



Project:	Sustainability Reporting	Meeting	AASB May 2022 (M187)
Topic:	Cover memo	Agenda Item:	6.1
		Date:	2 May 2022
Contact(s):	Siobhan Hammond shammond@asb.gov.au Nikole Gyles ngyles@asb.gov.au	Project Priority:	High
		Decision-Making:	High
		Project Status:	Consider draft project plan

Background and objective

- 1 At its February 2022 meeting, the Board discussed the potential scope of the Sustainability Reporting project.¹ The Board made the following preliminary decisions to assist staff in developing the draft project plan:
 - (a) the initial focus of the draft project plan should be to develop a separate suite of sustainability reporting standards alongside the existing AASB Standards and that, while climate will likely be the first sustainability reporting matter to be addressed, the Board intends to address other sustainability reporting matters at a later stage;
 - (b) the work of the International Sustainability Standards Board (ISSB) should be used as the foundation, with modification for Australian matters and requirements. The Board further clarified that the focus for the project should be to prioritise international alignment and only amend (or add to) international sustainability reporting requirements where it is necessary to do so to meet the needs of Australian stakeholders;
 - (c) the initial scope of the project relates to for-profit entities, with the draft project plan to address how to respond to feedback from for-profit entities of all sizes, not only larger listed entities. The Board decided to consider the not-for-profit sector at a later stage and asked staff to continue to engage with not-for-profit private and public sector entities in considering the initial project development; and
 - (d) apply its existing [Due Process Framework for Setting Standards](#) to preliminary work on the Sustainability Reporting project.
- 2 At its April 2022 (M186) meeting, the Board further clarified that the proposed scope of the Sustainability Reporting project should focus on developing reporting requirements for sustainability-related financial information and the connectivity between broader sustainability reporting (for example, as addressed by the Global Reporting Initiative (GRI)) and the financial statements.²

¹ See February 2022 (M185) Agenda Papers [3.8 Positioning sustainability reporting requirements in Australia](#) and [3.9 The proposed Australian perspective](#).

² See April 2022 (M186) Agenda Paper [3.2 Proposed project scope](#).

- 3 The objective of this meeting is to:
- (a) consider the draft Sustainability Reporting project plan which has been developed based on the Board’s preliminary decisions as discussed in paragraphs 1-2;
 - (b) update the Board on relevant international and jurisdictional perspectives;³ and
 - (c) present the final research findings on Climate Scenario Disclosure.⁴

Attachments and structure of Board papers

- 4 This meeting is structured as follows:⁵
- (a) **Agenda Paper 6.2 [Draft] Sustainability Reporting project plan**—this paper provides an overview of the draft Sustainability Reporting project plan;
 - (b) **Agenda Paper 6.3 Update on selected international and jurisdictional perspectives**—this paper provides an overview of global developments in sustainability reporting; and
 - (c) **Agenda Paper 6.4 Research update on Climate Scenario Disclosure [Board only]**—this paper, prepared by the University of Melbourne research team led by Brad Potter, provides the an update on research findings on Climate Scenario Disclosure.

Next steps

- 5 Staff will bring preliminary feedback to [Exposure Draft 321 Request for Comment on ISSB \[Draft\] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and \[Draft\] IFRS S2 Climate-related Disclosures](#) at a future meeting.

³ See also February 2022 (M185) Agenda Paper [3.3 Australian and selected jurisdictional perspectives](#).

⁴ See also Agenda Paper 6.4.1 *February 2022 (M185) Agenda Paper 3.7 Preliminary research findings* [Board only].

⁵ Key questions for consideration by Board members are in Agenda Paper 6.2 [Draft] *Sustainability Reporting project plan*.