



IFRS® Foundation

ISSB's proposed IFRS® Sustainability Disclosure Standards

June 2022

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ISSB focus



Develop standards for global baseline of sustainability disclosures and a digital taxonomy to enable electronic tagging of disclosures



Focus on meeting the information needs of investors



Will enable companies to provide comprehensive sustainability information for the global capital markets



Building blocks approach: facilitate the addition of requirements that are jurisdiction-specific or aimed at a broader group of stakeholders

Building blocks approach

Sustainability reporting (broader multi-stakeholder focus)

Reporting on all sustainability matters that reflect significant positive or negative impacts on people, the environment and the economy

Jurisdictional initiatives
and/or GRI

Sustainability-related financial disclosures (investor focus)

Reporting on those sustainability-related matters that may reasonably create or erode enterprise value over the short, medium and long term

ISSB

Financial reporting (investor focus)

Reflected in monetary amounts in the financial statements

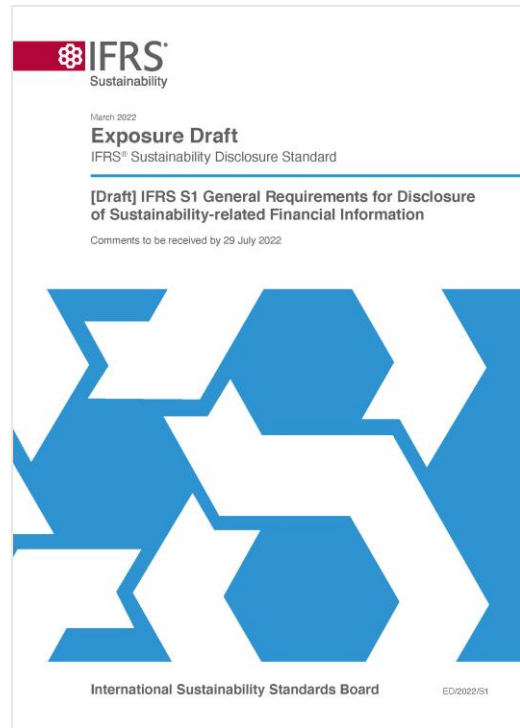
IASB (140+
countries)

Other GAAP
(eg FASB)

