



Project:	Sustainability Reporting	Meeting:	AASB April 2024 (M202)
Topic:	Update on international and jurisdictional perspectives	Agenda Item:	5.1
		Date:	28 March 2024
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		Decision-Making:	-
		Project Status:	-

Objective of this paper

- 1 The objective of this paper is to inform Board members of international and jurisdictional developments in sustainability reporting.
- 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) IFRS Foundation (paragraphs 5-16)
 - (c) Global Reporting Initiative (paragraphs 17-19)
 - (d) Update on IPSASB's Climate-Related Disclosures project (paragraph 20)
 - (e) Greenhouse Gas Protocol (Global GHG Protocol) (paragraphs 21-22)
 - (f) Update on selected jurisdictional sustainability reporting perspectives (paragraphs 23-30)
 - (g) Question to Board members

Background

- 4 The Board is provided with an overview of international and jurisdictional developments on sustainability-related financial reporting at each of its meetings. This paper provides an update on developments since the Board's meeting in March 2024.¹

IFRS Foundation

IFRS Foundation's Due Process Oversight Committee (DPOC)²

¹ See March 2024 [Agenda Paper 14.1 Sustainability Reporting: Update on International Jurisdictional Perspectives](#).

² See [February 2024 IFRS Foundation Trustees Due Process Oversight Committee Meeting agenda and papers](#).

- 5 The DPOC met on 27–29 February and was provided with an update on the activities of the International Sustainability Standards Board (ISSB) since October 2023. The DPOC was also provided with an update on the material published on the IFRS Foundation’s website to support the consistent application of the IFRS Sustainability Disclosure Standards.

February 2024 ISSB meeting³

- 6 The ISSB continued its discussion on feedback to the Request for Information (RFI) *Consultation on Agenda Priorities* and commenced discussion on the development of educational guidance on the definition of material.

RFI Consultation on Agenda Priorities

- 7 The ISSB tentatively decided:
- (a) to make no substantive changes to six of the seven criteria proposed in the RFI *Consultation on Agenda Priorities*; and
 - (b) to change the criterion on how a potential project would relate to other projects in the work plan to make it explicit that the ISSB will consider the work of other relevant standard-setters.

Supporting the implementation of IFRS S1 and IFRS S2

- 8 The ISSB discussed the development of educational material on the concept of ‘materiality’ in the context of IFRS Sustainability Disclosure Standards. No decision was made about this topic.

March 2024 ISSB meeting⁴

- 9 The ISSB met to decide the strategic direction and balance of its activities for the two-year period of the ISSB’s next work plan.

- 10 The ISSB tentatively decided it will:
- (a) begin new research and standard-setting projects—note that the ISSB has not yet decided what topics will be addressed as part of its new research and standard-setting projects;
 - (b) support the implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*;
 - (c) further enhance the SASB Standards;
 - (d) pursue connectivity between the requirements in IFRS Sustainability Disclosure Standards and IFRS Accounting Standards;
 - (e) seek to ensure IFRS Sustainability Disclosure Standards are interoperable with other sustainability standards; and
 - (f) engage with stakeholders.
- 11 The ISSB also tentatively decided:
- (a) to place a high level of focus on supporting the implementation of IFRS S1 and IFRS S2;
 - (b) to place a slightly lower level of focus on enhancing the SASB Standards and on beginning new research and standard-setting projects and to give these activities equal attention;
 - (c) to reserve resources to give the ISSB flexibility; and
 - (d) not to specify a level of focus on connectivity, interoperability and engaging with stakeholders, acknowledging that these activities are integral to all of the ISSB’s work.

³ See [ISSB Update February 2024](#).

⁴ See [ISSB Update March 2024](#).

March 2024 Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)⁵

- 12 The TIG met to discuss:
- (a) the application of paragraph 29(b)–(c) of IFRS S2, using IFRS Sustainability Disclosure Standards and related materials; and
 - (b) the revision of preceding period estimated amounts.

March 2024 Sustainability Standards Advisory Forum (SSAF)⁶

- 13 The SSAF met to discuss:
- (a) ISSB Consultation on Agenda Priorities
 - (b) IFRS Sustainability Disclosure Taxonomy
 - (c) Update on educational material on IFRS S1 and IFRS S2
 - (d) Enhancing the SASB Standards
 - (e) Agenda planning.

