative information allows report users to understand firms' climate-related opportunities, as well as exposures and vulnerability to climate-related risks. It can also facilitate assessment against peers to explore and address the areas of competitive advantage. Quantitative analysis is especially important to assess the size and scope of climate impact on the financial position, financial performance, and cash flow, versus qualitative assessment which doesn't support inter- or cross-industry comparison. Thus, all firms that are able to provide quantitative information should do so. For those who are not able to disclose quantitatively, qualitative information along with the explanation and future development plan in the next 3-5 years to move towards quantitative assessment and disclosure should be provided.
6b	Do you agree with the proposed disclosure requirements for the financial effects of climate-related risks and opportunities on an entity's financial performance, financial position and cash flows for the reporting period? If not, what would you suggest and why?	Yes. Financial performance, financial position, and cash flows are all prone to climate-related risks and are sufficient to cover the overall financial effects of climate-related risks and opportunities on the value of climate-sensitive assets and liabilities, profitability, and solvency/liquidity at a certain time point, as well as during a period of time.
6c	Do you agree with the proposed disclosure requirements for the anticipated effects of climate-related risks and opportunities on an entity's financial position and financial performance over the short, medium and long term? If not, what would you suggest and why?	Anticipated effects of climate-related risks and opportunities on entities' financials are important as they can assist security holders and financial analysts in understanding entities' financial position, results of operation, as well as climate-related financial performance objectives, vision, and strategic goals. Broadly agree for two main reasons. Firstly, the briefing of forward-looking information needs to be included in the general-purpose financial reporting package, coupled with a caution statement that assumptions are subject to inherent risks and uncertainties, which give rise to the possibility that anticipated effects of climate-related risks and opportunities on the financials will not prove to be accurate. Readers are cautioned to carefully consider other uncertainties not pinpointed in the statement, and not place

	Question	GRI Response
		undue reliance on these statements as a number of risk factors could cause actual results to differ materially from entities' assumptions and expectations. Secondly, the definition of short, medium, and long terms across sectors would make it easier for entities to categorize and analyze the anticipated effects of climate change falling under each defined time horizon.
7.	**Climate resilience**	
7a	Do you agree that the items listed in paragraph 15(a) reflect what users need to understand about the climate resilience of an entity's strategy? Why or why not? If not, what do you suggest instead and why?	Yes. By complying with paragraph 15(a), entities are expected to reveal their abilities in anticipating, absorbing, accommodating, and recovering from the effects of a potentially hazardous event or chronic changes related to climate change, and would be sufficient for users to understand the entity's climate resilience.
7b(i)	The Exposure Draft proposes that if an entity is unable to perform climate-related scenario analysis, that it can use alternative methods or techniques (for example, qualitative analysis, single-point forecasts, sensitivity analysis and stress tests) instead of scenario analysis to assess the climate resilience of its strategy. Do you agree with this proposal? Why or why not?	Broadly agree. It makes sense for firms who are unable to perform climate-related scenario analysis to use alternative methods. But meanwhile, they need to disclose the reasons for not using scenario analysis, any challenges that prevent them from using scenario analysis, whether they plan to perform climate-related scenario analysis in the future, and the effort they put forward to stimulate the convergence of methods and techniques for the ease of comparison for report users.
7b(ii)	Do you agree with the proposal that an entity that is unable to use climate-related scenario analysis to assess the climate resilience of its strategy be required to disclose the reason why? Why or why not?	Yes. Entities that are unable to use climate-related scenario analysis should disclose the reason not only for primary users to understand the techniques and methods adopted but also for regulators to capture the obstacles faced by those firms that need to be addressed to converge the methods for ease of regulation and comparison.
7b(iii)	Alternatively, should all entities be required to undertake climate-related scenario analysis to assess climate	Yes. For ease of comparison among different firms, all entities should be encouraged to undertake climate-related scenario analysis to assess climate resilience, and resort to the external data providers, regulators, and value chain partners/collaborators to

