

Appendix A: Sustainability Update

ISSB

February 2025 meeting

- A1. The International Sustainability Standards Board (ISSB) met in Montreal on 20–21 February 2025. The topics discussed were research projects on Biodiversity, Ecosystems and Ecosystems Services (BEES) and Human Capital.

Research project on BEES

Background on other BEES-related standards and frameworks and their comparison with ISSB and SASB Standards

- A2. The ISSB discussed¹ the aspects of other standards and frameworks related to BEES that could be considered in developing the ISSB standards and educational resources. The ISSB was not asked to make any decisions.
- A3. The ISSB considered² the comparison of other BEES-related standards and frameworks to IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and SASB standards and supported the staff's recommendation for further research on the following areas to better understand their relevance to investors' decisions:
- a) information about an entity's use of stakeholder engagements to help identify and assess risks;
 - b) information about how an entity's risk management processes take into account BEES-related issues;
 - c) information about how entities apply 'mitigation hierarchy' to strategic decisions; and
 - d) industry-specific information about BEES-related topics not included in SASB standards such as plastic use and pollution.

¹ ISSB February 2025 meeting – Project: Biodiversity, Ecosystems and Ecosystem Services, Topic: Agenda paper 3A - [Background on other BEES-related standards and frameworks](#)

² ISSB February 2025 meeting – Project: Biodiversity, Ecosystems and Ecosystem Services, Topic: Agenda paper 3B - [Comparison of other BEES-related standards and frameworks to IFRS S1 and SASB Standards](#)

Nature related risks and opportunities

- A4. The ISSB received³ an overview of the Taskforce on Nature-related Financial Disclosures (TNFD) work focusing on how nature-related issues are relevant to investors and on TNFD's work on interoperability and alignment. It was highlighted that the feedback received from the first-time users of European Sustainability Reporting Standards (ESRS) will be useful, given the alignment with all 14 TNFD recommendations.
- A5. The ISSB will continue to discuss this project and will consider further opportunities to promote interoperability between ISSB Standards and other widely used frameworks.

Research project on Human Capital

- A6. The ISSB discussed⁴ the findings of the staff's assessment on evidence of investors' interest in information about risks and opportunities related to human capital and its effects on the entity's prospects. The key findings were noted as:
- a) investors in all jurisdictions had expressed interest in information about human capital-related risks and opportunities and considered it in their investment decisions;
 - b) many investors were interested in information related to working conditions and exploitation; health, safety and wellbeing; diversity and inclusion; pay and benefits; and
 - c) investors cited challenges in accessing information about human capital, including its limited availability and poor quality, inconsistent reporting over time or geographical variations.
- A7. One of the Vice-Chairs noted that a starting point for current and anticipated financial effect estimations for topics such as employee benefits, provisions and contingent liabilities could be IFRS Accounting Standards. Another ISSB member suggested that the staff work with the IASB staff to strengthen connectivity in this area.
- A8. The ISSB will receive further updates on this topic and was not asked to make any decisions.

³ ISSB February 2025 meeting – Project: Biodiversity, Ecosystems and Ecosystem Services, Topic: Agenda paper 3C - [Nature-related risks & opportunities The TNFD recommendations](#)

⁴ ISSB February 2025 meeting – Project: Research Project - Human Capital, Topic: Agenda paper 4B - [Analysis of evidence of investor interest in human capital-related information](#) and Agenda paper 4C - [Evidence of effects on an entity's prospects](#)

Other ISSB updates

- A9. The ISSB has published⁵ guidance entitled *Using the GHG Protocol for climate-related disclosures* which focuses on Greenhouse Gas (GHG) emissions accounting.

UK updates

- A10. The UK Sustainability Disclosure Technical Advisory Committee (TAC) will meet⁶ in private on 25 March 2025. The UK Sustainability Disclosures Policy and Implementation Committee (PIC) last met⁷ on 16 January 2025. The Committee discussed the carbon credits requirements in IFRS S2. It also discussed the process for moving to the forthcoming consultation on the draft UK Sustainability Reporting Standards (UK SRS).
- A11. Carbon Tracker published⁸ a report on the extent to which companies disclose their consideration of climate-related risks within financial statements, and the extent to which auditors do so in their audit reports. The report highlighted that evidence of consideration of climate-related matters varies significantly across jurisdictions.

