

UKEB Virtual Outreach Event

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate Related Disclosures

UKEB

30 June 2022



UKEB Virtual Outreach Event Draft Comment Letter on exposure drafts IFRS S1 and IFRS S2

1. Welcome

2. Regulatory Overview

3. Panel Discussion

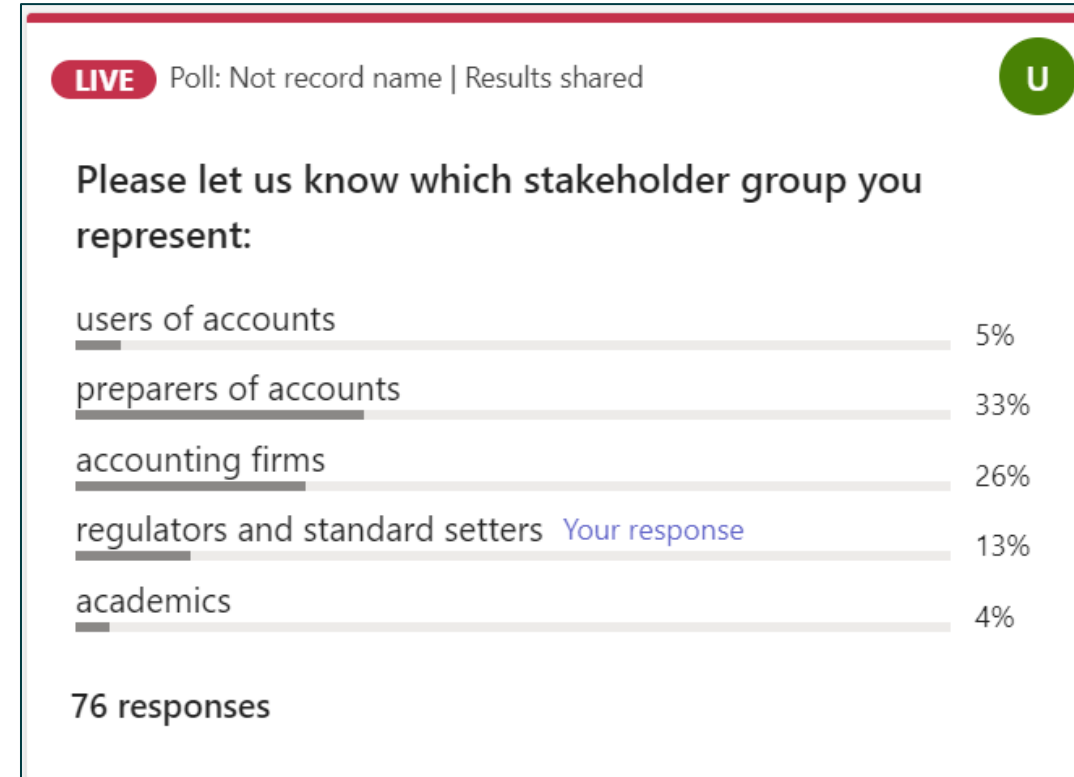
4. Q&A from the audience

5. Wrap Up

First Audience Poll

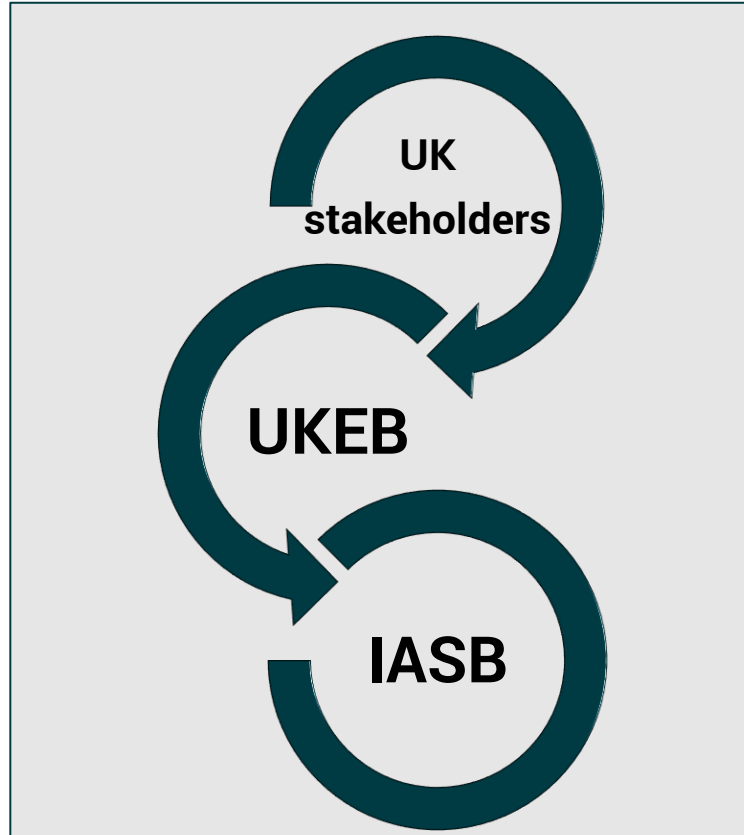
Please let us know which stakeholder group you represent:

1. users of accounts
