

© DRSC e.V.	Joachimsthaler Str. 34	10719 Berlin	Tel.: (030) 20 64 12 - 0	Fax: (030) 20 64 12 - 15
	Internet: www.drsc.de			E-Mail: info@drsc.de
<p>Diese Sitzungsunterlage wird der Öffentlichkeit für die FA-Sitzung zur Verfügung gestellt. Die Unterlage gibt keine offiziellen Standpunkte des FA wieder. Die Standpunkte des FA werden in den Deutschen Rechnungslegungs Standards sowie in seinen Stellungnahmen (Comment Letters) ausgeführt. Diese Unterlage wurde von einem Mitarbeiter des DRSC für die FA-Sitzung erstellt.</p>				

FA NB – öffentliche SITZUNGSUNTERLAGE

Sitzung:	13. Sitzung FA NB / 24.01.2023 / 13:00 – 14:00 Uhr
TOP:	04 – ISSB-Update
Thema:	Überblick zu den Aktivitäten des ISSB
Unterlage:	13_04_FA-NB_Update_ISSB_CN

1 Sitzungsunterlagen für diesen TOP

- 1 Für diesen Tagesordnungspunkt (TOP) der Sitzung liegen folgende Unterlagen vor:

Nummer	Titel	Gegenstand
13_04	13_04_FA-NB_Update_ISSB_CN	Cover Note

Stand der Informationen: 19.01.2023

2 Ziele der Sitzung

- 2 Der Fachausschuss Nachhaltigkeitsberichterstattung (FA NB) erhält Informationen über den Stand der Arbeiten des *International Sustainability Standards Board* (ISSB). Diese umfassen die sogenannten erneuten Beratungen (*Redeliberations*) zu den Standardentwürfen IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* und IFRS S2 *Climate-related Disclosure*, die Arbeiten an der *IFRS Sustainability Disclosure Taxonomy* sowie die bevorstehende Konsultation zu den Agenda-Prioritäten des ISSB. Darüber hinaus werden die jüngsten institutionellen Entwicklungen dargestellt.
- 3 Der Fokus der fachlichen Ausführungen ist gerichtet auf IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* und die Konsultation zu den Agenda-Prioritäten des ISSB. Vertiefungen zu den anderen Themenschwerpunkten sind für die kommenden Sitzungen geplant.
- 4 Es stehen keine expliziten Entscheidungen an. Der Tagesordnungspunkt dient ausschließlich zur Information. **Anmerkungen der FA-Mitglieder zu den aktuellen Entwicklungen und Entscheidungen seitens des ISSB sind dennoch ausdrücklich erbeten.** Sie bilden Basis für die weiteren vorbereitenden Arbeiten des Mitarbeiterstabs.



3 Aktuelle Projekte des ISSB

- 5 Das Arbeitsprogramm des ISSB umfasst gegenwärtig die folgenden vier Projekte
- [General Sustainability-related Disclosures](#),
 - [Climate-related Disclosures](#),
 - [IFRS Sustainability Disclosure Taxonomy](#) sowie
 - [ISSB Consultation on Agenda Priorities](#).
- 6 Priorität der Arbeiten des ISSB besitzt die zeitnahe Finalisierung der Standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* und IFRS S2 *Climate-related Disclosure*. In den Arbeitspapieren der Januar-Sitzung des ISSB geht der Mitarbeiterstab des ISSB davon aus, dass das ISSB seine *Redeliberations* zu IFRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information* und IFRS S2 *Climate-related Disclosure* in der Februar-Sitzung des ISSB abschließt.
- 7 Die finalen Standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* und IFRS S2 *Climate-related Disclosure* bilden die Voraussetzung für den Abschluss der Arbeiten an der *IFRS Sustainability Disclosure Taxonomy*. Zeitnah folgen soll ferner die Veröffentlichung des Konsultationsdokuments zu den Agenda-Prioritäten des ISSB.
- 8 Anhang 1 zur Cover Note gibt einen chronologischen Überblick über die Erörterungen des ISSB zu diesen vier Projekten. Die Cover Notes der Arbeitspapiere des ISSB zu IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* und IFRS S2 *Climate-related Disclosure* fassen die getroffenen (vorläufigen) Entscheidungen standardbezogen zusammen (Vgl. [AP 3](#) zu IFRS S1 und [AP 4](#) zu IFRS S2 zur Januar-Sitzung des ISSB).

4 Weitere institutionelle Entwicklungen und Events

- 9 Im Kontext der COP15 (7.-19.12.23 in Montréal, Canada) [verlautbarte](#) das ISSB die Erarbeitung einer Reihe von [Leitlinien und Erleichterungen](#) in Bezug auf die Offenlegung von Scope-3-THG Emissionen. Darüber hinaus verwies das ISSB auf [weitere Arbeitsfortschritte](#) in anderen Themenbereichen, insb. auf Arbeiten zu Ökosystemen (*natural ecosystems*) und zu einem gerechten Wandel (*just transition*).
- 10 Dreizehn Vertreter von Jurisdiktionen und Regionen aus der ganzen Welt wurden in das Sustainability Standards Advisory Forum ([SSAF](#)) berufen. Die Mitglieder des SSAF werden das ISSB fachlich beraten. Gemäß der Pressemitteilung der IFRS Stiftung vom 21. Dezember 2022 umfasst das SSAF
- für Afrika: Pan African Federation of Accountants (PAFA);
 - für Amerika: Brazilian Committee of Sustainability Pronouncements (CBPS), CPA Canada (as interim prior to the establishment of the Canadian Sustainability Standards Board



(CSSB)), Group of Latin American Accounting Standard Setters (GLASS), Mexican Financial Reporting Standards Board (CINIF);

- für Asien-Ozeanien: Accounting Regulatory Department, Ministry of Finance of People's Republic of China (ARD), Institute of Chartered Accountants India (ICAI), Korea Accounting Institute (KAI) and the Financial Services Commission (FSC), Saudi Organization for Chartered and Professional Accountants (SOCPA), Sustainability Standards Board of Japan (SSBJ);
- für Europa: European Financial Reporting Advisory Group (EFRAG), Swiss State Secretariat for International Finance (SIF), UK Financial Reporting Council.

