



<b>Project:</b>	<b>Sustainability Reporting</b>	<b>Meeting:</b>	AASB June 2024 (M204)
<b>Topic:</b>	<b>Update on international and jurisdictional perspectives</b>	<b>Agenda Item:</b>	12.1
		<b>Date:</b>	21 May 2024
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		<b>Decision-Making:</b>	-
		<b>Project Status:</b>	-

## Objective of this paper

- 1 The objective of this paper is to inform Board members of international and jurisdictional developments in sustainability reporting.
- 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) IFRS Foundation (paragraphs 5-12)
  - (c) Global Reporting Initiative (paragraphs 13-14)
  - (d) Update on selected jurisdictional sustainability reporting perspectives (paragraphs 15-18)
  - (e) Question to Board members

## Background

- 4 The Board is provided with an overview of international and jurisdictional developments on sustainability-related reporting at each of its meetings. This paper provides an update on developments since the Board's meeting in April 2024.<sup>1</sup>

## IFRS Foundation

- 5 The IFRS Foundation and the European Financial Reporting Advisory Group (EFRAG) have published interoperability guidance to illustrate the level of alignment between the IFRS Sustainability Disclosure Standards (ISSB Standards) and the European Sustainability Reporting Standards (ESRS). These materials consider how a company can apply both sets of Standards and include a detailed alignment analysis in relation to climate-related disclosures.<sup>2</sup>

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<sup>1</sup> See April 2024 [Agenda Paper 5.1 Sustainability Reporting: Update on International Jurisdictional Perspectives](#).

<sup>2</sup> See [IFRS Foundation and EFRAG publish interoperability guidance](#).

## ISSB

- 6 The International Sustainability Standards Board (ISSB) made the first episode of a new IFRS Foundation podcast series—the ISSB Implementation Insights podcast available. This podcast series is designed to share insights from Transition Implementation Group meetings, reflecting on questions from preparers and those using the ISSB Standards.<sup>3</sup>
- 7 The ISSB published the IFRS Sustainability Disclosure Taxonomy.<sup>4</sup>

### April 2024 ISSB meeting<sup>5</sup>

- 8 The ISSB tentatively decided to add research projects on risks and opportunities associated with:
- (a) biodiversity, ecosystems and ecosystem services; and
  - (b) human capital.

As part of its research, the ISSB will consider:

- (a) how to build on existing materials, including the Sustainability Accounting Standards Board (SASB) Standards and CDSB Framework application guidance; and
- (b) how to pursue approaches that would promote interoperability between its own global baseline of sustainability-related financial disclosures and other widely used standards and frameworks.

The ISSB also tentatively decided not to add to its work plan:

- (a) a research project on risks and opportunities associated with human rights;
- (b) a research project on integration in reporting; or
- (c) other research and standard-setting projects suggested by respondents to the Request for Information *Consultation on Agenda Priorities*.

### **May 2024 ISSB meeting<sup>6</sup>**

- 9 The ISSB discussed:
- (a) its consultation on agenda priorities;
  - (b) maintenance of the SASB standards; and
  - (c) supporting the implementation of IFRS S1 and IFRS S2.

### **April 2024 IFRS Advisory Council<sup>7</sup>**

- 10 The IFRS Advisory Council received an update on the ISSB's activities.

### **April 2024 Sustainability Consultative Committee (SCC)<sup>8</sup>**

- 11 The SCC discussed:
- (a) ISSB consultation on agenda priorities;
  - (b) adoption guide; and

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<sup>3</sup> See [First episode of the ISSB Implementation Insights podcast](#).

<sup>4</sup> See [ISSB publishes its digital sustainability taxonomy, helping investors analyse sustainability disclosures efficiently](#).

<sup>5</sup> See [ISSB Update April 2024](#).

<sup>6</sup> See [May 2024 ISSB Meeting agenda and papers](#). The decisions made at this meeting have not been made publicly available in document form at the time of finalising the paper.

