

IFRS Sustainability Reference Group – Terms of Reference

The International Financial Reporting Standards (IFRS) Sustainability Reference Group (SRG) is a diverse group of subject matter experts in matters of sustainability and general purpose financial reports and disclosure. The primary remit of this group is to provide technical input to ISSB members and staff for research and standard-setting projects. Members are appointed following a public call for members. This document sets out the SRG's terms of reference as of January 2024.

1. Objectives and Remit of the SRG

- 1.1. The objectives of the SRG are:
 - 1.1.1. to establish a group of members who can contribute individually, in sub-groups or collectively to the ISSB's technical agenda by providing valuable insights and technical feedback on research and standard-setting projects.
 - 1.1.2. to bring diverse stakeholder perspectives through ad-hoc consultation on the ISSB's technical work.
 - 1.1.3. to facilitate effective technical discussions on sustainability standard-setting issues, including specific discussion topics, industry considerations, geographic/jurisdictional considerations, feasibility of providing high-quality, transparent, comparable and decision-useful information to primary users of general purpose financial reports (investors, lenders and other creditors), and the relevance of information for decisions about providing resources to a company.
- 1.2. The SRG will be reviewed at the one-year anniversary and two-year anniversary of its launch to evaluate the effectiveness of its design and remit in fulfilling the objectives referenced above. The terms of reference may be amended after these reviews.
- 1.3. The ISSB may develop one or more time-bound ISSB technical reference sub-groups focused on specific research objectives for which membership would first be drawn from the SRG, but any additional subject matter expertise or diverse perspectives needed to support the sub-group could be added following a public call for members.

2. Membership

- 2.1. Given the varied and dynamic nature of sustainability-related issues and the early stages of the ISSB technical agenda, the SRG shall comprise up to approximately 150 members to enable representation across jurisdictions, preparers, users, and industries.
- 2.2. The goal is to include a mix of geographic and industry coverage across SRG membership, contingent on the qualifications of those who apply for the SRG.
- 2.3. The main qualifications for membership shall be professional competence and practical preparer or user or related experience of sustainability disclosures and/or

general purpose financial reports. Members should be capable of providing technical expertise and practical knowledge of sustainability-related risks and opportunities that are useful to primary users of general purpose financial reports.

- 2.4. To ensure efficiency, community and appropriate technical expertise, membership shall be granted to the individual rather than the individual's affiliated organisation. The individual may delegate another member of their organisation with specialist expertise to participate in particular engagements at the discretion of the ISSB staff.
- 2.5. SRG members shall be expected to participate for a term of at least two years to facilitate continuity.
- 2.6. Should a member change their professional roles during their tenure, their membership status will be reviewed.
- 2.7. After a two-year membership period, the ISSB will consider new candidates for membership and reappointments of the existing members, following a public call for members.
- 2.8. Members will be selected via an open application process. The ISSB reserves the right to maintain open application and review of candidates for membership as technical needs evolve.
- 2.9. Members and observers of the SRG shall serve on a voluntary, unpaid basis.
- 2.10. Members may be asked to resign where it is considered that a member is not an active contributor to the objectives of the SRG. Elements of active contribution include the frequency of attendance at SRG meetings and responsiveness to requests for member input.

3. Meetings and Engagement

- 3.1. The ISSB staff will manage administration of the group and plan group engagements and discussions in coordination with the ISSB.
- 3.2. The SRG shall meet at such times and locations as determined by the ISSB or ISSB staff. Most engagement with the SRG will be undertaken by the ISSB staff through bilateral meetings or through meetings with a small group of SRG members selected based on the topic for discussion. Technical information obtained from such meetings may be summarised and made available on the IFRS Foundation website.
- 3.3. Bilateral or small group meetings will occur on an ad-hoc basis. The frequency of these will vary based on the ISSB work plan. Frequency of engagement will vary based on individual members' expertise as it aligns with the work plan and may include long stretches of time without engagement.
- 3.4. The full membership of the SRG will be invited to a quarterly webcast meeting for an update on the ISSB's activities. Recordings and agendas from these meetings will be available on the IFRS Foundation website.

- 3.5. In the event of any public meeting of the SRG, an agenda will be posted to the IFRS Foundation website in advance of the meeting, and a summary and relevant meeting materials will be posted thereafter.
- 3.6. For the avoidance of doubt, the ISSB can solicit and/or receive technical feedback from non-members in addition to SRG members during technical consultations. The ISSB is not required to consult the SRG on all discussion topics.