
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2024**
Topic **ISSB Consultative Groups – Annual Review**
Contacts **Bryan Esterly** (Bryan.Esterly@ifrs.org)
Samuel Prestidge (sprestidge@ifrs.org)

This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Introduction

1. This paper provides the DPOC with the technical staff's annual review of the IFRS Foundation's consultative groups and other groups supporting the ISSB for the period October 2023 to September 2024.
2. No formal action is required to be taken by the DPOC.

Background

3. Paragraphs 3.59–3.66 of the Due Process Handbook (*Handbook*) set out the provisions relating to consultative groups:
 - 3.66 All consultative groups are reviewed by the IFRS Foundation staff each year to assess whether each group is continuing to serve the function for which it was established and whether the membership should remain the same. The outcome of the review is presented to the [ISSB] and the DPOC.
4. Paragraph 2.8(c) sets out the DPOC's responsibilities with respect to consultative groups:
 - 2.8 The DPOC is responsible for:
 - (c) reviewing the composition of consultative groups to ensure an appropriate balance of perspectives and overseeing the monitoring by the [ISSB] and the technical staff of the effectiveness of those groups
5. The staff discusses the composition of consultative groups with the DPOC or Trustees on a real-time basis (eg when establishing a specific group as was the case with the IFRS Sustainability Reference Group (SRG) this period). This paper, therefore, covers the effectiveness of the consultative and other groups.
6. The ISSB has eight consultative and other groups. The purpose and composition of each is summarised in [Appendix B](#).

Review

7. The ISSB and staff were able to utilise all the consultative groups discussed in this paper during the period to draw on specific expert advice to inform the ISSB's work. The staff considers all the ISSB consultative groups in place during the period to be serving the function for which they were established. This is based on the information received from consultative group members through discussion or surveys, and from relevant ISSB members and the staff leading the work of each group. The ISSB has received useful input from all the consultative groups that have met in the period under review in line with the respective remit of each group.

8. Processes have developed over the period for the ISSB staff to further track contributions and key performance indicators of the consultative groups (including through surveys and tracking meeting attendance). As explained in this paper, the staff has further engaged with the consultative groups to consider how the groups can further contribute to the ISSB's work now its two-year work plan has been established. That said, the staff endeavours to further embed processes (such as the routine use of surveys to understand the memberships perspectives on each engagement) to track the contribution of each consultative group to the work of the ISSB.
9. [Appendix A](#) provides an overview of the work of each consultative group during the period.

Key areas of work in the period

Integrated Reporting and Connectivity Council (IRCC)

10. The IRCC is an Advisory Body to the IFRS Foundation (the Trustees and both Boards) and has held three virtual meetings in the year. The initial term of the IRCC was for two years with the provision to extend the term based on a review of how well the work undertaken to date in relation to the Integrated Reporting Framework and membership of the Advisory Council. The Trustees decided in June 2024 to extend the term of the IRCC by another two years with a review after one year. Meetings in 2024 have discussed topics relevant to the IFRS Foundation and the Integrated Reporting Framework such as the ISSB Agenda Consultation and the IASB's project on Management Commentary.

ISSB Investor Advisory Group (IIAG)

11. 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 also helps achieve widespread adoption of IFRS Sustainability Disclosure Standards by encouraging companies to use the Standards to communicate performance to investors on sustainability-related issues.
12. During the period of review, the IIAG has met quarterly. IIAG meetings generally cover
 - (a) updates on the ISSB's work;
 - (b) jurisdictional adoption of ISSB Standards;
 - (c) how investors can encourage voluntary application of the ISSB Standards in jurisdictions where the Standards are not likely to be mandated.
13. The IIAG will be expanded over the coming months to include member firms in unrepresented and under-represented markets via a phased approach, in accordance with the Terms of Reference for the Group.

IFRS Taxonomy Consultative Group (ITCG)

14. See paragraphs 23–24 of DP4.

Jurisdictional Working Group (JWG)

15. The JWG was established following discussions by the Trustees and the IFRS Foundation Monitoring Board to enable jurisdictional representatives to provide strategic advice on the interoperability of the ISSB Standards.
16. During the period the JWG has typically met on an ad hoc basis and discussions have focussed on the interoperability between the ISSB Standards and European Sustainability Reporting Standards (ESRS) and the further development of the ISSB's adoption strategy including the development of the Jurisdictional Adoption Guide. The JWG was engaged at its July 2024 meeting to consider how the Group can continue to provide strategic advice relating to the ISSB's strategy to support the adoption of the ISSB

Standards and on elements of its two-year work plan, such as strategic advice on the enhancements to the SASB Standards.

