



Financial Reporting Webinar Series: ISSB's Activities Updates



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Friday, 9 August 2024

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With you today



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The background of the image is a blurred, blue-toned financial chart. It features a candlestick chart with several bars, some green and some red, indicating price movements. Overlaid on the candlesticks are various line graphs and numerical data points. The numbers are in a light blue or white color, some appearing as floating text. The overall aesthetic is that of a modern, digital financial dashboard or data visualization.

Polling question 1

The background of the slide is a light blue gradient with a faint, semi-transparent financial chart. The chart features a grid, a candlestick-style price movement, and various numerical data points such as '1233.15', '8754.15', and '2543.15'.

02

**Technical issues
discussed in the TIG**

Introduction to the TIG



What is the TIG?

The Transition Implementation Group (TIG) discusses implementation questions about IFRS S1 and S2 in a public forum.

Its 17 members are a globally diverse group of preparers plus practitioners.



What is its purpose?

- Identify, analyse and discuss stakeholder questions from implementing the new Standards.
- Help the ISSB determine what, if any, action will be needed to address those questions.
- Provide a public forum for stakeholders to learn about the new Standards from others involved with implementation.



What was it modelled on?

The International Accounting Standards Board's (IASB) Transition Resource Groups (TRG).



The TIG will not issue authoritative guidance (i.e. TIG materials and related discussions will not be required to be used by preparers to assert compliance with the ISSB Standards), but the IFRS Foundation will publish meeting papers, summaries and recordings from the meetings on its website.

March 2024: Defining 'business activities' and 'vulnerable'

Question

What do the terms 'business activities' and 'vulnerable' mean in the absence of a definition in IFRS S2, and how can these terms be applied to meet the requirements of paragraph 29(b)–(c) of IFRS S2 (i.e. the requirements related to the amount and percentage of assets or business activities vulnerable to climate-related risks)?

TIG Response

01 Overall disclosure objective

- Useful information; and
- Primary users decisions.

05 Requirements in IFRS S1

- Materiality;
- Judgements; and
- Estimates.

01

05

04

Industry-based Guidance on implementing IFRS S2

02

Requirements in IFRS S2

- The specific disclosure objective and requirements;
- Use of all reasonable and supportable information; and
- Connections with other information.

03

Accompanying Guidance to IFRS S2

- Illustrative guidance; and
- illustrative examples.

Disclosure approach

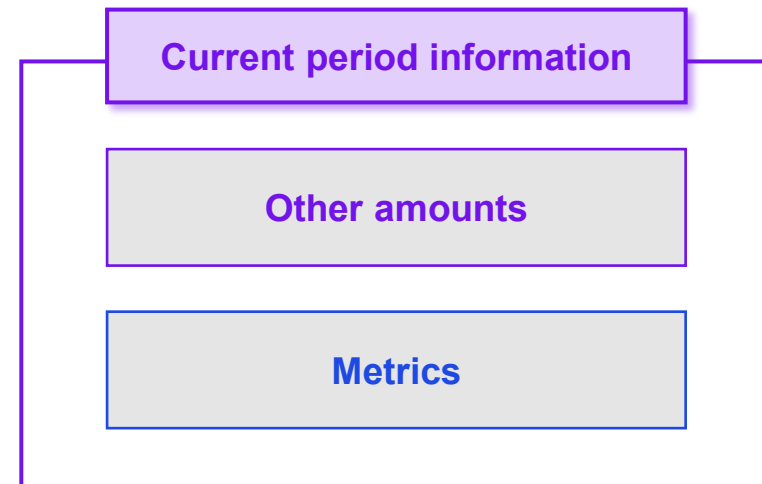
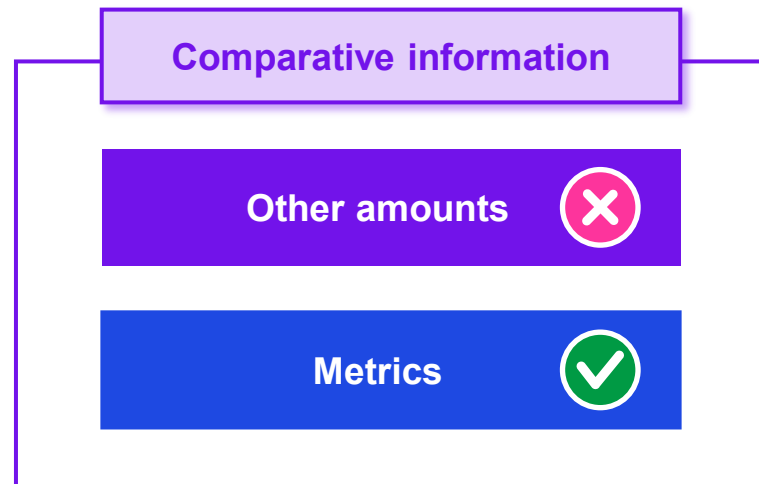
March 2024: Revision of preceding period estimated amounts

