



<b>Project:</b>	<b>Sustainability Reporting</b>	<b>Meeting:</b>	AASB May 2023 (M195)
<b>Topic:</b>	<b>Update on GRI and IPSASB perspectives</b>	<b>Agenda Item:</b>	9.2
		<b>Date:</b>	18 April 2023
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		<b>Decision-Making:</b>	None
		<b>Project Status:</b>	Update

## Objective

- 1 The objective of this paper is to inform Board members of developments in sustainability reporting undertaken by the Global Reporting Initiative's (GRI) standard-setting body the Global Sustainability Standards Board (GSSB) and the International Public Sector Accounting Standards Board (IPSASB).
- 2 This paper is for information purposes only and does not ask the Board to make any decisions.

## Structure

- 3 This paper is structured as follows:
  - (a) background (paragraph 4);
  - (b) Update from the GSSB (paragraphs 5-14); and
  - (c) Update from the IPSASB (paragraphs 15-18).

## Background

- 4 The Board is provided with an update on the sustainability reporting-related activities of the GSSB and the IPSASB at each meeting. The Board received the last GSSB and IPSASB update at its March 2023 meeting.<sup>1</sup>

## Global Sustainability Reporting Board

### 28-29 March 2023 meeting

- 5 The Standards Division provided updates on both topic standard projects and sector standard projects.

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<sup>1</sup> See March 2023 (M194) [Agenda Paper 15.2 Sustainability Reporting: Update on GRI and IPSASB perspectives](#).

- 6 Topic standard projects discussed were:
  - (a) [Biodiversity](#) – the comment period for [GRI Topic Standard Project for Biodiversity – Exposure draft](#) has now closed and staff are reviewing submissions and developing amendments to the proposals based on stakeholder feedback. The final Biodiversity Topic Standard is expected to be issued at the end of 2023.
  - (b) [Climate Change](#) – initial membership of a technical committee for the project was approved by the GSSB, however it is expected that additional members will be added in due course. An exposure draft is expected to be issued in Q1 of 2024.
  - (c) [Labor](#) – this project will be implemented in two stages. It is anticipated that an exposure draft for the first set of topics (i.e., stage one which will address the topics of remuneration and working time, employment and contract relations, and training and education) will be issued in Q1 of 2024.
  - (d) Economic disclosures – this project is in its research phase and stakeholder research is currently being conducted. The standard-setting phase is anticipated to commence in June 2023 and end in 2025.
- 7 Sector standard projects discussed were:
  - (a) [Financial Services](#) – this is a portfolio project with separate standards to be developed on banking, insurance, and capital markets. The project has now commenced following the project proposal being approved at the GSSB’s February 2023 meeting.
  - (b) [Mining](#) – [GRI Sector Standards Project for Mining – Exposure draft](#) is currently out for public comment. The comment period closes on 30 April 2023. A final standard is expected to be issued in Q4 of 2023.
  - (c) [Textiles and Apparel](#) – the project proposal was approved by the GSSB at its February 2023 meeting. Currently applications are open for appointments to the Textiles and Apparel working group. An exposure draft is anticipated in Q1 of 2024.
- 8 Richard Barker and Rommie Johnson from the International Sustainability Standards Board (ISSB) gave an update on the ISSB’s work and discussed ways that the ISSB and GSSB could collaborate, particularly on their respective work plans and digital taxonomies.
- 9 The GSSB also received an update from Tony Goldner and Emily McKenzie of the progress of the Taskforce on Nature-related Financial Disclosures (TCFD) framework.
- 10 Patrick de Cambourg and Chiara Del Prete from the European Financial Reporting Advisory Board’s (EFRAG) Sustainability Reporting Board provided the GSSB with an update on the first set of European Sustainability Reporting Standards (ESRS) which are currently being considered by the European Commission. EFRAG are currently developing implementation guidance and a digital taxonomy.
- 11 The GSSB was informed by staff of a project to map GRI Standards against the upcoming ESRS. The purpose of the project is to understand the level of alignment and to assist GRI staff when developing a taxonomy as the intention is to be as consistent as possible. This mapping exercise will also assist preparers that use GRI Standards and that will also have to, or may want to, report applying ESRS.
- 12 Staff presented the GSSB with a due process document which gave an overview of the Draft GSSB Activity Report 2020-2022 noting that key milestones achieved included issuance of:

- (a) revised Universal Standards - GRI 1: *Foundation 2021*, GRI 2: *General Disclosures 2021*, and GRI 3: *Material Topics 2021*;
  - (b) the first three Sector Standards - GRI 11: *Oil and Gas Sector 2021*, GRI 12: *Coal Sector 2022*, and GRI 13: *Agriculture, Aquaculture and Fishing Sectors 2022*; and
  - (c) revised Topic Standard, GRI 306: *Waste 2020*.
- 13 The GSSB also commenced initial discussions on the comments received to the consultation on its Draft Work Program 2023-2025. Matters discussed included support for the integration of international humanitarian law and conflict sensitivity into GRI Standards.
- 14 The next GSSB meeting will be held on 20 April 2023.

## **International Public Sector Accounting Standards Board**

### **14-16 March 2023 meeting**

- 15 The IPSASB reviewed the responses to [Exposure Draft \(ED\) 83 Reporting Sustainability Reporting Information – RPGs 1 and 3: Additional Non-Authoritative Guidance](#). The proposed amendments to Recommended Practice Guideline (RPG) 1 *Reporting on the Long-Term Sustainability of an Entity’s Finances*, and RPG 3 *Reporting Service Performance Information* help to highlight the applicability of existing concepts and principles in these RPGs which public sector entities can apply for reporting sustainability program information. The IPSASB considered the strong support from respondents on the proposals made in ED 83 and approved the amendments to RPG 1 and RPG 3.
- 16 The IPSASB also discussed findings from initial research and scoping activities and agreed to focus initially on a Climate-Related Disclosure project as this was the most urgent issue identified in the feedback received to the [Consultation Paper Advancing Public Sector Sustainability Reporting](#). The intention is to develop a standard based on the IFRS Sustainability Disclosure Standard IFRS S2 *Climate-related Disclosures Standard* before developing a standard based on the IFRS Sustainability Disclosure Standard IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.
- 17 The IPSASB also received an education session from Miguel Perez Ludeña from the GRI. IPSASB members were also supportive of also using GRI Standards for public sector reporting but acknowledged that this would be dependent on research as to their suitability for public sector entities, particularly those in developing jurisdictions.
- 18 The next IPSASB meeting will be held on 13-16 June 2023.

### **Questions to Board members**

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**Q1:** Do Board members have any questions about the information provided in this paper?