March 2024 Capital Markets Advisory Committee (CMAC)⁷

- 14 The CMAC received an update on the ISSB's activities.

March 2024 Global Preparers Forum (GPF)⁸

- 15 The GPF received an update on the ISSB's activities.

February 2024 IFRS Sustainability Symposium 2024⁹

- 16 The IFRS Sustainability Symposium 2024 took place on 22 February 2024 in New York City. Around 1,000 companies, investors, regulators and other key stakeholders from over 50 jurisdictions attended this event.

Global Reporting Initiative (GRI)

February 2024 Global Sustainability Standards Board (GSSB) meeting

- 17 The GSSB approved the draft summary of the GSSB meeting held on 16 January 2024.¹⁰

March 2024 GSSB meeting

- 18 The GSSB approved:
- (a) the draft summary of the GSSB meeting held on 22 February 2024;¹¹

⁵ See [March 2024 Transition Implementation Group on IFRS S1 and IFRS S2 Meeting agenda and papers](#).

⁶ See [March 2024 Sustainability Standards Advisory Forum Meeting agenda and papers](#).

⁷ See [March 2024 Capital Markets Advisory Committee agenda and papers](#).

⁸ See [March 2024 Global Preparers Forum meeting agenda and papers](#).

⁹ See [IFRS Sustainability Symposium convenes in New York City as market participants get ready to use the ISSB Standards](#).

¹⁰ See February 2024 GSSB Meeting Agenda Item 1 [Draft summary of the GSSB meeting held on 16 January 2024](#).

¹¹ See March 2024 GSSB Meeting Agenda Item 1 [Draft summary of the GSSB meeting held on 22 February 2024](#).

- (b) the member revision for the Insurance Technical Committee;¹² and
 - (c) the draft project proposals for the GRI Topic Standard Project for Pollution.¹³
- 19 The next GSSB meeting will be held on 9-10 April 2024. The meeting papers for this meeting were not available at the time of writing this Board paper.

IPSASB's Climate-Related Disclosures project¹⁴

- 20 The IPSASB met on 12-15 March 2024 and agreed that a government's ability to set policy is unique to the public sector and specific guidance for governments' policy setting activities that influence other entities, including other economic sectors, is necessary. The IPSASB also held initial discussions with breakout groups on public sector specific climate-related metrics and transitional provisions.

Greenhouse Gas Protocol (Global GHG Protocol) ¹⁵

- 21 The Global GHG Protocol released a [Draft Summary Report](#) providing a detailed overview of stakeholder feedback from a survey it conducted on its *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (Scope 3 Standard). In addition, the Global GHG Protocol has released a [Proposal Summary](#) giving an overview of proposal submissions related to the Scope 3 Standard. To ensure that Global GHG Protocol is accurately representing survey feedback, the Global GHG Protocol is holding a review period to invite comments only from individuals/organisations who completed the Scope 3 Standard survey or submitted a Scope 3 Standard proposal who believe their feedback was either not adequately included or misrepresented.
- 22 The Scope 3 Survey Standard Summary Report and Proposal Summary will support the development of specific work plans and inform discussions around key revisions to the Scope 3 Standard and related Global GHG Protocol content. In addition, the Global GHG Protocol will continue to solicit new information and review relevant new research studies related to the Scope 3 Standard as they become available throughout the update process.

Jurisdictional Update

Australia

- 23 On 27 February 2024, the ASX Corporate Governance Council (Council) published for public comment [Corporate Governance Council Principles and Recommendations \(5th Edition\) Consultation Draft](#). The proposals include references to the proposed ASRS Standards. The Council is seeking submissions by 6 May 2024.

European Union (EU)

- 24 The European Financial Reporting Advisory Group (EFRAG) released the second set of technical explanations on its European Sustainability Reporting Standards (ESRS). These Explanations respond to stakeholders' technical questions on the ESRS.¹⁶

United Kingdom (UK)

¹² See March 2024 GSSB Meeting Agenda Item 3 [GRI Sector Standard Project for Financial Services – Proposed member substitution for Insurance Technical Committee](#).

¹³ See March 2024 GSSB Meeting Agenda Item 2 [GRI Topic Standard Project for Pollution – Draft project proposal](#).