Integrated Reporting

Two proposed IFRS Sustainability Disclosure Standards

1



General Requirements
Exposure Draft

2



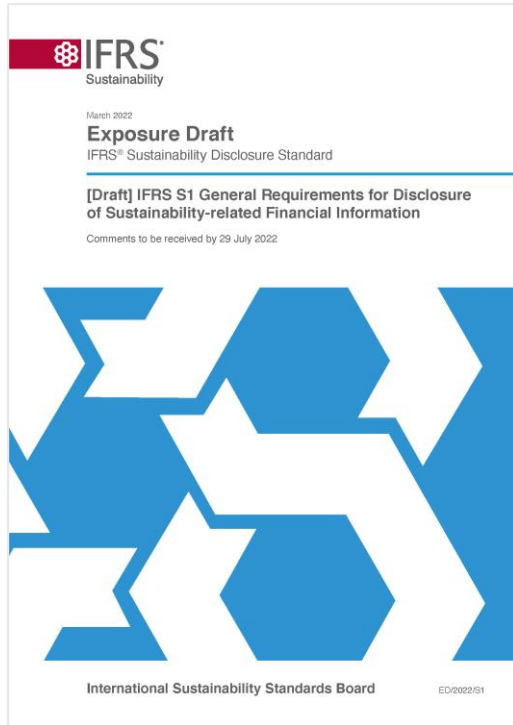
Climate
Exposure Draft



General Requirements Exposure Draft

1

General Requirements Exposure Draft

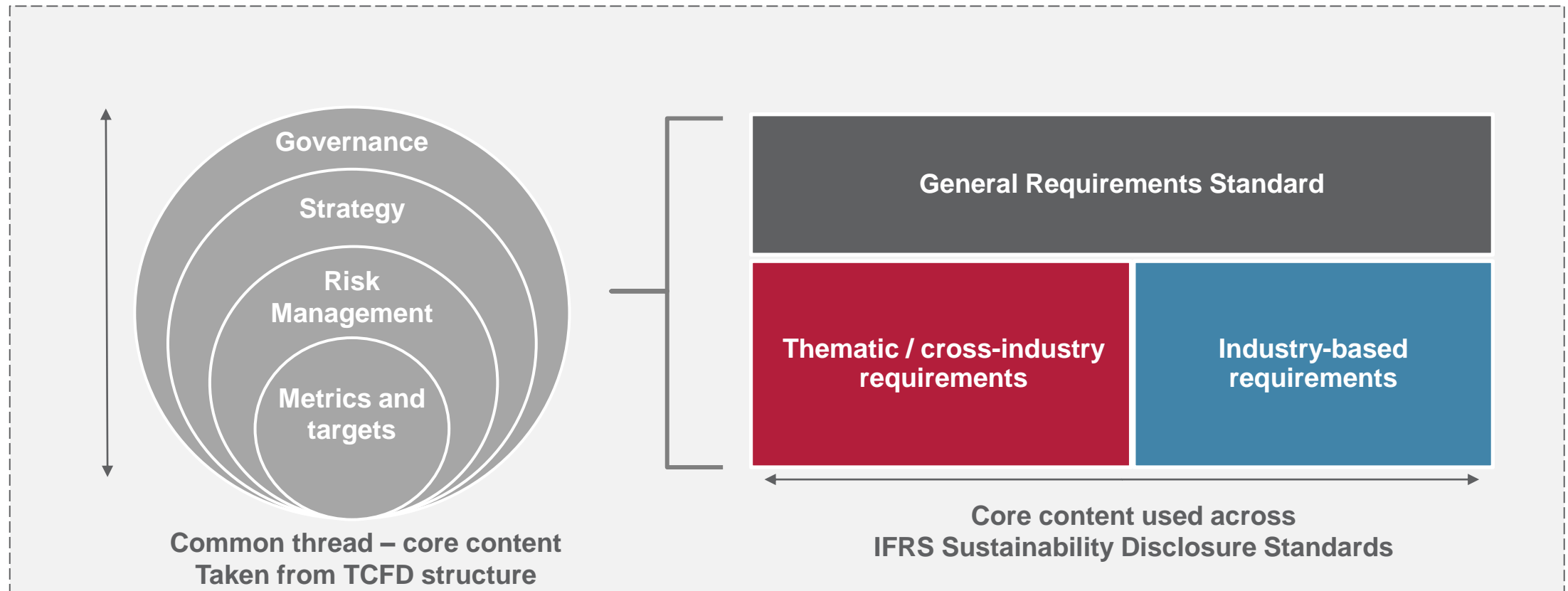


Requires companies to provide material information on all significant sustainability-related risks and opportunities necessary to assess enterprise value

- Other IFRS Sustainability Disclosure Standards (eg Climate Standard) set out specific disclosures
- Points to other standards and frameworks in absence of a specific IFRS Sustainability Disclosure Standard
- Equivalent to IFRS Accounting Standards IAS 1 and IAS 8

Standards architecture

Focus on investor audience and enterprise value



Identifying sustainability-related risks and opportunities and disclosures

General Requirements [Standard]

A company would be required to disclose material information about all significant sustainability-related risks and opportunities



Climate [Standard]

A company would apply the relevant IFRS Sustainability Disclosure Standards to identify climate-related risks and opportunities and disclosures



In lieu of a specific IFRS Sustainability Disclosure Standards, when identifying sustainability-related risks and opportunities and disclosures consider:

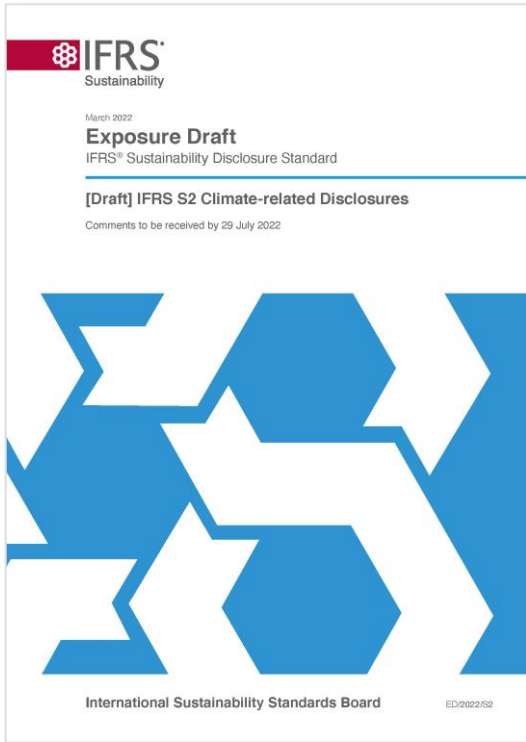
SASB Standards	CDSB Framework, CDSB Framework application guidance	Other standards	Other sources
Industry-based disclosure topics identified in SASB Standards	ISSB's non-mandatory guidance, e.g. CDSB Framework and CDSB Framework application guidance for social, water- and biodiversity-related disclosures	Other standards, provided that they are designed to meet the information needs of investors	Practices of peer companies in the same industries or geographies

