
GPF Meeting
1 March 2024

ISSB Update
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ISSB Member

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Agenda

- IFRS S1 and S2 – adoption status across jurisdictions and preparers
- COP28 update
- ISSB at COP, China & Singapore (Lab with GRI) (to be updated)
- Interoperability
- Agenda consultation & connectivity with IASB
- Corporate champions launch, Symposium NYC (to be updated)

Four-pillar strategy to support adoption

Proportionality and guidance
built into
IFRS S1 and IFRS S2

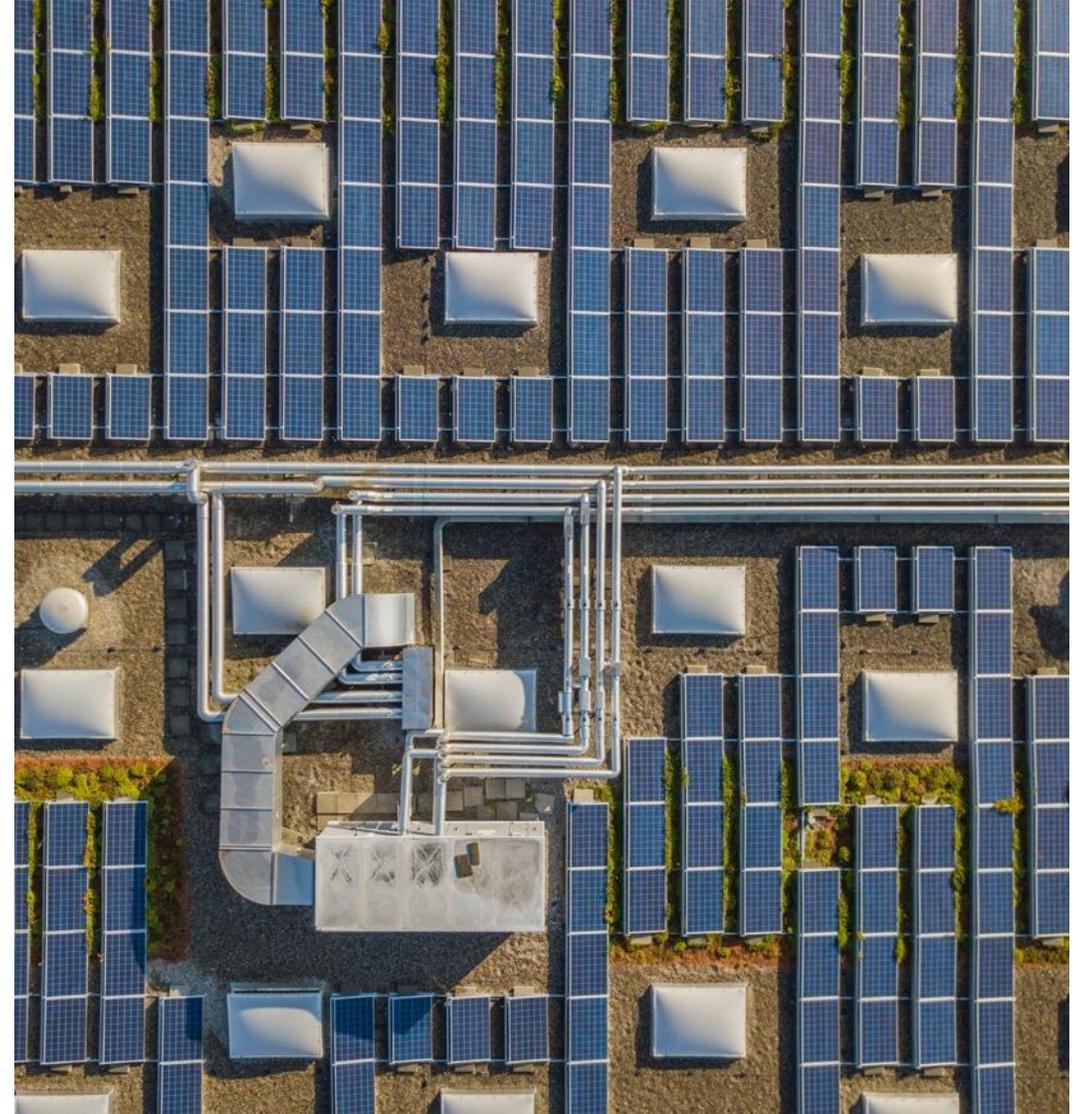
Transition Reliefs – with possibility of
jurisdictional extensions

Inaugural Jurisdictional Guide for the
Adoption or Other Use of ISSB Standards
that supports
scalability and phasing in

Additional support –
including capacity building
for entities, regulators and other relevant
authorities

Supporting implementation of IFRS S1 and IFRS S2

- Transition Implementation Group
- Educational material
- Knowledge Hub
- Interoperability
- IFRS Sustainability Disclosure Taxonomy



Jurisdictional journey: Adopting ISSB Standards

- Supporting regulators adopt the Standards in a timely, consistent and comprehensive manner
- Adoption Guide to be published - supporting jurisdictional regulatory pathways to adoption
- IFRS Foundation [High-level roadmap](#) (a precursor to the Adoption Guide) outlines approach to adoption considerations

Jurisdictions on the adoption journey include:



- Australia
- Brazil
- Canada
- Costa Rica
- Hong Kong
- Japan
- Kenya
- Nigeria
- Mexico
- Philippines
- Singapore
- Turkey
- UK

Transition implementation group established in November 2023

Meryem Baskoun	Air Canada	Director—Corporate Sustainability Communications and Reporting
Victoria Smith	Aviva	Head of Group Financial and Climate Reporting
Marcelo Sarno Pasquini	Bradesco	Chief Sustainability Officer
Wang Hai	CSSC (Hong Kong) Shipping Company Limited	Secretary of the Board, Chief expert in ESG
Igazeuma Okoroba	Dangote Cement Plc	Head of Sustainability
Linda Riedel	Deloitte	Partner
Adam Pradela	DHL Group	EVP Corporate Accounting, Reporting & Compliance
Kishore Ravuri	Dutch Lady Milk Industries Berhad, (A subsidiary of Royal FrieslandCampina N.V.)	Head, Strategy
Megan Wilson	Ernst & Young	Partner
Melissa Bird	Johnson & Johnson	Senior Finance Director, Global Technical Accounting
Tomo Sekiguchi	KPMG	Partner
Adekemi Adisa	MTN Nigeria Communications PLC	General Manager, Sustainability & Shared Value
Kaisa Tulenheimo-Jarvinen	Nokia	ESG Controller
Anna Palazj	PepsiCo	Vice President, Sustainability
Eunsil Wee	POSCO	ESG Group, Leader
Yvonne Kam	PwC	Partner
Laurent Mouthuy	Solvay	Group Controller

Transition Implementation Group on IFRS S1 and IFRS S2

The ISSB has today announced the members of its Transition Implementation Group on IFRS S1 and IFRS S2 (TIG). The TIG comprises 17 members, of which 13 are preparers and four are assurance providers.

Agenda consultation

Public consultation on four projects to further understand standard-setting priorities:

- biodiversity, ecosystems and ecosystem services
- human capital
- human rights
- integration in reporting

Comment period ended on 1 September with over 400 submissions provided.



