Agenda item 3. Good practices in and approaches to the practical implementation of sustainability reporting requirements

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Better information for better decisions: An update from the International Sustainability Standards Board
ISSB objectives

- Develop standards for global baseline of sustainability disclosures, and a digital taxonomy to enable electronic tagging of information
- Meet information needs of investors
- Enable companies to provide comprehensive sustainability information to global capital markets
- Facilitate addition of disclosures that are jurisdiction-specific / aimed at broader stakeholder groups
Comprehensive global baseline

- Possible additional requirements mandated by jurisdictions
- Voluntary standards adopted to meet broader multi-stakeholder needs (e.g., GRI Standards)

BASELINE:

IFRS Sustainability Disclosure Standards

- Act as a comprehensive foundation
- Common language to deliver comparable, consistent disclosures
- For global capital markets, meeting investor needs globally
Designed for communication to investors

Connectivity supported through the principles of integrated reporting.
Proposed Standards:

IFRS S1 General Requirements Standard

IFRS S2 Climate-related Disclosures Standard
Widespread interest

1,400+ responses overall

400+ outreach events during consultation period

Feedback from wide range of stakeholder groups

Wide geographic spread
Summary of feedback

**High level of interest and market engagement globally**

**Meeting the timeline to publish the exposure drafts in 2022 was positively received**

**Positive reception that the ISSB is building upon the existing body of sustainability-related financial reporting initiatives**

- Strong support for the ISSB’s overall aim
  - To develop a comprehensive global baseline of sustainability-related financial disclosures for capital markets

- Continue to move at pace to issue the first standards
  - Whilst emphasising the importance of timeliness and quality

- Scalability of the proposals
  - Questions about the application by smaller companies and those in emerging markets. Actively seeking feedback on this

- Continue to work with jurisdictions
  - To address differences in concepts, terminologies and definitions with jurisdictional proposals

- Industry-based requirements
  - Difference of opinions regarding the industry-based requirements
Priorities

• Support **adoption and application**, including supporting materials
• **Consult** on new areas of work in H1 2023
• Develop a digital **taxonomy**
• **International applicability** of SASB Standards
• **Connectivity** with the IASB, including further work to align **Integrated Reporting** and **Management Commentary**.
• Facilitating **interoperability**
• **Researching** potential incremental enhancements to proposed Climate Standard
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
“...we welcome the global baseline of sustainability reporting standards currently under development by the ISSB.

Support for the global baseline has the potential to improve information and thus mobilise finance for the needed investments, particularly in emerging and developing economies, and we ask the ISSB to work closely with regional standard setters and any relevant local stakeholders and to provide advisory and capacity support.

We welcome the ISSB’s jurisdictional working group.”
Get involved

- **Download** proposed IFRS Standards and supporting materials
- **Listen** to our monthly podcast with highlights from meetings and key developments
- **Respond** to live consultations
- **Sign up** for news alerts
- **Discover** services that can support you, including membership and education
- **Observe** ISSB meetings – the next is w/c 14 November
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