Staff paper

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ISSB Meeting

Date	**November 2022**
Project	**General Sustainability-related Disclosures and Climate-related Disclosures**
Topic	**Current and anticipated financial effects and connected information**
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Objective

1. This paper is designed to inform the ISSB's redeliberations of:

   (a) the proposed requirements in paragraph 22 of Exposure Draft IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ([draft] S1) and equivalent requirements in paragraph 14 of Exposure Draft IFRS S2 *Climate-Related Disclosures* ([draft] S2) for an entity to disclose the effects of its sustainability-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period and the anticipated effects over the short, medium and long term (referred to as the 'current and anticipated financial effects requirements' in this paper); and

   (b) the proposed requirements in paragraphs 42–44 of [draft] S1 for an entity to provide information that enables users of general purpose financial reporting to assess the connections between various sustainability-related risks and opportunities, and to assess how information about these risks and opportunities is linked to information in the general purpose financial statements (referred to as the 'connected information requirements' in this paper).

2. The ISSB will not be asked to make any decisions in this session. Instead, the staff requests that the ISSB discuss a series of illustrative examples we have prepared for this board paper to inform staff recommendations in the future. More specifically, and as described in the Questions for the ISSB (paragraph 39), the staff is interested in feedback on the examples presented in this paper are consistent with the ISSB's intent in relation to current and anticipated financial effects requirements and connected information requirements.

3. This feedback will enable the staff to prepare subsequent staff recommendations. More specifically, the staff expects to provide recommendations in a future board paper, based on feedback from the ISSB on this board paper and additional research and/or consultation, which may include one or more of the following: the development of guidance to support the application of the requirements; targeted drafting changes in [draft] S1 and [draft] S2; and/or other modifications to the disclosure requirements.

Background

4. In September 2022 the ISSB decided to include the proposed requirements related to current and anticipated financial effects and connected information as part of its plan for redeliberations on [draft] S1 and [draft] S2. This decision was in response to comments provided by respondents to the consultation. These comments are summarised in paragraphs 46–48 and 59–61 of Agenda Paper 3B & 4B *General Sustainability-related Disclosures and Climate-related Disclosures—Plan for redeliberations* from the September 2022 ISSB meeting. This paper noted that '…the ISSB will need to consider whether further clarity can be provided including guidance and examples to support

preparers in providing connected information…[and that] this [would] be considered as part of an ISSB paper alongside…current and financial effects, given the close relationship and interdependencies between these topics.'

5. With respect to the proposed current and anticipated financial effects requirements, [draft] S2 has the same requirements as [draft] S1, in that [draft] S2 is an application of [draft] S1 but specific to climate (paragraph 2 of [draft] S2). The staff has assumed that these proposed requirements (for each [draft] S1 and [draft] S2) can be redeliberated together, and unless noted otherwise, that the corresponding requirements should be aligned.

Structure

6. The paper is structured as follows:

   (a) summary of feedback received (paragraphs 7–11);

   (b) disclosure examples, organised in four parts, that illustrate the following:

      (i) Part 1: the type of <u>quantitative</u> information required about the current and anticipated financial effects of sustainability-related risks and opportunities (paragraphs 12–20);

      (ii) Part 2: the type of <u>qualitative</u> information required about the current and anticipated financial effects of sustainability-related risks and opportunities when unable to provide quantitative information (paragraphs 21–26);

      (iii) Part 3: the type of information required when financial effects cannot be <u>attributed</u> to individual sustainability-related risks and opportunities (paragraphs 27–34); and

      (iv) Part 4: the type of information required about the <u>connected information</u> requirements (paragraphs 35–38).

   (c) questions for the ISSB (paragraph 39); and

   (d) next steps (paragraphs 40–41).

Summary of feedback received

7. The invitation to comment for [draft] S1 included an overarching question on the core content of the proposal, which includes the proposed current and anticipated financial effects requirements (question 4 in the [draft] S1 Invitation to comment). The invitation to comment for [draft] S2, however, included a specific question on the proposed current and anticipated financial effects requirements (question 6 in the [draft] S2 Invitation to comment). Many responses were received on these proposed requirements and the staff has evaluated the feedback together, regardless of whether respondents were providing feedback on [draft] S1 and/or [draft] S2. The invitation to comment for [draft] S1 also included a specific question on the proposed connected information requirements (see question 6 in the [draft] S1 Invitation to comment).