2. preparers of accounts
3. accounting firms
4. regulators and standard setters
5. academics
6. none of the above



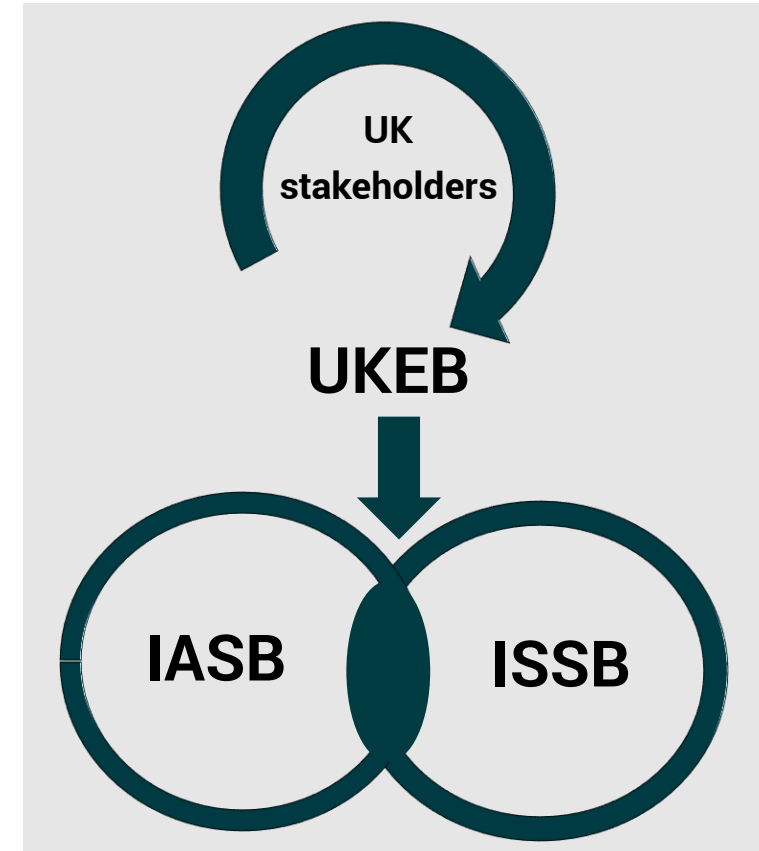
UK Endorsement Board: Influencing functions

IFRS Accounting Standards



The UKEB is responsible for endorsement and adoption of IFRS accounting standards for use in the UK

IFRS Sustainability Disclosure Standards



BEIS has requested that the UKEB consider the overlap of the proposed ISSB sustainability disclosure standards with those issued by the IASB.