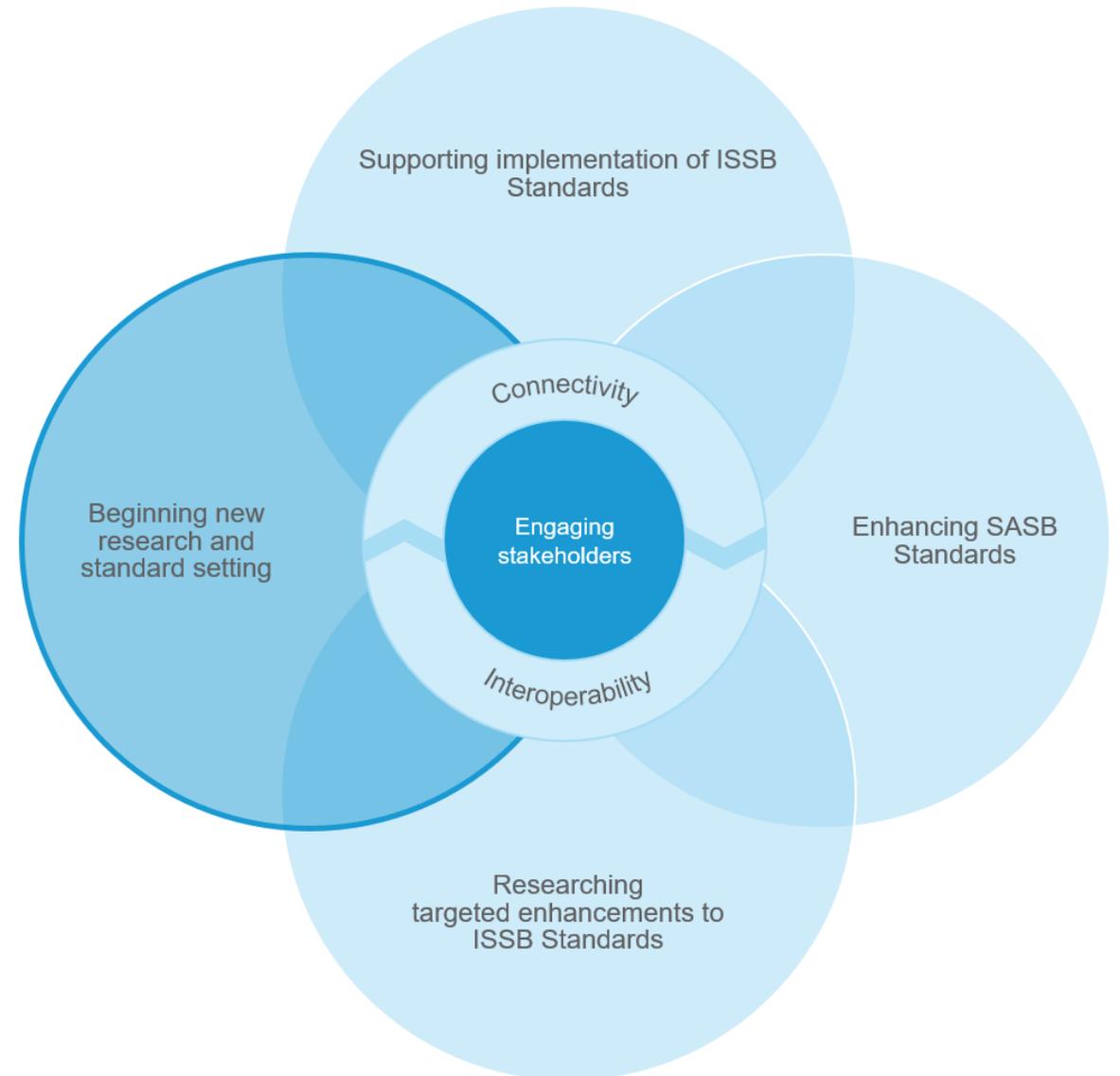
Seeking feedback on

- 1 Strategic direction and balance of the ISSB's activities
- 2 Criteria for assessing the priority of new projects
- 3 Priority, scope and structure of potential new research and standard-setting projects

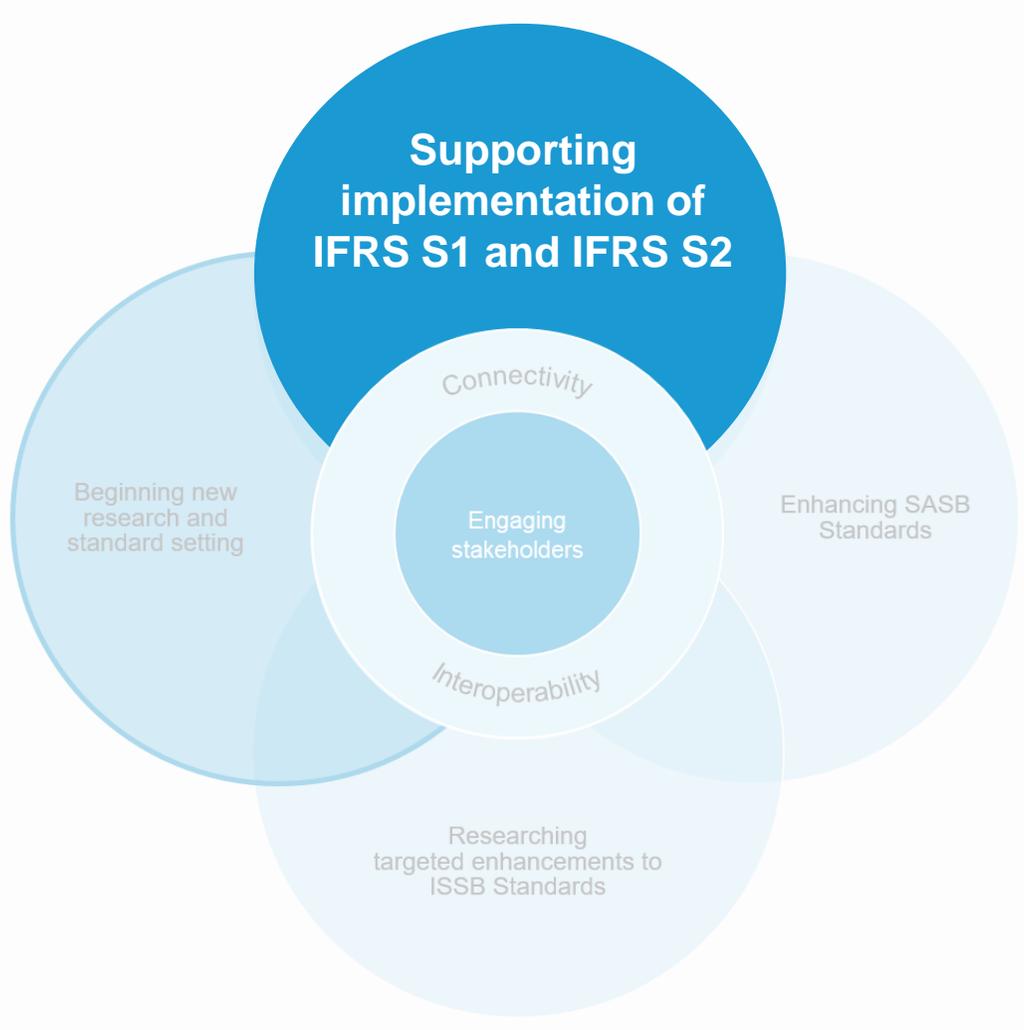


1 Strategic direction and balance of activities

- Strategic direction to deliver a comprehensive global baseline of sustainability-related disclosures
- How to prioritise activities
- Trade-offs to determine the balance of primary activities
- New two-year work plan



