

Appendix A: ISSB General Update

ISSB July meeting

- A1. The International Sustainability Standards Board (ISSB) meets in Frankfurt from Wednesday 20 July to Thursday 21 July. No agenda or papers were available at the time of writing. An update on the July ISSB meeting will be included in the September UKEB papers.

ISSB's standards

- A2. The ISSB has issued¹ its inaugural standards—IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The standards are effective for annual reporting periods beginning on or after 1 January 2024.
- A3. The IFRS Foundation has issued an article² entitled “10 things about the ISSB's new standards”. The article notes that information required by the ISSB Standards is designed to be provided in the same reporting package as the financial statements and that ISSB Standards are built on the concepts underpinning IFRS Accounting Standards.

IFRS Foundation updates

- A4. The IFRS Foundation has opened an ISSB office in Beijing³. The opening of the office in China follows the signing of a memorandum of understanding between the IFRS Foundation and the Ministry of Finance of China in December 2022. This office will be a hub for stakeholder engagement in Asia.

UK updates

- A5. The Financial Reporting Council (FRC) submitted a comment letter⁴ to the ISSB on its Request for Information on Agenda Priorities. The FRC strongly supports the development of high-quality global standards for sustainability-related reporting and looks forward to the imminent publication of IFRS S1 and IFRS S2 [subsequently published]. The FRC highlighted the need for a strong framework for the future which would include:
- a) Significant ongoing support for the global implementation for IFRS S1 and IFRS S2;

¹ [ISSB issues inaugural global sustainability disclosure standards](#)

² [Ten things to know about the first ISSB Standards](#)

³ [IFRS Foundation opens ISSB office in Beijing](#)

⁴ [FRC's Response to ISSB's Request for Information on Agenda Priorities](#)

- b) The development of a conceptual framework;
 - c) Clarity over the expected architecture of the standards; and,
 - d) A joint project with the IASB on the integration in reporting as part of the Management Commentary project.
- A6. The FRC has also published⁵ a comment letter in response to the ISSB consultation on the methodology for enhancing the international applicability of the SASB Standards and SASB Standards Taxonomy updates. The key points included:
- a) the narrow scope approach would lead to incremental improvements but would not to full international applicability
 - b) it was unclear whether the amendments to SASB Standards would be subject to further consultation, which would be required if they were to be adoptable in many jurisdictions
 - c) the ISSB needed to recognise that a more fundamental review of the SASB Standards was required before they would be fully internationally applicable and consistent with other IFRS Sustainability Disclosures Standards
- A7. The FRC and the Department for Business and Trade (DBT) are seeking⁶ applications for the Chair position and members of the UK Sustainability Disclosure Technical Advisory Committee (TAC). The TAC will provide recommendations for endorsing the ISSB IFRS Sustainability Disclosure Standards for use in the UK.

International Updates

- A8. The European Financial Reporting Advisory Group's (EFRAG) Financial Reporting (FR) Technical Expert Group (TEG) approved the composition of the EFRAG Connectivity Advisory Panel (EFRAG CAP) and welcomed the establishment of the EFRAG Connectivity Community⁷. EFRAG CAP will advise EFRAG FR TEG on the proactive research project on the connectivity between financial reporting and sustainability reporting information.
- A9. EFRAG has also launched⁸ a call for candidates for three advisory bodies to consider the "development and maintenance" of sustainability reporting standards for the financial sector.

⁵ [FRC responds to ISSB consultation and request for information](#)

⁶ [Applications open for Chair and Members of UK Sustainability Disclosure Technical Advisory Committee](#)

⁷ [Launch of the EFRAG Connectivity Advisory Panel - Composition and related Community](#)

⁸ [EFRAG seeks advisory panel members to work on financial sector sustainability standards](#)

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- A10. The European Commission (EC COM) has launched⁹ a consultation on a draft delegated regulation supplementing the European Accounting Directive as regards sustainability reporting standards. The draft regulation is open for feedback until 7 July 2023.
- A11. The EU COM's proposals on sustainability reporting standards were released on 9 June 2023. The EU executive has chosen to not make all disclosure requirements compulsory and to delay the reporting of downstream Scope 3 emissions for companies with fewer than 750 employees.
- A12. The International Public Sector Accounting Standards Board (IPSASB) has announced¹⁰ that, in view of the responses to its May 2022 consultation, it will develop sustainability reporting standards for the public sector.
- A13. The World Economic Forum (WEF) has announced¹¹ the establishment of a Forum ISSB Preparers Group, comprising corporate leaders with expertise in sustainability reporting. The group aims to provide insights and practical examples to the ISSB following the release of its first sustainability standards.
- A14. The International Federation of Accountants (IFAC) and the We Mean Business Coalition (WMBC), in partnership with Accounting for Sustainability (A4S), Global Accounting Alliance (GAA) and World Business Council for Sustainable Development (WBCSD) have released¹² guidance to help professional accountants and finance professionals deliver robust greenhouse gas (GHG) reporting.
- A15. The US Securities and Exchange Commission (SEC)'s climate disclosure rule timeline for publishing the final climate rule has been revised to October 2023.

⁹ [European Commission consults on draft delegated regulation with regard to ESRS](#)

¹⁰ [PSASB will develop climate-related disclosures standard](#)

¹¹ [World Economic Forum and ISSB Partner to Compile Learnings on Early Sustainability Reporting Efforts](#)

¹² [New guidance published on GHG reporting](#)