
ISSB Update

Schmalenbach-Gesellschaft
18.04.2024

Jenny Bofinger-Schuster
ISSB Board Member

A truly global baseline of disclosures



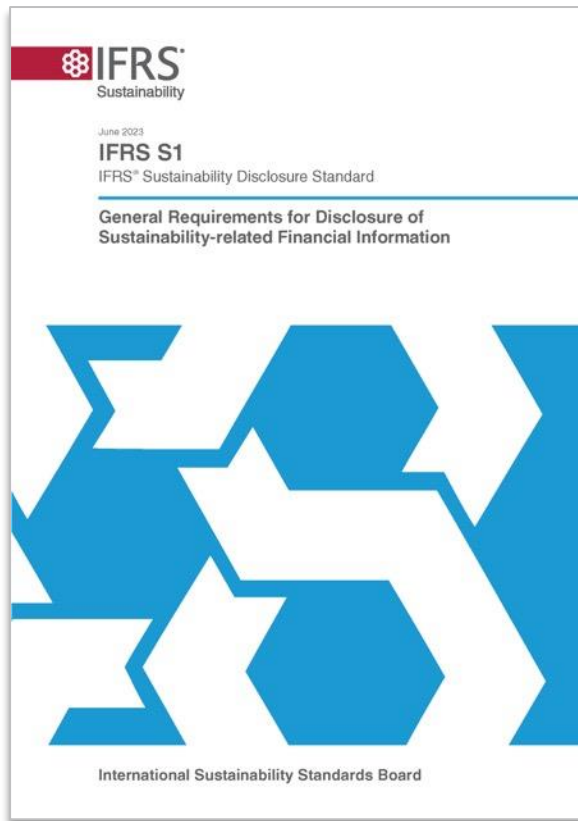
additional
building blocks

- can be added to meet jurisdiction-specific requirements
- can be added to meet broader multi-stakeholder needs

ISSB Standards

- provide a comprehensive foundation of disclosures for global jurisdictional adoption
- are a common language for comparable, decision-useful disclosures
- are designed to meet investor needs across global capital markets

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information



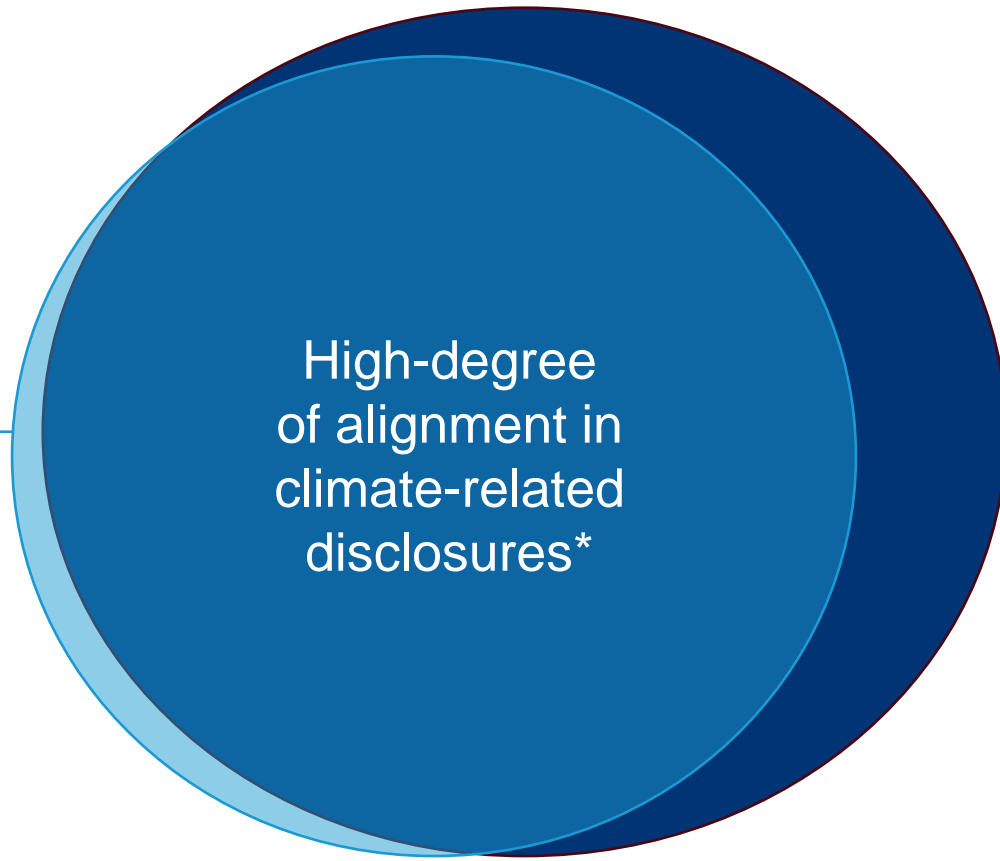
- Asks for disclosure of **material information** about **sustainability-related risks and opportunities** with the financial statements, to meet investor information needs
- Applies **TCFD architecture** whenever providing information about sustainability
- Requires **industry-specific disclosures**
- For matters other than climate (IFRS S2) refers to **sources to help companies** identify sustainability-related risks and opportunities and information
- Can be used in conjunction with **any accounting requirements (GAAP)**

IFRS S2: Climate-related Disclosures



- Incorporates the **TCFD recommendations**
- To meet investor information needs, IFRS S2:
 - is used in accordance with **IFRS S1**
 - requires disclosure of **material information about climate-related risks and opportunities**, including physical and transition risks
 - requires **industry-specific disclosures**, which are supported by accompanying guidance built on SASB Standards

ISSB Standards:
Additional requirements
(eg financed emissions)



ESRS:

Additional requirements for stakeholders interested in impacts (that do not create risks or opportunities for a company's prospects) and information that if missing or obscured is not reasonably expected to affect investor decisions

High-degree of alignment around disclosures to provide decision-useful information for investors on risk management and how dependencies and impacts create risks and opportunities for a company's financial position and prospects

* The ISSB, the European Commission and EFRAG are discussing how to explain the alignment and interoperability between the respective standards, including the choices a company needs to make to enhance alignment and where the standards have specific requirements.

2024 priorities

Implementation

- Capacity building
- Public forum for implementation questions through Transition Implementation Group
- Educational material
- Digital taxonomy
- Support use of the SASB Standards

Adoption

- Work with jurisdictions
- Develop Inaugural Jurisdictional Guide and Regulatory Implementation Programme
- Provide transparency on progress
- Encourage voluntary application of the ISSB Standards

Future work plan

- Reflect on feedback received via consultation about future work plan
- Agree research projects to gather evidence about what problem needs to be solved and assess whether a feasible solution can be found

Fundamental to all activities: Connectivity with IASB, interoperability, stakeholder engagement

Visit ifrs.org to find out more

- [Access](#) the Standards and supporting materials
- Listen to the monthly [podcast](#)
- Respond to live [consultations](#)
- [Sign up](#) for news alerts
- Discover [services](#) that can support you
- [Observe](#) ISSB meetings
- [Join](#) the team