Sustainability Consultative Committee (SCC)

17. The SCC has met twice during the period (October 2023 and April 2024) with discussions focussed on the ISSB Consultation on Agenda Priorities and the development of the inaugural Jurisdictional Adoption Guide. The SCC will meet again before the end of the year. Following the April 2024 meeting the ISSB staff surveyed the SCC membership to consider how their expertise can be utilised to inform the ongoing engagement of the committee as the ISSB establishes its two-year work plan. The SCC will discuss the findings of the survey at its next meeting.

Sustainability Standards Advisory Forum (SSAF)

18. During the period the SSAF has met on three occasions and has discussed the:

- (a) establishment of the ISSB's two-year work plan;
- (b) internationalisation of the SASB Standards;
- (c) implementation of IFRS S1 and IFRS S2, including the development of educational material;
- (d) ISSB's research projects on biodiversity, ecosystems and ecosystems services and human capital; and
- (e) ISSB Sustainability Disclosure Taxonomy.

19. In Q3 2024 the SSAF membership was also surveyed to provide specific jurisdictional input into the ISSB's research projects on biodiversity, ecosystems and ecosystems services and human capital. The staff will report the initial findings to the SSAF and to the ISSB in October 2024.

IFRS Sustainability Reference Group (SRG)

20. The DPOC were briefed about this new reference Group in September 2024. As explained at that meeting, the SRG is different to other consultative groups in that it will not be consulted as a group, instead input will be sought through bilateral or small group meetings as needed.

21. The initial membership of the SRG has now been appointed following the DPOC meeting and the list of members [published on the IFRS Foundation website](#).

22. Work has begun identifying additional members as discussed with the DPOC. The ISSB aims to appoint the additional members by the end of 2024 following further consultation with the DPOC. As noted in September, a set of KPIs is being developed to help assess the level of engagement with individual members.

Transition Implementation Group (TIG)

23. The TIG has met on four occasions during the period under review. After three substantive technical meetings have now taken place this year, the staff are developing specific KPI's to survey the membership to determine where, if any, improvements can be made to the contribution of the TIG.

24. For further information about the specific topics currently under discussion see Agenda Paper DP7.

Appendix A – Work of the ISSB Consultative and Other Groups

Group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
Integrated Reporting and Connectivity Council (IRCC)	Normally 3 per year	3	June 2024	Attendance at each meeting has remained steady at around 80 representatives of the Council	ISSB Agenda Consultation and the IASB's project on Management Commentary	Discussion in June 2024 highlighted that the IRCC provides a useful bridge between the integrated reporting stakeholder community and the IFRS Foundation and is a valuable forum for discussion on topics related to integrated thinking, integrated reporting and developments in broader corporate reporting	✓
ISSB Investor Advisory Group (IIAG)	Normally 4 per year	4	September 2024	<p>December 2023 60 members joined (42 in person, 18 online)</p> <p>March 2024 82 members joined virtually</p> <p>June 2024 68 members joined (25 members in person, 43 online)</p> <p>September 2024 72 members joined virtually</p>	Updates on the ISSB's work to establish its work plan and the enhancements to the SASB Standards, the jurisdictional adoption of ISSB Standards and how investors can encourage voluntary application of the ISSB Standards in jurisdictions where the Standards are not likely to be mandated	The IIAG has been engaged throughout the period on how it can continue to contribute and support the ISSB's work and this has focused in the period on how the IIAG membership can engage in jurisdictional consultations to support the consistent adoption of the ISSB Standards	✓