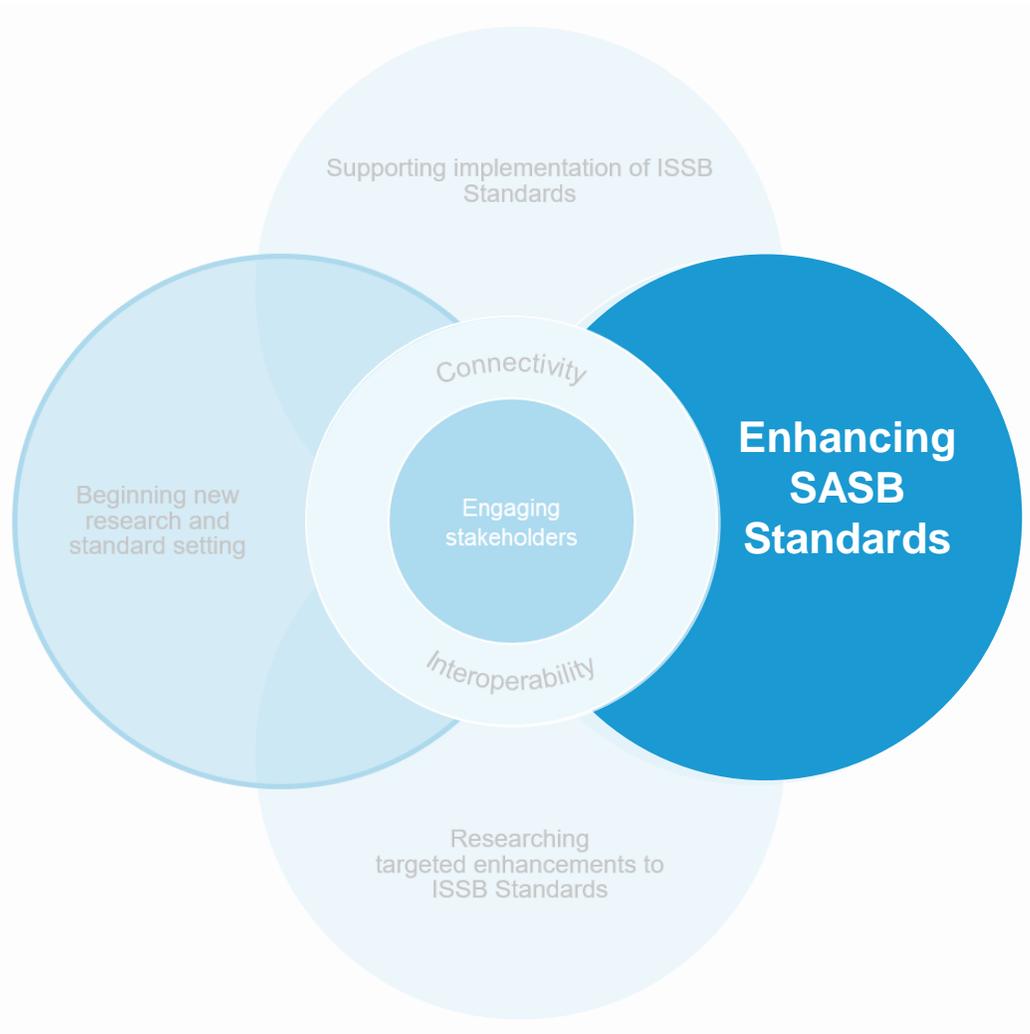
Committed activities



To help stakeholders obtain a common understanding of ISSB Standards and enable the delivery of the comprehensive global baseline of sustainability-related disclosures:

- develop further guidance
- processes to support application (for example, establish a transition implementation group)
- education and awareness programmes
- IFRS Sustainability Disclosure Taxonomy

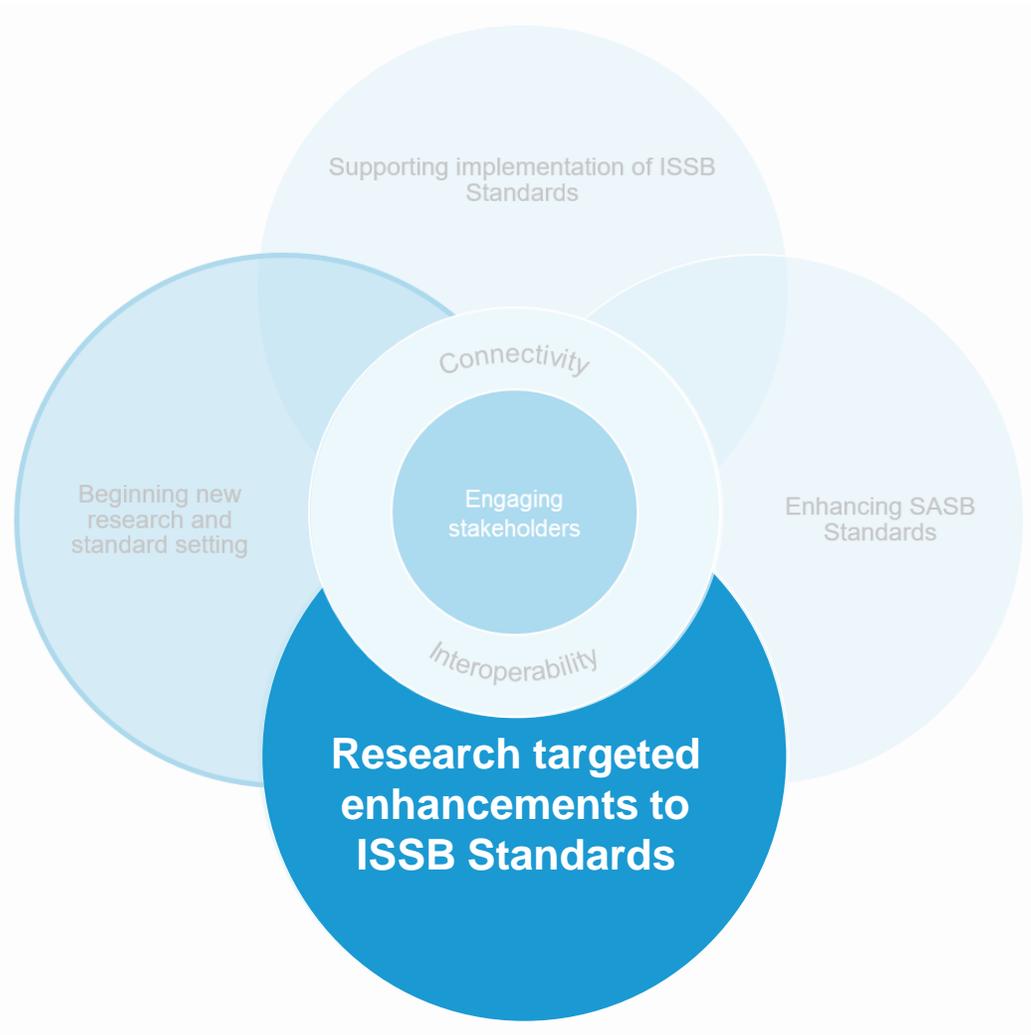
Committed activities



To support the enhancement and maintenance of SASB Standards:

- targeted enhancements to international applicability of the SASB Standards
- advancing industry-based and standard-setting work inherited from the SASB Standards Board
- maintaining the SASB Standards through research, consultation, outreach and revisions

