

# Appendix A: Sustainability Update

## ISSB meetings

### April 2024 meeting – update

- A1. The International Sustainability Standards Board (ISSB) will meet on 23 April 2024, in Frankfurt, Germany, to discuss the ISSB consultation on Agenda Priorities – Projects to add to the work plan<sup>1</sup>.

## IFRS Foundation updates

- A2. The first episode of the IFRS Foundation podcast series ‘ISSB Implementation Insights’ has been published<sup>2</sup>. The first podcast includes questions raised by preparers at the initial ISSB Transition Implementation Group (TIG) meeting.
- A3. The ISSB has begun publishing the status of jurisdictional consultation and adoption of its standards<sup>3</sup>. The current situation is that Canada, Japan and Singapore are consulting. Australia and Malaysia have recently closed their consultations. Several other jurisdictions<sup>4</sup> have announced decisions to adopt or otherwise use the ISSB Standards.
- A4. The ISSB Chair Emmanuel Faber has met<sup>5</sup> with the Presidents of Kenya and Nigeria and government ministers in South Africa to discuss the work of the ISSB.

## UK updates

- A5. The Department for Business and Trade (DBT) published a summary of stakeholder responses to the Non-financial Reporting Review call for evidence<sup>6</sup>, and an impact assessment<sup>7</sup>.
- A6. One of the main findings was that ‘Respondents expressed strong support for greater comparability in sustainability related reporting and the UK’s pursuit of International Sustainability Standards Board (ISSB) standards as a solution to issues caused by reporting against a variety of standards’.

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<sup>1</sup> [Projects to add to the work plan – Staff paper Agenda reference: 2 ISSB meeting April 2024](#)

<sup>2</sup> [First episode of the ISSB Implementation Insights podcast now available](#)

<sup>3</sup> [Progress towards adoption of ISSB Standards as jurisdictions consult](#)

<sup>4</sup> These include Brazil, Costa Rica, Sri Lanka, Nigeria and Turkey

<sup>5</sup> [ISSB Chair meets with leaders in Kenya, Nigeria and South Africa](#)

<sup>6</sup> [Department for Business & Trade: Non-Financial Reporting Review Call for Evidence: summary of responses March 2024](#)

<sup>7</sup> [The Companies \(Non-financial Reporting\) \(Amendment\) Regulations 2024: impact assessment](#)

- A7. The Financial Reporting Council (FRC) announced<sup>8</sup> the launch of its first market study to examine the UK market for sustainability assurance services. The study aims to ensure this rapidly growing market is functioning effectively and providing high quality assurance over companies' sustainability reporting.
- A8. The Transition Plan Taskforce (TPT) has issued<sup>9</sup> its final set of transition plan resources which aim to help business obtain finance for transition to net zero. IFRS S2 *Climate-related Disclosures* requires<sup>10</sup> the disclosure of 'any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies'.

## Other international updates

- A9. On 27 March 2024, the Australian Government introduced a Treasury Laws Amendment (Financial Market Infrastructure and other measures) Bill<sup>11</sup>. The Bill included the implementation of new mandatory climate reporting requirements for certain entities. The legislation introduces standardised, internationally aligned reporting requirements and establishes Australia's climate risk disclosure framework. Reporting requirements will commence from 1 January 2025 for Australia's largest listed and unlisted entities and financial institutions.
- A10. The European Financial Reporting Advisory Group (EFRAG) is preparing guidance<sup>12</sup> to help companies disclose their transition plans in line with ESRS standards.

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<sup>8</sup> [FRC launches market study on UK sustainability assurance market](#)

<sup>9</sup> [Transition Plan Taskforce publishes new resources](#)

<sup>10</sup> IFRS S2 *Climate-related Disclosures*, Strategy and decision-making section, para 14 (iv)

<sup>11</sup> [New legislation to strengthen financial system and boost investment in cleaner, cheaper energy, March 2024](#)

<sup>12</sup> [EFRAG seeks companies to engage in transition plan implementation guidance](#)

# Appendix B: Due Process Compliance Statement: Financial Instruments with Characteristics of Equity – Amendments to IAS 32, IFRS 7 and IAS I

The International Accounting Standards Board (IASB) published the Exposure Draft (ED) *Financial Instruments with Characteristics of Equity*<sup>1</sup> (the Amendments) on 30 November 2023. The IASB comment period ends on 29 March 2024.

## Influencing process

### Project preparation

Step	Mandatory / optional <sup>2</sup>	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	<b>Complete:</b> the Amendments were included in the UKEB technical work plan published in <a href="#">July 2022</a> .

<sup>1</sup> The [ED](#) is available on the IASB website.

<sup>2</sup> In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project Initiation Plan (PIP) [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14]</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for influencing (key milestones and timing)	<b>Complete:</b> The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.  The <a href="#">PIP</a> was approved at the 19 October 2023 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<b>Complete:</b> The <a href="#">PIP</a> included the outreach plan and approach.
	Mandatory	Resources allocated	<b>Complete:</b> One project director (0.8 FTE) and one project manager, with technical support and oversight from a senior project director were allocated to the project.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<b>Complete:</b> Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the moderate nature of the project.
	Mandatory	Assessment of whether PIP required updating	<b>Complete:</b> No updates to the <a href="#">PIP</a> were required.

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project Initiation Plan (PIP)</b> [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14] (continued)	Mandatory	UKEB Board public meeting held to approve PIP	<b>Complete:</b> the <a href="#">PIP</a> was approved at the 19 October 2023 Board meeting.
<b>Education sessions</b> [Handbook 4.10]	Optional	Board provided with education sessions	<b>Complete:</b> The Board was provided with two education sessions, one specifically on the Amendments at the November 2023 Private Board meeting and an additional optional session on the current requirements, contained within IAS 32 <i>Financial Instruments: Presentation</i> , in December 2023.

