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## Sustainability Consultative Committee

Date **October 12<sup>th</sup> 2023**

Contacts **Evie Robertson, Strategic Affairs Manager (evie.robertson@ifrs.org)**

This paper has been prepared for discussion at a public meeting of the Sustainability Consultative Committee. 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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### Overview of last meeting – June 2<sup>nd</sup> 2023

1. The last meeting of the Sustainability Consultative Committee (SCC) was held in June 2023, and provided members with an overview of the International Sustainability Standards Board's (ISSB) Consultation on Agenda Priorities, and the associated Request for Information (RFI) which seeks public feedback to inform the ISSB's next work plan. Members provided input as to the proposed content and relative prioritisation of topics, as well as recommendations for the ISSB in seeking stakeholder feedback on the RFI.

### Objective of today's meeting – October 12<sup>th</sup> 2023

2. The objectives of today's meeting are:
  - (a) To **provide an update on the progress of the ISSB since the last meeting**, including recent developments regarding IOSCO endorsement, culmination of the work of the TCFD, and our ongoing work to support regulatory and jurisdictional adoption.
  - (b) To provide **an opportunity for members to discuss their submitted agenda consultation feedback**, and the ISSB leadership to share next steps as the Board enters redeliberation of the feedback provided during the public consultation.
  - (c) To provide **an update on the ISSB's anticipated objectives and activities at COP28**.
  - (d) To highlight the **intention for long-term work-planning of the SCC**, with plans to seek input from SCC members post meeting, as far as it relates to the mandate of this group, and the work of the ISSB.

## Overview of SCC members' responses to ISSB agenda consultation:

### Background

3. The ISSB's consultation on agenda priorities is intended to inform the ISSB's workplan following the completion of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (S1) and IFRS S2 *Climate-related Financial Disclosures* (S2). This feedback will help shape the ISSB's thinking about matters to be examined and will inform the allocation of the ISSB's time and resources.
4. Based on research into the information needs of investors, the ISSB sought feedback on four potential projects:
  - (a) Three research projects on sustainability-related risks and opportunities associated with:
    - (i) Biodiversity, ecosystems and ecosystem services
    - (ii) Human capital; and
    - (iii) Human rights; and
  - (b) One research project on integration in reporting to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
5. Stakeholder input was specifically sought on:
  - (a) the strategic direction and balance of the ISSB's activities'
  - (b) the suitability of criteria for assessing which sustainability-related matters to prioritise and add to the ISSB's work plan; and
  - (c) a proposed list of new research and standard-setting projects that could be added to the ISSB's work plan.

### High level overview of SCC responses

6. The agenda consultation was closed on September 1<sup>st</sup> 2023, with the majority of SCC members submitting a response. **SCC responses were aligned on the following issues:**
  - Supporting the implementation of S1 / S2 will be a key priority for the ISSB to ensure successful adoption and implementation of the standards
  - All SCC members are keen to engage and collaborate with the ISSB to support future work
  - Interoperability (especially with EFRAG / ESRS) will be key for current and future standards. SCC members want to encourage the use of existing standards / frameworks in our work and collaboration with those organisations to support ongoing interoperability.
7. **Other responses to note from some (not all) of the SCC members included:**

- A desire for the ISSB to set out a roadmap so that the market can understand our overall strategic direction, including what can be expected from us in terms of a future suite of Standards and timelines for delivery
  - Most were supportive of Biodiversity, ecosystems and ecosystem services as a broader nature-related topic
  - Most were supportive of a single 'Social' topic rather than separate human capital and human rights topics
  - Most acknowledged that integration in reporting is not a priority but will be a priority in the future; however, at least one ranked it as a priority that should be pursued in parallel
8. During the SCC meeting, members will be provided with the opportunity to provide in person feedback from their organisations to the RFI, ahead of the ISSB's redeliberation of the feedback. The below questions have been suggested as a guide based upon the summarised feedback.

#### Questions for the SCC

1. Do SCC members have any feedback they would like to raise in person on the ISSB's consultation on agenda priorities?
2. SCC members have raised the importance of supporting the implementation of S1 / S2 as a key priority for the ISSB to ensure successful adoption and implementation. Since the release of S1 and S2, what feedback have members noted as to what the market needs, and how the ISSB can support implementation of the standards?
3. Any other comments