- 11 Am 9. Dezember 2022 führte das ISSB einen [Roundtable](#) mit einer Reihe von Ländern des **Globalen Südens** durch, um gemeinsam mit den anwesenden Vertretern zu beraten, wie die IFRS-Standards für die Offenlegung von Nachhaltigkeitsinformationen weltweit übernommen und wirksam angewendet werden können. Vertreter aus Brasilien, Chile, Ägypten, Indonesien, Kasachstan, Kenia, Nigeria, Mexiko, Pakistan, Südafrika, Sri Lanka, Usbekistan und Simbabwe nahmen an dem Rundtischgespräch teil, und aus Thailand und Papua-Neuguinea gingen schriftliche Kommentare ein.
- 12 Die Treuhänder der IFRS-Stiftung haben gemeinsam mit dem chinesischen Finanzministerium am 29. Dezember 2022 eine [Absichtserklärung](#) (MoU) unterzeichnet zur Errichtung eines Büros der IFRS Stiftung in Peking. Das Büro in Peking soll Mitte 2023 eröffnet werden. Die Arbeiten richten sich auf
- die Leitung um Umsetzung der Strategie des ISSB für Schwellen- und Entwicklungsländer,
 - die Einbindung von asiatischen Stakeholdern sowie
 - die Durchführung von Maßnahmen zum Kapazitätsaufbau für Schwellen- und Entwicklungsländer sowie KMU.
- 13 Die IFRS-Stiftung bietet eine ISSB Corporate Webinar Reihe an. Diese ermöglicht einen detaillierten Einstieg in die beiden vorgeschlagenen Standards IFRS S1 und IFRS S2. Erörtert werden soll, wie Unternehmen die Vorarbeiten, die Datenerfassung und die Prozesse für die ISSB-Berichterstattung in Angriff nehmen können, indem sie auf Instrumente zurückgreifen, die für Unternehmen und Investoren bereits weithin verfügbar sind. Die Webinar-Reihe besteht aus drei Teilen:
- Teil 1 (24. Januar 2023): Bessere Informationen für bessere Entscheidungen – Einführung in die investorenorientierte Nachhaltigkeitsberichterstattung,
 - Teil 2 (31. Januar 2023): Egal welche Größe oder welches Level – Der Einstieg in die Klimaberichterstattung,



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- Teil 3 (7. Februar 2023): Konnektivität und Kontrollen - der Weg zu einer guten Berichterstattung für Investoren.
- 14 Das erste IFRS-Nachhaltigkeitssymposium (**IFRS Sustainability Symposium**) findet am 17. Februar 2023 in Montréal statt. Möglich ist ferner eine virtuelle Teilnahme. Die Agenda und Informationen zur Registrierung sind [hier](#) einsehbar.

Anhang 1

Überblick über die öffentlichen Erörterungen des ISSB

Sitzung	Projekt	Topic	Inhalt/(vorläufige) Entscheidungen
17.-19.01.23	S1	Metrics and targets clarification (<u>AP 3A</u>)	In Agenda Paper 3A, the staff recommend clarifying the objective of disclosures on metrics and targets for both [draft] S1 and [draft] S2 to explain more clearly what the staff believe was the intent in both exposure drafts
	S1	Disclosure of judgements, assumptions and estimates (<u>AP 3B</u>)	At this meeting, the staff are recommending additional disclosures of judgements, assumptions and estimates in order to provide greater transparency to users of general purpose financial reporting and other interested stakeholders, including assurance providers and regulators. These proposals are built on and aligned with concepts and practices in IFRS Accounting Standards, which stakeholders are familiar with.
	S1	Commercially sensitive information about opportunities (<u>AP 3D</u>)	The staff is recommending a targeted exemption related to the disclosure of commercially sensitive information about sustainability-related opportunities in specific circumstances.
	S2	Scenario analysis (<u>AP 4A</u>)	The AP redeliberates the proposed requirement in paragraph 15 of [draft] S2, focusing on how an entity would determine which approach to climate-related scenario analysis it should apply.



	S2	Scope 1 and Scope 2 greenhouse gas emissions (<u>AP 4B</u>)	The AP redeliberates the proposed requirement in paragraph 21(a) of [draft] S2, focusing on whether and what relief the ISSB should provide relating to the compilation of an entity's Scope 1 and Scope 2 GHG emissions information when there are differences in the reporting entity's reporting period and that of entities in its value chain.
	S2	Latest international agreement on climate change (<u>AP 4C</u>)	The AP redeliberates the proposed requirement in paragraph 23(e) of [draft] S2, focusing on the requirement that an entity disclose how its target compares with those created in the latest international agreement on climate change.
	S1 & S2	Reasonable and supportable information that is available at the reporting date without undue cost and effort (<u>AP 3C/4D</u>)	Agenda Paper 3C/4D proposes introducing the concept of 'reasonable and supportable information that is available at the reporting date without undue cost and effort' to both [draft] S1 and [draft] S2. This is to address the challenges noted by some preparers that may arise for some requirements in both [draft] S1 and [draft] S2 that involve a high level of outcome or measurement uncertainty, particularly where forward-looking information is required to be considered or disclosed when preparing sustainability-related financial information.
	S1 & S2	Current and anticipated financial effects and connected information (<u>AP 3E/4E</u>)	Following the discussions at the November 2022 ISSB meeting, the ISSB will continue its redeliberations on the requirements relating to current and anticipated effects of sustainability-related risks and opportunities on financial performance, financial position and cash flows and the connected information requirements