	Question	GRI Response
	resilience? If mandatory application were required, would this affect your response to Question 14(c) and if so, why?	address the challenges. Those firms who are unable to use scenario analysis doesn't make scenario analysis any less important for them. Various techniques and methods adopted are more likely to cause higher learning costs for report users, and hinder comparative analysis. It will also cause a potential loophole for firms to selectively pick the method that favors them in terms of reporting performance and resilience.
7c	Do you agree with the proposed disclosures about an entity's climate-related scenario analysis? Why or why not?	Broadly agree. According to our analysis of TCFD aligned reports, it is common to find a disconnect between climate-related strategy and scenario analysis. The proposed disclosure requirements are sufficient to cover the main considerations of scenario analysis for it to be insightful. But in addition, entities should report how they draw meaningful and actionable insights and conclusions from scenario analysis, and incorporate the analysis results into their broader decisions on a business plan, strategy, and financial planning. Considering that many firms are still in the early days of implementing scenario analysis, disclosure of the limitations and challenges of scenario analysis is of great importance as it can encourage more discussion and collaboration from entities and regulators to address the obstacles with joint efforts, and helps users of reported information understand the level of experience or sophistication of the analysis performed.
7d	Do you agree with the proposed disclosure about alternative techniques (for example, qualitative analysis, single-point forecasts, sensitivity analysis and stress tests) used for the assessment of the climate resilience of an entity's strategy? Why or why not?	Yes, but as a supplementary method because the functions and focuses of these techniques are somewhat different. One of the main reasons for conducting scenario analysis is to get the firm to think of all possible scenarios and prepare for any downside effects of climate-related risk, and if the alternative technique such as stress tests can capture the worst-case scenario and serve as a similar function, then it could be considered as an alternative. At the same time, joint efforts should be made to promote the widespread use of scenario analysis.
7e	Do the proposed disclosure requirements appropriately balance the costs of applying the requirements with the benefits of information on an entity's strategic resilience to climate change? Why or why not? If not, what do you recommend and why?	Yes. Proposed requirements are designed to accommodate alternative approaches to resilience assessment. Such flexibility allows entities to choose models and techniques that match firms' capability, resources, and risk exposures, giving them the option to balance between costs and benefits, and improve over time.

	Question	GRI Response
8.	**Risk management**	
	Paragraphs BC101–BC104 of the Basis for Conclusions describe the reasoning behind the Exposure Draft's proposals. Do you agree with the proposed disclosure requirements for the risk management processes that an entity uses to identify, assess and manage climate-related risks and opportunities? Why or why not? If not, what changes do you recommend and why?	Yes. Climate-related risks and opportunities are equally important for firms to address in a transition to a lower-carbon economy, and thus, the integrated and balanced view of both, as well as the information about how risk management practices evolve is needed for report users to assess whether the climate risk management process is rigorous and reliable. Observations of TCFD-aligned reporting by large Canadian financial institutions indicate that they already disclose information about climate-related opportunities, in some cases metrics and targets have been identified and discussions have reached the board level.
9.	**Cross-industry metric categories and greenhouse gas emissions**	
9a	The cross-industry requirements are intended to provide a common set of cores, climate-related disclosures applicable across sectors and industries. Do you agree with the seven proposed cross-industry metric categories including their applicability across industries and business models and their usefulness in the assessment of enterprise value? Why or why not? If not, what do you suggest and why?	Yes. These 7 metrics are applicable to all industries and business models.
9b	Are there any additional cross-industry metric categories related to climate-related risks and opportunities that would be useful to facilitate cross-industry comparisons and assessments of enterprise value (or some proposed that are not)? If so, please describe those disclosures and explain why they would or	Yes. Besides these 7 metric categories, IFRS could consider a metric about reporting entities' board climate-related competency, such as skills matrix, board training, frequency of receiving climate-related information, frequency of board meetings on climate-related issues, committee roles and responsibilities, or board engagement in climate-related oversight and activities. A board-related metric would also be applicable across sectors and industries to demonstrate whether climate-related issues have been taken seriously at the board level, and these disclosures can further inform the correlation between board's engagement level and quality of operation and disclosure.