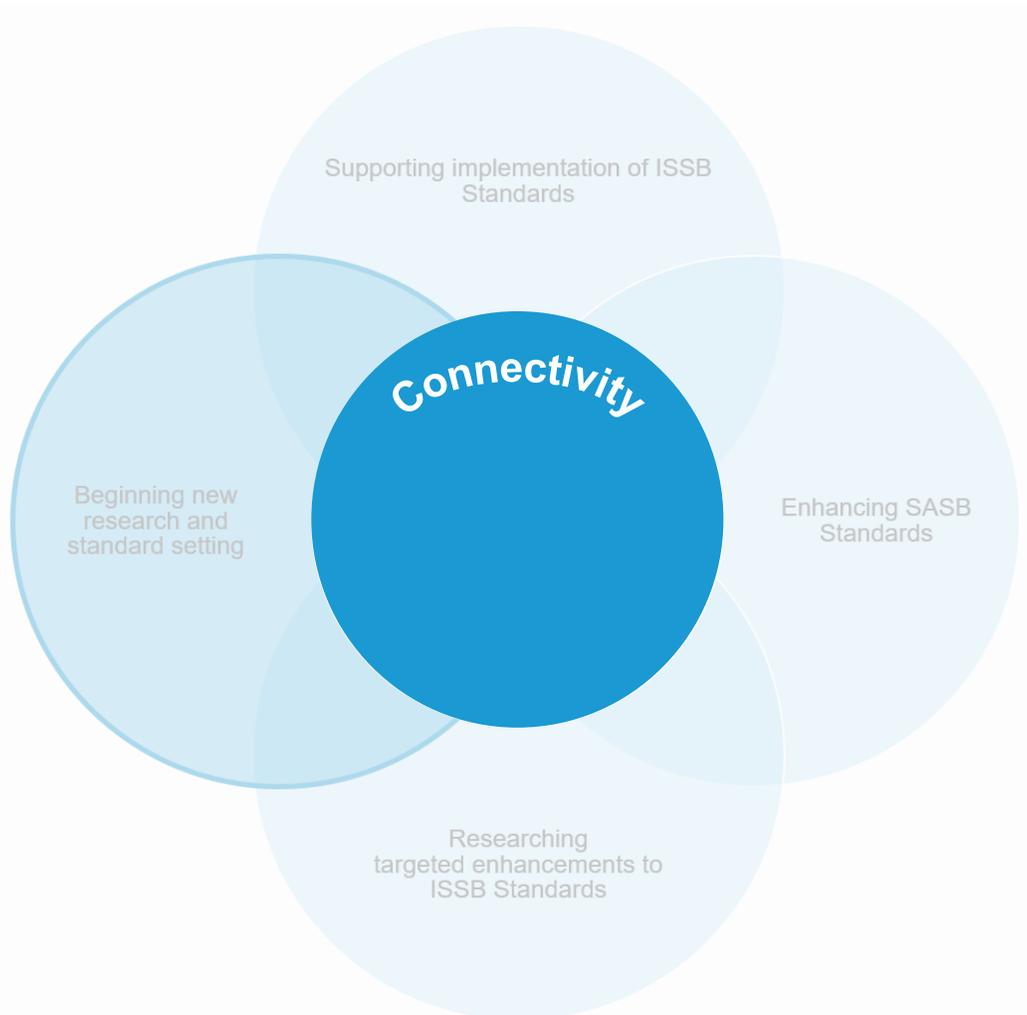
Committed activities



To support the enhancement of disclosures under ISSB Standards:

- identify risks and opportunities at the intersection of climate and nature, as well as those closely associated with socio-economic aspects, such as the just transition to a lower-carbon economy
- explore location, value-chain and industry-based aspects of climate-adjacent risks and opportunities and associated metrics, and of climate-related strategies and transition plans

Committed activities

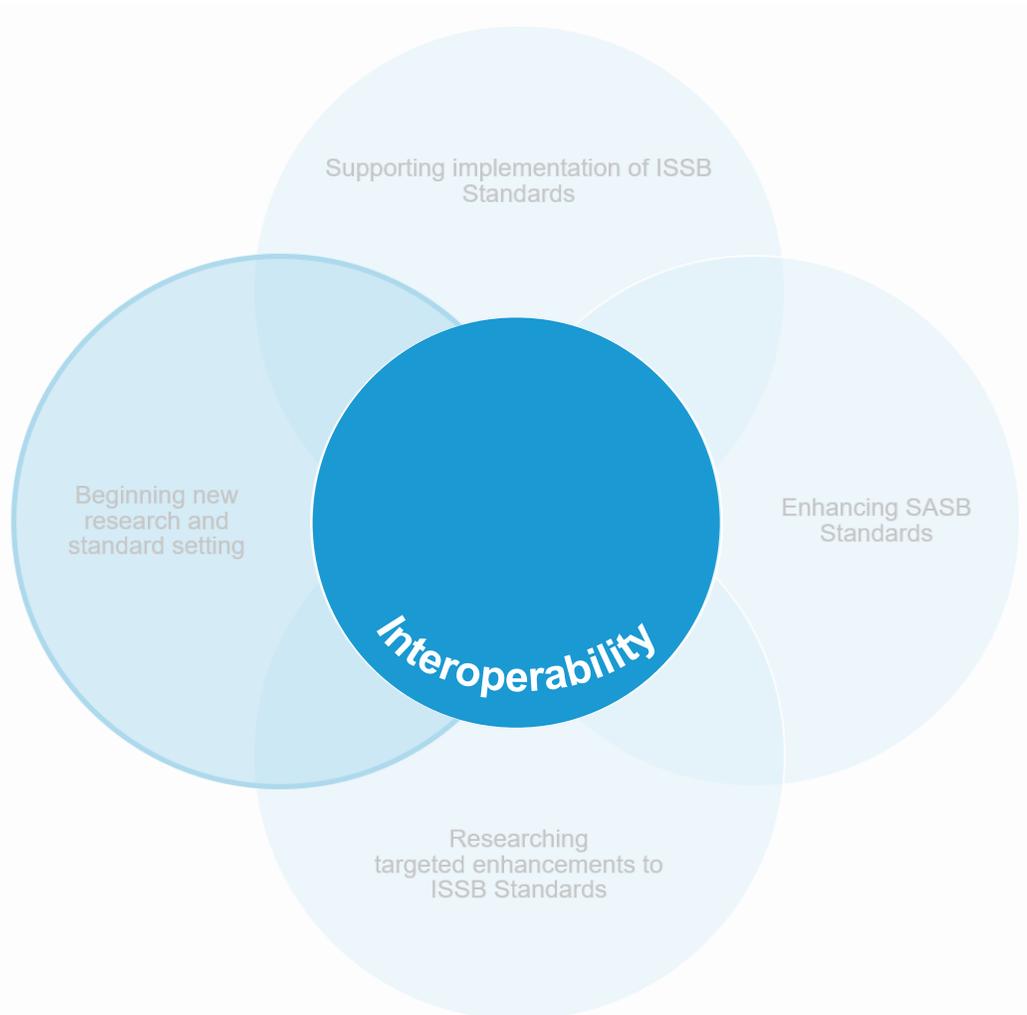


To facilitate the delivery of a coherent and comprehensive system of reporting that includes sustainability-related financial information and financial statements:

- ISSB's and IASB's respective requirements are compatible and complementary
- cohesiveness of IASB and ISSB work

This activity is at the 'core' of all the ISSB's activities, including new projects