Question

Does the requirement in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information to revise preceding period estimated amounts, in the relevant circumstances, apply only to estimated amounts that are metrics or to all estimated amounts that are disclosed?

TIG Response

The TIG's view is that IFRS S1 requires the revision, in the relevant circumstances, of estimated amounts disclosed in the preceding period when those amounts are metrics, rather than requiring revision of all estimated amounts.



June 2024: Revision of preceding period estimated amounts in the value chain

Question

When a reporting entity estimates current period GHG emissions using information disclosed by an entity in its value chain from the prior period, how should the requirements in IFRS S1 to revise preceding period estimates when presenting comparative information be applied?

TIG Response

The TIG's view is that when new information is identified that provides evidence of circumstances that existed in the prior period, the estimate of comparative information should be revised, if material, applying the requirements in IFRS S1. The paper and discussion included the following example:

Summary of activity	Reporting Entity's Reporting Period	
	FY22	FY21
	<i>In thousands, metric tonnes CO₂e</i>	
Emissions for the underlying issuer were 100 tonnes of CO ₂ equivalent (CO ₂ e) in FY20. The reporting entity attributes 20% the GHG emissions data to its Scope 3 Category 15 GHG emissions. It reports 20 tonnes of CO ₂ e for its Scope 3 Category 15 GHG emissions as an estimate for FY21		20
Emissions for the underlying issuer were 180 tonnes of CO ₂ e in FY21. The reporting entity attributes 20% of the GHG emissions data to its Scope 3 Category 15 GHG emissions as an estimate for FY22. The reporting entity determines that information about the is change from its preceding period estimated amount is material. Therefore, the reporting entity revises its FY21 data in accordance with paragraph B50 of IFRS S1.	36	36

Source:

<https://www.ifrs.org/content/dam/ifrs/meetings/2024/june/tig/meeting-summary.pdf>

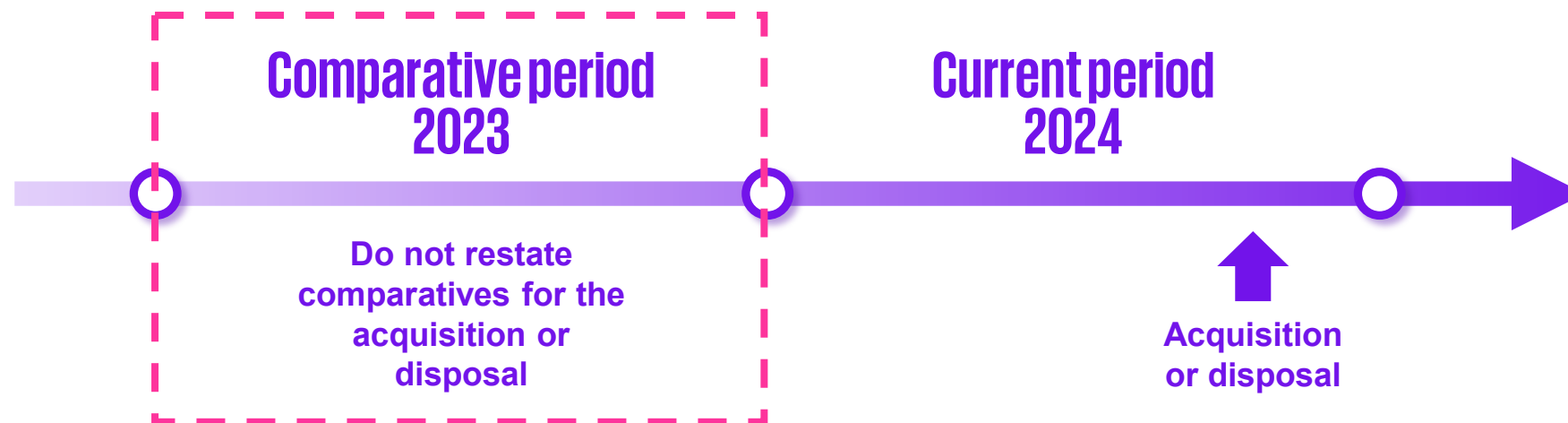
June 2024: Application of the requirements on comparative information when acquiring or disposing of a subsidiary

Question

How should a reporting entity apply the requirements in IFRS S1 to disclose comparative information if there has been a change in the composition of the reporting entity (assuming information is being provided on a consolidated basis), such as the acquisition or disposal of a subsidiary?

