

# Technical Advisory Committee Update

## Executive Summary

<b>Project Type</b>	Monitoring
<b>Project Scope</b>	Limited
<b>Purpose of the paper</b>	
The UK Sustainability Disclosure Technical Advisory Committee (TAC) held its final meeting on 5 December 2024 to finalise its recommendations following an assessment of IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> (IFRS S1) and IFRS S2 <i>Climate-related Disclosures</i> (IFRS S2).	
<b>Summary of the Issue</b>	
<p>The TAC has been tasked by the Department for Business and Trade<sup>1</sup> (DBT) to assess the IFRS Sustainability Disclosure Standards from a technical perspective and provide advice<sup>2</sup> to the Secretary of State on whether their endorsement would be conducive to the long-term public good in the UK.</p> <p>The UKEB is represented on the TAC by a Board Member, who is appointed as a full member of the TAC to reflect the need to maintain connectivity between UK adopted international accounting standards and UK Sustainability Reporting Standards.</p> <p>This paper presents a summary of matters considered at the December 2024 meeting for the Board's consideration. At the time of writing, official minutes had not yet been issued.</p>	
<b>Question for the Board</b>	
n/a	
<b>Recommendation</b>	
n/a	
<b>Appendices</b>	
Appendix A: UK Sustainability Disclosure TAC meeting schedule	

<sup>1</sup> Section B: UK Sustainability Disclosure TAC [Terms of Reference](#)

<sup>2</sup> [Context letter](#) from the Department for Business and Trade (May 2024) suggests that the TAC may wish to consider whether definitions in IFRS S1 and IFRS S2 are sufficiently clear, and whether any significant incompatibilities are identified with those currently used UK adopted international accounting standards.

## TAC meeting – December 2024

1. The 5 December 2024 TAC agenda<sup>3</sup> included a review of, and voting on, the final technical assessment and endorsement recommendations<sup>4</sup> and a summary of the due process<sup>5</sup> adopted. The TAC Secretariat will publish an official record of the meetings and final decisions in due course.
2. A verbal update will be provided by the UKEB TAC committee member at the UKEB's 12 December 2024 meeting.
3. Appendix A contains a summary of the TAC's draft technical assessment and endorsement recommendations, and Appendix B contains links to the agenda and papers of previous UK Sustainability Disclosure TAC meetings.

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<sup>3</sup> TAC Public Meeting December 2024 [Agenda](#)

<sup>4</sup> Technical assessment of IFRS S1 and IFRS S2 - [Technical assessment and endorsement recommendations](#)

<sup>5</sup> Technical assessment of IFRS S1 and IFRS S2 - [Due process summary](#)

## Appendix A: Draft technical assessment recommendations

- A1. The table below provides a summary of the TAC's draft technical assessment and endorsement recommendations.

Technical area	Endorsement recommendation	
International interoperability	N/A	N/A as this is an implementation matter.
Materiality of sustainability-related financial information	✓	Maintain the requirements without amendment, but note there are differing views on the expected application of materiality.
Identifying sustainability-related risks and opportunities	✓	Maintain the requirements without amendment.
Sources of guidance	✓	Maintain the requirements without amendment, but note there are differing views.
Location and timing of sustainability-related disclosures	✓	Maintain the requirements without amendment.
Connectivity and integration	✓	Maintain the requirements without amendment.
Commercially sensitive information	✓	Maintain the requirements without amendment.
Judgements, uncertainties and errors, including revising comparatives	✓	Maintain the requirements without amendment.
Reporting entity boundary and consolidated reporting	✓	Maintain the requirements without amendment.
Value chain	✓	Maintain the requirements without amendment.
Current and anticipated financial effects	✓	Maintain the requirements without amendment.
Greenhouse gas emissions: GHG Protocol and measurement methods	✓	Maintain the requirements without amendment, but note there are differing views.
Greenhouse gas emissions: Scope 3 emissions	✓	Maintain the requirements without amendment.

Technical area	Endorsement recommendation	
<b>Greenhouse gas emissions: financed emissions</b>	✗	<p>Amend the requirement in IFRS S2 relating to the use of Global Industry Classification Standard (GICS) when disaggregating gross financed emissions.</p> <p>Amend both IFRS S1 and IFRS S2 to clarify that the reporting date of investment/gross exposure used to calculate financed emissions might not be the same as the current reporting period for the financial statements, and to introduce an additional disclosure requirement when it is impractical to disclose financed emissions generated during the current reporting period.</p> <p>Note there are differing views.</p>
<b>Cross-industry metrics (other than greenhouse gas emissions)</b>	✓	Maintain the requirements without amendment.
<b>Resilience and scenario analysis</b>	✓	Maintain the requirements without amendment.
<b>Targets</b>	✓	Maintain the requirements without amendment.
<b>Transition plans</b>	✓	Maintain the requirements without amendment, but note there are differing views.
<b>Proportionality mechanisms and permanent reliefs</b>	✓	Maintain the requirements without amendment.
<b>Transition reliefs</b>	✗	<p>Remove the transition relief in IFRS S1 that permits delayed reporting in the first year (IFRS S1 paragraph E4).</p> <p>Extend the 'climate-first' reporting relief in IFRS S1 to two years.</p> <p>Note that there are differing views.</p>
<b>Effective date</b>	✗	The TAC defers the decision to the PIC but suggests amended wording for voluntary application of the standards.

## Appendix B: UK Sustainability Disclosure TAC meeting schedule

- B1. UK Sustainability Disclosure TAC meetings were scheduled for the following dates:
- a) 31 May 2024 – [meeting summary](#)
  - b) 18 June 2024 – [meeting summary](#)
  - c) 15 July 2024 – [meeting summary](#)
  - d) 3 September 2024 – [meeting summary](#)
  - e) 8 October 2024 – [meeting summary](#)
  - f) 5 and 15 November 2024 – [meeting summary](#)
  - g) 28 November 2024 - cancelled
  - h) 5 December 2024 – final meeting and recommendations
- B2. The public meeting agenda, technical papers and summary minutes from the TAC meetings can be found on the UK Sustainability Disclosure Technical Advisory Committee website<sup>6</sup>.

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<sup>6</sup> [UK Sustainability Disclosure Technical Advisory Committee](#)