

MEMO# 35546

December 15, 2023

ICI Global Responds to UK Call for Evidence on Scope 3 GHG Emissions Reporting

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TO: ICI Global Members

ESG Advisory Group

Europe Regulatory and Policy Committee

SUBJECTS: ESG
International/Global RE: ICI Global Responds to UK Call for Evidence on Scope 3 GHG Emissions Reporting

ICI Global submitted the attached letter to the Call for Evidence[\[1\]](#) launched by the UK Department for Energy Security and Net Zero on the cost, benefits, and practicalities of Scope 3 greenhouse gas (GHG) emissions reporting in the UK.

The UK Government is considering the standards developed by the International Sustainability Standards Board (ISSB) for use in the UK.[\[2\]](#) This Call for Evidence will inform the UK Government's decision on whether to endorse the ISSB climate-related standard, in particular, the inclusion of requirements to report any Scope 3 disclosures within the UK-endorsed version of the ISSB climate-related standard.

ICI Global appreciates the UK Government's recognition of the complexity and challenges of reporting Scope 3 GHG emissions and the launch of a separate, targeted call for evidence on Scope 3 reporting in order to inform its decision on endorsement for ISSB climate standard. Our letter encourages the UK Government to incorporate financial materiality into UK sustainability reporting requirements to enable consistent and comparable disclosure for investors.

The letter recommends against the UK Government requiring Scope 3 GHG emissions disclosure at this time, except for entities that have publicly announced a target or goal to reduce their Scope 3 emissions. With respect to the case in which an asset manager is a reporting entity, any GHG emissions disclosure requirements in the UK (Scopes 1, 2, and 3) should exclude assets managed on behalf of clients. In this regard, our letter recommends that the UK Government should not incorporate the ISSB Asset Management and Custody Activities industry-based disclosure standard[\[3\]](#) into the UK reporting regime.

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Notes

[1] Scope 3 Emissions in the UK Reporting Landscape: Call for Evidence, October 19, 2023, available at <https://www.gov.uk/government/calls-for-evidence/uk-greenhouse-gas-emissions-reporting-scope-3-emissions>.

[2] See Mobilising green investment: 2023 green finance strategy, March 2023, paragraph 44, at p. 43, available at <https://www.gov.uk/government/publications/green-finance-strategy>.

[3] IFRS S2 Climate-related Disclosures Appendix B Industry-based disclosure requirements, Volume B15 - Asset Management & Custody Activities, Transition Risk Exposure, FN-AC-2 at 141, available at: <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/industry/issb-exposure-draft-2022-2-b15-assetmanagement-and-custody-activities.pdf>.

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