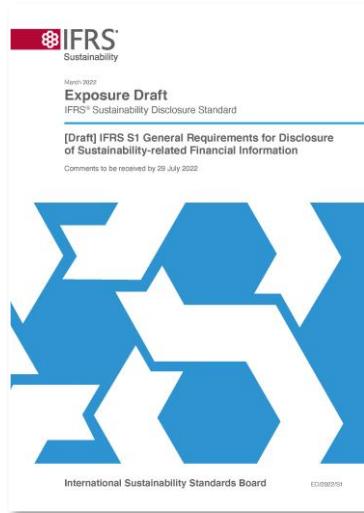

An update from the International Sustainability Standards Board

IFRS Standards within the broader reporting landscape



Proposed General Requirements Standard: IFRS S1



- Sets out disclosure of material information about sustainability-related risks and opportunities
- Sets out general reporting requirements; other IFRS Sustainability Disclosure Standards (eg Climate Standard) set out specific disclosures
- Points to other standards and frameworks in absence of a specific IFRS Standard
- Equivalent to IFRS Accounting Standards IAS 1 and IAS 8



Emphasises need for **consistency and connections** between financial statements and sustainability disclosures



Requires financial statements and sustainability disclosures to be published **at the same time**

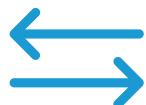


Does **not specify a location** for disclosure and **allows additional information** to be provided, to facilitate application in different jurisdictions

Proposed Climate-related Disclosures Standard: IFRS S2



- Disclosure of material information about climate-related risks and opportunities
- Incorporates TCFD Recommendations
- Includes SASB Standards climate-related industry-based requirements
- Requires disclosure of information about:
 - Physical risks (eg flood risk)
 - Transition risks (eg regulatory change)
 - Climate-related opportunities (eg new technology)



Transition planning

Emissions targets and use of carbon offsets



Climate resilience

Resilience of business strategy in multiple scenarios



Scope 1-3 emissions

Requirement to disclose GHG emissions in accordance with the GHG Protocol Corporate Standard

Feedback - high-level messages



Support for **timely publication** and encouragement to continue to move at pace. Support for IFRS S1 as the **overarching standard**, with IFRS S2 well received, especially by **investors**



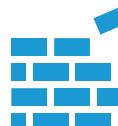
Need for urgency, citing significant risks that climate change presents to individual companies, as well as to financial stability



Need for **greater support, guidance and examples** to enable effective application



Importance of **connected standard-setting (IASB and ISSB)** to facilitate a package of financial and sustainability-related disclosures that work as a package and can be assurable



Challenges with some specific proposed requirements in IFRS S2, with call for **proportional reporting requirements** for smaller companies and in emerging economies

G20 Bali, Leaders' Declaration 15-16 November 2022

"We look forward to the finalisation of standards by the International Sustainability Standards Board (ISSB) in support of globally consistent, comparable and reliable climate-related financial disclosures and its work beyond climate; and we welcome the efforts to achieve interoperability across disclosure frameworks."



“We are seeing huge enthusiasm for IOSCO to contribute to the ISSB’s consultation so that the final versions of these crucial standards fulfil the requirements of our securities regulator membership[...]

Establishing a global baseline for corporate sustainability disclosures is a key ambition of IOSCO’s Workplan for Sustainable Finance, which aims to increase transparency and mitigate greenwashing in financial markets.

The review of the ISSB’s finalized standards for potential IOSCO endorsement will be a crucial step towards increased comparability in sustainability reporting under either voluntary or mandatory reporting regimes.”

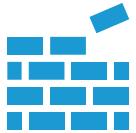
Next steps



Complete discussions on consultation feedback around end of 2022



Issue final Standards as early as possible in 2023



Work to support adoption and application



Consult on proposed digital taxonomy



Consult on future priorities, early 2023

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