
Sustainability Consultative Committee

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Participants on behalf of the IFRS Foundation

- Emmanuel Faber (ISSB Chair)
- Jingdong Hua (ISSB Vice-Chair)

Participating organisations

- International Monetary Fund (IMF)
- Organisation for Economic Cooperation and Development (OECD)
- UN Department for Economic and Social Affairs (UN DESA)
- World Bank
- CDP
- Glasgow Financial Alliance for Net Zero (GFANZ) and Task Force on Climate-Related Financial Disclosures (TCFD)
- Global Steering Group Impact Investment (GSG)
- Global Reporting Initiative (GRI)
- Johannesburg Stock Exchange (JSE)
- United Nations Environment Programme (UNEP)
- World Business Council for Sustainable Development (WBCSD)

Meeting summary

In opening the meeting, participants were introduced to ISSB Vice-Chair Jingdong Hua, who will play an important role on capacity building and emerging economies. They were then updated on the ISSB's meeting in September in Frankfurt, noting that the next meeting in November will take place in Montreal.

Feedback received on exposure drafts

Participants then received an update on the feedback received during the public exposure of IFRS Sustainability Disclosure Standards S1 and S2, noting that, overall, the comments were broadly supportive, but areas of concerns were, among others: need for greater clarity on certain definitions; disclosure of Scope 3 emissions; and the complexity of conducting scenario analyses. The ISSB has also received positive feedback on its work with GRI and EFRAG.

Discussion by participants included questions on whether there is also an ongoing discussion with the US SEC, reporting by smaller entities and the need to avoid self-selection of disclosures by report preparers.

Future priorities

Emmanuel Faber noted that the ISSB has started with climate, but its focus is on all of sustainability, not climate only. The ISSB has already mentioned publicly that it would launch an agenda consultation. Creating visibility is essential to the Board's work, as is the opportunity to engage with the ISSB. Board Members are actively listening to where the signals are in the market and jurisdictions, so that the IFRS Sustainability Disclosure Standards are built in line with the language that is being used.

Feedback received included that climate-related matters were addressed in a thorough, but limited manner, not including matters that are climate enablers. Four of such enablers identified are: industry-based standards, enabling the adoption of the standards, finalising core concepts, and digital taxonomy.

The ISSB also wants to ensure that its work is connected to the IASB's. Work on connectivity between the IFRS Accounting and IFRS Sustainability Disclosure Standards will therefore also be a focus. Continued work with GRI and EFRAG will also remain a priority. Following international discussions, the ISSB will also need to look at climate resilience, including biodiversity and water in this context, as well as social elements, such as just transition. The ISSB will be launching a consultation on future priorities at the end of this year or early next year.

Discussion by participants included, among others, the following themes:

- A balance between an ambitious workplan that responds to global needs, while ensuring adequate capacity by the IFRS Foundation to deliver high-quality work;
- The importance of alignment with GRI; and
- The importance of advancing disclosure on biodiversity and just transition.

Implementing the standards in emerging economies

ISSB Vice-Chair Jingdong Hua has stated the importance of ensuring that the Global South is on the ISSB's agenda, with accelerated timelines. Implementing the ISSB has a long checklist and capacity building for global south has to be an integral part of its work, noting that smaller entities represent a large part of the economy and therefore important to the intended purpose of the Board. Mr Hua also highlighted the essential role that the Sustainability Consultative Committee will play in this work.