

Appendix A: Technical Advisory Committee Update

Executive Summary

Project Type	Monitoring
Project Scope	Limited
Purpose of the paper	
The UK Sustainability Disclosure Technical Advisory Committee (TAC) met on 14 January 2025 to discuss a draft letter to the ISSB Chair summarising the key interpretation issues identified in their recommendation to adopt for 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) in the UK.	
Summary of the Issue	
<p>The TAC was tasked by the Department for Business and Trade¹ (DBT) to assess the IFRS Sustainability Disclosure Standards from a technical perspective and provide advice² 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>The Committee has scheduled monthly meetings throughout 2025. This paper presents a summary of matters considered at the January 2025 meeting for the Board's consideration. At the time of writing, official minutes had not yet been issued.</p>	
Question for the Board	
n/a	
Recommendation	
n/a	
Appendices	
Appendix A: UK Sustainability Disclosure TAC 2025 meeting schedule	

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

² [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 – January 2025

1. The TAC Secretariat will publish an official record of the meetings and final decisions in due course. A summary of the meeting and agenda items is noted below for information.

General Reporting Update³

2. The TAC noted a paper that summarised International Sustainability Standards Board (ISSB) meetings and jurisdictional developments in relation to the adoption of IFRS Sustainability Disclosure Standards.

Interpretation issues and other matters to raise with the ISSB⁴

3. The TAC also considered a draft letter to the Chair of the ISSB which set out a prioritisation of matters identified during the technical assessment of IFRS S1 and IFRS S2 for consideration.
4. The TAC categorised these matters as suggested amendments, matters requiring clarification, matters for engagement, considerations for future standards and matters for ongoing monitoring.
5. The TAC noted five high priority matters requiring further clarification based on the urgency and significance:
 - a) Reporting of financed emissions.
 - b) Disclosure of commercially sensitive information required in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* but exempt from disclosure under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
 - c) The requirement to disaggregate Scope 1 and 2 greenhouse gas emissions between consolidated group and other investees under S2 *Climate-related Disclosures*.
 - d) Guidance on the requirements to revise comparative figures.
 - e) Examples to illustrate current and anticipated financial effects.

Due process summary⁵

6. The TAC noted a summary of the due process followed in the development of the technical assessment and endorsement recommendations.

³ TAC-Update-January - [January 2025 General Reporting Update](#)

⁴ Technical assessment of IFRS S1 and IFRS S2 - [Matters for the ISSB's consideration](#)

⁵ Technical assessment of IFRS S1 and IFRS S - [Due process summary](#)

Appendix A: UK Sustainability Disclosure TAC meeting schedule

- A1. UK Sustainability Disclosure TAC meetings in 2025 are scheduled as follows:
- a) 14 January – meeting summary awaited.
 - b) 11 February
 - c) 25 March
 - d) 13 May
 - e) 10 June
 - f) 8 July
 - g) 16 September
 - h) 14 October
 - i) 11 November
 - j) 9 December
- A2. The public meeting agenda, technical papers and summary minutes from the TAC meetings can be found on the UK Sustainability Disclosure Technical Advisory Committee website⁶.

⁶ [UK Sustainability Disclosure Technical Advisory Committee](#)

Appendix B: Sustainability Update

ISSB

December 2024 meeting – update

- B1. The International Sustainability Standards Board (ISSB) met in Frankfurt on 11 December 2024. The topics discussed were improving the international applicability of the SASB standards and a research project on Human Capital.

Enhancing the SASB Standards

- B2. The staff provided an update¹ on the project and presented a summary of the feedback received from stakeholders during recent engagements. No decisions were made.

Human Capital research project

- B3. The ISSB discussed² a preliminary assessment of investor interest and evidence of the effects of human capital on an entity's prospects. The ISSB was not asked to make any decisions. The staff anticipated presenting further research and analysing implications for standard-setting during the first half of 2025.