8. Respondents' feedback to [draft] S1 and [draft] S2 regarding the proposed current and anticipated financial effects requirements and connected information requirements was generally supportive. However, the comment letters and outreach suggest that there is not a clear and shared understanding of the type of quantitative or qualitative information entities shall provide in response to the proposed current and anticipated financial effects requirements. Furthermore, the comment letters identify challenges associated with the proposed connected information requirements.

9. Most comments from respondents considered the proposals about current effects and the proposals about anticipated effects together. Although some comments related specifically to either current or anticipated effects, others related to both. In this paper, the staff refer to current and anticipated financial effects requirements of sustainability-related risk and opportunities jointly unless otherwise stated.

10. Although respondents raised particular concerns about the current and anticipated financial effects requirements, few made specific suggestions on how those concerns could be addressed.

11. See the following references for further summarisation of feedback received:

    (a) Current and anticipated financial effects proposed requirements:

        (i) Agenda paper 3A *Summary of comments* (September 2022 ISSB meeting) – paragraphs 58-59

        (ii) Agenda paper 4A *Summary of comments* (September 2022 ISSB meeting) – paragraph 53-64

    (b) Connected information proposed requirements

        (i) Agenda paper 3A *Summary of comments* (September 2022 ISSB meeting) – paragraphs 71-75

Part 1: The type of quantitative information required about current and anticipated financial effects

What is the concern?

12. Paragraph 22 of [draft] S1 and paragraph 14 of [draft] S2 require entities to provide quantitative disclosures (single amounts or a range) on current and anticipated financial effects of sustainability-related risks and opportunities unless they are unable to do so. Feedback suggests that there is not a clear and shared understanding of the type of information entities are required to disclose as part of the current and anticipated financial effects. Respondents stated that the proposed current and anticipated future financial effects requirements are challenging to quantify for various reasons including, among others, the absence of methodologies, data and systems.

Examples to illustrate quantitative information

13. The staff considered how best to address concerns relating to the quantification of current and anticipated financial effects of sustainability-related risks and opportunities noting the various concerns raised. The staff considered drawing on third party materials offering examples of current disclosure practice that illustrate disclosure of the financial effects of particular sustainability-related risks and opportunities. However, because current disclosure practice does not yet respond to the requirements of [draft] S1 and [draft] S2, the staff concluded that developing and setting out examples illustrating the types of disclosures that are consistent with the intention of the proposals would be the most effective way of developing further clarity around the information to be provided to quantify financial effects.

14. In paragraphs 16–20 we set out examples 1–8 reflecting the types of disclosure that the staff think are consistent with the objective of the proposals. The examples focus on illustrating possible types of information that an entity could provide to meet the proposed requirements in paragraph 22 of [draft] S1 and paragraph 14 of [draft] S2. The examples also show how sustainability-related financial

information can be connected with the financial statements to meet the proposed requirements in paragraphs 42–44 of [draft] S1. The examples provided are not intended to be complete disclosures about sustainability-related matters.

15. The staff asks the ISSB for feedback on these examples, including whether they are consistent with the intent of the ISSB and whether the ISSB would expect more or less detailed or specific information to be disclosed.

Examples 1–3 Quantitative financial effects on current financial position, financial, performance and cash flows.

16. Example 1 illustrates a disclosure where there is an effect on the current period financial statements.

Example 1—disclosure with current-period financial statement effects
As a consequence of the decision by the government of country C to ban the use of gas-powered hot water heating from 20XX, we made the decision to shut our production facility in location X in June 20XX. In accordance with IFRS Accounting Standards, this decision triggered an impairment assessment, and the facility was written down, resulting in an impairment expense of CU580,000 for the period. Additionally, the useful economic life of the facility has been shortened and the carrying amount will be depreciated over the next 16 months. Note 7 of the financial statements sets out details of the impairment and note 9 provides more information about the property affected. Although we are endeavouring to offer all staff employed at the facility an alternative role in our organisation, we have also agreed to compensate any employee for whom we are unable to find a suitable new role. We have recognised a provision for the estimated costs of doing so in the current period. An expense of CU2.4m was recognised in the period, with a corresponding provision. This is set out in note 17 of the financial statements.

17. Not all decisions relating to sustainability-related matters will affect the current period financial statements, even if an entity has made a public commitment to change an aspect of its business model. Examples 2–3 illustrate disclosures where there is no effect on the current period financial statements. Explaining that there is no effect can provide material information (in the staff's view).