	Question	GRI Response
	would not be useful to users of general-purpose financial reporting.	
9c	Do you agree that entities should be required to use the GHG Protocol to define and measure Scope 1, Scope 2 and Scope 3 emissions? Why or why not? Should other methodologies be allowed? Why or why not?	Yes. GHG Protocol is the most widely recognized and adopted method to measure Scope 1, 2, and 3 emissions and enjoys strong support across stakeholders. Other methodologies build on the GHG Protocol Scope 3 accounting rules. For example, the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry, uses the GHG Protocol in its methodology. In order to encourage the convergence of GHG measurement methodology, issuers should not employ other alternative reporting standards as this would undermine the objective of having consistent and comparable data.
9d	Do you agree with the proposals that an entity be required to provide an aggregation of all seven greenhouse gases for Scope 1, Scope 2, and Scope 3—expressed in CO2 equivalent; or should the disclosures on Scope 1, Scope 2 and Scope 3 emissions be disaggregated by constituent greenhouse gas (for example, disclosing methane (CH4) separately from nitrous oxide (NO2))?	For ease of analysis and comparison, GHG emissions should be expressed in CO2 equivalent regardless of firms' methods to disclose GHG emissions. Considering many firms are still in the early stages of calculating GHG emissions by scopes, whether to disaggregate 7 GHG emissions should be at the firms' own discretion. When emissions from a specific GHG (e.g., methane emissions) are material and relevant, legally mandated by the region, or if needed to track to meet specific emission reduction targets, then entities should provide a separate disclosure of these emissions. For example, the largest source of anthropogenic methane emissions is agriculture, responsible for around a quarter of the total, according to IEA. So, it is necessary for the agriculture sector to disclose its methane emissions.
9e(i) 9e(ii)	Do you agree that entities should be required to separately disclose Scope 1 and Scope 2 emissions for: the consolidated entity; and for any associates, joint ventures, unconsolidated subsidiaries and affiliates? Why or why not?	Yes, scope 1 and scope 2 cover GHG emissions generated from different sources and should be disclosed separately regardless of the entity type so that it can allow users to distinguish owned/controlled sources (scope 1) from purchased sources (scope 2), which further helps users to analyze whether companies have invested or reallocated sufficient resources and capital where carbon reduction is most needed.
9f	Do you agree with the proposed inclusion of absolute gross Scope 3 emissions as a cross-industry metric category for disclosure by all entities, subject to	Yes. According to PCAF, if financial institutions choose to disclose carbon removals or avoided emissions, they shall disclose absolute carbon removals or avoided emissions separately from the financial institution's scope 1, scope 2, and scope 3 inventories. The same should be applied to other industries with substantial scope 3 emissions as the

	Question	GRI Response
	materiality? If not, what would you suggest and why?	absolute gross scope 3 emissions can help demonstrate the total climate impact of indirect emissions that occur in a company's value chain and can act as a baseline for climate action across different industries. Carbon removal and avoidance (or net scope 3 emissions) is also expected to be disclosed, but as supplemental information on absolute gross scope 3 emissions.
10.	**Targets**	
10a	Do you agree with the proposed disclosure about climate-related targets? Why or why not?	Broadly agree. Based on our tracking of TCFD-aligned reporting by 32 Canadian financial institutions, 84% disclosed granular climate-related targets, and nearly 60% reported that they have assessed physical or transition risks either qualitatively or quantitatively. The achievability and the timeliness of climate-related targets is a concerning issue if the target is not backed by a thorough assessment of risk exposure or projected pathway. For each target, metrics, and case examples should be used to prove the reason why firms believe that it's an achievable, realistic, and timely target to avoid the risk of greenwashing.
10b	Do you think the proposed definition of 'latest international agreement on climate change' is sufficiently clear? If not, what would you suggest and why?	Not clear. The second paragraph of question 10 should be fully included in Appendix A of the Exposure Draft as the definition of the "latest international agreement on climate change" in order to be clear about the specific international law convention we refer to. If the Paris Agreement is updated/replaced, then a memo/notice needs to be issued to make sure that entities are further aligned with the Paris Agreement or subsequent international agreements.
11.	**Industry-based requirements**	
11a	Do you agree with the approach taken to revising the SASB Standards to improve the international applicability, including that it will enable entities to apply the requirements regardless of jurisdiction without reducing the clarity of the guidance or substantively altering its meaning? If not, what alternative approach would you suggest and why?	Yes.
11b	Do you agree with the proposed amendments that are intended to improve	Yes.