Other ISSB updates

- B4. The ISSB welcomed³ the International Organisation of Securities Commissions' launch of its Growth and Emerging Markets (GEM) Committee Network to support the adoption or other use of ISSB Standards. The GEM Committee comprises 31 jurisdictions representing 90% of BRICS market capitalisation.

IFRS Foundation

- B5. The IFRS Foundation published⁴ proposed updates to the *Due Process Handbook (Handbook)* to reflect the creation of the ISSB. The proposed updates are intended to demonstrate that the ISSB and the IASB follow the same transparent standard-setting process. The consultation is open for comments until 28 March 2025.

¹ ISSB [Agenda paper 6](#): Project - Enhancing the SASB Standards (December 2024)

² ISSB Agenda paper [4A](#) Project – Human capital: Preliminary assessment of evidence of investor interest and [4B](#) Project - Human capital: Preliminary assessment of evidence of effects on an entity's prospects (December 2024)

³ [IOSCO's GEM Committee launches a dedicated Network to support its members in the adoption or other use of ISSB Standards](#)

⁴ [IFRS Foundation Trustees consult on updates to standard-setting handbook to reflect the creation of the ISSB](#)

- B6. The IASB and the ISSB have jointly published⁵ a webcast recognising the importance of connectivity between their respective requirements in enabling the provision of high-quality financial information to capital markets.

UK updates

- B7. The **UK Sustainability Disclosure Technical Advisory Committee (TAC)** published⁶ its final recommendations to the UK government, recommending endorsing IFRS S1 and IFRS S2 for use in the UK. The TAC concluded that using the standards as a basis for the UK Sustainability Reporting Standards would support long-term public good in the UK. The TAC met⁷ on 14 January 2025. Please refer to the TAC Update paper of the UKEB 30 January 2025 public Board meeting.
- B8. The **UK Sustainability Disclosures Policy and Implementation Committee (PIC)** met on 16 December 2024⁸. The committee discussed the process for moving to the next phase of work, including the forthcoming consultation on the draft UK Sustainability Reporting Standards (UK SRS).

European updates

- B9. The **European Financial Reporting Advisory Group (EFRAG)** has added⁹ new non-authoritative technical explanations to assist stakeholders in the implementation of the European Sustainability Reporting Standards (ESRSs). These related to climate change mitigation and adaptation targets, biodiversity, and ecosystems.
- B10. The **Global Reporting Initiative (GRI)** and EFRAG have published¹⁰ an interoperability index outlining how GRI requirements relate to the ESRSs.
- B11. The **European Securities and Markets Authority (ESMA)** has launched¹¹ a consultation on amending the European Single Electronic Format (ESEF) requirements seeking stakeholders' views on how they can be applied to sustainability reporting. The proposals also aim to ease the burden associated with financial reporting. Comments are requested by 31 March 2025.

⁵ [New webcast series—Connectivity between the financial statements and sustainability-related financial disclosures](#)

⁶ [UK Sustainability TAC issues final recommendations](#)

⁷ [UK Sustainability Disclosure TAC Meetings and Summaries](#)

⁸ 16 December 2024: [UK Sustainability Disclosures Policy and Implementation Committee \(PIC\) – summary minutes](#)

⁹ [EFRAG ESRS Q&A Platform Compilation of Explanations December 2024](#)

¹⁰ [Advancing collaboration: progress in the GRI and EFRAG partnership](#)

¹¹ [ESMA consults on proposals to digitalise sustainability and financial disclosures](#)

