

Meeting summary

ISSB Investor Advisory Group Q223 meeting

Date **27 June 2023**

This document summarises the Q223 meeting of the ISSB Investor Advisory Group (IIAG), a group of leading asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures. The IIAG serves as an advisory body to the ISSB: providing strategic guidance on developing IFRS Sustainability Disclosure Standards; and helping to ensure that the investor perspective is articulated clearly and is considered in the ISSB's standard-setting process. The IIAG also helps achieve widespread adoption of IFRS Sustainability Disclosure Standards by encouraging organizations to use the Standards to communicate performance to investors on sustainability-related issues that affect enterprise value.

Participants on behalf of the IFRS Foundation

- Verity Chegar (ISSB member)
- Jeff Hales (ISSB member)
- Michael Jantzi (ISSB member)
- Hiroshi Komori (ISSB member)
- Keertana Anandraj (IFRS Foundation staff)
- Greg Bartholomew (IFRS Foundation staff)
- Claire Goydan (IFRS Foundation staff)
- Peter Kim (IFRS Foundation staff)
- Nicolai Lundy (IFRS Foundation staff)
- Constance Semler (IFRS Foundation staff)
- Neil Stewart (IFRS Foundation staff)

Participating IIAG member organizations

<ul style="list-style-type: none"> • Allianz Global Investors • APG • AXA • Bank of America • BlackRock • Boston Trust Walden • British Columbia Investment Management Corporation (BCI) • Brunel Pension Partnership • CalSTRS • Calvert Research & Management • Capital Group • CDPQ • CPP Investments • Domini • Fidelity Investments • Goldman Sachs Asset Management • LACERA • Neuberger Berman 	<ul style="list-style-type: none"> • Nordea Asset Management • Norges Bank Investment Management • NYSTRS • Oregon State Treasury • PGIM Quantitative Solutions • PIMCO • Putnam • RBC Capital Markets • Roberts Capital Advisors • Schroders • SSGA • T. Rowe Price • Temasek • The Carlyle Group • UN Joint Staff Pension Fund • Vanguard • Wellington Management Company • Wespath
---	---

Observers and Guests

- CFA Institute
- Cleary Gottlieb Steen & Hamilton
- European Federation of Financial Analysts (EFFAS)
- U.S. Securities and Exchange Commission

Open remarks by Richard Manley, ILAG Chair

- Richard highlighted the significance of the release of the first two ISSB standards, IFRS S1 and IFRS S2, on 26 June 2023.

Review of the launch and implications for the market, presented by Nicolai Lundy, Chief of Market Relationships

- Nicolai highlighted implications and answered initial questions from ILAG members.

S1 and S2, the year in review; the year ahead, presented by Verity Chegar, ISSB member

- Verity presented an overview of technical updates to the standards and a consultation on an exposure draft methodology to enhance the international applicability of the SASB Standards.
- ILAG members asked questions about IFRS S1 and IFRS S2, guidance to help companies determine what is decision-useful for investors, GHG emissions disclosures, and materiality, among other topics.

Guest Speaker: Paul Munter, Chief Accountant, U.S. SEC

- Paul discussed the U.S. SEC's proposed climate rule, potential human capital disclosure rules, and IOSCO's work with standard setters, especially on assurance.
- ILAG members asked questions about climate-related risks and opportunities, the SEC's proposed climate rule, and IOSCO's support of ISSB Standards.

Agenda Consultation, presented by Greg Bartholomew, ISSB Research Fellow

- Greg presented an overview of the ISSB agenda consultation and polled ILAG members on how they would prioritize the topics in the agenda consultation.
- ILAG members ranked priorities from the Agenda Consultation proposal: 1) supporting S1/S2 implementation, 2) enhancing SASB Standards, 3) researching targeted S1/S2 enhancements, and 4) beginning new research/standard setting projects.
- ILAG members asked questions about cybersecurity, biodiversity, assurance, and the TNFD framework.

Guest Speaker: Javier de Frutos, Chair of the Commission on Financial Reporting, EFFAS

- Javier spoke about sustainability disclosure topics and the interoperability between ISSB and European Sustainability Reporting Standards (ESRS).
- ILAG members asked questions about the reporting landscape for portfolio companies, reporting for U.S. companies selling into the EU, and human capital metrics.

S1 and S2 Regulatory Adoption Overview, presented by Verity Chegar and Hiroshi Komori, ISSB members

- Verity and Hiroshi shared an overview and fielded questions about the regulatory landscape.
- ILAG members asked about developments in China, challenges to adopting the global baseline, single and double materiality, developments in India, and focusing on TCFD when talking to regulators about S2.

S1, S2, and market data infrastructure, presented by Nicolai Lundy, Chief of Market Relationships

- Nicolai highlighted the vision for embedding ISSB Standards into market infrastructure, with a focus on (a) licensing to third-party products and service providers such as corporate reporting software and data aggregator services and (b) education, such as capacity building materials and the FSA Credential.
- The IIAG generally recognized the value of this work and asked about examples of licensing to investment managers and other sources of funding for the Foundation.

Messaging Update and Discussion, presented by Constance Semler, Director of Communications-Americas (interim)

- Constance shared an update on communications tools and ran several polls about the utility of these tools to investors.
- IIAG members reported that the current set of tools meet their needs for conversations with portfolio companies. They asked about what would be different to report to ISSB for companies who are already reporting to SASB and TCFD.

Call to action, presented by Michael Jantzi, ISSB member

- Michael summarized key takeaways for investors from the meeting.

Closing remarks from Richard Manley, IIAG Chair

- Richard encouraged IIAG members to respond to open consultations including: the European Commission on ESRS; the Hong Kong stock exchange consultation; ISSB's consultations on methodology to update SASB Standards; and Agenda Priorities.
- Richard encouraged IIAG members to read S1 and S2 and the supporting/educational materials.