	Question	GRI Response
	the international applicability of a subset of industry disclosure requirements? If not, why not?	
11c	Do you agree that the proposed amendments will enable an entity that has used the relevant SASB Standards in prior periods to continue to provide information consistent with the equivalent disclosures in prior periods? If not, why not?	Yes.
11d	Do you agree with the proposed industry-based disclosure requirements for financed and facilitated emissions, or would the cross-industry requirement to disclose Scope 3 emissions (which includes Category 15: Investments) facilitate adequate disclosure? Why or why not?	Yes. Though hard to measure, scope 3 emissions represent from 65% to 95% of a company's overall carbon impact, according to the Carbon Trust research, and therefore they are the main risk exposure as we transition to a low carbon economy. The industry-based disclosure requirements for scope 3 emissions are more specific and are expected to facilitate adequate disclosure in the sense that it considers more relevant carbon-related metrics involved in the lending, underwriting, and investment activities that finance/facilitate emissions.
11e	Do you agree with the industries classified as 'carbon-related' in the proposals for commercial banks and insurance entities? Why or why not? Are there other industries you would include in this classification? If so, why?	Generally agree with the classified industries but suggest further guidance is needed. Definition of "carbon-related", as well as more clarification of the line to distinguish between carbon-intensive and non-intensive, is needed to classify the industries in the proposals for commercial banks and insurance entities.
11f	Do you agree with the proposed requirement to disclose both absolute- and intensity-based financed emissions? Why or why not?	Yes. Absolute financed emissions refer to the total quantity of greenhouse gas emissions being financed, whereas intensity compares the number of financed emissions to some unit of economic output. They are equally important to be disclosed to demonstrate the full picture of the financial sector's carbon footprint and facilitate analysis by users of reported information.
11g	Do you agree with the proposals to require disclosure of the methodology used to calculate financed emissions? If not, what would you suggest and why?	Yes.

	Question	GRI Response
11h	Do you agree that an entity be required to use the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard to provide the proposed disclosures on financed emissions without the ISSB prescribing a more specific methodology (such as that of the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard for the Financial Industry)? If you don't agree, what methodology would you suggest and why?	Disagree. According to our monitoring of TCFD-aligned reporting by 32 Canadian financial firms in 2021, almost 60% have adopted PCAF as their scope 3 financed emissions carbon accounting methodology, and it has been used or endorsed by hundreds of financial sector firms worldwide. PCAF uses GHG Protocol as its starting point, but has added so much value by creating a standardized and generally accepted way of calculating financed emissions – a metric unique to the financial sector and not sufficiently/specifically covered in the GHG Protocol. We encourage a single standardized method for accounting and reporting scope 3 carbon for the financial sector to promote consistency and comparability. For most other sectors, the GHG Protocol is sufficient, but the ISSB could monitor the need and/or development of more specific methodologies for various sectors and adjust the guidance in future years if needed.
11i	In the proposal for entities in the asset management and custody activities industry, does the disclosure of financed emissions associated with total assets under management provide useful information for the assessment of the entity's indirect transition risk exposure? Why or why not?	Yes. The asset management and custody activities industry is indirectly exposed to carbon-related assets due to increased default rates and costs of capital associated with decarbonization and the transition to a lower-carbon economy for portfolio companies. At the portfolio level, disclosure of financed emissions associated with total assets under management can reveal an entity's indirect exposure to high-carbon assets, and at the same time, allow tracking of progress towards fulfilling its climate-related commitments.
11j	Do you agree with the proposed industry-based requirements? Why or why not? If not, what do you suggest and why?	Yes. The main economic activities, carbon-related projects, and business models are different across industries, which makes a one-size-fits-all model unsuitable. The industry-based requirements have incorporated different characteristics of the industry, and include metrics that are more relevant to each industry, allowing users to understand their specific climate risk exposure. The standardized metrics also facilitate comparison within the industry.
11k	Are there any additional industry-based requirements that address climate-related risks and opportunities that are necessary to enable users of general-purpose financial reporting to assess enterprise value (or are some proposed that are	No.