## Desk-based research

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Desk-based research</b> [Handbook 5.9 and A3]	Optional	Review of relevant documentation	<b>Complete:</b> the Secretariat has reviewed: <ul style="list-style-type: none"> <li>• The IASB’s work on the Amendments, including the staff papers and the ED;</li> <li>• The Illustrative Examples and the Basis for Conclusions to the ED;</li> <li>• Other standard-setters’ views; and</li> <li>• Current guidance within accounting manuals; and</li> <li>• Press releases for further guidance and illustrative examples.</li> </ul>

## Outreach

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Outreach activities [Handbook 5.10 to 5.12 and A4 to A8]</b>	Mandatory	Evidence of consultation	<b>Complete:</b> Due to the narrow-scope nature of the Amendments, consultation activities were focused on consultation with advisory groups, meeting with industry groups, following up with key stakeholders and obtaining responses to the <a href="#">Draft Comment Letter</a> (DCL). The UKEB received three comment letters.  The comment letters received were published on the UKEB website.

## Draft Comment Letter (DCL)

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>DCL published for comment (mandatory unless impracticable) [Handbook paragraphs 5.13 to 5.17 and A4(d)]</b>	Mandatory	Comment period set for responses to DCL	<b>Complete:</b> The <a href="#">DCL</a> was published for consultation for 30 days on 7 February 2024 (comment period deadline: 8 March 2024).
	Mandatory	Review and approval at a UKEB public meeting	<b>Complete:</b> The <a href="#">DCL</a> was reviewed and approved at the Board meeting on 30 January 2024.
	Mandatory	DCL published on website for public consultation	<b>Complete:</b> The <a href="#">DCL</a> was published for consultation for 30 days on 7 February 2024 (comment period deadline: 8 March 2024).

## Project finalisation and project closure

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Final Comment Letter (FCL)</b> [Handbook paragraph 5.18 and A4(d)]	Mandatory	Public responses to DCL considered and published on website	<b>Complete:</b> The UKEB received three comment letters which were published on the UKEB website.  All responses were assessed, reflected as appropriate in the draft <a href="#">FCL</a> and summarised in the <a href="#">Feedback Statement</a> .
<b>Final Comment Letter (FCL)</b> [Handbook paragraph 5.18 and A4(d)] (continued)	Mandatory	FCL approved by the UKEB in public meeting	<b>Complete:</b> A draft of the <a href="#">FCL</a> was presented for approval to the Board at its 28 March 2024 public meeting. The Board approved the <a href="#">FCL</a> subject to suggested amendments.
	Mandatory	FCL submitted to the IASB and posted on UKEB website	<b>Complete:</b> The <a href="#">FCL</a> was submitted to the IASB and posted on the UKEB website on 3 April 2024.
<b>Feedback Statement</b> [Handbook 5.19 to 5.22 and A9 to A11]	Mandatory	Feedback Statement approved for publication by the UKEB in a public meeting	<b>Complete:</b> A draft of the <a href="#">Feedback Statement</a> was presented for approval to the Board at its 28 March 2024 public meeting. The Board approved the draft <a href="#">Feedback Statement</a> , subject to editorial changes.
	Mandatory	Feedback Statement published on the UKEB website	<b>Complete:</b> The final <a href="#">Feedback Statement</a> was published on the UKEB website on 3 April 2024.

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
Due Process Compliance Statement (DPCS) [Handbook 5.23 to 5.26 and A12 to A14]	Mandatory	DPCS approved by the UKEB in public meeting	<b>Complete:</b> A draft DPCS was presented for approval to the Board at its 28 March 2024 public meeting. [A final DPCS was presented for noting at the Board's 26 April 2024 meeting.]
	Mandatory	DPCS published on the UKEB website	<b>[Complete:</b> The final DPCS was published on the UKEB website after the April 2024 Board meeting.]

## Ongoing communications

Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
Public Board meetings [Handbook 4.10]	Mandatory	UKEB public meetings held to discuss technical project	<p><b>Complete:</b> The Board received updates on the project at its <a href="#">June</a>, <a href="#">July</a>, <a href="#">September</a> and <a href="#">October</a> meetings in 2022 and at its <a href="#">January</a>, <a href="#">March</a>, <a href="#">May</a> and <a href="#">June</a> meetings in 2023.</p> <p>It discussed preliminary analysis papers at its <a href="#">December</a> 2023 and <a href="#">January</a> 2024 meetings.</p> <p>The Board approved the <a href="#">PIP</a> at its meeting on 19 October 2023, the <a href="#">DCL</a> at its meeting on 30 January 2024 and the <a href="#">FCL</a> and <a href="#">Feedback Statement</a> at its meeting on 28 March 2024.</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.	<b>Complete:</b> 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.



Step	Mandatory / optional <sup>2</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project webpage</b> <b>[Handbook 4.25(b)]</b>	Mandatory	Project webpage contains a project description with up-to-date information on the project.	<b>Complete:</b> The <a href="#">project webpage</a> has been updated regularly on a timely basis.
<b>Subscriber Alerts</b> <b>[Handbook 4.24]</b>	Optional	Evidence that subscriber alerts have occurred	<b>Complete:</b> 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.
<b>News Alerts</b> <b>[Handbook 4.24]</b>	Optional	News Alert to announce publication of key documents	<b>Complete:</b> A News Alert was published on 30 January 2024 calling for comments on the DCL.  A News Alert was published on 3 April 2024 alerting stakeholders to the FCL. A link to the FCL was sent out to the UKEB advisory groups.  A News Alert announcing publication of the Feedback Statement was published on 3 April 2024.

<b>Conclusion</b>
This project complies with the applicable due process steps, as set out in the December 2022 Handbook.