

Appendix A: Sustainability Update

ISSB meetings

October meeting

- A1. The ISSB met in hybrid, from Frankfurt, Germany, on 24-25 October 2023 to discuss:
- a) Supporting the implementation of IFRS S1 and IFRS S2¹.
 - i. The ISSB were provided with an update on development of educational material to support the implementation of IFRS S1 and S2. It was noted that staff were developing material to support nature and social disclosures (IFRS S2), interoperability with other relevant standards and current and anticipated financial effects.
 - ii. The ISSB recommended that the staff liaise with the International Accounting Standards Board (IASB) to benefit from their implementation experience. No decisions were required of the ISSB.
 - b) International Applicability of the SASB Standards².
 - i. The ISSB discussed the SASB Standards Board Advisor Group's decisions in relation to feedback on the Exposure Draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*. It was noted that the SASB Standards Board Advisors were satisfied with the proposed amendments and considered that the SASB Standards could be finalised. No decisions were required of the ISSB.
 - ii. The ISSB noted stakeholder feedback which included comments on jurisdictional adoption, interoperability, and the future roadmap for SASB Standards. The ISSB advised that, as these areas were outside of the scope of the Exposure Draft it would consider this feedback as part of the Agenda Consultation at a future meeting.
 - iii. The SASB Standards Board Advisors plan to recommend finalised SASB Standards at the December 2023 ISSB meeting. The review

¹ Supporting the implementation of IFRS S1 and IFRS S2 (Agenda Paper 9)

² International Applicability of the SASB Standards - Results of the public comment period for the Methodology Exposure Draft ([Agenda Paper 8](#))

period for the ‘black line’ amendments³ to the SASB Standards closes on 10 November 2023. The ISSB has requested to be advised of any ‘fatal flaws’ identified by stakeholders but will not be considering any further stakeholder comments. As noted in the October UKEB sustainability update, the IFRS Foundation Due Process Oversight Committee approved this approach.

- c) Global Sustainability Standards Board (GSSB)⁴.
 - i. Carol Adams, Global GSSB Chair, provided an update on the GSSB work programme for Global Reporting Initiative (GRI) Standards for 2023-2025. No decisions were required of the ISSB.

A2. The next ISSB meeting is scheduled to be held on 13-17 November 2023, in Beijing, China. Due to the timing of the ISSB meeting an update will be provided at the UKEB December 2023 meeting. The ISSB November 2023 agenda includes:

- a) ISSB Consultation on Agenda Priorities: A summary of feedback from the public comment period for the Request for Information⁵. The paper excludes feedback on the proposed research project on integration in reporting as it will be presented at a future joint meeting of the ISSB and IASB.
- b) IFRS Sustainability Disclosure Taxonomy: A summary of feedback and content on the Proposed IFRS Sustainability Disclosure Taxonomy⁶.

IFRS Foundation updates

A3. The ISSB has advised that the kick off meeting for the Transition Implementation Group⁷ (TIG) on IFRS S1 and IFRS S2 will be held on 21 November 2023. The agenda includes operating procedures and TIG member⁸ observations on implementation to date. This group appears to be similar in operation to the IASB Transition Resource Groups (TRG).

A4. IFRS Foundation Monitoring Board met in Panama City in October 2023 and issued a media release⁹ encouraging the ISSB to seek input from investors, called for ‘robust due process’ and reiterated the importance of the work of the IASB as well as the need for ‘collaboration between the IASB and the ISSB to facilitate connectivity between financial and sustainability reporting.’

³ [International Applicability of SASB Standards](#)

⁴ [GSSB Work Program 2023-2025](#)

⁵ [ISSB Consultation on Agenda Priorities - Feedback summary—Cover paper and overview](#)

⁶ [Summary of feedback on the Proposed IFRS Sustainability Disclosure Taxonomy](#) and [Summary of content in the Proposed IFRS Sustainability Disclosure Taxonomy](#)

⁷ [Transition Implementation Group on IFRS S1 and IFRS S2 \(TIG\) meeting](#)

⁸ [Members of Transition Implementation Group on IFRS S1 and IFRS S2](#)

