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Our ref: RJ-ISSB 513 I
Direct dial: Tel.: +31 (0)88 4960 391
Date: Hoofddorp, 27th of June, 2025
Re: DASB response to the Exposure Draft ED/2025/1 'Amendments to Greenhouse Gas Emissions Disclosures – Proposed amendments to IFRS S2'

Dear members of the International Sustainability Standards Board,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to provide a response to the Exposure Draft ED/2025/1 'Amendments to Greenhouse Gas Emissions Disclosures – Proposed amendments to IFRS S2', issued by the ISSB in April 2025. We generally agree with the proposals. Furthermore, we support EFRAG's comments for the most part as included in their comment letter.

Since application of IFRS S2 is not mandatory for nor at this moment voluntarily applied by Dutch (listed) companies we cannot yet draw from reporting experience in the Netherlands. The DASB therefore reacts on a high level only, mainly focussing on the following topics: interoperability of IFRS-SDS with ESRS, simplification and feasibility of the proposed amendments in practice.

The DASB is very much in favour of an international approach to sustainability reporting, also considering the fact that many undertakings are not merely acting in a local, regional or European environment, and may wish to adopt IFRS Sustainability Disclosure Standards even if not formally required . Consequently, interoperability of IFRS-SDS and ESRS is a key concern for the DASB. In that light the DASB supports the suggestion of EFRAG to regularly evaluate disclosure requirements and to adjust if necessary in line with reporting practices and legislative or methodological evolution. Given the current ESRS review process, a legislative evolution is expected, underlining the desirability of a periodical evaluation of disclosure requirements to support interoperability.

The DASB supports EFRAG's remarks on comparability. Additionally, the DASB questions whether the proposed full disclosure of deviations will be experienced in practice as a relief from disclosure requirements.

We have included our response to the Exposure Draft questions in the Appendix.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,

drs. G.M. van Santen RA

Chairman Dutch Accounting Standards Board

Appendix 1: Responses to Exposure Draft Questions

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Question 1—Measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions
The ISSB proposes to permit entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions. This limitation would permit entities to exclude some of their Scope 3 Category 15 greenhouse gas emissions, including those emissions associated with derivatives, facilitated emissions and insurance-associated emissions, when measuring and disclosing Scope 3 greenhouse gas emissions in accordance with paragraph 29(a)(i)(3) of IFRS S2. (a) The ISSB proposes to add paragraph 29A(a), which would permit an entity to limit its disclosure of Scope 3 Category 15 greenhouse gas emissions to financed emissions, as defined in IFRS S2 (being those emissions attributed to loans and investments made by an entity to an investee or counterparty). For the purposes of the limitation, the proposed paragraph 29A(a) would expressly permit an entity to exclude greenhouse gas emissions associated with derivatives. Consequently, this paragraph would permit an entity to exclude emissions associated with derivatives, facilitated emissions or insurance-associated emissions from its disclosure of Scope 3 greenhouse gas emissions. The proposed amendment would not prevent an entity from choosing to disclose greenhouse gas emissions associated with derivatives, facilitated emissions or insurance-associated emissions should it elect to do so. Paragraphs BC7–BC24 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not?

- *The DASB, in line with EFRAG, supports the proposed amendments. The proposed amendments are in line with legislation for the financial sector and are expected to relieve reporters.*
- *The DASB notes that the proposed amendments might hamper comparability of reporting requirements between companies and/or over time. Comparability is even more under pressure since "derivatives" is not defined (see our next bullet).*

Question 1—Measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions	
(b)	The ISSB also proposes to add paragraph 29A(b), which would require an entity that limits its disclosure of Scope 3 Category 15 greenhouse gas emissions, in accordance with the proposed paragraph 29A(a), to provide information that enables users of general purpose financial reports to understand the magnitude of the derivatives and financial activities associated with the entity's Scope 3 Category 15 greenhouse gas emissions that are excluded. Therefore, the ISSB proposes to add: • paragraph 29A(b)(i) which would require an entity that has excluded derivatives from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to disclose the amount of derivatives it excluded; and • paragraph 29A(b)(ii) which would require an entity that has excluded any other financial activities from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to disclose the amount of other financial activities it excluded. The term 'derivatives' is not defined in IFRS Sustainability Disclosure Standards, and the ISSB does not propose to define this term. As a result, an entity is required to apply judgement to determine what it treats as derivatives for the purposes of limiting its disclosure of Scope 3 Category 15 greenhouse gas emissions, in accordance with the proposed paragraph 29A(a). The proposed paragraph 29A(b)(i) would require an entity that has excluded derivatives from its measurement and disclosure of Scope 3 Category 15 greenhouse gas emissions to explain the derivatives it excluded. Paragraphs BC7–BC24 of the Basis for Conclusions describe the reasons for the proposed disclosure requirements. Do you agree with the proposed disclosure requirements? Why or why not?

