

ISSB

Meeting Summary

April 2023 (supplementary)

This is a compilation of the summary available on IAS Plus at:

<https://www.iasplus.com/en/meeting-notes/issb/2023/april-supplementary/april-supplementary>

The meeting agenda and all of the staff papers are available on the ISSB website:

<https://www.ifrs.org/news-and-events/calendar/2023/april/international-sustainability-standards-board-supplementary-meeting/>

Overview

The ISSB held a supplementary meeting on 4 April 2023. The following item was discussed:

General Sustainability-related Disclosures: The ISSB decided to grant an optional relief that allows companies applying the ISSB Standards to phase in their approach to sustainability-related disclosure, beginning with climate-related risks and opportunities in the first year of reporting. For companies using the proposed relief, the full reporting on sustainability-related risks and opportunities (beyond just climate) would be provided from the second year. The ISSB also tentatively decided that if an entity uses this transition relief, it would be required to disclose that fact, and could extend the previously agreed transition relief in IFRS S1 related to disclosing comparative information such that the entity would not be required to disclose comparative information related to its other sustainability-related financial information in the first year it discloses that information.

General Sustainability-related Disclosures

IFRS S1 transition relief (Agenda Paper 3)

At this meeting, the ISSB discussed a further enhancement to its planned package of transitional reliefs to support companies applying its initial two standards—IFRS S1 and IFRS S2.

The potential relief would allow companies applying the ISSB Standards to phase in their approach to sustainability-related disclosure, beginning with climate-related risks and opportunities in the first year of reporting. For companies using the proposed relief, the full reporting on sustainability-related risks and opportunities (beyond just climate) would be provided from the second year.

For example, an entity applying IFRS S1 and IFRS S2 at their effective date, and using this transition relief, would be required to disclose:

- Material information about climate-related risks and opportunities in accordance with IFRS S2 for annual reporting periods beginning on or after 1 January 2024
- Material information about the entity's sustainability-related risks and opportunities in accordance with IFRS S1 for annual reporting periods beginning on or after 1 January 2025 (ie for the full range of sustainability-related risks and opportunities in addition to climate)

This recommendation would relieve entities from the need to disclose information about all sustainability-related risks and opportunities until the second year of applying the ISSB Standards.

The ISSB remains on track to publish its initial two standards—IFRS S1 and IFRS S2—towards the end of Q2 2023.

ISSB discussion

All ISSB members voted in favour of the recommendation and believed that it would balance the expectations and needs of stakeholders from different jurisdictions. The ISSB also tentatively decided that if an entity uses this transition relief, it:

- Would be required to disclose that fact
- Could extend the previously agreed transition relief in IFRS S1 related to disclosing comparative information such that the entity would not be required to disclose comparative information related to its other sustainability-related financial information in the first year it discloses that information. For the avoidance of doubt, comparative information for climate-related financial information would be required in the second year

In addition, the staff confirmed that this potential relief would not impact all other reliefs provided in IFRS S2 except for the relief of comparative reporting which was discussed in this meeting.

After some ISSB members expressed their concerns, one of the Vice-Chairs suggested that the staff clearly explain climate-related issues as those defined in IFRS S2 to avoid any confusion.

This Vice-Chair also confirmed that if a company uses this potential relief, it would still be able to provide additional information about other sustainability-related risks and opportunities, but it would not be able to assert itself as fully compliant with IFRS S1. In this regard, she suggested the staff to consider how to deliver this message to stakeholders.