European and International updates

- A12. The European Commission (EC) has proposed⁹ several pieces of legislation ('omnibus package') that aim to significantly reduce sustainability and due diligence reporting required by the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD).
- A13. The EU Platform on Sustainable Finance published¹⁰ 'Building trust in transition: core elements for assessing corporate transition plans'. This report provides advice to the EC on the development and assessment of corporate transition plans.
- A14. The Sustainability Standards Board of Japan (SSBJ) has issued¹¹ its inaugural three sustainability disclosure standards (SSBJ standards). The standards are aligned with the ISSB standards with some jurisdiction-specific alternatives.

⁵ [ISSB seventh episode of the 'Perspectives on sustainability disclosure' webinar series](#)

⁶ [UK Sustainability Disclosure TAC Meetings and Summaries](#)

⁷ [16 January 2025: UK Sustainability Disclosures Policy and Implementation Committee \(PIC\) – summary minutes](#)

⁸ [Report: Flying Blind: Accounting and Audit Regulation](#) (March 2025)

⁹ [Commission simplifies rules on sustainability and EU investments, delivering over €6 billion in administrative relief](#)

¹⁰ [Building trust in transition: core elements for assessing corporate transition plans EU Platform on Sustainable Finance \(January 2025\)](#)

¹¹ [Japan Releases Inaugural IFRS-Aligned Sustainability Reporting Standards](#)

Appendix B: Due Process Compliance Statement: *Provisions – Targeted Improvements*

The International Accounting Standards Board (IASB) published the Exposure Draft IASB/ED/2024/8 *Provisions – Targeted Improvements*¹ on 12 November 2024. The IASB comment period ended on 12 March 2025.

Influencing process

Project preparation

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Added to UKEB technical work plan [Due Process Handbook (Handbook) 4.30]	Mandatory	Project included in the UKEB published technical work plan	Complete: The Amendments were included in the UKEB technical work plan published in October 2024 .

¹ [IASB proposes targeted improvements to requirements for provisions.](#)

² In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14]	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for influencing (key milestones and timing)	Complete: The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities. The PIP was approved at the 17 October 2024 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	Complete: The PIP (referred to above) included the outreach plan and approach.
	Mandatory	Resources allocated	Complete: One Project Director and one Project Manager, with technical support and oversight from a Senior Project Director. Communications support was obtained as appropriate.

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14] (continued)	Mandatory	Assessment of whether to set up an ad-hoc advisory group	Complete: Taking a proportionate approach, an ad-hoc advisory group was not considered necessary. The existing UKEB Advisory/Working Groups are well placed to provide feedback on this project.
	Mandatory	Assessment of whether PIP required updating	Complete: We monitored this throughout the project, the nature and scope of which remained as proposed in the original PIP.
	Mandatory	UKEB Board public meeting held to approve PIP	Complete: The PIP was approved at the 17 October 2024 Board meeting.
Education sessions [Handbook 4.10]	Optional	Board provided with education sessions	Complete: The Board was provided with an education session on the proposed amendments on 28 November 2024 .

Desk-based research

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
<p>Desk-based research [Handbook 5.9 and A3]</p>	<p>Optional</p>	<p>Review of relevant documentation</p>	<p>Complete: the Secretariat has reviewed relevant documentation, including:</p> <ul style="list-style-type: none"> • The IASB’s work on the proposed amendments including the staff papers, educational material (i.e. webcast) and the Exposure Draft (ED) • The Basis for Conclusions to the ED • IFRIC Agenda Decision on climate-related commitments • IFRIC Agenda Decision on negative low emission vehicle credits • Other standard-setters’ views and • Relevant material produced by third parties, including accounting firms

Outreach

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
<p>Outreach activities [Handbook 5.10 to 5.12 and A4 to A8]</p>	<p>Mandatory</p>	<p>Evidence of consultation</p>	<p>Complete:</p> <p>Outreach activities focused on:</p> <ul style="list-style-type: none"> • Consultation with UKEB Advisory and relevant Working Groups. • One to one interviews with accounting firms, regulators/government bodies, preparers, and users of accounts. • Investor roundtable discussions. • Obtaining responses to the Draft Comment Letter (DCL). <p>The UKEB received one formal comment letter. The Feedback Statement summarises feedback received on the UKEB's preliminary views.</p>