	Question	GRI Response
	not)? If so, please describe those disclosures and explain why they are or are not necessary.	
11l	In noting that the industry classifications are used to establish the applicability of the industry-based disclosure requirements, do you have any comments or suggestions on the industry descriptions that define the activities to which the requirements will apply? Why or why not? If not, what do you suggest and why?	No other comments
12.	**Costs, benefits and likely effects**	
12a	Do you have any comments on the likely benefits of implementing the proposals and the likely costs of implementing them that the ISSB should consider in analysing the likely effects of these proposals?	Implementing the proposals will incur external costs for auditing and assurance, and all other costs are reflected in increased FTE time. However, the benefit of implementing these proposals overweigh the costs. At the company level, climate-related disclosure allows the company better understand its current climate risk exposure. From investors' point of view, such information supports their informed investment decisions. From the perspective of the entire market, more information transparency can ensure that products reflect climate-related factors, and are precisely priced, thereby increasing market confidence, and avoiding systematic risks. In addition, failure to comply with increasingly stringent regulatory requirements could potentially result in higher legal fees and non-compliance fees than the total costs of implementation.
12b	Do you have any comments on the costs of ongoing application of the proposals that the ISSB should consider?	No comments
12c	Are there any disclosure requirements included in the Exposure Draft for which the benefits would not outweigh the costs associated with preparing that information? Why or why not?	No comments
13.	**Verifiability and enforceability**	

	Question	GRI Response
	Are there any disclosure requirements proposed in the Exposure Draft that would present particular challenges to verify or to enforce (or that cannot be verified or enforced) by auditors and regulators? If you have identified any disclosure requirements that present challenges, please provide your reasoning.	Those data that are difficult for companies to obtain are often also the data that are difficult to audit and verify. The credibility and verifiability of the disclosure will be a concerning issue if certain disclosures are subjective to judgments, assumptions, or involve third-party companies in the value chain. These disclosure requirements include, but are not limited to, scope 3 emissions, carbon avoidance, quality of carbon offset credits, scenario assumptions, etc. To better facilitate audits and regulation, and address relevant challenges, further guidance and more detailed industry-specific standards are needed on these metrics and data.
14.	**Effective date**	
14a	Do you think that the effective date of the Exposure Draft should be earlier, later or the same as that of [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information? Why?	The effective date of the Exposure Draft should be the same as that of [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and comparative information may not be required if some entities are not able to use a retrospective approach. If the translation time of the Exposure Draft in some countries is relatively long, or the process of incorporating the standard into a legal or regulatory requirement in some jurisdictions is time-consuming, then the effective date can be adjusted to align with these timeframes. More clarification or discussion is needed on how IFRS S1 is going to be used in conjunction with S2. For example, the timing and the effective date of the [draft] IFRS S2 versus S1, whether disclosure aligned with S2 is expected to be provided in the same location as S1 or they can be interwoven as long as the connections are clear enough for report users to draw implications from the disclosures, and if an assurance report will be needed for both the general disclosures of sustainability-related financial disclosures and climate-related disclosures. In addition, more guidance is needed on the specific aspects that entities should avoid unnecessary duplication and redundancy.
14b	When the ISSB sets the effective date, how long does this need to be after a final Standard is issued? Please explain the reason for your answer including specific information about the preparation that will be required by entities applying the proposals in the Exposure Draft.	Firms that have voluntarily reported climate-related financial information in alignment with TCFD and/or SASB should implement IFRS standards in the next reporting cycle. Large listed multi-national firms should take it up within 2 years, and for those SMEs as defined by each nation, should be required to fully implement the IFRS standards within 5 years with partial alignment checkpoints in years 2 and 4 respectively.

