

ICAP

The ISSB Standards: better information for better decisions

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Ravi Abeywardana, ACA
Director of Strategic Affairs and Capacity Building
Email: rabeywardana@ifrs.org

A truly global baseline of disclosures



additional
building blocks

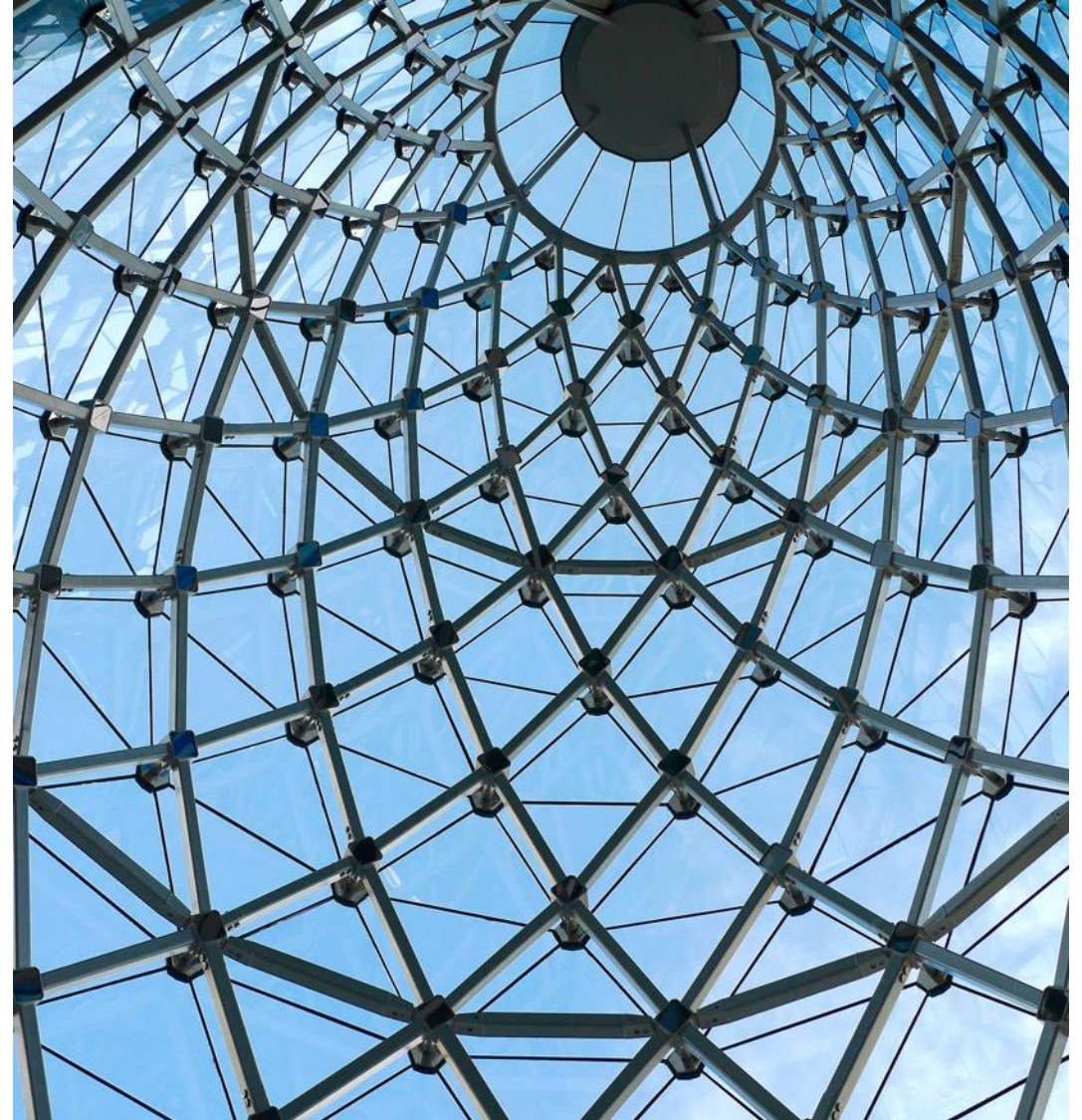
- can be added to meet jurisdiction-specific requirements
- can be added to meet broader multi-stakeholder needs

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

Key milestones in delivering truly global baseline

- ISSB issues IFRS S1 and IFRS S2, *26 June 2023*
- Financial Stability Board announce work of the TCFD now completed due to ISSB Standards and transfers responsibilities for monitoring progress on climate-related disclosures, *6 July 2023*
- IOSCO endorse ISSB Standards following a comprehensive review, *25 July 2023*
- European Commission, EFRAG and ISSB confirm ‘high degree of alignment’ in climate-related disclosure requirements, *31 July 2023*