<sup>7</sup> See [April 2024 IFRS Advisory Council Meeting agenda and papers](#).

<sup>8</sup> See [April 2024 Sustainability Consultative Committee Meeting agenda and papers](#).

(c) SCC feedback survey.

#### **May 2024 Islamic Finance Consultative Group (IFCG)<sup>9</sup>**

12 The IFCG received an update on the ISSB's activities.

#### **Global Reporting Initiative (GRI)**

##### **April 2024 Global Sustainability Standards Board (GSSB) meeting<sup>10</sup>**

13 The GSSB:

- (a) discussed the development in regions and stakeholder constituencies;
- (b) approved the draft summary of the GSSB meeting held on 14 March 2024;
- (c) were provided with updates on:
  - GRI Standards downloads and adoption;
  - XBRL taxonomy; and
  - governance;
- (d) discussed the limited scope amendments to GRI 1: Foundations 2021; and
- (e) reviewed the proposed project schedule for 2024.

##### **May 2024 GSSB meeting<sup>11</sup>**

14 The GSSB discussed:

- (a) the draft summary of the GSSB meeting held on 9-10 April 2024
- (b) exposure draft Standards for Labor; and
- (c) 2024 Project schedule addendum.

#### **Jurisdictional Update**

##### **Australia**

- 15 On 29 April 2024, the Department of Climate Change, Energy, the Environment and Water (DCCEEW) released the National Greenhouse and Energy Reporting (NGER) scheme – 2024 proposed updated. Proposed amendments include:
- (a) phasing out Method 1 for fugitive emissions from open-cut coal mines, beginning with Safeguard Mechanism facilities that produced more than 10 million tonnes of coal in FY2023 from 1 July 2025, and other Safeguard Mechanism facilities from 1 July 2026;
  - (b) updates to require the publication of the methods used by Safeguard Mechanism facilities to estimate fugitive methane emissions from coal mining, oil and natural gas sources;
  - (c) enabling market-based estimates of scope 1 emissions from combustion of drop-in renewable liquid fuels;
  - (d) updates to provisions for estimating scope 2 emissions from consumption of electricity, including introducing state and territory-specific residual mix factors in the market-based method;

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<sup>9</sup> See [May 2024 Islamic Finance Consultative Group Meeting agenda and papers](#).

<sup>10</sup> See [May 2024 GSSB Meeting Agenda Item 1 Draft summary of the GSSB meeting held on 9-10 April 2024](#).

<sup>11</sup> See [May 2024 GSSB Meeting Agenda](#). The decisions made at this meeting have not been made publicly available in document form at the time of finalising the paper.

(e) updates to provisions for estimating natural gas fugitive emissions, as well as emissions from carbon capture and storage and waste management; and

(f) other amendments to improve clarity and enhance reporting.

The DCCEEW is seeking submissions by 24 May 2024.

#### **European Union (EU)<sup>12</sup>**

- 16 The EU Parliament approved postponing the adoption of all sector-specific reporting standards for EU companies and general reporting standards for non-EU companies until 30 June 2026.

#### **Korea<sup>13</sup>**

- 17 The Korea Sustainability Standards Board (KSSB) published an exposure draft (ED) proposing sustainability disclosure standards based on IFRS S1 and IFRS S2. The comment period for the ED ends on 31 August 2024.

#### **Brazil<sup>14</sup>**

- 18 The Comitê Brasileiro de Pronunciamentos de Sustentabilidade (CBPS), the Brazilian Committee of Sustainability Pronouncements, has issued EDs of sustainability disclosure standards based on IFRS S1 and IFRS S2 in Brazil. The comment period will end on 13 June 2024.

#### **Questions to Board members**

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

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<sup>12</sup> See [Sustainability reporting: MEPs approve delayed standards for some companies](#).

<sup>13</sup> See the exposure drafts via the [Announcements page](#) on the KSSB website.

<sup>14</sup> See the exposure drafts via the [consultation page](#) on the CBPS website.