

Agenda Item

4-F

Sustainability (WS2) – Definition of “Sustainability Information” (Mark-up from the June 2023 Version) with Explanations

Sustainability information (WS2)

(a) Information expressed in financial or non-financial terms, historical or forward-looking, about the opportunities, risks or impacts of:

(i) ~~Economic~~ economic, environmental, social, governance or other sustainability ~~impacts or factors on~~ an entity's activities, services or products. ~~The impacts may be:~~ or

(ii) An entity's activities, services or products on the ~~entity or on~~ economy, the environment, or the public; or

(b) Information defined by law, regulation or the relevant reporting or assurance framework as “sustainability information” or equivalent terms or descriptions.

Sustainability information includes information that may be:

- ~~Defined as ‘sustainability information’ by law, regulation or the applicable reporting or assurance framework.~~
- Prepared for internal purposes or for mandatory or voluntary disclosure.
- Obtained from an entity or its value chain such as customers and suppliers.
- Related to the ~~measurement~~ quantitative or qualitative evaluation of an entity's past or expected performance over the short, medium, or long term.
- Described in an entity's policies, plans, goals, commitments or representations.

Commented [LL1]: Regarding the outside-in impacts, ISSB's and EFRAG's standards focus on the financial conditions of the entity such as cash flow, performance and cost of lending. The way this is drafted allows not only for consideration of financial impacts but also other impacts (e.g., at the level of employee structure, corporate governance structure, etc.).

Commented [LL2]: Redrafted to explain what we meant by the first bullet below that was deleted. This was moved to the upper section (the definition part) following IESBA comments in June 2023.

Commented [LL3R2]: The definitions used in ISSA 5000 (“sustainability information” and “sustainability matters”) are scoped in IESBA's definition and therefore IESBA standards are interoperable with IAASB standards (as well as other standards - framework neutrality). In particular, subparagraph (b) scopes in other definitions of “sustainability information” used in assurance frameworks (such as ISSA 5000) as well as equivalent terms or descriptions (such as “sustainability matters”).

Commented [LL4]: Added per IESBA comments in June 2023.

Commented [LL5]: Added “quantitative or qualitative evaluation” per IESBA comments in June 2023. Also, “evaluation” seems a more neutral term than “measurement” which may have a financial connotation.

Commented [LL6]: Added “past or expected” per IESBA comments in June 2023. During the discussion participants suggested adding “forecast” or “prospects”. However, keeping “performance” only and explaining that it can be past or expected (future) seems simpler/clearer. Also, “expected” seems a more neutral term than equivalent terms such as “forecasted” which may have a financial connotation.

Commented [LL7]: Bullet added per IESBA comments in June 2023.