⁹ [IFRS Foundation Monitoring Board meets in Panama City, Panama](#) (23 October)

- A5. The ISSB presented a proposed adoption strategy¹⁰ at IFRS Advisory Council meeting on 7 November 2023. This is the next iteration of the ISSB 'jurisdictional journey towards implementing IFRS S1 and IFRS S2 – Adoption Guide overview¹¹'. The adoption strategy will be formerly announced by the ISSB at COP 28 and is thought to include a range of potential 'end states' from local regulators requiring disclosure without any changes to allowing their use in a jurisdiction.
- A6. The IFRS Foundation announced that the Brazilian Ministry of Finance and the Comissão de Valores Mobiliários (CVM) will incorporate ISSB Standards into the Brazilian regulatory framework¹².
- A7. The IFRS Foundation and the capital market regulators from Association of Southeast Asian Nations (ASEAN) announced an engagement protocol¹³. ACMF is currently assessing the feasibility of adopting IFRS Sustainability Disclosures Standards.

Other international updates

- A8. On 18 October 2023, a vote by MEPs in the European Parliament rejected a resolution calling for limitations to be introduced on the European Sustainability Reporting Standards (ESRS), paving the way for final adoption¹⁴. The period for possible objection by the co-legislators on the ESRS Delegated Act ended on 21 October 2023 and the first set of 12 ESRS is now integrated into the European legal framework¹⁵.
- A9. The European Securities and Markets Authority (ESMA) published a report on disclosures of climate-related matters in the financial statements¹⁶. While ESMA notes that it considers IFRS fit for purpose for climate-related matters, it considers that 'real life illustrations of disclosures may assist issuers'.
- A10. The Australian Accounting Standards Board (AASB) has published an Exposure Draft ED SR1 '*Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*¹⁷'. ED SR1 includes three proposed Australian Sustainability Reporting Standards (ASRS Standards) that include modifications to the ISSB Disclosure Standards. The modifications include limiting scope to climate reporting, not referencing SASB Standards and removing the duplicated content between IFRS S2 and IFRS S1.

¹⁰ ISSB Adoption Strategy ([Agenda paper 5](#))

¹¹ The jurisdictional journey towards implementing IFRS S1 and IFRS S2 – [Adoption Guide](#) overview (July 2023)

¹² [Brazil adopts ISSB global baseline, as IFRS Foundation Trustees meet in Latin America](#) (20 October)

¹³ [ASEAN Capital Markets Forum: Moving forward in propelling transition towards sustainable capital markets in the region](#) (16 October)

¹⁴ [Final adoption of ESRS a 'game changer' for mandatory reporting](#) (18 October 2023)

¹⁵ [EFRAG welcomes the final adoption of the ESRS by the European Institutions](#) (23 October 2023)

¹⁶ The Heat is On: [Disclosures of Climate-Related Matters in the Financial Statements](#) (October 2023)

¹⁷ [Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information](#) (October 2023)

- A11. In October 2023 the California state Governor signed 'Climate Corporate Data Accountability Act' [SB 253] and 'Greenhouse gases: climate-related financial risk' [SB 261] into law. ISSB Standards are acceptable framework for reporting under SB-261. US companies in scope conducting business in the state will be required to make quantitative and qualitative climate disclosures. There are no specific exceptions for groups with a non-US parent¹⁸.
- A12. On 3 November 2023, the Hong Kong Stock Exchange (HKEX) announced that the Listing Rule amendments mandating climate disclosures had been postponed¹⁹. The implementation date has been delayed by a year to, 1 January 2025, as the HKEX "intends to take into account the recommended approaches to scaling and phasing-in of requirements available in the ISSB Adoption Guide when finalising the Listing Rule amendments".