Draft Comment Letter (DCL)

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
DCL published for comment (mandatory unless impracticable) [Handbook paragraphs 5.13 to 5.17 and A4(d)]	Mandatory	Comment period set for responses to DCL	Complete: The DCL was published for consultation for 52 days on 20 December 2024 (comment period deadline: 10 February 2025).
	Mandatory	Review and approval at a UKEB public meeting	Complete: The DCL was reviewed and approved by the Board on 12 December 2024 , subject to amendments suggested at that meeting.
	Mandatory	DCL published on website for public consultation	Complete: The DCL was published on the UKEB website for public consultation on 20 December 2024 (comment period deadline: 10 February 2025).

Project finalisation and project closure

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Final Comment Letter (FCL) [Handbook paragraph 5.18 and A4(d)]	Mandatory	Public responses to DCL considered and published on website	Complete: The UKEB received one comment letter which was published on the UKEB website. Responses in that letter were assessed, reflected as appropriate in the FCL and summarised in the Feedback Statement.
	Mandatory	FCL approved by the UKEB in public meeting	Complete: A draft of the FCL was approved at the UKEB public meeting on 27 February 2025.
	Mandatory	FCL submitted to the IASB and posted on UKEB website	Complete: Following Board approval, the letter was submitted to the IASB on 12 March 2025 and published on the UKEB website .
Feedback Statement [Handbook 5.19 to 5.22 and A9 to A11]	Mandatory	Feedback Statement approved for publication by the UKEB in a public meeting	Complete: A draft of the Feedback Statement was approved at the UKEB public meeting on 27 February 2025.
	Mandatory	Feedback Statement published on the UKEB website	Complete: Following Board approval, the final version of the Feedback Statement was published on the UKEB website .
Due Process Compliance Statement (DPCS)	Mandatory	DPCS approved by the UKEB in public meeting	Pending: A draft DPCS was presented for approval to the Board at its 27 February 2025 public meeting. [The final DPCS was presented, for noting, at the UKEB 28 March 2025 meeting].

[Handbook 5.23 to 5.26 and A12 to A14]	Mandatory	DPCS published on the UKEB website	Pending: [The final version of the DPCS was published on the UKEB website after the 28 March 2025 Board meeting.]
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Ongoing communications

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Public Board meetings [Handbook 4.10]	Mandatory	UKEB public meetings held to discuss technical project	<p>Complete:</p> <p>The Board received updates on the project at its May and June meetings in 2023 and at its May, June, and July meetings in 2024.</p> <p>The Board approved the PIP at its meeting on 17 October 2024.</p> <p>Technical discussions were held at the November 2024, December 2024 and January 2025 meetings.</p> <p>The DCL was reviewed and approved by the Board at the 12 December 2024 meeting, subject to amendments suggested at that meeting.</p> <p>The FCL, Feedback Statement and draft DPCS were approved at the UKEB 27 February 2025 meeting, subject to suggested amendments.</p>
Secretariat papers [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available usually no later than 5 working days before a Board meeting.	<p>Complete: The UKEB’s meeting papers were published on the UKEB website 5 working days before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website.</p>

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project webpage [Handbook 4.25(b)]	Mandatory	Project webpage contains a project description with up-to-date information on the project.	Complete: The project webpage has been updated regularly on a timely basis.
Subscriber Alerts [Handbook 4.24]	Optional	Evidence that subscriber alerts have occurred	Complete: Subscribers were alerted via email 5 days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion.
News Alerts [Handbook 4.24]	Optional	News Alert to announce publication of key documents	Complete: A News Alert was published on 20 December 2024 to announce the publication of the DCL. Further news alerts were published in January and February 2025 calling for comments. A News Alert was published on 13 March 2025 alerting stakeholders to the FCL and Feedback Statement.

Conclusion
This project complies with the applicable due process steps, as set out in the December 2022 UKEB Due Process Handbook.