- *The DASB supports EFRAG's observations as we believe that the exclusion of derivatives is currently common practice for banks when calculating financed emissions following the same reasoning as EFRAG already mentions.*
  The DASB suggests to refer for the term 'derivatives' to the definition in IFRS 9 (or applied GAAP by the reporting company) to improve alignment between financial and sustainability reporting. Accordingly, the DASB is not in favour of disclosing the excluded derivatives as the carrying amounts can also be derived from the financial statements.

Question 2—Use of the Global Industry Classification Standard in applying specific requirements related to financed emissions
Paragraphs 29(a)(vi)(2) and B62–B63 of IFRS S2 require entities with commercial banking or insurance activities to disclose additional information about their financed emissions. These entities are required to use the Global Industry Classification Standard (GICS) for classifying counterparties when disaggregating their financed emissions information in accordance with paragraphs B62(a)(i) and B63(a)(i) of IFRS S2. (a) The ISSB proposes to amend the requirements in paragraphs B62(a)(i) and B63(a)(i) of IFRS S2 and to add paragraphs B62A–B62B and B63A–B63B that would provide relief to an entity from using GICS in some circumstances. Under the proposals, an entity can use an alternative industry-classification system in some circumstances when disaggregating financed emissions information disclosed in accordance with paragraphs B62(a)–B62(b) and B63(a)–B63(b) of IFRS S2. Paragraphs BC25–BC38 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not? (b) The ISSB also proposes to add paragraphs B62C and B63C to require an entity to disclose the industry-classification system used to disaggregate its financed emissions information and, if the entity does not use GICS, to explain the basis for its industry-classification system selection. Paragraphs BC25–BC38 of the Basis for Conclusions describe the reasons for the proposed disclosure requirements. Do you agree with the proposed disclosure requirements? Why or why not?

- *2a The DASB supports EFRAG's response.*
- *2b The DASB supports EFRAG's response. The DASB feels the proposed disclosure requirement is positive for the connectivity with financial reporting (e.g. B62B).*

Question 3—Jurisdictional relief from using the GHG Protocol Corporate Standard
The ISSB proposes to amend paragraphs 29(a)(ii) and B24 of IFRS S2 to clarify the scope of the jurisdictional relief available if an entity is required by a jurisdictional authority or an exchange on which it is listed to use a method other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) to measure greenhouse gas emissions for a part of the entity. The amendment would clarify that this relief, which permits an entity to use a different method for measuring greenhouse gas emissions, is available for the relevant part of the entity when such a jurisdictional or exchange requirement applies to an entity in whole or in part, for as long as that requirement is applicable. Paragraphs BC39–BC43 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not?

- *The DASB supports EFRAG's response.*

Question 4—Applicability of jurisdictional relief for global warming potential values
The ISSB proposes to amend paragraphs B21–B22 of IFRS S2 to extend the jurisdictional relief in the Standard. The ISSB proposes that if an entity is required, in whole or in part, by a jurisdictional authority or exchange on which it is listed to use global warming potential (GWP) values other than the GWP values that are required by paragraphs B21–B22 of IFRS S2, the entity would be permitted to use the GWP values required by such a jurisdictional authority or an exchange for the relevant part of the entity, for as long as that requirement is applicable. Paragraphs BC44–BC49 of the Basis for Conclusions describe the reasons for the proposed amendment. Do you agree with the proposed amendment? Why or why not?

- *The DASB supports EFRAG's response on convergence/interoperability between ESRS and IFRS-SDS.*

Question 5—Effective date
The ISSB proposes to add paragraphs C1A–C1B which would specify the effective date of the amendments. The ISSB expects the amendments would make it easier for entities to apply IFRS S2 and would support entities in implementing the Standard. Consequently, the ISSB proposes to set the effective date so that the amendments would be effective as early as possible and to permit early application. Paragraphs BC50–BC51 of the Basis for Conclusions describe the reasons for the proposal. Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?

- *The DASB agrees with the rationale that the proposed amendments create more flexibility for reporting entities which might stimulate the support of the application of IFRS-SDS2*
- *Permitting early application seems acceptable.*

Question 6—Other comments
Do you have any other comments on the proposals set out in the Exposure Draft?

- *EU companies have to comply with the requirements from the Corporate Sustainability Reporting Directive (CSRD) and accompanying European Sustainability Reporting Standards (ESRS).*
- *We believe that the use of IFRS-SDS by EU-companies can be stimulated by (further) strengthening of the international alignment (interoperability) of sustainability reporting between ESRS and IFRS-SDS.*
- *The DASB is aware of the difference in backgrounds as well as of the ISSB and EU thought leadership and legislation in this respect, but we would like to emphasize*

the utmost importance of international (ISSB) developments which are compatible/interoperable with EU-requirements.

- *The DASB feels a way convergence could be enhanced is by using a 'building-block' approach, maybe not in the short but at least in the medium term, in which international/global standards will be used as a starting point that are subsequently complemented by specific EU-requirements to enhance interoperability by design.*
- *Examples of where the DASB feels a building block approach could be considered is the (single) financial materiality perspective from the ISSB-framework as a basis to be subsequently complemented with the EU-framework's impact (double) materiality perspective. This could for example be achieved by investigating whether IFRS S2 could be used as a building block.*