Committed activities

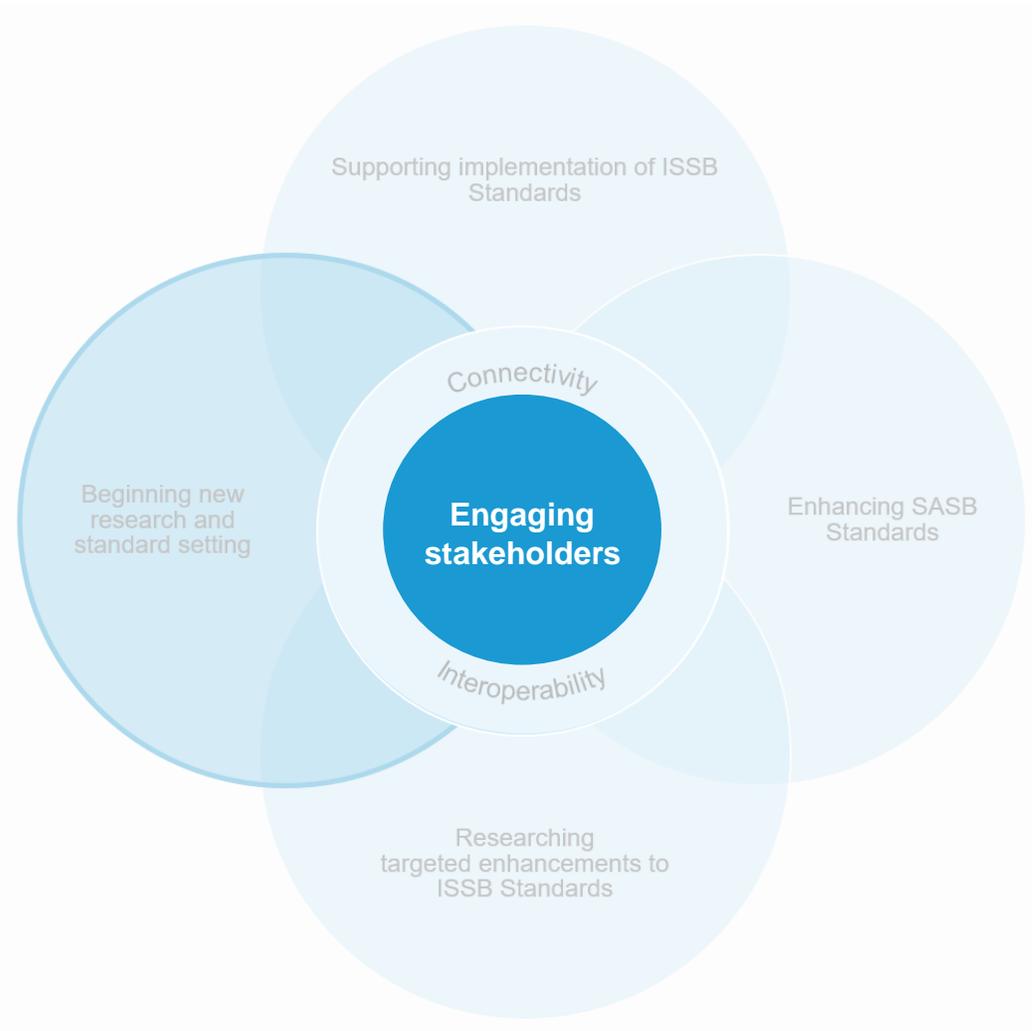


To facilitate the delivery of the global baseline of sustainability-related disclosures that support interoperability with other jurisdictional and voluntary initiatives

- Working with:
 - Jurisdictional Working Group
 - Global Reporting Initiative (GRI)
 - Sustainability Standards Advisory Forum
- Guidance on how to use the ISSB Standards in a way that is connected to and interoperable with other standards

This activity is at the 'core' of all the ISSB's activities, including new projects

Committed activities



To promote the global use of the Standards and obtain input for the development of high-quality sustainability-related reporting requirements:

- advisory bodies
- consultative groups
- external events and conferences
- project outreach
- IFRS Sustainability Symposium

This activity is at the 'core' of all the ISSB's activities, including new projects

2 Criteria for assessing new projects

importance to **investors**

whether there are **deficiencies** in the way companies disclose on the matter

type of companies the matter is likely to affect, including whether it is more prevalent in some jurisdictions than others

how **pervasive** or acute the matter is likely to be for companies

interaction with other projects on the ISSB's work plan (or the IASB's)

complexity and **feasibility** of the potential project and its solutions

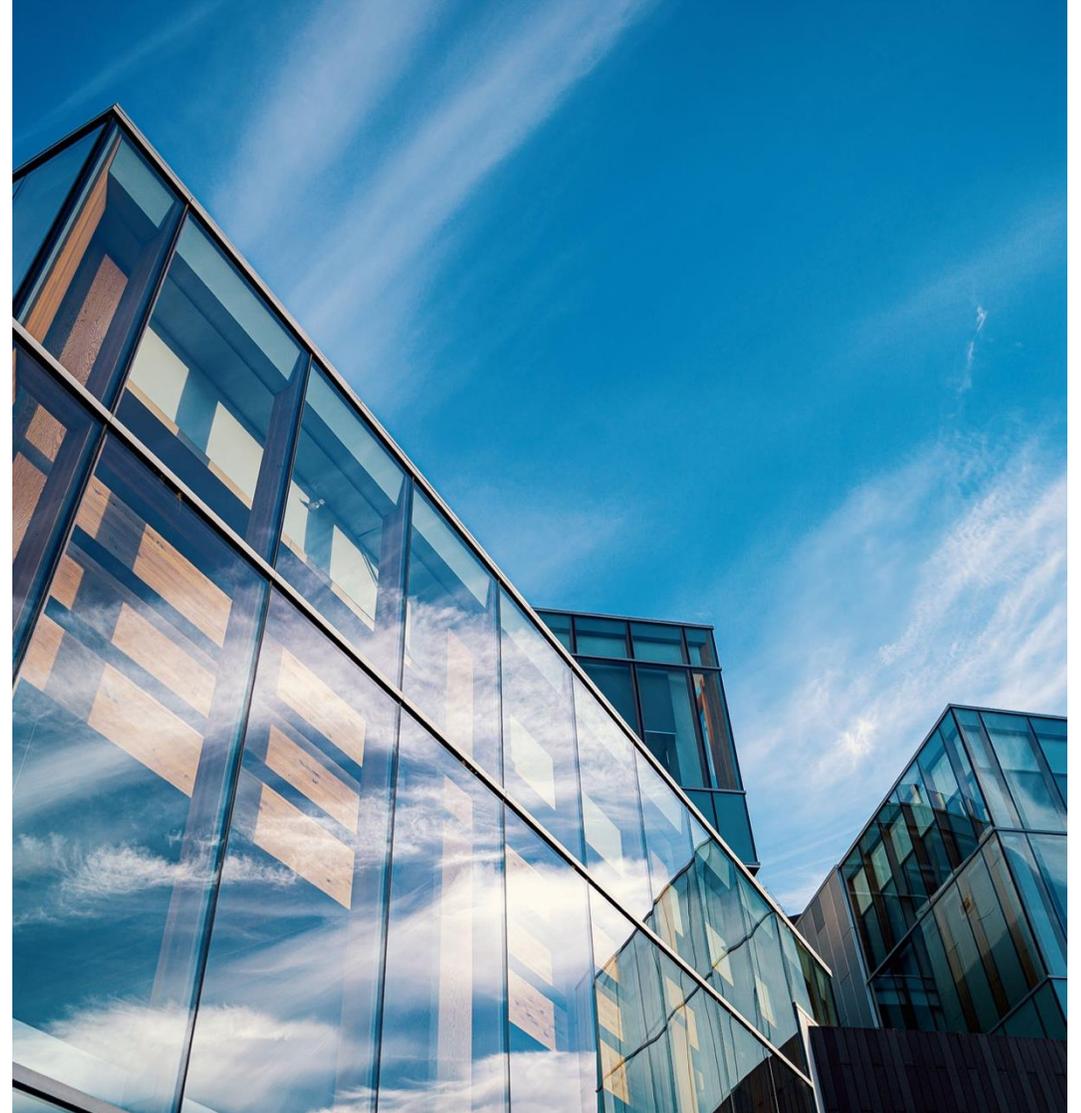
capacity of the ISSB and its stakeholders to make timely progress

Workstreams of other jurisdictional and voluntary sustainability standard setters and framework providers are also considered.

