

Appendix A: Sustainability Update

ISSB meeting

September 2024 meeting – update

- A1. The International Sustainability Standards Board (ISSB) met in Frankfurt, Germany on 18 September 2024 to discuss its work plan, research projects on biodiversity, ecosystems and ecosystem services (BEES), human capital and enhancements to SASB Standards.

Work plan

- A2. The ISSB received a presentation from the Vice-Chair of the ISSB Investor Advisory Group regarding an investor perspective on the ISSB's current work plan. It was noted that investors supported the perspective of financial materiality and encouraged the internationalisation of SASB Standards.

Research projects

- A3. The ISSB discussed¹ the connections between the content in the industry based SASB Standards and the ISSB's research projects regarding BEES and human capital (including own workforce and workers in the value chain). The ISSB was not required to make any decisions.

Enhancing the SASB Standards

- A4. The ISSB discussed² the structure of the SASB Standards. The ISSB also considered potential enhancements to the *Iron & Steel Producers* and *Metals & Mining* SASB Standards. The ISSB was not required to make any decisions.

IFRS Foundation updates

- A5. The IFRS Foundation **Due Process Oversight Committee** (DPOC) is due to meet on 8-10 October³. Under the agenda item 'Other DPOC matters' the Committee will consider additional proposed amendments to the Foundation's Due Process Handbook⁴. These include amendments to reflect:

¹ ISSB September 2024 meeting: [Agenda paper 3 and 4](#), Topic: Cover note: BEES- and human capital-related risks and opportunities in the SASB Standards; [Agenda paper 3A and 4A](#)

² ISSB September 2024 meeting: [Agenda paper 6](#), Topic: Cover note: Deep dive into SASB Standards for priority industries; [Agenda paper 6A](#)

³ Meeting of the IFRS Foundation Trustees [Due Process Oversight Committee](#), Agenda 8 October 2024

⁴ Due Process Handbook - Proposed amendments. [Agenda reference: DP11](#)

- a) the ISSB ;
 - b) connectivity between two independent standard-setting boards operating alongside each other;
 - c) maintenance of IFRS Standards so that they more readily apply to the ISSB and to facilitate the use of the 'annual improvements' process by the ISSB;
 - d) the work the ISSB is doing to support application of IFRS Standards, including developing interoperability guidance;
 - e) ISSB consultative groups;
 - f) that in developing proposed requirements, the boards may build on requirements developed by other parties; and,
 - g) the ISSB's work to maintain the SASB Standards.
- A6. The DPOC agreed other amendments relating to the Interpretations Committee's due process, and clarified language about post-implementation reviews, at their meeting in June 2024.
- A7. The next steps are that the Foundation staff will provide DPOC members with a draft of the proposed amended Handbook. A DPOC meeting has been arranged to consider any further matters and any points arising from the review of the draft. The staff will then provide members with a revised draft including the invitation to comment.
- A8. **FASB and IASB** will hold an education session⁵ on 11 October 2024. In relation to accounting for sustainability-related matters in the financial statements the boards will discuss:
- a) Power Purchase Agreements (IASB);
 - b) Definition of a Derivative (FASB);
 - c) Climate-related and other Uncertainties in the Financial Statements (IASB); and,
 - d) Environmental Credit Programs / Pollutant Pricing Mechanisms (FASB/IASB).

⁵ [FASB-IASB Education Meeting October 2024 - Climate-related and Other Uncertainties in the Financial Statements](#)

- A9. The **World Bank Group** and IFRS Foundation announced⁶ their commitment to expand the coverage of their existing partnership to support the adoption of sustainability standards in emerging markets and developing economies.
- A10. The **IFRS Foundation** published⁷ a guide for companies to support the voluntary application of ISSB standards to provide investors with decision-useful information in the absence of regulatory requirements to apply ISSB Standards. This guide can be used in tandem with tools such as ESRS Interoperability Guidance.
- A11. The IASB and ISSB co-presented⁸ on Connectivity between the financial statements and sustainability-related financial disclosures at the **World Standard Setters conference**. The discussion was focused on how IFRS Accounting Standards and IFRS Sustainability Disclosure Standards complemented each other and additional examples were provided to illustrate the connections.
- A12. The **IASB** has published⁹ a webcast on its Exposure Draft 'Climate-related and Other Uncertainties in the Financial Statements'.