TIG Response

The TIG's view is that what is included in the comparative information is that which relates to the reporting entity i.e. the reporting entity reflecting its composition in the related financial statements in the comparative period. This view applies to both information disclosed in accordance with IFRS S1 and IFRS S2 Climate-related Disclosures.



TIG discussions & submissions to date

The status of past and future TIG discussions can be found in the [TIG submission log](#)



November 2023

- Introductory meeting



March 2024

- **AP1:** Defining 'business activities' and 'vulnerable' when disclosing the amount and percentage of assets or business activities vulnerable to climate-related risks

- **AP2:** Revision of preceding period estimated amounts



June 2024

- **AP1:** Revision of preceding period estimated amounts in the value chain

- **AP2:** Application of the requirements on comparative information when acquiring or disposing of a subsidiary



September 2024 (known submissions)

- [TIG submissions log](#)

TIG submissions log – future discussions

Submission topic (the log can be found here)	Question	Status
13 – Presentation of mitigation actions/plans	In the identification and disclosure of sustainability-related risks, how should mitigation plans or actions be considered?	This question is planned to be discussed at the September 2024 TIG meeting.
14 – Scope of value chain for asset management entities	Are assets managed by an asset management entity, but not consolidated due to the absence of ‘control’ over the entity in which the assets are held, considered as part of the asset management entity’s value chain.	This question is being reviewed for possible discussion at the September 2024 TIG meeting.
15 – Scope 3 Category 15 GHG emissions: loan commitments	How should an entity that participates in commercial banking activities measure absolute gross financed emissions for undrawn loan commitments?	This question is planned to be discussed at the September 2024 TIG meeting.
16 – Scope 3 Category 15 GHG emissions: other financial Instruments	Is an entity required to measure and disclose scope 3 emissions for financial instruments that are not explicitly referenced in or defined in the ISSB Standards if material?	
17 – Disclosure of insurance associated emissions	Are insurance-associated emissions required to be disclosed, if material, under IFRS S2? If so, are companies required to align to the Partnership for Carbon Accounting Financials standard?	