UK updates

- A13. The FRC has published Annual Review of Corporate Reporting 2022/23²⁰. In relation to climate-related reports the report suggests that 'companies are still at very different stages of maturity in their reporting'. It noted that it 'was often difficult to determine the extent to which the impact of climate-related targets on the financial statements had been considered, due to lack of company-specific disclosures'.
- A14. On 9 October 2023, the UK's Transition Plan Taskforce (TPT) published its Disclosure Framework²¹ and supporting Implementation Guidance. The Disclosure Framework builds on the recommendations provided by both TCFD and ISSB and aims to help companies deliver "gold standard" climate transition plans. The Framework applies the guiding principles of Ambition, Action and Accountability and is organised across five disclosure elements: Foundations; Implementation Strategy; Engagement Strategy; Metrics and Targets; and Governance.
- A15. On 19 October 2023, the Department for Energy Security and Net Zero (DESNZ) launched a Call for Evidence on Scope 3 emissions in the UK reporting landscape²². The ISSB's Sustainability Disclosure Standards include requirements for entities to report their Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions. Currently, some of the largest UK entities are required to disclose their Scope 1 and Scope 2 emissions in their annual reports, in line with the Streamlined Energy and Carbon Reporting (SECR) framework, but Scope 3 emission reporting remains voluntary. The call for evidence seeks views on the costs, benefits and practicalities of Scope 3 reporting, as well as the existing SECR framework. The closing date for responses is 14 December 2023.

¹⁸ [Need to know California Climate Legislation](#) (Deloitte October 2023)

¹⁹ [HKEX Update on consultation on enhancement of climate disclosures under ESG framework](#), November 2023

²⁰ [Annual Review of Corporate Reporting 2022/23](#) (October 2023)

²¹ [TPT Disclosure Framework](#), October 2023

²² [Scope3 Emissions in the UK Reporting Landscape – Call for Evidence](#), October 2023

Appendix B: Due Process Compliance Statement: Post-implementation Review of IFRS 15 *Revenue from Contracts with Customers*

IASB's due process document	
Request for Information Post-implementation Review of IFRS 15 <i>Revenue from Contracts with Customers</i>	<ul style="list-style-type: none"> Published: 29/06/2023 Comment deadline: 27/10/2023

General UKEB requirements: The UKEB adopts international accounting standards for use within the UK, in accordance with SI 2019/685 and applies its own processes before it decides to endorse and adopt a new or amended international accounting standard.

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
Work plan			
Technical project added to UKEB technical work plan [Due Process Handbook (DPH) [4.29]	Mandatory	Project is included in the UKEB published technical work plan	Complete: The Post-implementation review (PIR) was included in the UKEB technical work plans as an active monitoring project from October 2022 and as an active influencing project from June 2023 .
Project preparation			
Project Initiation Plan (PIP)	Mandatory	PIP draft with project outline (background,	Complete: taking a proportionate approach, the Secretariat included mandatory milestones for the project and

¹ In accordance with the [Due Process Handbook](#).

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
[DPH 5.4 to 5.8]		scope, project objective) and approach to influencing (key milestones and timing) proportionate to the project	considered, as appropriate, other milestones and activities.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	Complete: this plan was outlined in the PIP. In addition the Secretariat published a project webpage on the UKEB website.
	Mandatory	Resources allocated	Complete: One project director supported by one project manager, with communications and oversight from a Senior Project Director, as described in the PIP.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	Complete: Assessed. Given the scope and nature of the project, it was not considered necessary to set up a separate, ad-hoc advisory group, as the existing UKEB Advisory Groups are well placed to provide feedback on this project.
	Mandatory	UKEB Board public meeting held to approve PIP	Complete: The PIP was approved at the 22 June 2023 Board meeting .
Education sessions	Optional	UKEB education or initial	Complete: An education session was presented at the 27 April 2023 Private Board meeting , covering background

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
[DPH 4.10]		assessment	information on IFRS 15 and the PIR.
Desk-based research [DPH 5.9]	Optional	Identify relevant research sources and documents	<p>Complete: The Secretariat has reviewed:</p> <ul style="list-style-type: none"> • The IASB's work on the Request for Information (Rfi), i.e. IASB staff papers, draft Rfi; • Accounting manuals and press releases for guidance and illustrative examples; • IFRS Interpretations Committee Agenda Decisions relating to IFRS 15; and <p>FRC thematic reviews of IFRS 15 disclosures undertaken in 2018, 2019, and 2020.</p>
Communications			
Public board meetings [DPH 5.4, 5.14]	Mandatory	UKEB Board public meetings held to discuss technical project	<p>Complete: The Secretariat gave an update on the project to the Board at the 27 April 2023 meeting.</p> <p>22 June 2023 meeting: the Board discussed and approved the PIP.</p> <p>13 July 2023 meeting: the Board discussed and approved the Draft Comment Letter (DCL) for consultation.</p> <p>19 October 2023 meeting: the Board discussed and approved the following documents:</p> <ul style="list-style-type: none"> • Final Comment Letter; • Feedback Statement; and • [Draft] Due Process Compliance Statement.