Example 2—disclosure with no current-period financial statement effects
One of the biggest contributors to our Scope 1 GHG Emissions is our fleet of diesel-powered delivery vehicles. We estimate that they contribute approximately 65,000 tons of CO2e annually. We lease all of our vehicles and the usual lease term is five years. We plan to replace each vehicle with a fully electric model when it reaches the end of its lease term. Accordingly, there are no implications for the current period financial statements in relation to the accounting for these leased diesel vehicles. Financial information for the delivery fleet is in note 17 (property, plant and equipment) and note 19 (lease liabilities) of the financial statements.

Example 3—disclosure with no current-period financial statement effects
We have identified product packaging and staff welfare as sustainability-related risks and opportunities that are important to our entity. However, we have yet to establish governance processes or establish plans for improving how we address these matters. Our intention is to put in place strategic goals for the risks and opportunities related to these, and plans to implement processes, and controls to monitor risks and opportunities, and establish metrics and targets for them. We plan to introduce these over the next 12 months at which point we plan to provide information about these plans. With respect to the current and anticipated financial effects of those identified sustainability-related risks and opportunities, we plan to disclose information in 20XY based on the planning described above. At this time no other companies of our size in the sector in which we operate have provided such disclosures so this information would be a first in our peer group.

18. Example 3 illustrates that there may be circumstances when an entity has not yet acted on a known sustainability-related risk and opportunity and when there may not be a current effect on the financial statements. Once again, in this case, it may be material information to explain that there is no effect and why and to provide information about what is planned.

Examples 4–8 Quantitative anticipated financial effects on financial position and financial performance over time

19. The objective of the disclosures is to enable users of general purpose financial reporting to understand how the sustainability-related risks and opportunities and the decisions made by the entity are anticipated to affect the financial statements over the short-, medium- and long-term. The requirements do not specify that the entity needs to state how specific numbers will change, but this would not prevent an entity from doing so or a specific standard from requiring an entity to do so. Furthermore, the proposals allow entities to disclose single amounts or a range when they disclose quantitative information.

20. The examples below are designed to illustrate what quantitative disclosures on anticipated financial effects may look like. Again, the staff asks the ISSB for feedback on these examples, including whether they are consistent with the intent of the ISSB and whether the ISSB would expect more or less detailed or specific information to be disclosed.

Example 4—quantitative disclosures: anticipated financial effects
One of the biggest contributors to our Scope 1 GHG emissions is our fleet of diesel-powered delivery vehicles. We estimate that they contribute 65,000 tons of CO_2e annually. Our transition plan is to replace each vehicle with a fully electric model when the diesel van reaches the end of its economic life. We have reviewed the residual values and concluded that no changes to depreciation rates or the useful lives are required. Accordingly, there are no effects on the current period financial statements arising from changes in the depreciation for these vehicles. Shifting to electric vehicles will require additional capital investment of CU1,500 to CU,3000 per vehicle plus CU1,200 to CU2,400 for the installation of charging points, at our facilities and in the homes of our drivers. We have 100 delivery vehicles and the replacement programme is for 20 per cent of the vehicles to be replaced each year. As a consequence, we expect to reduce our Scope 1 GHG emissions by between 12,000 and 14,000 tons each year. As explained in note 3, we are also switching to zero-carbon sources of energy. Although we encourage our employees to source zero-carbon energy we do not currently monitor their energy sources and are therefore currently unable to assess the energy they will use to charge our vehicles, for which we will reimburse them. We expect to be able to fund the investment without needing to access any additional borrowings. Financial information for the delivery fleet is in Note 17 of the financial statements.

Example 5—quantitative disclosures: anticipated financial effects
We have decided to reduce the use of single-use plastics in our value chain by changing our product packaging. We currently use plastic to wrap our multiple-packs of canned soup, vegetables and pulses. From 1 January 20XX we will use responsibly sourced cardboard. This change will require an investment in new packaging machinery. We are still considering potential models, but we estimate the cost to be between CU2.2m and CU3.5m. We expect to fund the acquisition in line with our financing target of 30 per cent through external borrowing and the balance from reinvesting free cash flow. The plastic packaging machine was nearing the end of its useful economic life and no changes to the rate of depreciation are required.

Example 6—quantitative disclosures: anticipated financial effects
We have reviewed the sustainability-related effects on our business of the parties in our value chain. We have changed one of our suppliers because their employment practices are inconsistent with the values we uphold. A consequence is that we expect the costs of our production materials to be 3 to 5 per cent higher from 20XX.