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Cross government views



BEIS

Debbie Crawshaw

Accounting Expert



FCA

Mark Manning

ESG and Policy Lead



UKEB

Seema Jamil-O'Neill

Technical Director



FRC

Sarah-Jayne Dominic

Policy, Programmes
& Strategy

BEIS: SDR Regime

- SDR will create a flow of sustainability-related information from corporates through the financial system, enabling more efficient capital allocation and reducing greenwashing.
- For corporates, SDR consists of two main elements
 - Green Taxonomy
 - International Sustainability Standards
- BEIS will be consulting later this year



FCA: Transparency along the value chain...



“Better corporate disclosures will help inform market pricing and support business, risk and capital allocation decisions...”

“...once the ISSB’s future standards are endorsed for use in the UK, we expect, subject to consultation, that both the Companies Act and Listing Rules will reference the endorsed international standards directly”



“... the appropriate time to consult on introducing mandatory climate-related disclosure requirements will be alongside proposals to adapt our rules to reference a UK-endorsed ISSB standard in our framework instead of the TCFD’s recommendations”

“The proposals... build upon the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)...”

FCA: Transparency along the value chain...

IOSCO welcomes the publication of the ISSB's two proposed IFRS Sustainability Disclosure Standards. We will review the proposals, with the objective to endorse them for use by our member jurisdictions.

Endorsement by IOSCO can pave the way for adoption of the Standards around the world, delivering much-needed consistency and comparability in sustainability-related information to the capital markets

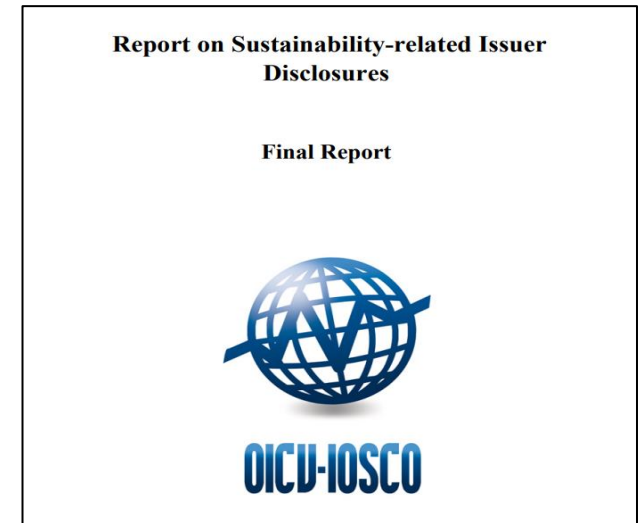
Ashley Alder,
*Chair of the IOSCO Board,
March 2022*



“IOSCO sees urgent need for global consistent, comparable and reliable sustainability disclosure standards”



“Independent assurance is a cornerstone to building trust in the information that underpins capital markets”