Four-pillar strategy to support adoption and use of ISSB Standards

1) Proportionality and guidance built into IFRS S1 and IFRS S2

2) Transition reliefs - with possibility of jurisdictional extensions

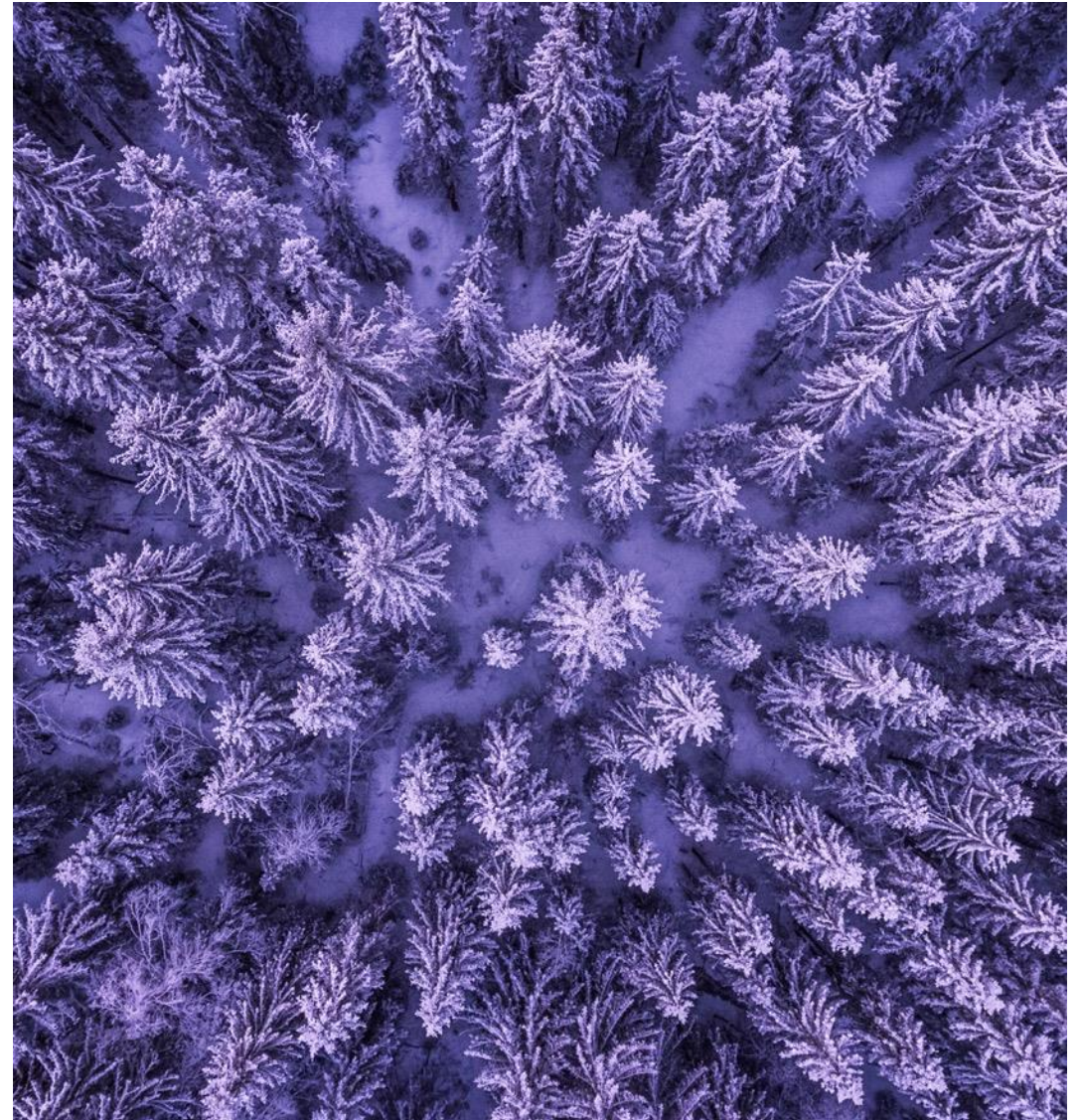
**Implementation
strategy for ISSB
Standards**

3) Adoption Guide to support scalability and jurisdictional phasing in

4) Additional support – including Capacity Building for industry and jurisdictions

