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## Sustainability Consultative Committee (SCC)

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This document summarises a meeting of the Sustainability Consultative Committee (SCC). The SCC's remit is to identify, inform and advise the International Sustainability Standards Board (ISSB) on priority sustainability matters and related technical protocols, as well as significant interdependencies between sustainability matters.

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## Participants on behalf of the IFRS Foundation

- Emmanuel Faber (ISSB Chair)
- Mardi McBrien (IFRS Foundation)
- Evie Robertson (IFRS Foundation)

## Participating organisations

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

## Meeting summary

In opening the meeting, Emmanuel Faber provided his thanks to the important work of the SCC in providing their input on sustainability-related matters appropriate to the ISSB, and the continued support of the group.

### *Update on the work of the ISSB*

Participants received an update on the work of the ISSB, by ISSB Chair Emmanuel Faber. In June 2023, ISSB issued their inaugural sustainability standards, IFRS S1 General Requirements and IFRS S2 Climate Standard with a series of launches on stock exchanges across the world. Then, in July 2023, the Financial Stability Board asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the Task Force on Climate-Related Disclosures (TCFD), noting that IFRS S1 and IFRS S2 fully incorporate the recommendations of the TCFD. Thanks were given to Mary Schapiro and the work of the TCFD Secretariat leaving an incredibly legacy for global capital markets. Additionally, Mr Faber noted in July the IOSCO Board issued its endorsement of the ISSB Standards and called on members to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards. Finally, Mr Faber congratulated colleagues in Europe for the issuance of the European Sustainability Reporting Standards (ESRS) which come into effect in 2024, and the acknowledgement of a very high degree of alignment between ESRS and the ISSB Standards. Mr Faber also noted the current work priorities, including capacity building, finalising the jurisdictional adoption guide, digital taxonomy, education materials on climate pixels and the internationalisation of SASB standards.

### *SCC general feedback on the ISSB Consultation on Agenda Priorities*

Participants had an opportunity to raise their general feedback on the ISSB Consultation on Agenda Priorities. Feedback for support of the following agenda item themes was given:

- **Enhancements to IFRS S1 and IFRS S2:** topics discussed included transition plans, noting existing guidance from the TPT (IFRS S2), systemic risk (IFRS S1) as well as interconnected agenda with issues such as plastics
- **Biodiversity, Ecosystems and Ecosystem Services:** noting the complexity of the biodiversity field, and need to build on the work of existing standards for nature (TNFD)
- **Integration in reporting**

GSG noted the importance of the representativeness of the 400 Agenda Consultation feedback letters, with it noted that the composition of comment letters would be provided in the next SCC session. Mr Faber noted a 4-6 month timeline for the ISSB's Board redeliberation of the Agenda Consultation feedback, therefore the ISSB are unlikely to know future workplan until mid-2024.

### *Implementation and Interoperability of IFRS S1 and IFRS S2*

The participants also discussed the need for strong implementation support for IFRS S1 and IFRS S2, with support for emerging and developing economies and guidance / education materials on aspects of the ISSB standards. Mr Faber raised the importance of our capacity building programme.

Interoperability with GRI and ESRS standards were both key areas towards driving successful adoption, with Mr Faber noting we are working with EFRAG on an interoperability table. The UN raised questions about the concept of materiality which was timetabled for a future discussion.