<p>13.-15.12.22</p>	<p>S1</p>	<p>Fundamental Concepts (<u>AP 3A</u>)</p>	<p>The ISSB tentatively decided to clarify the objective of draft S1 by describing:</p> <ul style="list-style-type: none"> a. how the value that an entity creates, preserves or erodes for itself and for its investors and creditors is inextricably linked to the value the entity creates for other stakeholders, society and the natural environment; b. how an entity uses its resources and relationships in creating value for itself and for its investors and creditors; c. how an entity’s reliance on its resources and relationships and the entity’s negative or positive effects on its resources and relationships can give rise to sustainability-related risks and opportunities for the entity; and d. how sustainability-related risks and opportunities can affect an entity’s performance, prospects, business model, strategy, and the value the entity creates for itself and for its investors and creditors over the short, medium and long term. <p>The ISSB also tentatively decided to expand and clarify aspects of the draft S1 Illustrative Guidance:</p> <ul style="list-style-type: none"> a. to clarify the distinction and connection between: <ul style="list-style-type: none"> i. identifying sustainability-related risks and opportunities; and ii. identifying material information about those risks and opportunities. b. to provide additional guidance to help an entity identify the sustainability-related risks and opportunities about which it is required to provide information. Such guidance might include:
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			<ul style="list-style-type: none"> i. a general description of sustainability-related risks and opportunities; ii. a description of factors the entity could consider in identifying sustainability-related risks and opportunities; and iii. a description of the process the entity might follow in identifying sustainability-related risks and opportunities. <p>c. to provide additional guidance to help an entity identify material information in the context of sustainability-related financial disclosures. Such guidance might discuss:</p> <ul style="list-style-type: none"> i. primary users of an entity’s sustainability-related financial disclosures and the decisions they make; ii. how to make materiality judgements that take into account an entity’s specific circumstances; and iii. how to make materiality judgements in conditions of uncertainty. <p>d. to illustrate how an entity with a complex business model, such as one that spans multiple industries, might approach identifying sustainability-related risks and opportunities and identifying material information about those risks and opportunities using the SASB Standards.</p> <p>The additional illustrative guidance described in (a)–(c) would draw on available market resources, including IFRS Practice Statement 2 <i>Making Materiality Judgements</i>, and the International Accounting Standards Board’s Exposure Draft <i>Management Commentary</i>.</p>
	S2	Greenhouse gas emissions (<u>AP 4A</u>)	The ISSB tentatively decided:



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| | | | <ul style="list-style-type: none">a. to remove the proposed requirement in paragraph 21(a)(ii) of draft S2 for an entity to disclose its GHG emissions intensity. Nine of 14 ISSB members agreed with this decision.b. to confirm that draft S2 include no explicit requirement for an entity to disaggregate its disclosure of GHG emissions by constituent gases. Twelve of 14 ISSB members agreed with this decision.c. to introduce a requirement for an entity to use the global warming potential values in the latest assessment by the Intergovernmental Panel on Climate Change, based on a 100-year time horizon. All 14 ISSB members agreed with this decision.d. to introduce a requirement for an entity to disclose information that would enable users of general purpose financial reporting to understand how and why the entity has used specific inputs, assumptions and estimation techniques to measure its GHG emissions. As part of this requirement, an entity would disclose information about changes in the estimation techniques it uses and changes in significant assumptions it makes during the reporting period. All 14 ISSB members agreed with this decision.e. to amend the requirement in paragraph 21(a)(i)(2) of draft S2 so that in disclosing its Scope 2 GHG emissions, an entity would be required to use the location-based method (reflecting the average emissions intensity of its local grid) along with relevant information about contractual instruments related to managing energy it has purchased. |
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		<p>Scope 3 greenhouse gas emissions (<u>AP 4B</u>)</p>	<p>The ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to introduce reliefs for an entity disclosing its Scope 3 GHG emissions, specifically: <ul style="list-style-type: none"> i. a temporary exemption from the requirement for the entity to disclose its Scope 3 GHG emissions for a minimum of one year after the effective date of IFRS S2. Thirteen of 14 ISSB members agreed with this decision. ii. a relief allowing the entity to measure its Scope 3 GHG emissions using information from entities in its value chain with reporting cycles that are not aligned with the entity’s reporting period, on condition that: <ul style="list-style-type: none"> 1. the entity uses the most recent data available without undue cost or effort to estimate and disclose its Scope 3 GHG emissions; 2. the length of the reporting periods is the same from period to period; and 3. the entity discloses the effects of significant events and changes in circumstances that occur between the reporting dates of the entities in its value chain and the date of the entity’s general purpose financial reporting. <p>All 14 ISSB members agreed with these decisions.</p> b. to introduce a framework for measuring Scope 3 GHG emissions, as described in paragraphs 48 and 50 in Agenda Paper 4B: Climate-related Disclosures—Scope 3 greenhouse gas emissions from the December 2022 ISSB meeting. All 14 ISSB members agreed with this decision.
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| | | | <p>c. to introduce requirements, along with the framework for measuring Scope 3 GHG emissions, for an entity to disclose information that would enable users of general purpose financial reporting to understand how the entity measures its Scope 3 GHG emissions. Those requirements would specify that an entity disclose:</p> <ul style="list-style-type: none">i. to what extent (for example, as a percentage of total Scope 3 GHG emissions) the Scope 3 GHG emissions disclosure is estimated using inputs from specific activities in the entity's value chain ('primary data'). All 14 ISSB members agreed with this decision.ii. to what extent (for example, as a percentage of total Scope 3 GHG emissions) the Scope 3 GHG emissions disclosure is estimated using inputs that are verified. All 14 ISSB members agreed with this decision.iii. how the entity is managing (how it is 'thinking about') its Scope 3 GHG emissions if the entity determines it is impracticable to estimate its Scope 3 GHG emissions. Twelve of 14 ISSB members agreed with this decision. <p>d. to introduce relief for an entity making disclosures about its value chain, namely:</p> <ul style="list-style-type: none">i. implementation guidance to help the entity assess which sustainability-related risks and opportunities in its value chain are relevant to users of general purpose financial reporting, using Scope 3 GHG emissions as an example; andii. a requirement for the entity to reassess the scope of its sustainability-related risks and opportunities only if a significant event or a significant change of circumstances occurs. <p>All 14 ISSB members agreed with these decisions.</p> |
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			<p>e. to confirm that all entities would be required to include information about which of the 15 Scope 3 GHG emissions categories—described in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard—are included in the entity’s measurement of its Scope 3 emissions, irrespective of whether its measurement was in accordance with the GHG Protocol Corporate Standard.</p>
		Appendix B (<u>AP 4C</u>)	<p>The ISSB tentatively decided:</p> <p>a. to amend draft S2 so that the industry-based requirements in Appendix B become part of the S2 illustrative guidance;</p> <p>b. to enhance Appendix B:</p> <ul style="list-style-type: none"> i. by responding to stakeholder feedback on the international applicability of some disclosure topics and metrics; ii. by resolving inconsistencies between Appendix B and the SASB Standards; and iii. by resolving inconsistencies between how some of the same or similar metrics are used in different industry-based requirements in Appendix B; and <p>c. to amend Appendix B to correct errors in its scope introduced by the inclusion or omission of some metrics.</p>
		Financed & facilitated emissions (<u>AP 4D</u>)	<p>The ISSB tentatively decided:</p> <p>a. to confirm the proposed disclosure requirements for financed emissions for three industries—Asset Management & Custody Activities, Commercial Banks and</p>



