

MEMO# 34244

August 8, 2022

ICI Global Responds to the ISSB Exposure Drafts

[34244]

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TO: ICI Members

ICI Global Members

ESG Advisory Group

ESG Task Force

Global Regulated Funds Committee SUBJECTS: ESG

International/Global RE: ICI Global Responds to the ISSB Exposure Drafts

Attached is our response to the International Sustainability Standards Board (ISSB) Exposure Drafts for IFRS S1 General Requirement for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures.

Some highlights:

- ICI strongly supports the ISSB's efforts to develop an effective global baseline of robust sustainability reporting standards that enable broad adoption across jurisdictions and facilitate jurisdictions choosing to take a building blocks approach.
- ICI supports the ISSB's approach to materiality, particularly its focus on financial materiality.
- For greater interoperability, ICI recommends that the ISSB provide practical use cases to demonstrate the interoperability of the ISSB standards with specific requirements in key jurisdictions via a 'building blocks' approach.
- The ISSB climate standards should limit mandating disclosure of Scope 3 emissions to companies that have publicly announced a target or goal to reduce their Scope 3.
- The ISSB should clarify that Scope 3 GHG emissions for an asset management company should exclude GHG emissions attributable to assets managed on behalf of clients.
- The ISSB should not require asset managers to disclose Scope 1, 2, and 3 GHG emissions attributable to their managed assets as part of the Asset Management and Custody Activities industry-based disclosures standard.

Thank you to everyone who provided input on ICI's response. If you filed your own response, we would appreciate if you could share it with us to help us with further work on sustainability reporting standards.

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