



Project:	Sustainability Reporting	Meeting:	AASB March 2023 (M194)
Topic:	Update on GRI and IPSASB perspectives	Agenda Item:	15.2
		Date:	20 February 2023
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		Decision-Making:	None
		Project Status:	Update

Objective

- 1 The objective of this paper is to inform Board members of developments in sustainability reporting undertaken by the Global Reporting Initiative's (GRI) standard-setting body the Global Sustainability Standards Board (GSSB) and the International Public Sector Accounting Standards Board (IPSASB).
- 2 This paper is for information purposes only and does not ask the Board to make any decisions.

Structure

- 3 This paper is structured as follows:
 - (a) Background (paragraph 4);
 - (b) Update from the GSSB (paragraphs 5-14); and
 - (c) Update from the IPSASB (paragraphs 15-19).

Background

- 4 The Board is provided with an update on the sustainability reporting-related activities of the GSSB and the IPSASB at each meeting. The Board received the last GSSB and IPSASB update at the February 2023 meeting.¹

¹ See February 2023 (M193) [Agenda Paper 4.1 Sustainability Reporting: Update on international and jurisdictional perspectives](#).

Global Sustainability Reporting Board

January 2023 Board meeting

- 5 The GSSB held a meeting on 24 January 2023. The Standards Division provided progress reports on several projects regarding the development of all its active working groups, technical committees, and translations of GRI Standards.
- 6 The GSSB approved the [GRI Sector Standard Project for Mining – Exposure draft](#) (ED) for public consultation (including the associated [GRI Sector Standard Project for Mining – Exposure draft Questionnaire](#)). The ED aims to identify 25 likely material topics and relevant disclosures for the mining sector and introduces three new topics into the GRI system, being:
 - (a) tailings;
 - (b) artisanal and small-scale mining; and
 - (c) conflict-affected and high-risk areas.
- 7 Public consultation on this ED is open until 30 April 2023. Staff recommend that the Board respond to this consultation at Agenda Paper 11.1 *Documents open for Comment*.
- 8 Further details of this meeting can be found in the [Draft Summary of the 24 January 2023 GSSB Meeting](#).

February 2023 Board Meeting

- 9 The GSSB held its last meeting on 16 February 2024. The Standard Division provided an update of the progress on several projects and the membership of the Advisory Group for the Topic Standard Project for Labor.
- 10 The GSSB also approved the project approvals for:
 - (a) GRI Topic Standard Project for Climate Change; and
 - (b) GRI Sector Standard Project for Financial Services.

Climate Change

- 11 The objective of the GRI Topic Standard Project for Climate Change is to review *GRI 302: Energy 2016*, *GRI 305: Emissions 2016*, and *GRI 201: Economic Performance 2016* to incorporate new issues to reflect stakeholders' expectations related to reporting climate change-related impacts that go beyond energy consumption and greenhouse gas (GHG) emissions. The aim is to align with internationally agreed best practice, latest developments and relevant authoritative intergovernmental instruments in the field of climate change, GHG emissions and energy.
- 12 An exposure draft is expected to be published in Q2 2024 with a final standard issued in Q2 2025.

Financial Services

- 13 The objective of the GRI Sector Standard Project for Financial Services is to develop three Sector Standards (*GRI 17: Banking Sector 20XX*, *GRI 18: Insurance Sector 20XX*, *GRI 19: Capital Markets Sector 20XX*) that improve the sustainability reporting of banking, insurance, and capital markets, making reporting comprehensive and consistent across the sectors.

- 14 All three standards will be developed as a single project because of the integration, overlap and commonalities across the sectors. Exposure drafts for the standards are expected in Q3 2024, with final standards issued in Q3 2025.