Insurance—and to move these requirements from Appendix B to become part of the draft S2 application guidance. Therefore, an entity would be required to disclose its financed emissions as part of its Scope 3 GHG emissions disclosures. Twelve of 14 ISSB members agreed with this decision.

b. to confirm, for financed emissions disclosures, proposals on:

- i. the use of the term ‘financed emissions’ in the industries listed in (a). Thirteen of the 14 ISSB members agreed with this decision.
- ii. the requirement for an entity in the Asset Management & Custody Activities industry to aggregate its disclosures at the level of total assets under management but that that aggregation cannot obscure material information. All 14 ISSB members agreed with this decision.
- iii. the requirement for an entity to describe its methodology for calculating its financed emissions in the industries listed in (a). All 14 ISSB members agreed with this decision.
- iv. the use of the Global Industry Classification System for the industry-based disclosure of financed emissions. All 14 ISSB members agreed with this decision.

c. to remove the proposed requirement that an entity disclose the GHG emissions intensity of its financed emissions per unit of physical or economic activity. Thirteen of 14 ISSB members agreed with this decision.

d. to remove the proposed requirements for an entity in the Investment Banking & Brokerage industry to disclose its facilitated emissions—that is, these proposed



			<p>disclosure requirements would be excluded from any part of S2. Twelve of 14 ISSB members agreed with this decision.</p> <p>e. to confirm and clarify the proposed requirements for an entity in the Commercial Banks industry or Insurance industry to disclose its undrawn loan commitments—that is, an entity would be required to disclose both its financial exposures and its emissions related to undrawn loan commitments. Thirteen of 14 ISSB members agreed with this decision, one member was absent.</p> <p>f. to confirm and clarify the proposed requirement for an entity in the Commercial Banks industry to provide disclosures on a gross basis—that is, without considering risk mitigation. Thirteen of 14 ISSB members agreed with this decision, one member was absent.</p> <p>g. to amend Appendix B to remove all references to, and requirements for an entity to disaggregate its disclosures by, ‘carbon-related industries’. Thirteen of 14 ISSB members agreed with this decision, one member was absent.</p> <p>h. to amend Appendix B to remove the proposed requirement for an entity to include derivatives when calculating its financed emissions.</p>
	AC	Projects to be included in request for information (AP 2)	<p>The ISSB tentatively decided to seek feedback in the request for information regarding:</p> <p>a. potential research projects on:</p> <ul style="list-style-type: none"> i. biodiversity, ecosystems and ecosystem services; ii. human capital, with an initial focus on diversity, equity and inclusion; and

			<ul style="list-style-type: none"> iii. human rights, with an initial focus on labour rights and communities' rights in the value chain; and b. a potential joint project with the International Accounting Standards Board (IASB) on connectivity in reporting, building on the IASB's Management Commentary project and the Integrated Reporting Framework.
15.-16.11.22	S1	Comparative information and updated estimates (<u>AP 3B</u>)	<p>The ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to amend the proposed requirement set out in paragraph 64 of draft S1 to limit the requirement to revise comparative information to reflect updated estimates, so it would apply to estimates for the previous reporting period disclosed in that previous period, and would not apply to forward-looking estimates disclosed in that previous period; b. to provide illustrative guidance to help an entity apply the requirement. Such guidance may include: <ul style="list-style-type: none"> i. examples of situations in which an entity would be required and would not be required to revise comparative information to reflect updated estimates; ii. examples and explanations of ways to present revised comparative information to reflect updated estimates; and iii. explanations to distinguish three situations in which an entity would be required to revise comparative information: (1) to reflect updated estimates, (2) to reflect a redefined or replaced metric or target, or (3) to correct errors.