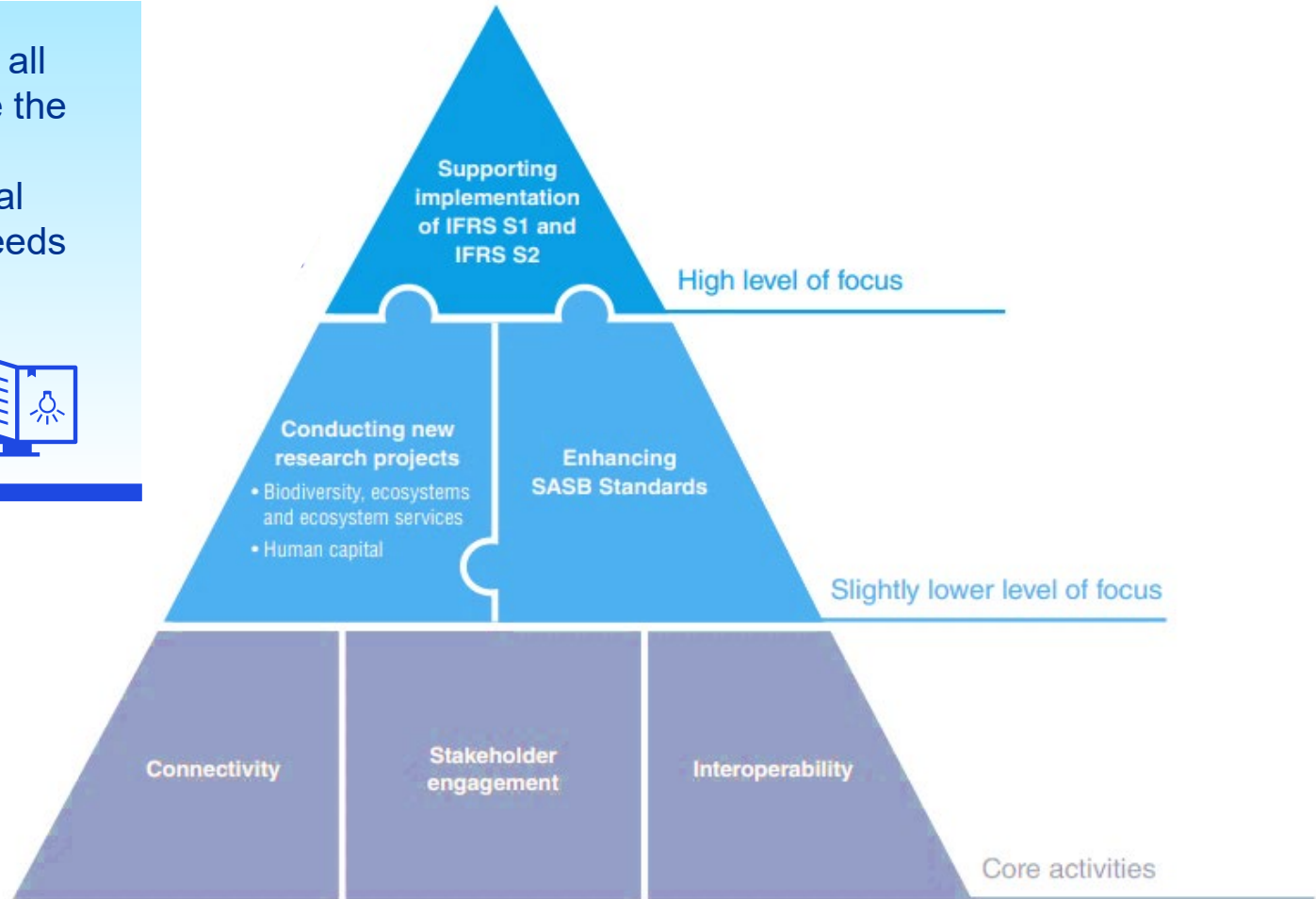
The background features a light blue gradient with faint, semi-transparent financial data. On the left, there are vertical bar charts. On the right, there are candlestick charts and line graphs with various numerical values and arrows indicating trends. The overall aesthetic is clean and professional, typical of a corporate or financial presentation.

03

Consultation feedback and the ISSB's workplan

ISSB's 2024–2026 work plan activities – an illustration

The ISSB's activities for 2024–2026 are all interrelated and work together to enable the ISSB to deliver a comprehensive global baseline of sustainability-related financial disclosures that meet the information needs of investors.



Source: [agenda-consultation-feedback-statement-june-2024.pdf \(ifrs.org\)](#)
(Page 26)

The background features a complex financial chart with various data points, including numerical values like 1233.15, 8754.15, and 2543.15, and directional indicators such as triangles and arrows. A prominent blue-to-purple gradient rectangle is overlaid on the left side of the image, containing the main text.

04

Questions & answers

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05

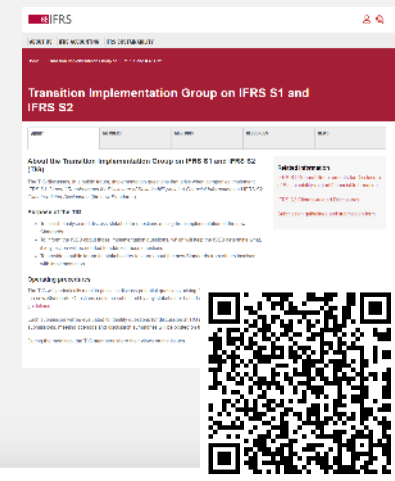
Resources

Resources

Sustainability reporting



GHG emissions reporting



Webinar dates and topics for 2024



- 11 March – IASB Developments
- 22 April – Sustainability Reporting Developments
- 7 June – Interim Reporting Updates
- 9 August – ISSB’s Activities Updates
- 11 October – TBC
- 5 December – Year-end Updates



For more details and access to our webinar series:

<https://home.kpmg/cn/en/home/services/audit/ifrs-news/financial-reporting-webinar-series.html>

Contact us



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