3 New research and standard setting projects

The Request for Information includes description of and seeks feedback on:

- research projects on the sustainability-related risks and opportunities associated with:
 - biodiversity, ecosystems and ecosystem services
 - human capital
 - human rights
- a research project on integration in reporting



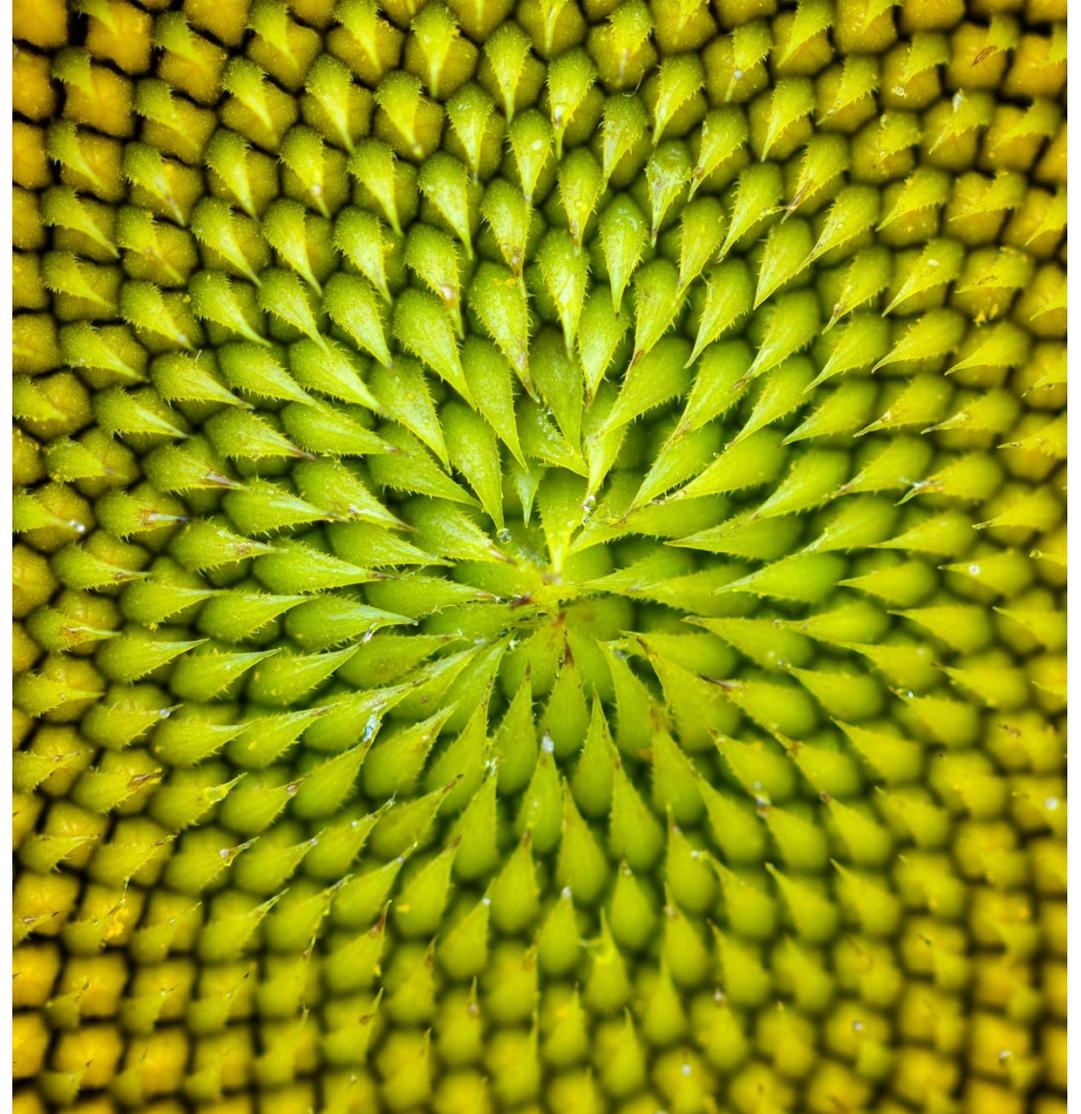
New research and standard setting projects

- relative priority of the potential projects
- for the **sustainability-related subject matters**:
 - relative priority of subtopics, industries or sectors
 - priority of related materials and standards of other jurisdictional and voluntary standard-setters and framework providers
- for the project on **integration in reporting**:
 - relative priority and timeliness of advancing this project
 - whether project should be pursued as a formal joint project with the IASB
 - whether project should utilise IASB's Exposure Draft Management Commentary, the Integrated Reporting Framework, both, or other materials



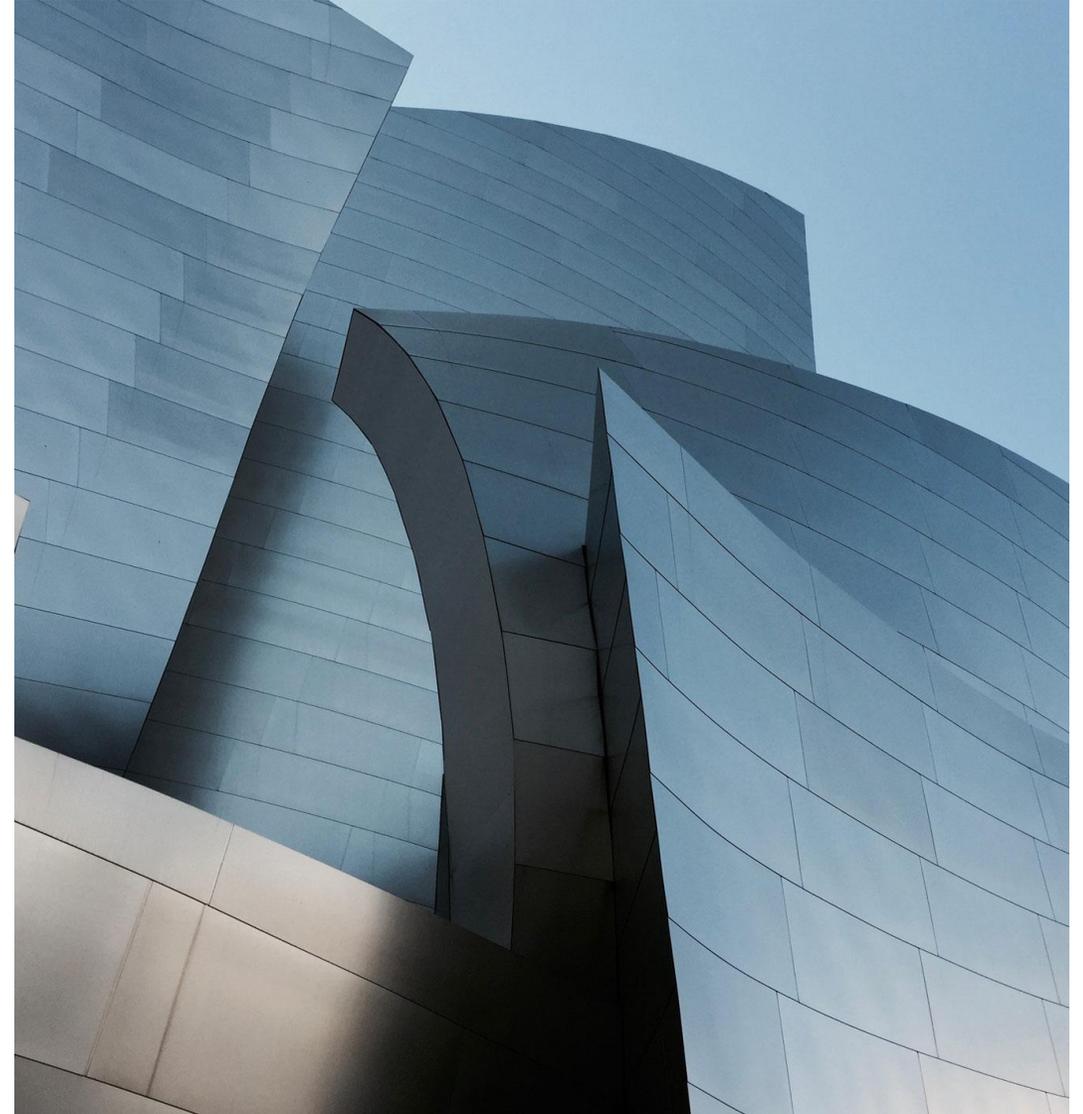
Biodiversity, ecosystems and ecosystem services (BEES)

- Biodiversity loses a threat to financial stability
- Human activities directly and indirectly contributed to changes in BEES
- Companies can contribute to and benefit from preservation, conservation and restoration
- Effective disclosure could increase business resilience due to stability of raw material supply and pricing
- Potential subtopics include: water, land-use and land-use change, pollution, resource exploitation, invasive non-native species