Illustrative Guidance is provided to illustrate how a company can use the **SASB Standards** and the **CDSB Framework application guidance** to identify disclosures about significant sustainability-related risks and opportunities that are relevant to investor decision making, faithfully represent the company's risks and opportunities, and are neutral



Climate Exposure Draft

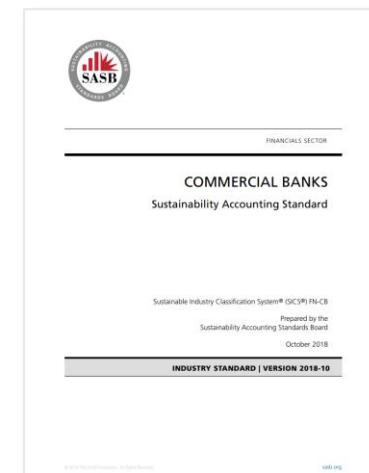
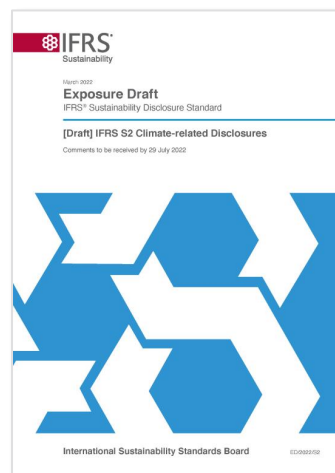
2 Climate Exposure Draft



Requirements for disclosure of material information about significant climate-related risks and opportunities

- Requires disclosure of information about;
 - physical risks (eg flood risk)
 - transition risks (eg regulatory change)
 - climate-related opportunities (eg new technology)

Building on existing standards



Consistent with TCFD

- Governance
- Strategy
- Risk management
- Cross-industry metrics and targets
- Illustrative guidance



Builds on SASB Standards

- Industry-based disclosures in Appendix B derived from SASB Standards
- Proposed changes to:
 - Internationalise metrics
 - Add financed emissions disclosures

Key features of Climate Exposure Draft



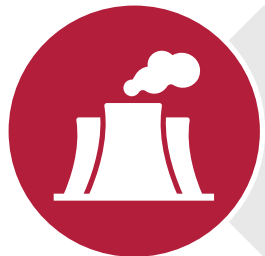
Transition planning

Emissions targets and use of carbon offsets




Climate resilience

Resilience of business strategy in multiple scenarios



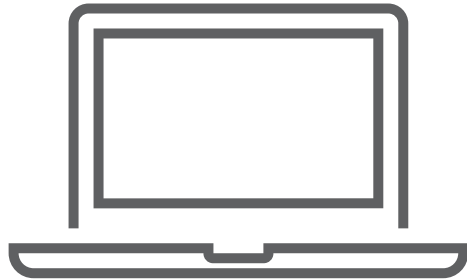
Scope 1-3 emissions

Requirement to disclose GHG emissions

A grayscale world map is the background for the slide. Overlaid on the map are several thick, light gray curved lines that sweep across the continents. Additionally, there are dotted lines forming a grid-like pattern across the map, suggesting global connectivity or a network.

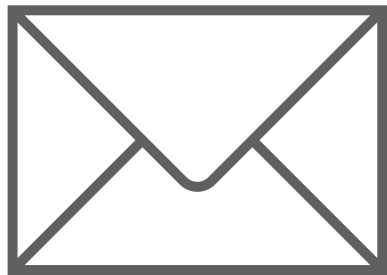
Call to action and next steps

How to comment on the proposals?



Survey

or



Comment letter

Visit:
ifrs.org/projects/open-for-comment/

Comments are published on ifrs.org

Other technical priorities

Taxonomy

Publish Taxonomy proposals to facilitate electronic tagging and presentation of disclosures

SASB Standards

Improve international applicability of the SASB Standards

Assume responsibility for SASB standards on consolidation of VRF

Work plan

Public consultation on future agenda, including

- Sustainability-related risks and opportunities the ISSB should prioritise
- Delivery plan for current SASB Standards projects