Example 7—quantitative disclosures : anticipated financial effects
As we have moved to a flexible hybrid working environment, we have launched a new programme that focuses on the wellbeing of our people. We have budgeted to invest CU1.5m over the next three years, with CU400,000 planned for next year. We will review the level of commitment as we assess the effectiveness of the programme. Although we view this as an investment in our staff, none of the expenditure can be capitalised so this will be recognised as an expense as it is incurred. We measure staff wellbeing using the following metrics ….

Example 8—quantitative disclosures : anticipated financial effects
Currently, 40 per cent of our revenue is from the sale of plastic containers for laundry cleaning products such as detergent and conditioners (see the segment analysis in note 4 of the financial statements). This year we launched our new range of potato starch packaging containers. We have informed our customers that we will stop making the plastic containers at the end of 20XX. We consider our packaging product to be a market leader and we are aiming to increase our market share of packaging sales. As a consequence of the decision to stop using plastic in the production of our containers we have reviewed the economic lives of our production machinery and undertaken an impairment assessment. We have revised the useful lives of several machines, which will result in an increased annual depreciation expense of CU200,000 in each of the next three years. However, no impairment expense has been recognised. See note 12 of the financial statements.

Part 2: The type of qualitative information requirement about current and anticipated financial effects when unable to provide quantitative information

What is the concern?

21. Paragraph 22 of [draft] S1 and paragraph 14 of [draft] S2 require an entity to disclose quantitative information about the current and anticipated financial effects of sustainability-related risks and opportunities unless it is unable to do so, in which case the entity shall disclose qualitative information. Respondents stated that there is not a clear understanding of the type of qualitative information the requirements are intended to elicit from entities.

22. Some respondents also suggested that the requirement in paragraph 14(e) of [draft] S2 for an entity to explain why it is unable to disclose quantitative information, should be replicated in [draft] S1 so that there is greater alignment between the relevant requirements in [draft] S1 and [draft] S2 and so that entities are required in all cases to explain why they cannot provide quantitative information.

Examples to illustrate qualitative information

23. The staff considered how best to address concerns relating to qualitative disclosures of current and anticipated financial effects of sustainability-related risks and opportunities. The staff considered drawing on third party materials offering guidance on and examples of current disclosure practice that illustrate disclosure of the financial effects of particular sustainability-related risks and opportunities. However, because current disclosure practice does not yet respond to the requirements of [draft] S1 and [draft] S2, the staff concluded that developing and setting out examples illustrating types of

qualitative disclosures would be the most effective way of addressing challenges associated with understanding information to be provided.

24. The staff propose that guidance and examples be provided to illustrate the type of qualitative information so that entities are required to identify:

(a) Which sustainability-related risks and opportunities, identified in response to requirements in paragraphs 15–16 of [draft] S1 and paragraphs 8–9 of [draft] S2 give rise to current and anticipated financial effects and the type of effects that are currently experienced or anticipated. This would give users of general purpose financial reporting a sense of the types of sustainability-related risks and opportunities most likely to give rise to financial effects and the effects concerned (for example, a rise in cost of raw materials or a rise in revenue from products designed according to environmental standards).

(b) How the current and financial effects associated with the sustainability-related risks and opportunities are being managed. The example would therefore link the requirement to provide information about the current and financial effects of sustainability-related risks and opportunities (paragraph 22 of [draft] S1) and climate-related risks and opportunities (paragraph 14 of [draft] S2) with the requirements to disclose how sustainability-related risks and opportunities are being managed in paragraph 21(a) of [draft] S1 and paragraph 13(a) of [draft] S2. The intention is to provide users of general purpose financial reporting with information about how current and anticipated financial effects of sustainability-related risks are being managed, even where those effects cannot be quantified.

25. The example below is designed to illustrate what qualitative disclosures on current and anticipated financial effects may look like. The staff asks the ISSB for feedback on these examples, including whether they are consistent with the intent of the ISSB and whether the ISSB would expect more or less detailed or specific information to be disclosed.