	S1	Timing of Reporting (<u>AP 3C</u>)	<p>The ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to confirm the proposed requirement for an entity to report its sustainability-related financial disclosures at the same time as its related financial statements. All 13 ISSB members agreed with this decision. b. to introduce short-term transitional relief that would permit an entity to report its sustainability-related financial disclosures after its financial statements. Eleven of 13 ISSB members agreed with this decision. c. to permit an entity, as part of this transitional relief, to report its annual sustainability-related financial disclosures at the same time as its H1/Q2 earnings reporting. <p>The ISSB will continue to redeliberate the proposed requirement and consider staff recommendations on:</p> <ul style="list-style-type: none"> a. how to articulate the short-term transitional relief to permit an entity to report its annual sustainability-related financial disclosures at the same time as its H1/Q2 earnings reporting; and b. how long this relief will be available after the effective date of S1.
	S2	Strategy and decision-making and climate-related targets (<u>AP 4A</u>)	<p>The ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to confirm and clarify the proposed requirements in paragraphs 13 and 23 of draft S2 for an entity to disclose how climate-related risks and opportunities affect its strategy and decision-making, its plans to transition towards a lower-carbon economy, and its climate-related targets. All 13 ISSB members agreed with this decision.



			<p>b. to require an entity to disclose the assumptions it makes and the dependencies it identifies in developing its transition plans. All 13 ISSB members agreed with this decision.</p> <p>c. not to introduce a requirement for an entity to disclose the implications for its transition plans if its assumptions are not met. Twelve of 13 ISSB members agreed with this decision.</p> <p>d. to require an entity to disclose additional information about its climate-related targets, including:</p> <ul style="list-style-type: none"> i. the scope of the entity's targets. All 13 ISSB members agreed with this decision. ii. the greenhouse gases and the emission scopes that are covered by the entity's emission targets. All 13 ISSB members agreed with this decision. iii. which international agreement on climate change the entity is referencing when applying the requirements in paragraph 23 of draft S2.
	S1 & S2	Current and anticipated financial effects and connected information (<u>AP 3A/4B</u>)	The ISSB discussed respondent feedback on the requirements in IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> (draft S1) and IFRS S2 <i>Climate-related Disclosures</i> (draft S2) relating to the current and anticipated financial effects of sustainability-related risks and opportunities on financial performance, financial position and cash flows. The ISSB also discussed feedback on the requirements in draft S1 for disclosing connected information. To inform future staff recommendations, the ISSB



			<p>discussed illustrative examples of disclosures that may arise from the application of these requirements.</p> <p>The ISSB was not asked to make any decisions.</p>
	TAX	<p>Summary of feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy (<u>AP 7</u>, <u>7A</u>, <u>7B</u>)</p>	<p>The ISSB met on 15 November 2022 to discuss feedback on the staff draft of a proposed IFRS Sustainability Disclosure Taxonomy based on IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> (draft S1) and IFRS S2 <i>Climate-related Disclosures</i> (draft S2).</p> <p>The ISSB was not asked to make any decisions.</p>
01-03.11.22	S1	<p>Sources of guidance to identify sustainability-related risks and opportunities and disclosures (<u>AP 3</u>)</p>	<p>The ISSB tentatively decided to confirm, with modifications, the general approach in paragraphs 50–54 of draft S1 that would permit an entity to use guidance from materials other than IFRS Sustainability Disclosure Standards to identify sustainability-related risks and opportunities and to prepare related disclosures. In particular, the ISSB tentatively decided:</p> <ol style="list-style-type: none"> a. to confirm the requirements proposed in paragraph 53 for identifying information to disclose in the absence of an IFRS Sustainability Disclosure Standard that applies specifically to a sustainability-related risk or opportunity. b. to confirm the requirement to consider the SASB Standards as proposed in paragraphs 51(a) and 54. c. to amend paragraphs 51(b) and 54 to state that preparers are permitted, but not required, to consider the CDSB Framework in identifying both sustainability-related

			risks and opportunities and in preparing disclosures about those risks and opportunities.
	S2	Climate resilience (<u>AP 4</u>)	<p>The ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to require an entity to assess its climate resilience using a method of climate-related scenario analysis commensurate with the entity’s circumstances. The ISSB will do further work to clarify the criteria for an entity to select a method of analysis. b. to remove references to ‘alternative methods’ of assessing resilience from paragraph 15. c. to develop application guidance for paragraph 15 based on guidance from the Task Force on Climate-Related Financial Disclosures. d. to amend the definition of ‘climate resilience’ in Appendix A to draft S2 to clarify that, in relation to uncertainties associated with climate change, an entity’s climate resilience includes its strategic and operational resilience. e. to clarify that an entity would be required to disclose annually the information on climate resilience described in paragraph 15—even if the entity does not use scenario analysis annually. f. to amend the terminology in paragraph 15 to clarify that ‘analysis’ describes the tool (scenario analysis) that an entity is required to use in order to assess its climate resilience; and also to clarify that ‘assessment’ in that paragraph describes the entity’s objective when it uses scenario analysis to assess its climate resilience.