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
Secretariat papers [DPH 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis	<p>Complete: The UKEB’s April, June, July and October 2023 meeting papers were published on the UKEB website one week before the relevant public meetings and subscribers notified via UKEB News Alerts.</p> <p>Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers were notified via UKEB News Alerts.</p>
Project webpage	Optional	Project webpage contains a project description with up-to-date information on the project	<p>Complete: The project webpage was created in March 2023 and updated regularly with project status and additional materials.</p>
News Alerts [DPH A4(d)]	Optional	Evidence that subscriber alerts have occurred	<p>Complete: Subscribers were alerted via email five days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion.</p> <p>A News Alert was also issued on the UKEB website on 27 July 2023, alerting subscribers to the DCL publication.</p>
Outreach activities			
Outreach activities [DPH 5.11]	Mandatory	Gather input from users, preparers and accounting firms and institutes, as outlined in the PIP	<p>Complete: 34 stakeholders, representing users and preparers of financial statements, accounting firms and regulators were consulted during the project. Further detail can be found in the Feedback statement.</p> <p>The UKEB received four comment letters, three of which are published on the UKEB</p>

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
			project web page (one letter was provided confidentially).
Preparation of Documents for public comment			
DCL published for comment [DPH 5.13 to 5.17]	Mandatory	Review and approval at UKEB public meeting	Complete: DCL reviewed and approved at the 13 July 2023 Board meeting .
	Generally mandatory	DCL published on website for public consultation	Complete: The Secretariat published the approved DCL on the UKEB project web page for a 70-day comment period from 27 July 2023 to 5 October 2023. A News Alert and LinkedIn post announcing the publication of the DCL was also published on 27 July 2023.
Project finalisation and project closure			
Final Comment Letter (FCL) submitted before comment period ends [DPH 5.18]	Mandatory	FCL approved by UKEB in public meeting	Complete: The FCL was presented to the Board at the 19 October 2023 public meeting and approved for publication on the UKEB website and for issue to the IASB.
	Mandatory	Submitted before end of IASB consultation period [27 October 2023] and published on UKEB website	Complete: The FCL was submitted to the IASB on 26 October 2023 and published on the UKEB website on the same day.
	Mandatory	News Alert published to	Complete: A News Alert and LinkedIn post announcing publication of the FCL was

Influencing process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		announce publication	published on 26 October 2023.
Feedback statement [DPH 5.19 – 5.22]	Mandatory	Feedback statement approved by UKEB in public meeting	Complete: The Feedback Statement was presented to the Board at the 19 October 2023 public meeting and approved for publication.
	Mandatory	Feedback statement published on UKEB Website	Complete: The Feedback Statement was published on the UKEB website on 26 October 2023.
	Mandatory	News Alert published to announce publication	Complete: A News Alert and LinkedIn post announcing publication of the Feedback Statement was published on 26 October 2023.
Due Process Compliance Statement (DPCS) [DPH 5.23 – 5.26]	Mandatory	Due Process Compliance Statement approved by UKEB in public meeting	Complete: The [draft] DPCS was presented to and approved by the Board at the 19 October 2023 public meeting .
			This meeting: The final DPCS is presented for noting at the Board’s 16 November 2023 public meeting.
	Mandatory	Due Process Compliance Statement posted on UKEB Website	To take place: The final DPCS will be published on the UKEB website after the 16 November 2023 Board meeting.

Conclusion

This document sets out the main due process activities performed as part of the UKEB's due process to issue its comment letter in response to the IASB's Request for Information.

This project complies with the applicable due process steps, as set out in the UKEB Due Process Handbook at the time of writing.