Example 9—qualitative Information: disclosure linking paragraphs 15, 16 and 22 of [draft] S1
We [parent company] have identified water scarcity risks, including the risk of droughts, in a key maize procurement region. We have entered into a research and development joint venture with a seed supplier to develop drought tolerant maize so as to manage this risk. Financial information about the joint venture can be found in note 20 (investments in joint venture and associates). Despite the identification of this risk, current year maize yields remain strong. The financial information on maize production can be found in note 21 (inventories). As a result of the joint venture, the assets related to maize production have been reviewed for impairment and the company has concluded that no impairment on associated assets [in response to [draft] S1 paragraph 16] should be recognised in the current period financial statements. We [parent company] have increased the head count in the risk department by 3 people to manage the risks and opportunities from this and other environmental and social risks. This will allow management to develop better information about risks it has identified and manages. The financial information about those employees is aggregated and summarised in note 30 (employee benefits expenses).

26. This paper does not directly address whether to replicate the requirement in paragraph 14(e) of [draft] S2, which requires an entity to explain why it is unable to disclose quantitative information, in paragraph 22 of [draft] S1. In other words, whether [draft] S1 should include a requirement for entities to explain why they are unable to disclose quantitative information if that is the case.

Part 3: the type of information required when financial effects cannot be attributed to individual sustainability-related risks and opportunities

What is the concern?

27. Some respondents noted that it is not always possible for preparers to identify the current and anticipated financial effects of individual sustainability-related risks and opportunities. This is because financial effects may arise from multiple risks or opportunities and arise across many items in the financial statements. Financial effects cannot therefore always be attributed to an individual sustainability-related risk or opportunity. The TCFD had similar observations in that climate-related risks and opportunities are themselves characterised by complex relationships and systemic effects[1].

28. A few respondents commented that significant judgements are required to determine what proportion of risk or opportunity can be attributed to a specific sustainability-related risk or opportunity. For example, the proportion of flood risk can be attributed to climate change.

Examples to illustrate information when financial effects cannot be attributed

29. The staff considered what type of standard-setting options are available to ensure useful disclosure when attribution of financial effects involves multiple sustainability-related risks and/or opportunities. Both current and anticipated financial effects may be more challenging to quantify when they result from multiple risks or opportunities.

30. The examples below are designed to explore the extent to which disclosures can provide useful information where attribution to individual sustainability related risks and opportunities may not be possible. We have drawn on IFRS Accounting Standards and on examples of corporate practice identified by FRC research[2].

31. The staff notes that when current and anticipated financial effects cannot be attributed to individual sustainability-related risks and opportunities, the following may also be relevant:

    (a) examples set out in Part 2 may apply, where useful qualitative information is disclosed even when entities are unable to provide quantitative information; and

    (b) an explanation shall be provided (when applying [draft] S2) as to why it is unable to provide quantitative information about the effects of those sustainability-related risks and opportunities (as described above in paragraph 26).

[1] TCFD Guidance on Risk Management Integration and Disclosure, Table C1—Characteristics of Climate-Related Risks (October 2020)

[2] FRC CRR Thematic review of TCFD disclosures and climate in the financial statements, Chapter 8—Climate change in the financial statements (July 2022)

Example 10—disclosure when an entity is unable to attribute sustainability-related risks and opportunities
We have XX buildings in a region of country Z that are at risk of flooding. Reports prepared by the national weather service in that country suggest that climate change will cause an increase in extreme weather events that could lead to an increase in flooding. For those XX buildings, last year we experienced three occurrences of flooding. This year that increased to five occurrences of flooding. However, over the last 10 years we had five flooding events in four different years. It is therefore unclear whether the increase from three to five floods is caused by change in the climate or is part of normal cycles. During the year we have invested in flood protection measures at these sites, to the sum of CU 0.5 million, and that have been capitalised in Property, Plant and Equipment (note 5). Due to these measures, we do not see a need for an impairment.

32. Example 10 addresses a scenario in which the attribution of current and anticipated financial effects to a specific sustainability-related risk or opportunity may not be possible. In addition, with respect to Example 10, as well as other examples, the staff note that an entity's financial effects could include additional current period effects such as amount of damage due to the flooding (and maybe the lost access to the property when flooded). Due to repeats of those risks in future periods, it could also include additional anticipated financial effects such as potential loss of revenue, inability to fulfil contracts and other financial effects. The staff conclude that there could be multiple financial effects, which in the case of Example 10, could be beyond capital expenditure.

33. For the avoidance of doubt, where an entity is able to attribute the financial effects to a sustainability-related risk and opportunity, we would expect them follow the examples in part 1 and 2. Example 11 emphasises this.