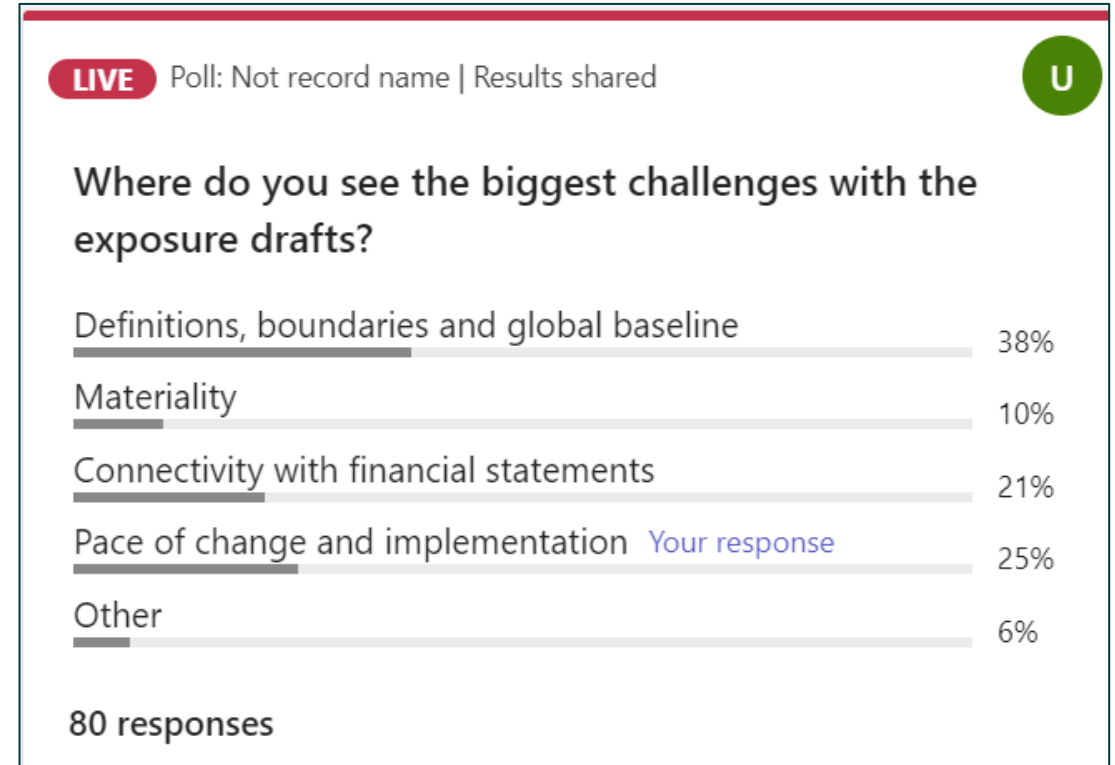
UKEB – Draft Comment Letter: areas for consideration

Topics	Areas for further consideration?
Definition / boundaries	Should the term 'sustainability' be defined? Are the boundaries clear enough?
Global baseline	Must be ambitious but also must be achievable for all.
Business model	Is this prominent enough for users?
Materiality v Significant	Is two better than one?
Connectivity	Recognition, measurement and timeframes differ from accounting
Pace of change	Legislative pace, phasing and proportional considerations

Second Audience Poll

Where do you see the biggest challenges with the exposure drafts?

1. Definitions, boundaries and global baseline
2. Materiality
3. Connectivity with financial statements
4. Pace of change and implementation
5. Other



FRC: Sustainability reporting ecosystem

- **Existing UK reporting requirements examples:**
- Strategic Report inc. NFSIS and TCFD reporting, and S172 statement
 - Corporate Governance Report
 - Directors' Report (SECR)
 - Modern Slavery statement
 - Gender pay gap reporting





