

Appendix A: Sustainability Update

ISSB meetings

ISSB and IASB January 2024 joint meeting

- A1. The ISSB and IASB met in London on 25 January 2024. The meeting considered stakeholder feedback from the ISSB Consultation on Agenda Priorities in relation to the proposed research project on integration in reporting and connectivity matters. Neither board was asked to make any decisions.
- A2. The January 2024 joint meeting papers are referenced below for information.
- a) Feedback summary—Cover paper¹
 - b) Feedback summary—Connectivity².
 - c) Feedback summary—A project on integration in reporting³

Connectivity

- A3. The UKEB Comment Letter⁴ was referenced (paragraph 11) in the ISSB staff paper regarding interconnected sustainability and accounting standards. The UKEB Comment Letter noted that UK stakeholders, as well as the UKEB's own research, indicated that close alignment and connectivity between financial and sustainability reporting should be a priority for both Boards and that stakeholders do not consider that this was yet complete (UKEB Comment Letter paragraph 24, p.5).
- A4. The Board members recognised that while connectivity had not been a question in Consultation many stakeholders had commented on its importance. The Board members discussed stakeholder feedback and noted the need to demonstrate the connected work of the staff and board members to stakeholders more clearly.

Integration in reporting

- A5. Board members noted that two thirds of the users who had responded indicated that they did not consider the project a priority in comparison to the other proposed projects. This was in the context of the ISSB two-year work plan. It was also noted that users had emphasised that the ISSB's focus should be on the successful implementation and adoption of IFRS S1 and S2. The members noted

¹ ISSB January 2024 Agenda [Paper 2](#)
² ISSB January 2024 Agenda [Paper 2B](#)
³ ISSB January 2024 Agenda [Paper 2A](#)
⁴ UKEB [Comment Letter](#) on the ISSB Agenda Consultation

that while a research project on integration in reporting was important to stakeholders, it did not appear to be considered their immediate priority.

- A6. The status or future direction of the *Management Commentary* project was not discussed at the meeting.

Next steps

- A7. The next steps⁵ noted from the joint board were that the “IASB will discuss the direction of the *Management Commentary* project. The ISSB will continue to discuss feedback on the Request for Information and make decisions on the matters raised in it.”

February 2024 meeting

- A8. The ISSB will next meet on 21 February 2024, in New York City, USA, to discuss:
- a) Criteria for assessing the priority of new research and standard setting projects to be added to the work plan⁶.
 - b) Developing educational material on materiality⁷.

IFRS Foundation updates

- A9. The Financial Reporting Council of Nigeria has announced at COP27 that they will move to adopt the International Sustainability Standards Board’s (ISSB) IFRS Sustainability Disclosure Standards in Nigeria when they are issued in 2024⁸. The consultation recommends that the adoption of IFRS Sustainability Disclosure Standards would be a phased approach with full application of the mandatory reporting for all groups of reporting entities from the 2027 reporting year onwards.

Other international updates

- A10. In Q4 2023, EFRAG launched a platform to collect and answer technical questions relating to the implementation of the European Sustainability Reporting Standards (ESRS). On 5 February 2024, EFRAG released the first set of technical explanations in response to the questions received on the platform⁹.
- A11. EFRAG’s Financial Reporting (FR) Technical Expert Group (TEG) and Sustainability Reporting (SR) TEG held a joint meeting on 15 February 2024. The agenda¹⁰ included papers relating to connectivity between financial and sustainability reporting, including connectivity illustrative examples, connectivity principles and

⁵ Joint IASB–ISSB [Update](#) January 2024

⁶ [Criteria for assessing the priority of new research and standard setting projects to be added to the work plan](#)

⁷ [Supporting implementation of IFRS S1 and IFRS S2 Developing educational material on materiality](#)

⁸ ISSB at COP27: [Financial Reporting Council of Nigeria to adopt IFRS Sustainability Disclosure Standards](#)

⁹ [EFRAG ESRS Q&A platform releases first set of technical explanations](#), February 2024

¹⁰ [EFRAG FR TEG & SR TEG Joint hybrid meeting](#), 15 February 2024

a paper on the objectives of different annual report sections. The meeting also discussed feedback to the ISSB agenda consultation, relating to integration in reporting.

- A12. In March 2024, the Canadian Sustainability Standards Board (CSSB) will launch a public consultation to advance the adoption of sustainability standards in Canada¹¹. The consultation will include drafts of the proposed standards (CSDS 1 and CSDS 2) and a discussion paper setting out the CSSB's proposals for introducing changes to the ISSB standards for use in Canada.

UK updates

- A13. A group of institutional investors have written to the Bank of England's Prudential Regulation Authority (PRA) calling on it to implement new climate disclosure requirements for banks. The group are calling for disclosures on how material climate risks have been factored into banks' financial statements, auditor reports and capital adequacy reporting.¹²

¹¹ [Canadian Sustainability Standards Board to launch public consultation, advancing adoption of sustainability disclosure standards in Canada, February 2024](#)

¹² [Investor coalition pushes Bank of England's Prudential Regulation Authority to introduce tougher climate disclosure requirements](#)