Group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
IFRS Taxonomy Consultative Group	Frequency, format & timing of meetings driven by the number & timing of taxonomy releases and nature of topics	3	July 2024	October 2023: 18 of 20 members February 2024: 19 of 20 members July 2024: 19 of 20 members	Matters relating to the IFRS digital taxonomies (strategy, development and proposed updates), with a particular focus on changes to the IFRS Accounting Taxonomy arising from IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	A summary of the meeting is circulated to the ITCG (and posted to the website) after each meeting	✓
Jurisdictional Working Group (JWG)	Generally on an ad hoc basis	5	July 2024	A representative from all member organisations was present at each meeting other than one organisation at the March 2024 meeting due to a diary conflict	Interoperability between the ISSB Standards and European Sustainability Reporting Standards (ESRS) and the further development of the ISSB's adoption strategy including the development of the Jurisdictional Adoption Guide	Feedback was provided to the JWG in July 2024 on the areas in which the group can continue to contribute to as the ISSB has established its two-year work plan. The JWG will continue to be a key forum on the strategy to support the adoption of the ISSB Standards and on the ISSB's ongoing work, specifically on the strategy to support the enhancements to the SASB Standards	✓

Group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
Sustainability Consultative Committee (SCC)	3 per year	2	April 2024	October 2023 10 members attending virtually and 1 absent April 2024 9 members attending virtually and 2 absent	ISSB Consultation on Agenda Priorities and the development of the inaugural Jurisdictional Adoption Guide	Following the April 2024 meeting the ISSB staff surveyed the SCC membership to consider how their expertise can be utilised to inform the ongoing engagement of the committee as the ISSB establishes its two-year work plan. The SCC will discuss the findings of the survey at its next meeting	✓
Sustainability Standards Advisory Forum (SSAF)	3 per year	3	June 2024	October 2023 all members present (10 in person and 3 virtually) March 2024 all members present (9 in person and 4 virtually) June 2024 all members attending virtually	Establishment of the ISSB's two-year work plan, internationalisation of the SASB Standards, implementation of IFRS S1 and IFRS S2, including the development of educational material, ISSB's research projects on Biodiversity, ecosystems and ecosystems services and human capital and ISSB Sustainability Disclosure Taxonomy	A paper is tabled at each SSAF meeting that explains how the feedback received from the previous meeting was considered as part of the ISSB's ongoing work	✓

Group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
Transition Implementation Group (TIG)	Called to meet as needed dependent upon implementation questions submitted	4	September 2024	<p>November 2023 all members attending virtually</p> <p>March 2024 (10 in person, 4 virtually and 3 absent)</p> <p>June 2024 (13 attending virtually and 4 absent)</p> <p>September 2024 (11 in person and 6 attending virtually)</p>	Implementation questions (see paragraphs 4–6 of DP7)	After three substantive technical meetings have now taken place this year, the staff are developing specific KPI's to survey the membership to determine where, if any, improvements can be made to the contribution of the TIG	✓

Appendix B – Information about the ISSB Consultative and Other Groups

Group	Purpose	Composition	Chair	ISSB member representation at meetings	Oversight
Integrated Reporting and Connectivity Council	To provide advice on how reporting required by the IASB and the ISSB should be integrated and on how principles and concepts from the Integrated Reporting Framework should be considered in relevant projects by the IASB and the ISSB	Members of the Council are the: a) current members of the Integrated Reporting Council of the Value Reporting Foundation; b) members of the VRF and CDSB Boards who meet the criteria; and c) individuals whose expertise is deemed of high standing and who meet the criteria. <IR> Ambassadors who meet the criteria will also be invited to join the Council. Members will act in their personal capacity	Charles Tilley - a former International Integrated Reporting Council CEO The Vice Chair is Trustee Suresh Kana	Both IASB and ISSB members attend respective agenda items including IASB board advisors on the IASB's Management Commentary project and relevant ISSB board advisers on the ISSB's agenda consultation	The Council will continue in this role until 2026. A review will be undertaken in 2025.
ISSB Investor Advisory Group (IIAG)	To provide strategic guidance on the development of IFRS Sustainability Disclosure Standards, helping to ensure that the investor perspective is articulated clearly and is considered in the ISSB standard-setting process. The IIAG also helps achieve widespread adoption and use of IFRS Sustainability Disclosure Standards by encouraging use of the Standards to communicate performance to investors on sustainability-related issues which impact enterprise value	A group of leading asset owners and asset managers across markets who are committed to improving the quality and comparability of sustainability-related disclosure to investors	Carine Smith Ihenacho—Norges Bank Investment Management Chief Governance and Compliance Office	Typically, ISSB Board members attend the agenda items for which they are Board Advisors	Oversight of composition and effectiveness provided by the DPOC
IFRS Taxonomy Consultative Group	The ITCG advises both the IASB and ISSB on their respective taxonomy related activities—including reviews of taxonomy publications and files as part of due process	Comprises a membership of specialists and practitioners of digital reporting	Ann Tarca, IASB Member, and Bing Leng, ISSB Member	Up to 20 members (currently 20 members plus 5 appointed observers)	Oversight of composition and effectiveness provided by the DPOC