	Question	GRI Response
14c	Do you think that entities could apply any of the disclosure requirements included in the Exposure Draft earlier than others? (For example, could disclosure requirements related to governance be applied earlier than those related to the resilience of an entity's strategy?) If so, which requirements could be applied earlier and do you believe that some requirements in the Exposure Draft should be required to be applied earlier than others?	Yes. The sequence of the disclosure can be decided either by pillars or within a specific pillar according to the degree of detail/quantification of the information required. Considering that a significant number of firms are still in their early stages of disclosing climate-related financial information, disclosure requirements that don't need extensive data analysis to demonstrate entities' climate-related preparedness and ambition can be applied earlier than others. For example, climate governance and climate-related risk management procedure/policies/framework are material to all firms and are the first few steps of climate risk management that help report users to understand the firm's ambition, tone at the top, and comprehensive risk management system before diving into other details. In addition, the disclosure sequence needs to follow the steps taken by the entity to address climate change. For example, if entities use the conclusions of scenario analysis to support their net-zero strategy, then scenario analysis needs to be disclosed before/at the same time as the strategy. Similarly, determining metrics should be prior to setting climate-related targets as entities need data to prove their climate-related target is realistic and achievable. So, metrics can be disclosed earlier/at the same time as the target.
15.	**Digital reporting**	
	Do you have any comments or suggestions relating to the drafting of the Exposure Draft that would facilitate the development of a Taxonomy and digital reporting (for example, any particular disclosure requirements that could be difficult to tag digitally)?	Tagging qualitative information digitally can be challenging, it could be possible that IFRS undertake a study to identify user needs to ensure that the digital tagging system maximizes the interface with the existing reporting software and computer languages used to ease the flow of information within the company and to its stakeholders.
16.	**Global baseline**	
	Are there any particular aspects of the proposals in the Exposure Draft that you believe would limit the ability of IFRS Sustainability Disclosure Standards to be used in this manner? If so, what aspects	Yes. There are 3 aspects of the Exposure Draft that would limit the ability of IFRS Sustainability Disclosure Standards to be used as a global baseline. First of all, it's not clarified in the Exposure Draft if an entity can claim compliance with the IFRS standards if local laws or regulations prohibit it from disclosing material

	Question	GRI Response
	and why? What would you suggest instead and why?	information defined by IFRS. If entities are expected to read the Exposure Draft S1 for such information, then more guidance is needed regarding how S2 can be used in conjunction with S1. Secondly, in the absence of a clearer process for materiality determination in the sustainability context, entities need more rigorous and structured industry-specific definitions and standards from IFRS to determine and assess material climate-related risks and opportunities. The more standardized, the easier it would be for regulators to monitor, and for investors to make comparisons. Lastly, given that the definitions of time horizon and company size are vague and different across regions/countries, further discussion on how IFRS expects entities to define short-, medium- and long-term, and company size is deemed imperative not only for entities to identify and assess material climate-related risks and opportunities under a standardized timeframe, but also allows regulators to targets at a specific size of entities in the process of implementing the standards.
17.	**Other Comments**	
	Do you have any other comments on the proposals set out in the Exposure Draft?	No other comments