International updates

- B12. **The Financial Accounting Standards Board (FASB)** issued¹² Exposure Draft: *Proposed Accounting Standards Update (ASU) Environmental Credits and Environmental Credit Obligations* (Topic 818). The proposed amendments cover environmental credits, compliance programs and carbon offsets (voluntary carbon credits) and apply to entities that generate environmental credits as well as those that use them. The ED includes recognition and measurement flowcharts, illustrative examples and example quantitative disclosures.
- B13. The **International Federation of Accountants (IFAC)** and the **We Mean Business Coalition (WMBC)**, together with the **Global Accounting Alliance (GAA)**, have published¹³ a report entitled *Building Trust in Sustainability Reporting and Preparing for Assurance: Governance and Controls for Sustainability Information*. The report outlines steps to align sustainability and financial reporting in terms of quality, timing and connectivity, and addresses challenges in sustainability reporting.
- B14. The **Canadian Sustainability Standards Board (CSSB)** has published¹⁴ its first Canadian Sustainability Disclosure Standards (CSDSs) based on IFRS S1 and IFRS S2. The standards are voluntary unless mandated by regulators or governments. CSDS 2 *Climate-related Disclosures* allows a three-year relief period for reporting scope three GHG emissions as opposed to IFRS S2, which allows only one year.
- B15. The **Chinese Ministry of Finance (MOF)**, together with other Chinese ministries and institutions, has published¹⁵ *Sustainability Disclosure Standards for Business Enterprise—Basic Standard (Trial)* for voluntary application until mandatory requirements are announced.
- B16. The **Hong Kong Institute of Certified Public Accountants (HKICPA)** has issued¹⁶ the final Hong Kong sustainability disclosure standards, HKFRS S1 and HKFRS S2, which are fully aligned with the ISSB standards. This follows the publication of a roadmap by the Government of the Hong Kong Special Administrative Region that sets out implementation details for mandatory sustainability disclosures.
- B17. The **Malaysian Stock Exchange (Bursa Malaysia Securities Berhad)** has amended¹⁷ its listing requirements to require main and ACE market participants to provide sustainability disclosures in line with the Malaysian National Sustainability

¹² [Proposed Accounting Standards Update, Environmental Credits and Environmental Credit Obligations \(Topic 818\)](#)

¹³ [New Guidance Advances High-Quality Corporate Sustainability Reporting and Assurance Preparedness](#)

¹⁴ [Canadian Sustainability Disclosure Standards \(CSDS 1 and CSDS 2\): Now Available](#)

¹⁵ [Notice on Issuing the "Corporate Sustainability Disclosure Guidelines - Basic Guidelines \(Trial\)"](#)

¹⁶ [Hong Kong Financial Reporting Standard S1 - General Requirements for Disclosure of Sustainability related Financial Information](#)

¹⁷ [BURSA MALAYSIA REQUIRES SUSTAINABILITY REPORTING USING THE IFRS SUSTAINABILITY DISCLOSURE STANDARDS Enhancements reflect the National Sustainability Reporting Framework](#)

Reporting Framework (NSRF). The NSRF requires the disclosure of sustainability-related information using IFRS S1 and IFRS S2.

- B18. The **Qatar Financial Centre Regulatory Authority** (QFCRA) has published¹⁸ *Proposed Amendments to General Rules on Corporate Sustainability Reporting*, which would align the existing sustainability reporting requirements with IFRS S1 and IFRS S2. The comment period for the amendments ends on 25 March 2025.

¹⁸ [Consultation Paper – CP 2024/03 – Proposed Amendments to General Rules on Corporate Sustainability Reporting](#)

Appendix C: Due Process Compliance Statement: Exposure Draft *Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures* (revised 202X)

The International Accounting Standards Board (IASB) published Exposure Draft (ED) [IASB ED/2024/7 *Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures* \(revised 202x\)](#) on 19 September 2024. The IASB consultation period ended on 20 January 2025.

Influencing process

Project preparation

Step	Mandatory / optional ¹	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 for monitoring in May 2022 and to the UKEB influencing work plan in September 2024 .

¹ In accordance with the [UKEB Due Process Handbook](#) (published December 2022).