¹⁴ See [IPSASB enews: March 2024](#).

¹⁵ See [GHG Protocol Releases Scope 3 Survey Draft Summary Report and Proposal Summary](#).

¹⁶ See [EFRAG releases second set of technical explanations on ESRS](#).

- 25 The UK Financial Reporting Council has announced the launch of its first market study to examine the UK market for sustainability assurance services. The study aims to ensure this rapidly growing market is functioning effectively and providing high quality assurance over companies' sustainability reporting.¹⁷

Canada

- 26 On 13 March 2024 the Canadian Sustainability Standards Board (CSSB) published for public comment its proposals for the first Canadian Sustainability Disclosure Standards (CSDS) based on IFRS S1 and IFRS S2. The consultation period is open until 10 June 2024 and includes two exposure draft standards and a consultation paper:¹⁸
- (a) [CSSB Consultation Paper – Proposed Criteria for Modification Framework](#)—the CSSB is consulting on the Framework it intends to use when considering whether to make additions, deletions and/or amendments to IFRS Sustainability Standards;
 - (b) [CSSB Exposure Draft – Proposed Canadian Sustainability Disclosure Standard \(CSDS\) 1, General Requirements for Disclosure of Sustainability-related Financial Information](#)—developed using IFRS S1 as a baseline with minor modifications to meet the needs of Canadian stakeholders;
 - (c) [CSSB Exposure Draft – Proposed Canadian Sustainability Disclosure Standard \(CSDS\) 2, Climate-related Disclosures](#)—developed using IFRS S2 as a baseline with minor modifications to meet the needs of Canadian stakeholders.

Singapore

- 27 The Singapore Exchange Regulation has published a consultation paper titled [Sustainability Reporting: Enhancing Consistency and Comparability](#) to seek feedback from the market on how the IFRS Sustainability Disclosure Standards should be incorporated into the reporting requirements for climate-related disclosures. The consultation period is open until 5 April 2024.¹⁹

India

- 28 The Reserve Bank of India (RBI) has published a consultation paper [Draft guidelines on Disclosure framework on Climate-related Financial Risks, 2024](#). The proposed guidelines have been developed with consideration of IFRS S2, but have not been developed using IFRS Sustainability Disclosure Standards as a baseline. The RBI is proposing that the guidelines be applicable to all Scheduled Commercial Banks (excluding Local Area Banks, Payments Banks and Regional Rural Banks), all Tier-IV Primary (Urban) Co-operative Banks, all All-India Financial Institutions (viz. EXIM Bank, NABARD, NaBFID, NHB and SIDBI) and all Top and Upper Layer Non-Banking Financial Companies (NBFCs). The consultation period is open until 30 April 2024.²⁰

Japan

- 29 In March 2024 the Sustainability Standards Board of Japan (SSBJ) has published for public comment [Exposure Drafts of Sustainability Disclosure Standards](#) to be applied in Japan (comment period closes 31 July 2024). The SSBJ concluded that it would be useful for market participants if the Japanese standards are aligned with the ISSB's IFRS Sustainability Disclosure Standards. Accordingly, the SSBJ

¹⁷ See [FRC launches market study on UK sustainability assurance market](#).

¹⁸ See [Media Release – Canadian Sustainability Standards Board Announces First Canadian Sustainability Disclosure Standards for Public Consultation](#).

¹⁹ See [Consultation Paper on Sustainability Reporting: Enhancing Consistency and Comparability](#).

²⁰ See [RBI invites comments on the “Draft Disclosure framework on Climate-related Financial Risks, 2024” - Press Releases \(rbi.org.in\)](#)

decided to incorporate all requirements in the IFRS Sustainability Disclosure Standards and to add, when considered necessary, any jurisdiction-specific options the entity can choose to apply.

- 30 For the convenience of users of the Japanese standards, the standard corresponding to IFRS S1 was divided into two standards. Specifically, the requirements of IFRS S1 other than those included in the “core content” section were included in the universal “Application of the Sustainability Disclosure Standards” standard, and the requirements in the “core content” section in IFRS S1 were included in the theme-based “General Disclosures” standard. As stated by the SSB, the division of IFRS S1 would not affect the resulting disclosures by entities, as all standards would need to be applied simultaneously.

Questions to Board members

Question to Board members

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