			<p>g. to explore developing guidance based on third-party materials to help an entity choose relevant scenarios for assessing and preparing disclosures on climate resilience.</p>
18-21.10.22	S1	Update to the plan for redeliberations (<u>AP 4A</u>)	The ISSB tentatively decided to add one further topic to its plan for redeliberations; the additional topic relates to the proposal in draft S1 to require an entity to disclose comparative information that reflects the entity's updated estimates.
	S1	Fundamental concepts (<u>AP 3B</u>)	<p>The ISSB redeliberated the objective of draft S1, and some of its proposed requirements and defined terms. The ISSB tentatively agreed that:</p> <ul style="list-style-type: none"> a. the purpose of draft S1 is to require entities to meet the information needs of the primary users of general purpose financial reporting; b. 'material' in draft S1 shares the same definition as that used in IFRS Accounting Standards; and c. the definitions of 'value chain' and 'reporting entity' as proposed in draft S1 should remain unchanged. <p>The ISSB also tentatively decided:</p> <ul style="list-style-type: none"> a. to amend draft S1 by removing the definition of 'enterprise value' and the words 'to assess enterprise value' from the objective and description of materiality, while planning to continue to redeliberate the meaning of 'enterprise value' at a future meeting (in particular, how the term could be more clearly articulated and how it is related to material sustainability-related financial information); and

			<p>b. to remove the word ‘significant’ from the proposed requirements to describe which sustainability risks and opportunities an entity would be required to disclose, while continuing to redeliberate the application of materiality and the process used by preparers to identify an entity’s sustainability-related risks and opportunities in order to provide useful information to primary users.</p>
	<p>S2</p>	<p>Greenhouse gas emissions (AP <u>4A</u>, <u>4B</u>, <u>4C</u>)</p>	<p>In relation to greenhouse gas emissions, the ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to confirm the use of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol Standard) to measure GHG emissions, subject to proposed reliefs (see Agenda Paper 4C); b. to confirm the requirement to disclose Scope 3 emissions, subject to proposed reliefs to address practical challenges (see Agenda Paper 4B); and c. to confirm the granularity (number of categories) of Scope 3 GHG emissions—in particular, to confirm that an entity must consider the 15 categories from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (see Agenda Paper 4B). <p>In relation to climate resilience, the ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to confirm paragraph 15(a) of draft S2, requiring an entity to disclose the results of its analysis of climate resilience and the particular information set out in that paragraph; b. to confirm paragraph 15(b) of draft S2, requiring an entity to describe how its climate resilience analysis has been conducted;



- c. to confirm paragraph 15(b)(i)(4) of draft S2, requiring an entity to disclose whether it has used, among its scenarios, a scenario aligned with the latest international agreement on climate change, thus also confirming: that the language on the latest international agreement on climate change (ie the Paris Agreement) is not 'hard coded' into the requirements; and that entities are not required to use a specific scenario related to the latest international agreement on climate change or a 1.5C° scenario; and
- d. to require an entity to disclose how it uses climate-related scenario analysis to inform its identification of climate-related risks and opportunities.

In relation to emissions targets, the ISSB tentatively decided:

- a. to confirm the proposed requirement to disclose the intended use of carbon credits but to clarify that an entity's net emissions target(s) and intended use of carbon credits should be disclosed separately from the entity's gross emission reduction target(s);
- b. to use the term 'carbon credit' in draft S2 in the context of offsetting emissions in the transition plan;
- c. to clarify the different types of targets—in particular, that, under the proposed requirements, a climate-related target is set by an entity to address aspects of its climate-related risks and opportunities (paragraph 13(a) of draft S2) and the role of emissions targets in transitioning to a low-carbon economy (paragraph 13(b) of draft S2); and
- d. to clarify that an entity would be required to disclose any emissions targets it has set (both net emission targets and gross emissions reduction targets) and those it is required to meet by local legislation.

Scope 1 and Scope 2 greenhouse gas emissions (Agenda Paper 4A)



he ISSB tentatively decided to proceed with the proposed requirement for an entity to disclose:

- a. its absolute gross GHG emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, for its Scope 1 and Scope 2 GHG emissions;
- b. the approach it used to include its Scope 1 and Scope 2 GHG emissions for the unconsolidated investees (ie associates, joint ventures, unconsolidated subsidiaries or affiliates not included in paragraph 21(a)(iii)(1) of draft S2); and
- c. the reason, or reasons, for the entity's choice of approach required by paragraph 21(a)(iv) of draft S2, and how that relates to the disclosure objective in paragraph 19 of draft S2.

Furthermore, the ISSB tentatively decided to proceed with, but clarify, the proposed requirements for an entity to disclose its Scope 1 and Scope 2 GHG emissions disaggregated separately for:

- a. the consolidated accounting group (ie the entity's parent and its subsidiaries); and
- b. the unconsolidated investees.

Scope 3 greenhouse gas emissions (Agenda Paper 4B)

The ISSB tentatively decided:

- a. to proceed with its proposal to require an entity to disclose its Scope 3 GHG emissions, subject to relief that would address the data availability and data quality challenges raised by respondents in the consultation; and



- b. to confirm that such a disclosure would include information about which of the 15 Scope 3 GHG emissions categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard are included within the entity's measure of Scope 3 emissions.

