

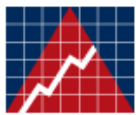


ICSA

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

MEMBER RESPONSES

International Sustainability Standards Board (ISSB) Exposure Draft IFRS S1 *General Requirements for Disclosure of Sustainability- related Financial Information and Climate-related Exposures*



AFMA

<https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-comment-letters/a/australian-financial-markets-association-832d90af-294d-4c8e-af1e-0146c591ce99/r41-22--issb-sustainability-disclosure-s1s2.pdf>

AFMA supports the general objective for standards to provide a comprehensive global baseline of sustainability-related disclosures designed to meet the information needs of investors in assessing enterprise value. While achieving this objective is desirable for a number of public policy reasons, principle of which is to support the Paris Agreement COP26 transition to net zero emissions, there is a huge task and challenge facing reporting entities to get access to the data that will enable reporting. For Australia a phased approach to adoption across entity types, sectors and/or sizes will be needed.



ANBIMA

<https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-comment-letters/a/anbima-36532d26-8b0b-4c79-aa1f-5dc37bd92298/anbima-public-consultation-issb-2022.pdf>

We believe that the financial materiality criterion is the first step in this initiative to improve and standardize the disclosure of sustainability-related financial information. Alignment with the TCFD's recommendations is one of the standout positive aspects of the proposals, as this facilitates implementation of the requirements and analysis by the asset managers. Considering that compliance costs will be significant...we suggest a minimum interval of three months between the date on which the general requirements for disclosure of sustainability-related financial information enter into effect and (subsequently) the date on when the requirements for climate-related financial information enter into effect. We suggest the reports be published in a format compatible with Excel and other data analysis programs, with the history of information reported in previous years.



Growing Asia's Markets

<https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-comment-letters/a/asia-securities-industry---financial-markets-association-a6abaa96-cf3b-4a6b-9cf9-c5f58f58b46f/asifma-amg-response-to-the-issb-exposure-drafts.pdf>

Any robust quantitative sustainability disclosure must be supported by meaningful qualitative sustainability disclosure, especially in this nascent phase of developments in sustainability. We would hope to see continued collaboration and convergence in the standard setting processes, acknowledging that this is an iterative process and a phased approach is required to achieve a workable level of consistency and interoperability. Reporting entities should be provided with adequate time after their financial year-end to accurately collect, analyse and report on climate-related information. We support quantitative disclosure aligned with the GHG Protocol and also look forward to further initiatives by Partnership for Carbon Accounting Financials ("PCAF") in providing detailed methodological guidance.



https://www.icmagroup.org/assets/documents/Sustainable-finance/Responses/ICMA-ISSB-Final-Response_29-July-2022-010822.pdf

The key points:

- **Governance and structure:** *We support the ISSB's intention to connect sustainability reporting with financial reporting and the incorporation of the (2021) TCFD framework.*
- **Materiality:** *We recommend that ISSB further explain how significant risks and opportunities are meant to be identified through application of the IFRS Sustainability Standards and SASB industry standards. ISSB Sustainability Standards should encourage over time all companies to specifically disclose their impact on the environment.*
- **International operability and usability:** *The cross-jurisdictional working group created in April 2022 and the more recently established IFRS Sustainability Standards Advisory Forum (SSAF) should work on the development of a globally consistent baseline. We recommend further that ISSB considers carefully how equivalency between sustainability standards can be promoted to avoid duplication*
- **Climate-related reporting and transition:** *Transition plans are critical and a key tool for investors to assess the related strategy of companies, especially those in hard to abate sectors.*



<https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-comment-letters/j/japan-securities-dealers-association-e6c60f3a-9c57-4266-ad90-97f20e9d4a22/comments-on-the-exposure-draft-ifrs-s1-jsda-.pdf>

We agree with the development of standards based on the concept of the "global baseline", (but) believe the following issues need to be addressed:

Principle-based approach The objective of a principle-based approach should be clearly stated...Also, following the principle-based approach, the standards should keep the wording at the necessary minimum so as to allow entities flexibility to apply their judgment.

Amendments to disclosure requirements In order to be accepted by many jurisdictions as the minimum disclosure requirements of local standards in IOSCO member jurisdictions, it is necessary to modify the following disclosure requirements.

Grace period (or phased application) We believe that it is appropriate to have a grace period concerning the new disclosure 3 requirements.

Defining "significant" and clarifying the difference between "significant" and "material" To clarify the definition of "significant", it should also take into account the concept of time.

Clarifying the process for identifying the sustainability-related risks and opportunities Guidances should be clearly positioned as examples and stated in the body of the standard.

Review of disclosing reports simultaneously and over the same period (frequency of reporting) While disclosing the reports at the same time and over the same reporting period is preferable, it may be unrealistic to do so due to local regulatory requirements and data availability.

Necessity of careful discussions on industry-based requirements We agree with the establishment of industry-based requirements.

Establishment of safe harbors and audit and assurance systems regarding false statements The ISSB should consider the disclosure systems of each jurisdiction and develop the IFRS Sustainability Disclosure Standards in cooperation with regulatory authorities.



<https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-comment-letters/s/securities-industry-and-financial-markets-association--sifma--28052074-5213-4cc5-91f7-adba9be54740/submission-072922-sifma-amg-response-to-ifrs-standards.pdf>

In order to serve as an effective global baseline (i) the ISSB standards must be clear and avoid ambiguity or uncertainty as to their requirements including providing proper clarity in the multiple instances where flexibility is essential; (ii) the ISSB standards must be consistent with and usable for companies reporting under a variety of different local disclosure and liability regimes; (iii) the ISSB standards must be harmonized with other established and emerging disclosure regimes addressing similar topics; and (iv) the ISSB standards should only call for disclosure that companies can accurately produce on a consistent and comparable basis.

ALL RESPONSES (731)

<https://www.ifrs.org/projects/work-plan/general-sustainability-related-disclosures/exposure-draft-and-comment-letters/#view-the-comment-letters>