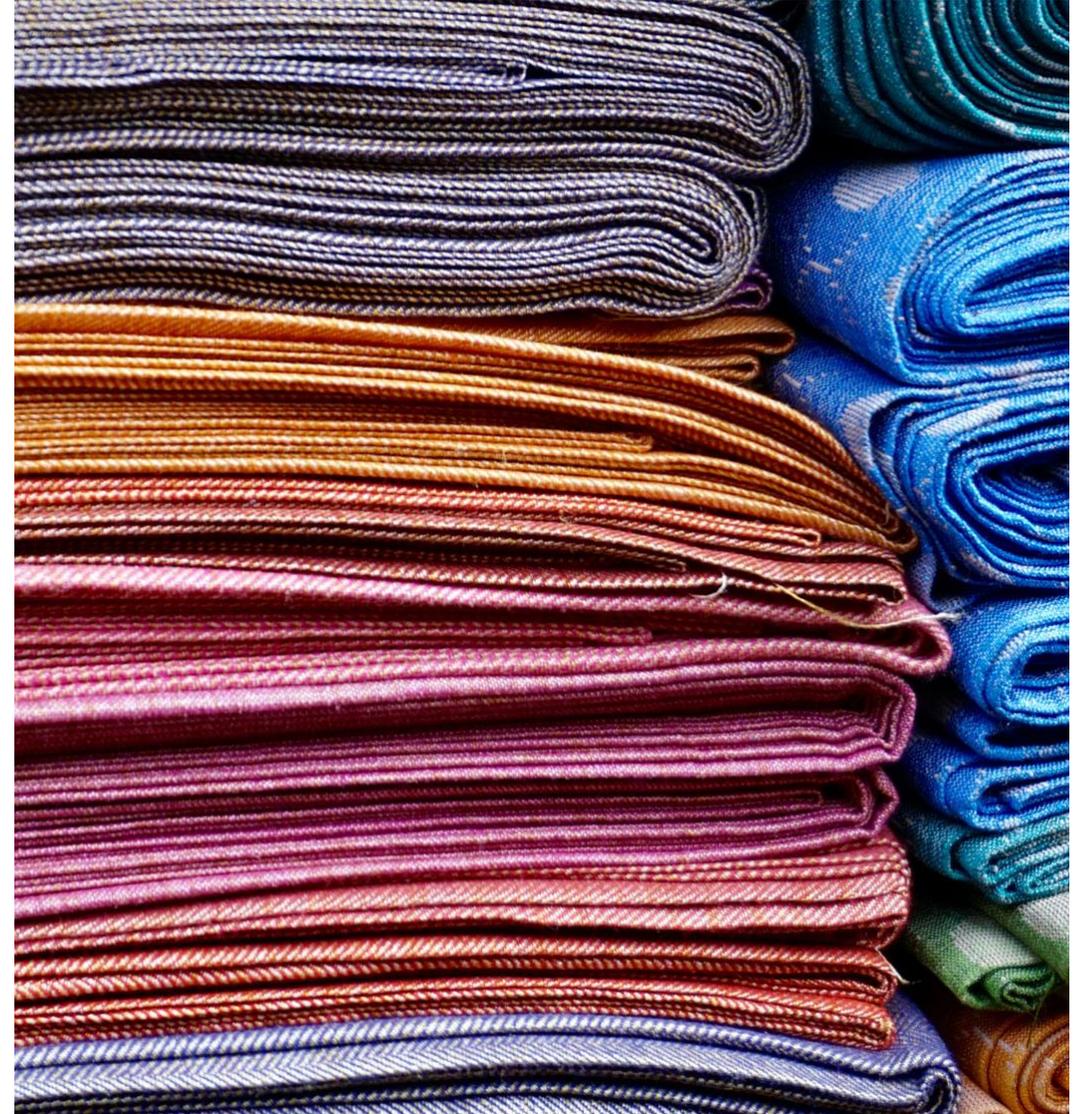
Human capital

- Human capital considerations can affect value by enhancing a company's ability to:
 - attract and retain talent
 - design, market and deliver products and services
 - strengthen community relations
 - innovate
 - identify risks
 - increase productivity
 - make cost savings
- Potential subtopics include worker wellbeing; diversity, equity and inclusion; employee engagement; workforce investment; the alternative workforce; labour conditions in the value chain; workforce composition and costs



Human rights

- Human rights matters can affect:
 - risks and opportunities
 - value and reputation
 - license to operate
- Research would focus on how human rights lead to sustainability-related risks and opportunities, including how they vary by jurisdiction or business model, and research to understand existing practices, tools and metrics

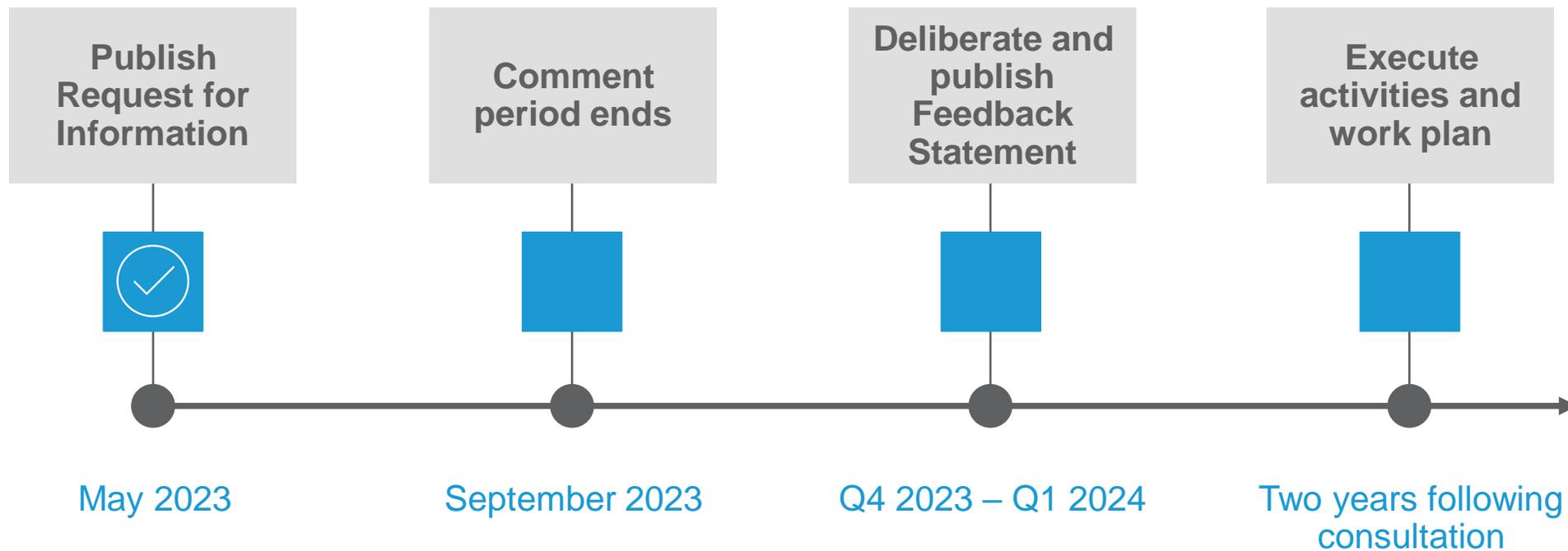


Integration in reporting not only encompasses where, what and how information on value creation can be connected through conceptual and operational linkages, but also the interdependencies, synergies and trade-offs between:

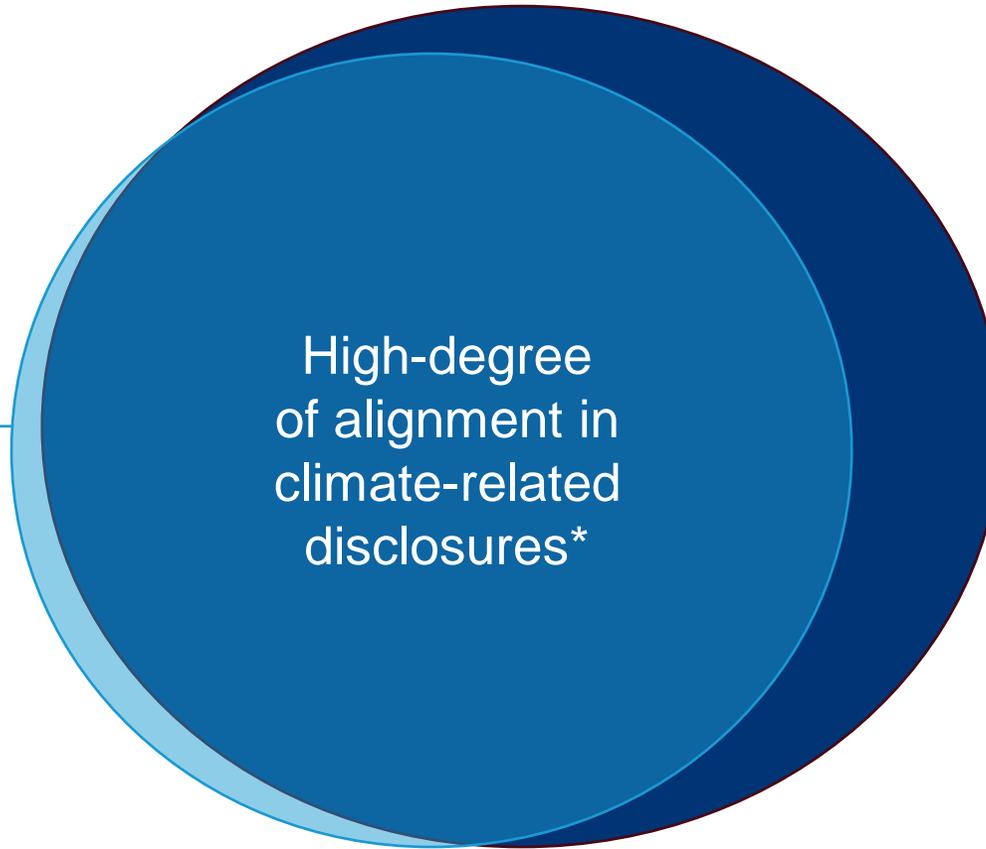
- different resources and relationships
- the ways in which the value that a company creates for itself and for its investors is inextricably linked to the value it creates for other stakeholders, society and the natural environment



Timeline and next steps



ISSB Standards:
Additional requirements
(eg financed emissions)



ESRS:

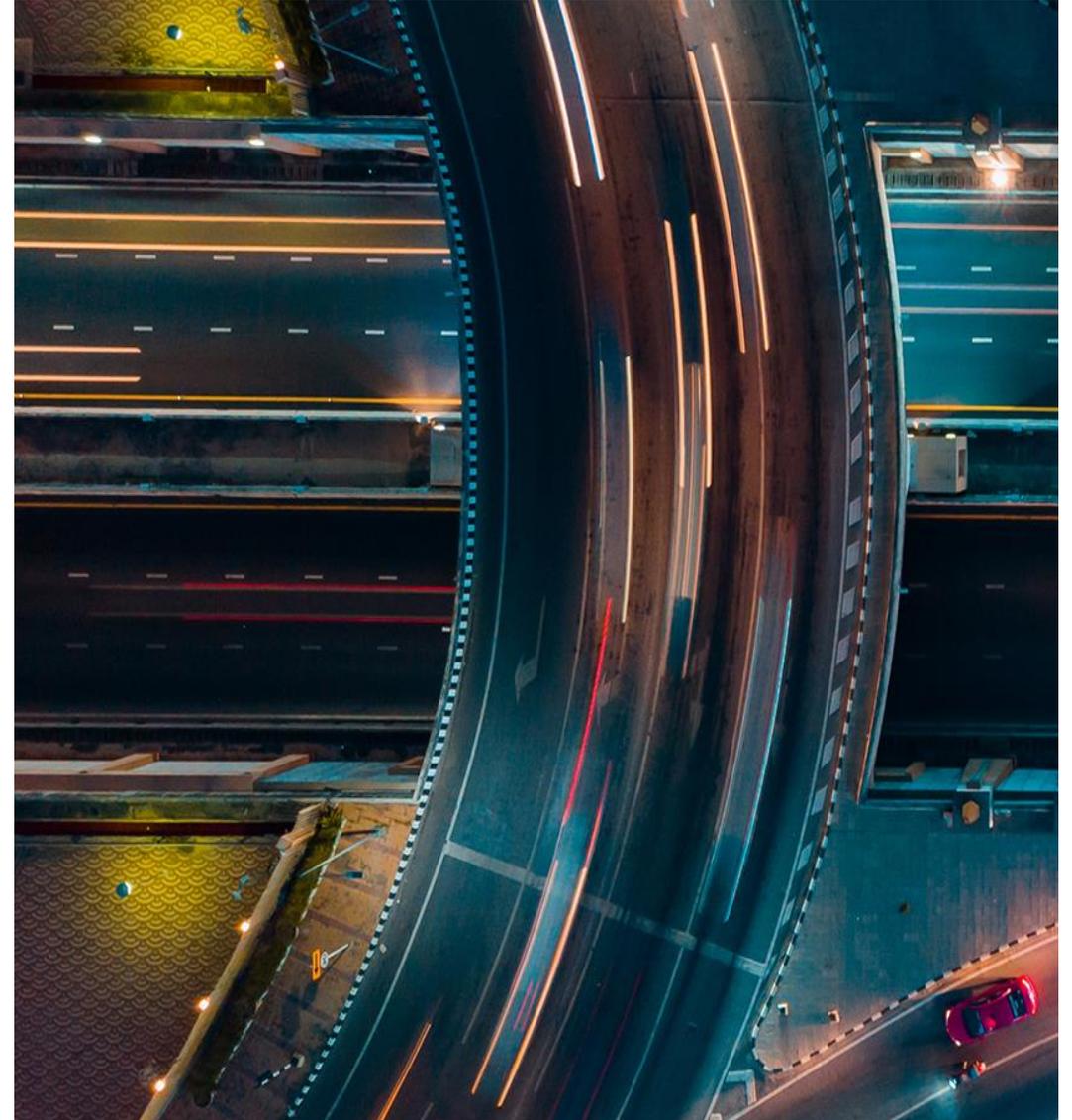
Additional requirements for stakeholders interested in impacts (that do not create risks or opportunities for a company's prospects) and information that if missing or obscured is not reasonably expected to affect investor decisions

High-degree of alignment around disclosures to provide decision-useful information for investors on risk management and how dependencies and impacts create risks and opportunities for a company's financial position and prospects

* The ISSB, the European Commission and EFRAG are discussing how to explain the alignment and interoperability between the respective standards, including the choices a company needs to make to enhance alignment and where the standards have specific requirements.

Current focus

- European Commission, EFRAG and ISSB are discussing **interoperability guidance material** that explains the alignment and interoperability of the respective requirements. Importance of **digital tagging** noted.
- These materials will help companies:
 - **identify common disclosures**
 - **identify disclosures that are unique** to either ISSB Standards or ESRS
 - identify disclosures that are **‘automatically’ aligned** and those that can be **aligned when choices are made** (eg applying the GHG Protocol to measure GHG emissions)



Looking ahead

Commitment to:

- connections with financial statements
- interoperability with jurisdictional and voluntary initiatives

Supporting implementation of IFRS S1 and IFRS S2

- digital taxonomy
- awareness raising and capacity building
- regulatory adoption and voluntary application

Work to:

- enhance and maintain the SASB Standards
- develop educational materials

Future priorities:

- analysing feedback to ISSB agenda consultation





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Symposium**

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New York City and online

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