The ISSB also discussed how to address concerns raised by respondents about the data availability and data quality challenges associated with the disclosure of Scope 3 GHG emissions. In particular, the ISSB considered:

- a. introducing a later effective date for disclosures about Scope 3 GHG emissions—addressing transitional challenges associated with data availability;
- b. collaborating with security regulators to provide safe harbour provisions—addressing transitional data availability challenges;
- c. supporting preparers in the application of the proposed requirement by developing implementation guidance for disclosures about Scope 3 GHG emissions—addressing persistent data quality challenges;
- d. amending the proposed requirement to introduce data quality tiers—addressing data availability and data quality challenges to differentiate between the levels of quality present in an entity's underlying data;
- e. assisting preparers in the application of the proposed requirement by specifying when the 'scope' of the Scope 3 GHG emissions disclosures must be reassessed; and
- f. assisting preparers in the application of the proposed requirement by specifying what a preparer can do when reporting cycles for entities in the value chain do not align with each other and/or with that of the preparer.

			<p>Greenhouse gas emissions measurement methods (Agenda Paper 4C)</p> <p>The ISSB tentatively decided to proceed with the proposed requirement. However, it also tentatively decided to amend its proposal in order to address comments raised in the consultation period. These amendments also apply to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. (In this <i>Update</i>, the two measurement methods will collectively be referenced as the GHG Protocol Standards.)</p> <p>Specifically, the ISSB tentatively decided:</p> <ul style="list-style-type: none"> a. to amend its proposals so that an entity would be required to apply the GHG Protocol Standards subject to relief in specific circumstances; and b. to specify that an entity is required to apply the version of the GHG Protocol Standards in force on the date that draft S2 was exposed for comment (31 March 2022). For the GHG Protocol Corporate Standard this is, therefore, the 2004 version, and for the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard this is the 2011 version.
	<p>S1 & S2</p>	<p>Interoperability - Key matters (<u>AP 3C/4D</u>)</p>	<p>The ISSB tentatively confirmed:</p> <ul style="list-style-type: none"> a. the use of the four pillars, described by the Financial Stability Board’s Task Force on Climate-related Financial Disclosures, to structure the core content of the disclosure requirements proposed in draft S1 and draft S2—that is, information will be required on governance; strategy; risk management; and metrics and targets; and b. the meaning of the global baseline—in particular, that the proposed disclosures that IFRS Sustainability Disclosure Standards would require an entity to make are



designed to meet the information needs of investors, creditors and other lenders; that the information to be provided in such disclosures is subject to an assessment of materiality; and that the information can be presented with information disclosed to meet other requirements, such as specific jurisdictional regulatory requirements, but cannot be obscured by that additional information.

In relation to the proposed requirements in draft S1, the ISSB also tentatively decided:

- a. to confirm that the purpose of the proposed disclosure requirements would be to meet the information needs of the primary users of general purpose financial reporting;
- b. to remove the definition of ‘enterprise value’ that was included in draft S1, and to remove the words ‘to assess enterprise value’ from the draft S1 objective and description of materiality;
- c. to confirm that, consistent with draft S1 and draft S2, short-, medium- and long-term time horizons are not defined; and
- d. to confirm the definition of ‘value chain’ that was proposed in draft S1.

In relation to the proposed requirements in draft S2 about current effects, the ISSB also tentatively decided to confirm:

- a. that paragraph 14 of draft S2 would require an entity to disclose information about the effects of climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period (ie the current effects);
- b. that separate disclosures are not required for physical risks, transition risks and climate-related opportunities, except as set out in paragraph 21(b)–(d) of draft S2; and

			<p>c. the requirement for separate disclosures about assets subject to physical risks, transition risks and climate-related opportunities, in the form of metrics as specified in paragraph 21(b)–(d) of draft S2.</p>
	<p>AC</p>	<p>Agenda Priorities (<u>AP 2</u>)</p>	<p>The ISSB tentatively decided that the request for information should:</p> <ul style="list-style-type: none"> a. outline work to build on the foundation that will have been established by IFRS S1 and IFRS S2, once finalised (foundational work), and only request stakeholder feedback on proposals for new research and standard-setting projects; and b. be published in the first half of 2023 to allow the ISSB to decide first on important areas of Exposure Draft IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and Exposure Draft IFRS S2 <i>Climate-related Disclosures</i> (draft S2) and associated activities of the ISSB that will affect the initial work plan. <p>The ISSB also tentatively decided that its foundational work will consist of the activities outlined in paragraph 12(a)–(d) of Agenda Paper 2, which include:</p> <ul style="list-style-type: none"> a. enhancing the international applicability of the SASB Standards and continuing legacy SASB Standards projects; b. developing materials to support capacity building and articulate core concepts, as well as advancing the IFRS Sustainability Disclosure Taxonomy for digital reporting; c. coordinating with the IASB and other sustainability-reporting standard-setting bodies to support connectivity and interoperability; and



			d. continuing research and outreach to identify targeted enhancements of draft S2, once finalised.
	SEC	Industry-based material (<u>AP 6</u>)	<p>The ISSB discussed decisions it will make regarding industry-based materials, including:</p> <ul style="list-style-type: none"> a. the role of the SASB Standards in draft S1; b. the industry-based requirements in Appendix B to draft S2; and c. the international applicability of the SASB Standards (beyond those relating to climate). <p>In relation to the industry-based requirements set out in Appendix B to draft S2, the ISSB tentatively agreed to:</p> <ul style="list-style-type: none"> a. maintain the requirement that entities provide industry-specific disclosures; and b. classify the content in Appendix B as illustrative examples, while stating its intention to make Appendix B mandatory in the future, subject to further consultation.
20.-23.09.22	S1	Summary of comments (<u>AP 3A</u>)	The ISSB discussed feedback provided in comment letters and in responses to its survey on draft S1. The ISSB was not asked to make any decisions.
	S2	Summary of comments (<u>AP 4A</u>)	The ISSB discussed feedback provided in comment letters and in responses to its survey on draft S2. The ISSB was not asked to make any decisions.
	S2	Financed and Facilitated Emissions (<u>AP 4D</u>)	The ISSB discussed the matters raised in the feedback on the proposals for financed and facilitated emissions in draft S2 and the preliminary proposed approach to redeliberations following that feedback.

