

ISSB Investor Advisory Group Q423 Meeting

Date **12 December 2023 in London and online**

This document summarises the Q423 meeting of the ISSB Investor Advisory Group (IIAG), held 12 December in London as well as online. The IIAG is a group of leading asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures. The IIAG serves as an advisory body to the ISSB: providing strategic guidance on developing IFRS Sustainability Disclosure Standards; and helping to ensure that the investor perspective is articulated clearly and is considered in the ISSB’s standard-setting process. The IIAG also helps achieve widespread adoption of IFRS Sustainability Disclosure Standards by encouraging organizations to use the Standards to communicate performance to investors on sustainability-related issues that affect enterprise value.

Participants on behalf of the IFRS Foundation

- Nick Anderson (IASB Member)*
- Richard Barker (ISSB Member)
- Verity Chegar (ISSB Member)
- Sue Lloyd (ISSB Member)
- Keertana Anandraj (IFRS Foundation staff)
- Greg Bartholomew (IFRS Foundation staff)
- Jonathan Bravo (IFRS Foundation staff)
- Khrystyna Bochkay (IFRS Foundation staff)
- Katie Schmitz Eulitt (IFRS Foundation staff)
- Milana Fomina (IFRS Foundation staff)
- Rommie Johnson (IFRS Foundation staff)
- Anoosha Lalani (IFRS Foundation staff)
- Claire Wong (IFRS Foundation staff)
- Peter Kim (IFRS Foundation staff)*

*Remote participation via videoconference

Participating IIAG Member Organisations

<ul style="list-style-type: none"> • Allianz Global Investors • APG • ATP • Baillie Gifford • Bank of America • British Columbia Investment Management Corporation (BCI) • BlackRock • Brunel Pension Partnership • CalPERS • Capital Group • Carlyle Group • CPP Investments • Fidelity Investments • Franklin Templeton Investments • Generation Investment Management • Goldman Sachs Asset Management • J.P. Morgan Asset Management 	<ul style="list-style-type: none"> • KKR • Legal & General Investment Management • Man Group • Manulife Investment Management • Neuberger Berman Nordea Asset Management • Norges Bank Investment Management • Northern Trust Asset Management • NYSTRS • Ontario Teachers' Pension Plan • Oregon State Treasury • PGGM Investments • PIMCO • Putnam Investments • Railpen • Schroders • T. Rowe Price • UBS Asset Management • Vanguard
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Observers and Guests

- CFA Society UK
- Church of England
- Clearly Gottlieb Steen & Hamilton
- Deloitte
- Diageo

- DS Smith
- Utah Retirement Systems

Opening Remarks by Richard Manley, IAG Chair

- Richard highlighted that there has been a paradigm shift in sustainability reporting over the past two years as a result of the ISSB's work.
- He also encouraged investors to use their voices in 2024, by engaging in consultations and encouraging jurisdictions considering adoption of ISSB Standards to implement reliefs, if necessary, instead of carveouts.

Overview of IASB project on Climate-related and Other Uncertainties in Financial Statements by Nick Anderson, IASB Board member

- Nick shared the IASB's background on IASB's project exploring targeted actions to improve application of the requirements in IFRS Accounting Standards related to reporting on the effects of climate-related and other uncertainties in the financial statements.
- When asked what success looks like, Nick and Sue Lloyd, the Vice Chair of the ISSB, mentioned that success for the two boards would be to reduce the frustration investors experience when they pick up financial statements and hear about climate-related plans. The hope is to create consistent disclosures that allow investors to have a richer conversation with management, both with quantitative figures and a qualitative story.

ISSB year in review and the year ahead by Sue Lloyd, ISSB Vice Chair

- Sue shared that the ISSB was a topic of conversation – with strong investor support – at COP28. Richard Barker, an ISSB Board member, emphasised that IFRS S1 and IFRS S2 make up the global baseline of sustainability reporting with individual jurisdictions able to add building blocks like GRI or ESRS to enhance disclosure to meet other needs.

Regulatory adoption review by Jonathan Bravo, Director of Regulatory Affairs

- Jonathan highlighted the importance of regulators hearing from investors why investors value ISSB's global baseline.

Fireside chat moderated by Richard Barker, ISSB Board Member with guests Veronica Poole, Vice Chair, Deloitte UK; Harriet Cullum, Global Head of ESG Insights, Diageo; Oliver Bradley, Head of ESG Reporting, DS Smith

- The members of the fireside chat discussed:
 - Key differences between preparing ISSB reporting with IASB/Reporting for preparers and the challenges of assuring such reporting.
 - How preparers and the accounting profession are working to attract and retain talent to ensure that sustainability disclosure is tied into strategy,
 - Capacity building efforts to meet the challenges of disclosure and assurance of it.

ISSB Consultation on Agenda Priorities by Greg Bartholomew, ISSB Research Fellow

- Greg shared the findings of the ISSB's first Consultation on Agenda Priorities, covering both overall takeaways and investor-specific results.
- The IIAG were split into breakout groups to discuss in greater detail what investors felt the ISSB should prioritise in their upcoming deliberations.

Introduction to Knowledge Hub by Anoosha Lalani, ISSB Technical Fellow

- Anoosha shared the newly launched Knowledge Hub with IIAG members and walked members through FAQs, where to find key resources, and what more is to come.

IIAG's 2023 goals and progress against objectives by Katie Schmitz Eulitt, Director of Outreach, Global Investors

- Katie recapped the goals IIAG members had set for themselves in 2023 and discussed the ways in which they had met and often exceeded those goals.

Closing remarks by Richard Manley and Carine Smith Ihenacho, IIAG Chair and IIAG Vice Chair

- Richard and Carine emphasised that while the ISSB has delivered their first two standards this year, the work is only beginning; it is critically important that investors remain engaged with regulators and preparers on mandatory adoption of ISSB Standards and their voluntary use where they will not be mandated.