Step	Mandatory / optional ¹	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, (including outreach plan for stakeholders, communication approach, resource allocation and an assessment of whether to set up an ad-hoc advisory group, approved at a UKEB Board public meeting.	<p>Complete: Based on the proportionality assessment outlined in the PIP, the Secretariat recommended a ‘Limited scope’ approach, meaning some non-mandatory milestones were not undertaken or were limited, in accordance with paragraphs 3.7 and 5.3 of the UKEB’s Due Process Handbook (i.e. no Board education session, and desk-based research was limited to the proportionality assessment).</p> <p>The PIP included purpose, background, key activities and timelines for the project.</p> <p>One Project Director (0.75 FTE) was allocated to the project.</p> <p>Taking a proportionate approach, an ad-hoc advisory group was not considered necessary, as referred to in the PIP.</p> <p>The PIP was approved at the 17 October 2024 Board meeting and published on the UKEB project webpage.</p>
	Mandatory	Assessment of whether PIP required updating	<p>Complete: We monitored whether the plan required updating throughout the project. Its nature and scope remained as proposed in the original PIP.</p>

Outreach

Step	Mandatory / optional	Metrics or evidence	UKEB Secretariat comments
Outreach activities [Handbook 5.10 to 5.12 and A4 to A8]	Mandatory	Evidence of consultation	Complete: Outreach activities focused on: <ul style="list-style-type: none"> - Highlighting the Draft Comment Letter (DCL) to UKEB Advisory Groups and Working Groups². - Publishing the DCL for public consultation on the UKEB project webpage.

Draft Comment Letter (DCL)

Step	Mandatory / optional	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, review and approval of DCL at a UKEB public meeting and published on website for public consultation	Complete: The Board reviewed and approved the DCL at the 17 October 2024 Board meeting. It was published on the UKEB website on 21 October 2024, for a 30-day consultation period (comment period deadline: 20 November 2024). A News Alert (published on 21 October 2024) and a LinkedIn post (published on 18 November 2024) were issued to solicit stakeholder feedback.

² The UKEB Advisory Groups and UKEB working groups consulted were the Accounting Firms & Institutes Advisory Group (AFIAG) on 7 November 2024, the Investor Advisory Group (IAG) on 4 November 2024, the Preparer Advisory Group (PAG) on 28 October 2024, and the Financial Instruments Working Group (FIWG) on 12 November 2024.

Project finalisation and project closure

Step	Mandatory / optional	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 . The response was assessed and reflected, as appropriate, in the FCL and in the Feedback Statement (FS).
	Mandatory	FCL approved by the UKEB in public meeting and submitted to the IASB, as well as posted on UKEB website	Complete: The Board approved the FCL at its 12 December 2024 public meeting. The FCL was submitted to the IASB and posted on the UKEB website. A News Alert (on 16 December 2024), and a LinkedIn post (on 17 December 2024) were published to alert stakeholders to the FCL.
Feedback Statement (FS) [Handbook 5.19 to 5.22 and A9 to A11]	Mandatory	FS approved for publication by the UKEB in a public meeting and published on the UKEB website	Complete: A draft of the FS was presented to the Board for approval at its 12 December 2024 public meeting. Following Board approval, the final version of the FS was published on the UKEB website .
Due Process Compliance Statement (DPCS) [Handbook 5.23 to 5.26 and A12 to A14]	Mandatory	Draft DPCS approved by the UKEB in public meeting	Complete: A draft DPCS was presented to the Board for approval at its 12 December 2024 public meeting.
	Mandatory	Final DPCS published on the UKEB website	Pending: A final DPCS is presented, for noting, at the Board's 30 January 2025 meeting , and will be published on the UKEB website after the meeting.

Ongoing communications

Step	Mandatory / optional	Metrics or evidence	UKEB Secretariat comments
Public Board meetings [Handbook 4.10]	Mandatory	UKEB public meetings held to discuss technical project	<p>Complete: The Board received regular updates on this project in IASB General Update papers between June 2022 and July 2024³.</p> <p>The Board approved the PIP and the DCL at its 17 October 2024 meeting.</p> <p>The FCL, FS and draft DPCS were reviewed by the UKEB at the 12 December 2024 Board meeting.</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 five working days before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website.</p>
Project webpage [Handbook 4.25(b)]	Mandatory	<p>Project webpage contains a project description with up-to-date information on the project.</p> <p>Consider optional Subscriber Alerts, News Alerts and LinkedIn posts to announce publication of key documents</p>	<p>Complete: The UKEB project webpage has been updated regularly on a timely basis.</p> <p>Optional Subscriber Alerts, News alerts and LinkedIn posts were issued throughout the project, as appropriate, for the publication of the PIP, DCL, FCL & FS, as detailed in the relevant sections above.</p>

³ Links to the IASB General update papers for this project can be found on the [UKEB project webpage](#).