UK updates

- A13. On 23 September 2024, the **Department for Business and Trade** (DBT) published¹⁰ Guidance on UK Sustainability Reporting Standards (UK SRS). The UK government aims to reach endorsement decisions on IFRS S1 and S2 by Q1 2025.
- A14. The guidance confirms that, if the standards are endorsed for use in the UK, the Financial Conduct Authority (FCA), subject to consultation, will introduce requirements for UK-listed companies and the government will decide on disclosure requirements for companies which fall outside the FCA's regulatory perimeter. The update¹¹ also included links to the **UK Sustainability Disclosure Policy and Implementation Committee** (PIC) meeting summary minutes.
- A15. The **UK Sustainability Disclosure Technical Advisory Committee** (TAC) met¹² on 8 October 2024 (agenda and papers published on 1 October 2024). Please refer to the TAC Update (paper 9 for the UKEB October 2024 public Board meeting).

⁶ [World Bank Group and IFRS Foundation announce commitment to further partnership towards adoption of ISSB Standards in EMDEs](#)

⁷ [IFRS Foundation publishes guide for companies as investors call for voluntary application of ISSB Standard: Voluntarily applying ISSB Standards—A guide for preparers](#)

⁸ [World Standard-setters Conference 2024 - Connectivity between the financial statements and sustainability-related financial disclosures](#)

⁹ [IASB Webcast: Exposure Draft Climate-related and Other Uncertainties in the Financial Statements](#)

¹⁰ [Guidance: UK Sustainability Reporting Standards](#)

¹¹ [UK Sustainability Disclosures Policy and Implementation Committee \(PIC\) meeting minutes 2023 to 2024](#)

¹² [UK Sustainability Disclosure TAC Meetings and Summaries](#)

- A16. **Deloitte** research¹³ identified that nearly half of the FTSE 100 made restatements on their sustainability metrics this year. Most related to changes in methodology but over a quarter related to errors. Of these total restatements, the majority related to greenhouse gas metrics.

Other international updates

- A17. The **Securities Commission of Malaysia** published¹⁴ a National Sustainability Reporting Framework (NSRF) which addresses the use of the standards issued by the ISSB as the baseline for sustainability reporting.
- A18. The **Canadian Sustainability Standards Board (CSSB)** has announced its Chair, Charles-Antoine St-Jean, is stepping down¹⁵. Board member Bruce Marchand will serve as the interim Chair until a new permanent Chair is appointed. The CSSB is currently reviewing stakeholder feedback on Canadian Sustainability Disclosure Standards (CSDS) 1 and 2 ahead of the Board reaching decisions on these standards during the latter part of 2024.
- A19. The **Singapore Exchange Regulation** has announced¹⁶ its decision to incorporate the ISSB standards into its sustainability reporting regime as a result of its consultation on requiring ISSB-aligned climate-related disclosures.
- A20. The **Australian Accounting Standards Board (AASB)** has formally voted on the introduction of Australian Sustainability Reporting Standards (ASRS)¹⁷. The Board has introduced AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* as a voluntary standard and AASB S2 *Climate-related Disclosures* as a mandatory standard, applicable for financial years beginning on or after 1 January 2025.
- A21. The **External Reporting Board (XRB)** has announced that it will publish a consultation document exploring options for transitional adjustments to the New Zealand Climate Standards. The consultation is response to feedback from Climate Reporting Entities (CREs), who have raised concerns regarding certain application challenges.
- A22. The **California State Legislature** approved¹⁸ amendments to California's climate disclosure laws, which were signed into law in October 2023.

¹³ [Nearly half of the UK's largest companies made restatements on climate and sustainability, as new reporting rules loom](#)

¹⁴ [Malaysia Introduces Framework for Phased Sustainability Reporting Adoption](#)

¹⁵ [Leadership Transition at the Canadian Sustainability Standards Board \(CSSB\)](#)

¹⁶ [Singapore will move forward with the incorporation of ISSB standards, albeit slightly scaled back](#)

¹⁷ [Australian Sustainability Reporting Standards approved by AASB Board](#)

¹⁸ [California advances amendments to sustainability reporting laws](#)