International Public Sector Accounting Standards Board

- 15 At its November 2022 (M191) meeting the Board was informed that the IPSASB's [ED 83 Reporting of Sustainability Information](#) was approved with a 60-day comment period which closed 16 January 2023. At that meeting, the Board decided not to comment on IPSASB's ED 83.²

December 2022 IPSASB meeting

- 16 The IPSASB held its last meeting in Toronto, Canada from 6 – 9 December 2022. At that meeting The IPSASB was provided with an overview of responses to the [Consultation Paper Advancing Public Sector Sustainability Reporting](#). This consultation paper provided five preliminary views, and two specific matters for comment. A summary of the responses is as follows:³
- (a) **Preliminary View 1: There is a need for global public sector-specific sustainability reporting guidance. Do you agree?** Ninety-seven percent (97%) of respondents agreed or partially agreed with this view.
 - (b) **Preliminary View 2: The IPSASB's experience, processes and relationships enable it to develop global public sector-specific sustainability reporting guidance effectively. Do you agree?** Eighty-four percent (84%) of respondents agreed or partially agreed with this view.
 - (c) **Preliminary View 3: If the IPSASB were to develop sustainability reporting guidance it would apply the framework in Figure 5. The IPSASB would work in collaboration with other international bodies, through the application of its current processes. Do you agree?** Eighty-five percent (85%) of respondents agreed or partially agreed with this view.
 - (d) **Preliminary View 4: If the IPSASB were to develop sustainability reporting guidance, it proposes to address general requirements for sustainability-related information and climate-related disclosures as its first topics. Do you agree?** Eighty-two percent (82%) of respondents agreed or partially agreed with this view.
 - (e) **Preliminary View 5: The key enablers are needed for the IPSASB to take forward the development of sustainability reporting guidance. Do you agree?** Eighty-seven percent (87%) of respondents agreed or partially agreed with this view.
 - (f) **Specific Matter for Comment 1: If the IPSASB were to develop sustainability reporting guidance, please tell us what topics you see as most pressing in your jurisdiction and why these should be prioritized by the IPSASB.** The following table provides a summary of topics proposed by respondents. Note many respondents identified more than one topic, therefore a single respondent's comments may be included in multiple rows.

² See November 2022 (M191) [Agenda Paper 7.1 Documents open for comment by other organisations](#).

³ The joint FRC, AASB and AUASB submission to IPSASB can be found [here](#).

Topics	Number of Respondents	Comments
Climate	26	Includes the UN Sustainable Development Goal (SDG) 13 <i>Climate Action</i> , climate-related strategies and targets, and greenhouse gases.
Environment	23	Includes natural resources and biodiversity.
Governance and Social	22	Includes poverty, health care, education, water sanitation and equity. Note that 9 of 22 respondents are from Africa and the Middle East.
Scope and Structure of Guidance	20	Includes defining materiality, level of government, scope/objectives, value and authority of guidance.
Align with SDGs	17	Includes aligning guidance with and reporting on progress towards achieving the UN SDGs.
Other	12	Includes other feedback such as consultation with indigenous peoples; aligning with priorities identified by other organisations such as the UN, EFRAG and GRI; auditability; differential reporting; tax policy.
No comment	9	-

- (g) ***Specific Matter for Comment 2: To what extent would you be willing to contribute financial or other support to the IPSASB for the development of global public sector specific sustainability reporting guidance?*** Most respondents agreed to offer other consultative support in the development of global public sector specific sustainability reporting guidance while a few were open to contribute financially.

17 Also at this December 2022 IPSASB meeting, the IPSASB decided to commence research and scoping for three potential public sector sustainability reporting projects.⁴ The IPSASB's prioritised research topics are:

- (a) general requirements for disclosure of sustainability-related financial information;
- (b) climate-related disclosures; and
- (c) natural resources – Non-financial disclosures (in parallel with the development of financial reporting guidance proposed in [Consultation Paper Natural Resources](#)).

18 The commencement of these projects is dependent on securing resources to begin the guidance development. To that end it was announced on 14 December 2022 that the ACCA had provided a contribution to support the development of a public sector specific sustainability reporting framework.⁵

⁴ See [IPSASB Confirms Its Role in Advancing Public Sector Sustainability Reporting | IFAC](#).

⁵ See [IPSASB Welcomes ACCA Contribution Towards Advancing Public Sector Sustainability Reporting | IFAC](#).

Next meeting

19 The next full IPSASB meeting will be held on 14-17 March 2023. Topics to be discussed include:

- (a) reporting sustainability program information – Approval of additional guidance; and
- (b) sustainability reporting – Scoping and research update.

Questions to Board members

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Q1: Do Board members have any questions about the information provided in this paper?