Conclusion

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

Appendix D: Advisory Groups Update

Executive Summary

Project Type	N/A
Project Scope	N/A
Purpose of the paper	
<p>The purpose of this paper is to provide an update on meetings held by the following UKEB Advisory Groups and Working Groups, to accompany the verbal updates given by their Chairs:</p> <ul style="list-style-type: none">• Academic Advisory Group (Chair: Michael Wells)• Accounting Firms and Institutes Advisory Group (Chair: Tony Clifford)• Investor Advisory Group (Chair: Paul Lee)• Preparer Advisory Group (Chair: Giles Mullins)• Rate-regulated Activities Technical Advisory Group (Chair: Phil Aspin)• Financial Instruments Working Group (Chair: Peter Drummond)• Sustainability Working Group (Chair: Seema Jamil-O'Neill)	
Summary of the Issue	
<p>All the groups, set out above, are advisory, consultative groups. They are not decision-making bodies. The advisory groups provide specialist knowledge and information as input into the Board's technical decision-making, while the working groups solely advise the UKEB Secretariat.</p> <p>The Advisory Groups webpage of the UKEB website sets out the purpose of each group, a list of each group's members and their biographies, and a link to its Terms of Reference. In addition, minutes for each AG meeting are uploaded as they become available.</p> <p>The table below also sets out the meetings held by these groups during the last 12 months and includes links to the meeting minutes, available at the time of writing.</p> <p>Since the December 2024 Board meeting, the Financial Instruments Working Group (FIWG) has met. At the time of writing, the summary minutes of that meeting have not yet been published.</p> <p>The summary minutes of the Rate-regulated Activities Technical Advisory Group (RRA TAG) meeting held on 29 November 2024 have been published on the UKEB website.</p>	

Decisions for the Board
No decisions required
Recommendation
The Board is recommended to review the summary minutes of the groups' meetings.

Group	Meeting Date	Link to Minutes	Date of publication
Academic Advisory Group	12 April 2024	Summary Minutes	3 May 2024
	23 September 2024	Summary Minutes	18 October 2024
Accounting Firms and Institutes Advisory Group	14 March 2024	Summary Minutes	11 April 2024
	1 July 2024	Summary Minutes	26 July 2024
	7 November 2024	Summary Minutes	5 December 2024
Investor Advisory Group	26 February 2024	Summary Minutes	22 March 2024
	10 June 2024	Summary Minutes	9 July 2024
	4 November 2024	Summary Minutes	26 November 2024
Preparer Advisory Group	5 March 2024	Summary Minutes	4 April 2024
	17 June 2024	Summary Minutes	16 July 2024
	28 October 2024	Summary Minutes	27 November 2024
Rate-regulated Activities Technical Advisory Group	27 March 2024	Summary Minutes	25 April 2024
	13 May 2024	Summary Minutes	8 July 2024 ¹
	27 June 2024	Summary Minutes	26 July 2024
	20 September 2024	Summary Minutes	18 October 2024
	29 November 2024	Summary Minutes	20 December 2024
Financial Instruments Working Group	16 January 2024	Summary Minutes	15 February 2024
	23 April 2024	Summary Minutes	21 May 2024
	16 July 2024	Summary Minutes	15 August 2024
	12 November 2024	Summary Minutes	11 December 2024
	13 January 2025	To be published	(within 1 month)
Sustainability Working Group	21 October 2024	Summary Minutes	19 November 2024

¹ Publication delayed due to PREPS – Pre-election period of sensitivity