Group	Purpose	Composition	Chair	ISSB member representation at meetings	Oversight
Jurisdictional Working Group	Consisting of jurisdictional representatives and representatives from the IFRS Foundation has established dialogue for enhanced compatibility between the ISSB's exposure drafts and ongoing jurisdictional initiatives on sustainability disclosures	Chilean Financial Market Commission, Chinese Ministry of Finance, the European Commission, the European Financial Reporting Advisory Group, the Japanese Financial Services Authority, the Sustainability Standards Board of Japan, Monetary Authority of Singapore, the United Kingdom Financial Conduct Authority and the United Kingdom Financial Reporting Council, the US Securities and Exchange Commission	The Group is convened by ISSB Chair Emmanuel Faber and ISSB Vice Chair Sue Lloyd	All ISSB members observe the discussions.	Oversight of composition and effectiveness provided by the DPOC
Sustainability Consultative Committee (SCC)	To identify, inform and advise the ISSB on priority sustainability matters and related technical protocols, as well as significant interdependencies between sustainability matters	The SCC is Chaired by the ISSB Vice-Chair, 4 permanent multilateral member organisations (IMF, OECD, UN and World Bank) and up to 9 additional expert members. Additional expert members may be drawn from organisations with relevant expertise, or appointed as individual experts without organisational association	ISSB Chair Emmanuel Faber	Typically, the ISSB Vice Chairs also attend SCC meetings	The permanent multilaterals and SCC Chair presents the recommendations to the IFRS Foundation Trustees, who then have final approval of the composition

Group	Purpose	Composition	Chair	ISSB member representation at meetings	Oversight
Sustainability Standards Advisory Forum (SSAF)	To provide an advisory forum where members can constructively contribute towards the achievement of the ISSB's goal of developing standards that provide a comprehensive global baseline of sustainability-related reporting that is interoperable with jurisdictional standards on sustainability reporting ensuring two-way engagement between the ISSB and jurisdictions as sustainability-related reporting requirements are developing	12-16 jurisdictional and/or regional bodies	ISSB Vice-Chair Sue Lloyd	ISSB members attend the agenda items for which they are Board Advisors. This will ensure 4 or 5 ISSB members attend each agenda item	Members of the SSAF are selected by the Trustees of the IFRS Foundation, following a call for candidates
IFRS Sustainability Reference Group (SRG)	<p>The SRG will be a diverse group of up to 150 members, including preparers, users and subject matter experts with experience in sustainability and financial reporting, designed to provide technical input to ISSB members and staff for research and standard-setting projects.</p> <p>The SRG is a reference group and not a consultative or advisory group in the same way as groups identified in the <i>Due Process Handbook</i>. In part, this is because the Group will not meet as an entire group to provide feedback on ISSB projects. ISSB members and technical staff will meet with members bilaterally or in small group meetings, as needed, when members' expertise aligns with the ISSB work plan and particular technical issues being considered</p>	Up to 150 members, including preparers, users and subject matter experts with experience in sustainability and financial reporting	N.A	N.A	Oversight of composition and effectiveness will be provided by the DPOC

Group	Purpose	Composition	Chair	ISSB member representation at meetings	Oversight
Transition Implementation Group (TIG)	To inform the ISSB about implementation questions that could arise when entities implement IFRS S1 and IFRS S2	Membership with expertise relating to the preparation of sustainability-related information for users of general purpose financial reports; and that are involved in the implementation of IFRS S1 and IFRS S2	ISSB Vice-Chair Sue Lloyd	4 additional ISSB members participate in the meetings	Oversight of composition and effectiveness will be provided by the DPOC