Example 11—disclosure where an entity is able to attribute the effects of sustainability-related risks and opportunities
One of our subsidiaries has a production facility which releases chemically treated effluent into local waterways. The effluent that is released is monitored by a local authorities, and penalties can be imposed by that authority when released effluent is over specified levels. We have therefore identified this as an identifiable business risk (water pollution). During 20XX we have been fined for effluent that is in excess of the maximum specified levels. This fine of CU0.25 million is reflected in the income statement in 'other expenses'.

34. Similar to parts 1 and 2 of this paper, the staff asks the ISSB for feedback on these examples, including whether they are consistent with the intent of the ISSB and whether the ISSB would expect more or less detailed or specific information to be disclosed in the scenario where attribution may not be possible.

Part 4: the type of information required about the connected information requirements

What is the concern?

35. Most respondents agreed that sustainability-related financial information should be connected with the other information in general purpose financial reporting, including the financial statements. However, a

few preparers mentioned that there is a lack of clarity about how the connected information requirements should be applied.

Examples to illustrate connected information

36. As the requirements in paragraph 22 of [draft] S1 and paragraph 14 of [draft] S2 require disclosure about how sustainability-related risks and opportunities affect financial statements and financial plans, they represent a specific application of the connected information requirements. That is, they require information to be connected and consistent between financial statements and sustainability-related financial disclosures to the extent possible. This was proposed in the exposure drafts in response to requests from users for improved clarity about how information provided by an entity about sustainability-related risks and opportunities relates to what is reflected in the financial statements and concerns expressed about the apparent absence of effects of sustainability-related risks (including climate) in financial statements.

37. The [draft] S1 Basis for Conclusions included examples in paragraph BC57 of the types of connections the proposed requirements are designed to elicit. The examples include the following:

    (a) a pharmaceutical company has been exposed to claims of unethical testing and the perception by its customers that its drug prices do not accurately reflect investment in research and development. The company might need to explain how its strategic response has, or has not, led to the recognition of provisions and associated operating costs in its general purpose financial statements.

    (b) an electronics manufacturer has publicly announced a climate-related, net-zero target for its corporate emissions, primarily those created during the manufacturing process. The entity's strategic response includes shifting its procurement of energy to renewable sources and investing in more energy-efficient machinery. The entity might need to explain how this strategic response has led to an increase in capital expenditure and possibly an impairment review of non-energy efficient machinery.

    (c) due to a supplier's treatment of workers and its record on protecting workers' rights, demand for its goods has fallen. The entity might need to explain how its strategic response has led to increases in the cost of goods sold and operating costs. The entity might also need to show performance metrics and targets related to its mitigation of the risk.

    (d) an entity has a net-zero carbon plan that relies on its fleet of diesel powered vehicles being replaced with electric vehicles. Shifting to electric vehicles will require significantly more capital investment than was necessary for the diesel vehicles. The transition plan is that each vehicle will be replaced when it reaches the end of its planned economic life to the entity. The entity concludes that the vehicles are not impaired and no changes to depreciation rates or the useful lives are required to be reflected in the financial statements. The entity may need to explain that the transition plan will have consequences for its future cash flows and that accounting, as reflected in the financial statements, is not inconsistent with its transition plan.

38. Again, the staff asks the ISSB for feedback on these examples, including whether they are consistent with the intent of the ISSB and whether the ISSB would expect more or less detailed or specific information to be disclosed to elicit the connections between sustainability-related risks and opportunities and financial statements.

Questions for the ISSB:

39. The staff presents these questions for the ISSB:

Questions for the ISSB	
1.	Are the examples provided above consistent with the types of information that the ISSB intends to be disclosed as a result of the current and anticipated financial effects disclosure requirements (parts 1-3) and the connected information disclosure requirements (part 4)?
2.	Does the ISSB expect more or less detailed or specific types of information to be disclosed as a result of the current and anticipated financial effects disclosure requirements (parts 1-3) and the connected information disclosure requirements (part 4)?
3.	Does the ISSB have any questions or other comments about the matters described in this paper?

Next steps:

40. Following the outcomes of this meeting, the staff plan to conduct further analysis related to the current and anticipated financial effects and connected information requirements in [draft] S1 and [draft] S2.

41. The staff expects to provide recommendations in a future board paper, based on feedback from the ISSB on this board paper and additional research and/or consultation, that may include one or more of the following: the development of guidance to support the application of the requirements; targeted drafting changes in [draft] S1 and [draft] S2; and/or other modifications to the disclosure requirements.