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Panel Discussion



FCA

Mark Manning
ESG and Policy Lead



Panel Moderator

Jane Fuller
Visiting Professor at City,
University of London,
Fellow CFA UK



UK Endorsement Board

Seema Jamil-O'Neill
Technical Director, *Chair*



ISSB

Lois Guthrie
Senior Technical
Advisor



ICGN

Christine Chow
Board member



Federated Hermes

Louise Dudley
Portfolio Manager



Barclays Bank

Gerbrand Muller
Head of Finance for
Sustainability and ESG



United Utilities

Sabrina Curry
Investor Relations



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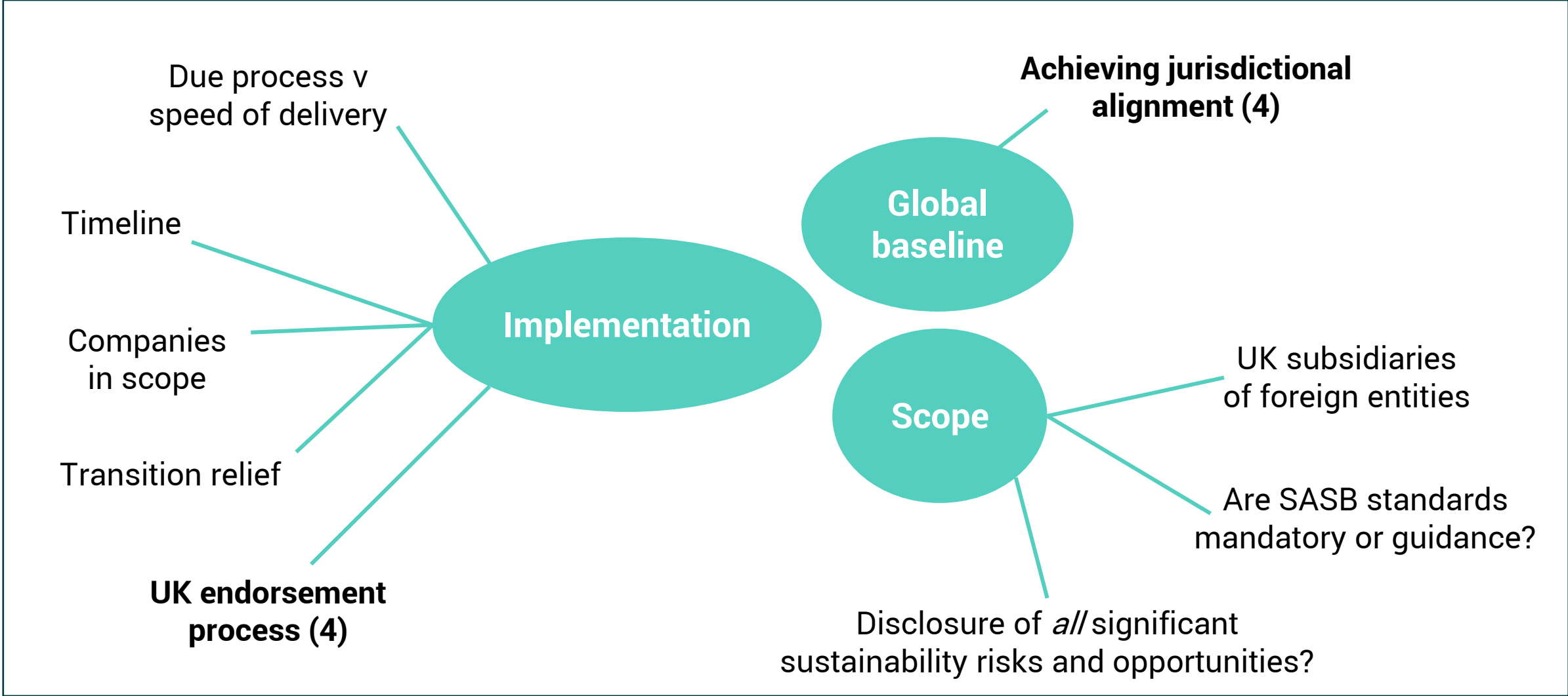
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Questions submitted at event registration

We received 30 'burning questions' from attendees upon registering for the event.





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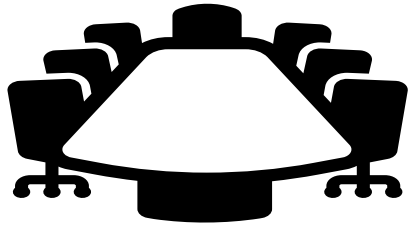
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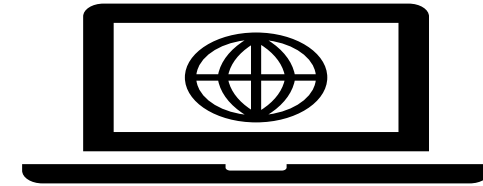
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Wrap Up and Next steps



Presentation of final comment letter to the **18 July** public UKEB Board meeting for review and approval



Submission of the final letter to the ISSB by **29 July** and publication on UKEB website

UK Endorsement Board: how to get involved



Sign up for subscriber alerts at contact@endorsement-board.uk

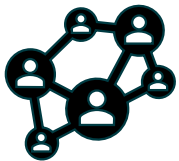


Email to express your interest in outreach on a particular project at contact@endorsement-board.uk

Click to add text



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Thank You

UK Endorsement Board

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