

## IFRS Sustainability Standards Advisory Forum — Terms of Reference

The IFRS Sustainability Standards Advisory Forum (SSAF) is a group of nominated members from jurisdictional and regional authorities involved in sustainability-related reporting. The members of the SSAF and the IFRS Foundation (Foundation) [will sign] a separate Memorandum of Understanding on [date to be inserted] which outlines the commitments SSAF members have made to participate in the Forum. This document sets out the SSAF's Terms of Reference.

### 1. OBJECTIVES OF THE SSAF

- 1.1. The G20 and other relevant global bodies have emphasised the importance of working towards a comprehensive global baseline of sustainability-related reporting, and called upon the IFRS Foundation to formally work with jurisdictions to achieve this goal. The IFRS Foundation has set as its objectives:
  - to develop in the public interest, high quality, understandable, enforceable and globally accepted standards (IFRS Standards) for general purpose financial reporting based on clearly articulated principles;
  - to promote the use and rigorous application of IFRS Standards; and
  - to promote and facilitate the adoption of IFRS Standards through the convergence of national and regional standards and IFRS Standards.
- 1.2. The International Sustainability Standards Board (ISSB) aims to develop, in the public interest, high-quality, understandable, enforceable and globally accepted standards (referred to as 'IFRS Sustainability Disclosure Standards'). The standards set by this standard-setting board are intended to result in the provision of high-quality, transparent and comparable information in sustainability disclosures that enables investors and other participants in the world's capital markets to make assessments of enterprise value.
- 1.3. The objective of the SSAF is to provide an advisory forum where members can constructively contribute towards the achievement of the ISSB's goal of developing standards that provide a comprehensive global baseline of sustainability-related reporting that is interoperable with jurisdictional standards on sustainability reporting ensuring two-way engagement between the ISSB and jurisdictions as sustainability-related reporting requirements are developing. More particularly the SSAF is established:
  - to support the Foundation and the ISSB in its objectives, and contribute towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Sustainability Disclosure Standards that meet the information needs of the capital markets and that facilitate interoperability with jurisdictional requirements to meet wider stakeholder information needs;
  - to formalise and streamline the ISSB's collective engagement with the global community of relevant jurisdictional and regional bodies in its standard-setting to ensure that a broad range of national and regional input on major technical issues related to the ISSB's standard-setting are discussed and considered; and
  - to facilitate effective technical discussions on standard-setting issues, primarily on issues on the ISSB's work plan but which may include other issues that have major implications for the ISSB's work, in sufficient depth, with representatives at a high-

level of professional capability and with significant knowledge of their jurisdictions/regions.

## **2. ORGANISATIONAL STRUCTURE AND WORKING MECHANISMS**

### **2.1. Chair**

2.1.1. The ISSB Chair or ISSB Vice-Chair shall Chair the SSAF.

2.1.2. The SSAF Chair shall have the discretion to draw up the SSAF technical agenda, following consultation with the ISSB and the SSAF members, and structure the meetings in such a way as to ensure optimal and constructive, in-depth technical discourse to achieve the SSAF's objectives.

### **2.2. Membership**

2.2.1. The SSAF shall comprise a minimum of 12 and a maximum of 16 non-voting members, represented by between 12 and 16 individuals, plus the Chair.

2.2.2. The 12 to 16 individuals shall represent 12-16 jurisdictional and/or regional bodies. The appointment is not in their personal capacity.

2.2.3. The individual representatives of the SSAF members should be capable of providing technical expertise, experience and practical knowledge of sustainability-related issues including awareness of these issues from the perspective of their jurisdiction/regions to enable them to contribute meaningfully to technical discussions and provide reliable and relevant technical advice to the ISSB.

2.2.4. Every SSAF member shall be capable of, and willing to, allocate and commit necessary staffing and resources to meet the objectives of the SSAF and the ISSB.

2.2.5. To ensure a broad geographical representation and balance of the major economic regions in the world, the 12 to 16 members shall be from the following geographical regions:

- One member from Africa;
- Three members from the Americas (North and South);
- Three members from the Asia/Oceania region;
- Three members from Europe (including non EU); and
- 6 members appointed from any area of the world at large, including international organisations, subject to maintaining overall geographical balance.

To encourage a more regional perspective, a minimum of four members of the SSAF will be representative of emerging economies.

2.2.6. To ensure efficiency and continuity and appropriate technical expertise, there shall be a single designated representative for each member organisation. The single designated representative may be the chair, or another senior member of staff from the organisation, who fulfils the requirements of section 2.2.3. The single designated representative may delegate another member of their organisation with specialist expertise to represent the organisation in discussions on particular agenda items.

- 2.2.7. The Chair shall have the discretion to invite a representative of a non-SSAF member to attend and participate in SSAF meetings, subject to any attendee having the technical expertise and capability to make a valuable contribution to the SSAF in accordance with section 2.2.3 above. The Chair will also have the discretion to invite a representative of a non-SSAF member to attend the SSAF meeting in an observer capacity. Where possible, the Chair will endeavour to obtain the prior consensus of the meeting.
- 2.2.8. The Chair shall have the discretion to call a subgroup of SSAF members to meet on an ad hoc basis if such a meeting will benefit the establishment and maintenance of the global baseline and interoperable IFRS Sustainability Disclosure Standards. Summaries of such meetings will be published on the IFRS Foundation website.
- 2.2.9. Members of the ISSB may attend SSAF meetings.
- 2.2.10. Membership of SSAF, which is renewable, is subject to review every three years (which itself is subject to the continued existence of SSAF). As well as achieving the geographical balance referred to in section 2.5.5, the review, as well as the initial composition, of the membership will take into account factors such as technical competence, the organisation's contribution to the ISSB's standard-setting process and the scale and degree of the human capital resources available to the organisation, among others. In reviewing the membership, consideration will be given of the need to rotate the membership of the SSAF to ensure broad geographical representation.
- 2.2.11. Members of the SSAF will be selected by the Trustees of the IFRS Foundation, following a call for candidates.

### 2.3. Meetings

- 2.3.1. Meetings shall normally be held in Frankfurt, utilising the Foundation's secretariat and resources to host the meeting. The Chair and SSAF members may agree to hold in person meetings in other locations, in line with the ISSB's multi-location model.
- 2.3.2. Travel and accommodation costs of attending in person SSAF meetings shall be borne by the members attending the meeting.
- 2.3.3. Foundation staff shall prepare the proposed agenda for each meeting, in consultation with SSAF members, to provide a summary of the key issues under consideration. Supporting papers for the meetings will be prepared by Foundation staff or by SSAF members. The agenda and the supporting papers shall be circulated in advance to ensure that SSAF members are fully prepared and capable of actively and constructively participating in all SSAF discussions and work.
- 2.3.4. For designated in person meetings, members of the SSAF should be available to attend in person. If attendance in person is not possible members may attend by using videoconferencing and some meetings of the SSAF may be designated as fully virtual.
- 2.3.5. The SSAF shall normally meet four times per year; where appropriate some meetings may be held by videoconference.

### 2.4. Communication

- 2.4.1. All SSAF meetings shall be held in public and webcast. Agenda papers and a meeting summary will also be posted on the Foundation's website. However, administrative matters relating to the work of the SSAF may be held in private.

2.4.2. The Foundation shall maintain a separate section of its website for SSAF, with the intention of providing information and support for all stakeholders.