			<p>The ISSB was not asked to make any decisions.</p>
	<p>S1 & S2</p>	<p>Plan for redeliberations (<u>AP 3B/4B</u>)</p>	<p>The ISSB discussed how draft S1 and draft S2 should be redeliberated. In particular, the ISSB considered: what its general approach to redeliberation should be; specific topics for redeliberation; and the projects' timings.</p> <p>The ISSB tentatively decided on topics for redeliberation of both draft S1 and draft S2:</p> <ul style="list-style-type: none"> a. scalability; and b. current and anticipated effects of sustainability-related and climate-related risks and opportunities on an entity's financial performance, financial position and cash flows. <p>The ISSB tentatively decided on the topics for redeliberation of draft S1:</p> <ul style="list-style-type: none"> a. enterprise value; b. breadth of reporting required; c. 'significant' sustainability-related risk or opportunity; d. identifying significant sustainability-related risks and opportunities and disclosures (including using the materials of other standard-setters); e. application of the materiality assessment; f. connected information; and g. frequency of reporting. <p>The ISSB tentatively decided on topics for redeliberation of draft S2:</p> <ul style="list-style-type: none"> a. strategy and decision-making, including transition planning;

			<ul style="list-style-type: none"> b. climate resilience; c. greenhouse gas emissions; and <p>industry-based requirements, including financed and facilitated emissions.</p>
	S1 & S2	Scalability (<u>AP 3C/4C</u>)	<p>The ISSB discussed how it could give more consideration to the range of capabilities and preparedness of entities around the world to apply the proposals in draft S1 and draft S2. The mechanisms the ISSB could use to address this issue are referred to as mechanisms for addressing ‘scalability’. The ISSB considered the factors to be used to evaluate which scalability mechanisms would be appropriate for responding to any identified scalability challenges.</p> <p>The ISSB tentatively decided that mechanisms should be identified to enable disclosure requirements to be scalable, when relevant. In particular, the ISSB considered whether:</p> <ul style="list-style-type: none"> a. to amend the proposed disclosure requirements so that an entity, based on specific criterion related to scalability, would not be required to provide a particular disclosure (or would be required to provide an alternative disclosure that is simpler to apply); b. to amend the proposed disclosure requirements so that an entity that meets a criterion of being unable to provide a disclosure is required to explain how it meets the criterion; c. to provide materials to assist preparers in the application of the standards, which include the ISSB providing guidance to support application; d. to provide materials to assist preparers in the application of the standards, which include referring to other sustainability-related protocols, frameworks and guidance as

			<p>resources for further guidance, measurement methodologies and inputs to calculations to support application; and</p> <p>e. to amend the proposed disclosure requirements to differentiate the application by entities, by identifying requirements that are 'basic' and 'advanced' that could be utilised by a jurisdiction for a transition period.</p> <p>The ISSB tentatively decided on factors to assess which scalability mechanisms are appropriate for responding to specific scalability challenges:</p> <ul style="list-style-type: none"> a. whether the scalability challenges are temporary (in other words transitional) or more permanent (for example, due to data availability); b. the extent to which the set of entities with a scalability challenge can be specifically identified; c. the extent of available market guidance, methods, industry-practices and techniques; and d. the maturity of the underlying methods and techniques that underpin the disclosure requirement.
	IASB	ISAB-ISSB information sharing: IASB update – Developing the IASB's future work programme (AP 5)	IASB Chairman Andreas Barckow presented an update on IASB activities. The ISSB was not asked to make any decisions.



20.-21.07.22	S1 & S2	Overview of exposure drafts (S1 and S2) and feedback received as at 7 July 2022 (<u>AP 2</u>)	The ISSB met on 21 July 2022 to review a summary of preliminary feedback gathered during meetings with stakeholders on the exposure drafts, IFRS S1 <i>General Sustainability-related Disclosure Requirements</i> and IFRS S2 <i>Climate-related Disclosures</i> . The ISSB was not asked to make any decisions.
	AC	Project introduction and overview Agenda priorities: Items to be considered in development of Request for Information (<u>AP 1</u> , <u>1A</u>)	<p>The ISSB met on 20 July 2022 to discuss its approach to preparing a request for information to consult the public on its agenda priorities. The request for information will inform the development of the ISSB's two-year work plan.</p> <p>The ISSB discussed:</p> <ul style="list-style-type: none"> • its approach to developing the request for information, including steps already completed and expected next steps; • the strategic balance of the ISSB's activities; and • its criteria for assessing proposals to be included in the work plan. <p>The ISSB was not asked to make any decisions.</p> <p>The ISSB discussed items to consider as it prepares a request for information to obtain stakeholder feedback on its agenda priorities (AP 1A). The ISSB discussed a preliminary list of:</p> <ol style="list-style-type: none"> a. broadly defined topics; b. industry-based requirements and the Sustainability Accounting Standards Board's project portfolio; and

			<p>c. potential projects to be undertaken in coordination with the International Accounting Standards Board.</p> <p>The ISSB was not asked to make any decisions.</p>
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