Pillar 1: Mechanisms that support application

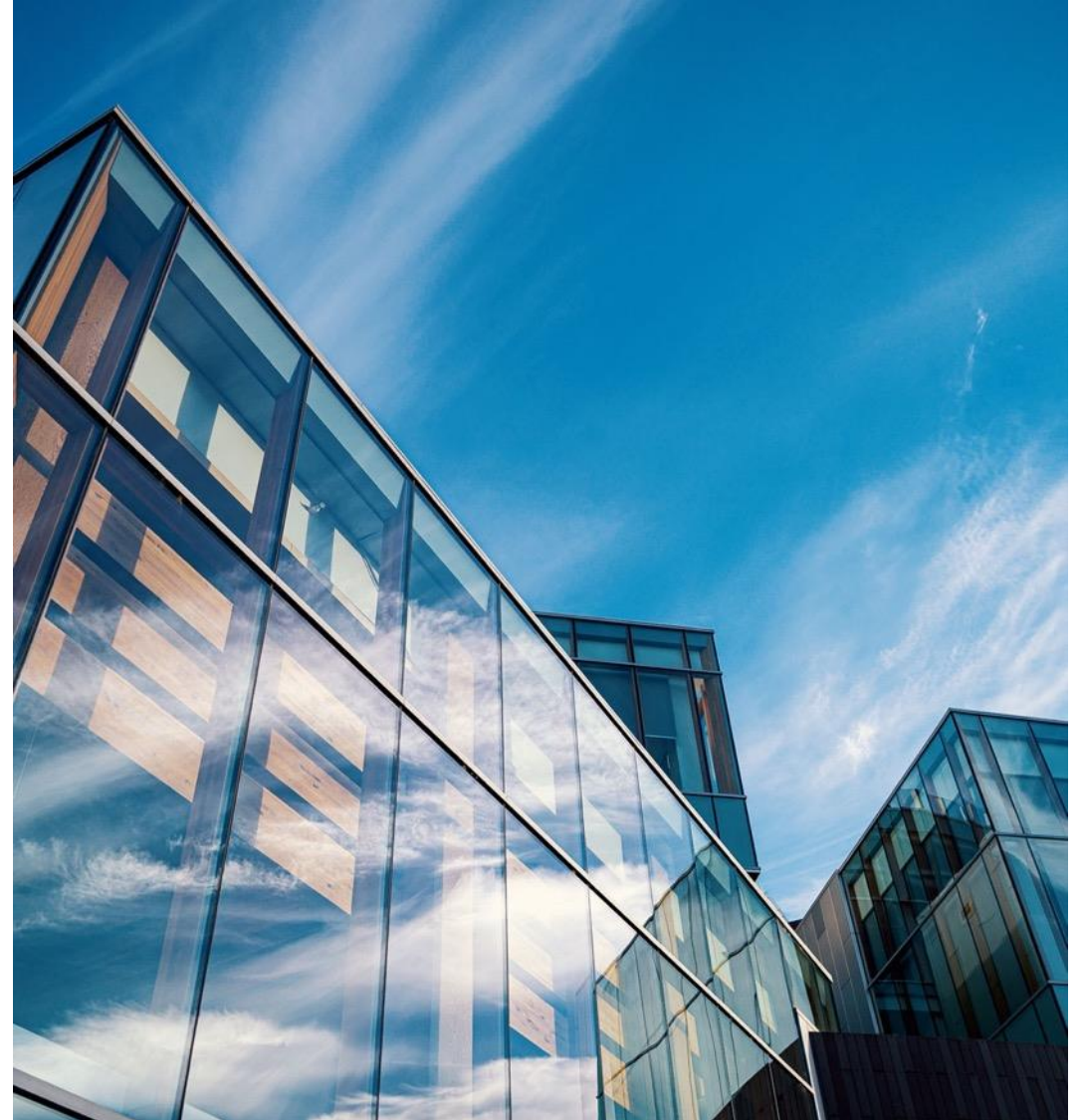
- Use of well-known **terminology and concepts**
- Proportionate:
 - the instruction to **use reasonable and supportable** information available without **undue cost or effort**
 - consideration of **skills, capabilities and resources**
- Help through:
 - **guidance** within the Standards and educational materials
 - **sources of guidance** to identify sustainability-related risks and opportunities, and metrics
 - other clarifications, such as permitting **qualitative** scenario analysis and qualitative information on financial effects
- Transitional **reliefs**



Pillar 2: Reliefs for first year of application

- can limit disclosures to climate-related information
- later reporting allowed - annual information can be provided with half year reporting
- Scope 3 disclosure not required
- do not need to apply Greenhouse Gas Protocol if already using a different measurement approach
- do not need to provide comparative information*

**companies that limit disclosures to climate-related information in the first year do not need to provide comparative information about their sustainability-related risks and opportunities beyond climate in their second year.*



Pillar 3: Jurisdictional journey and adopting ISSB Standards

- Supporting regulators adopt the Standards in a timely, consistent and comprehensive manner
- Adoption Guide to be published - supporting jurisdictional regulatory pathways to adoption
- IFRS Foundation [High-level roadmap](#) (a precursor to the Adoption Guide) outlines approach to adoption considerations

Jurisdictions on the adoption journey include:

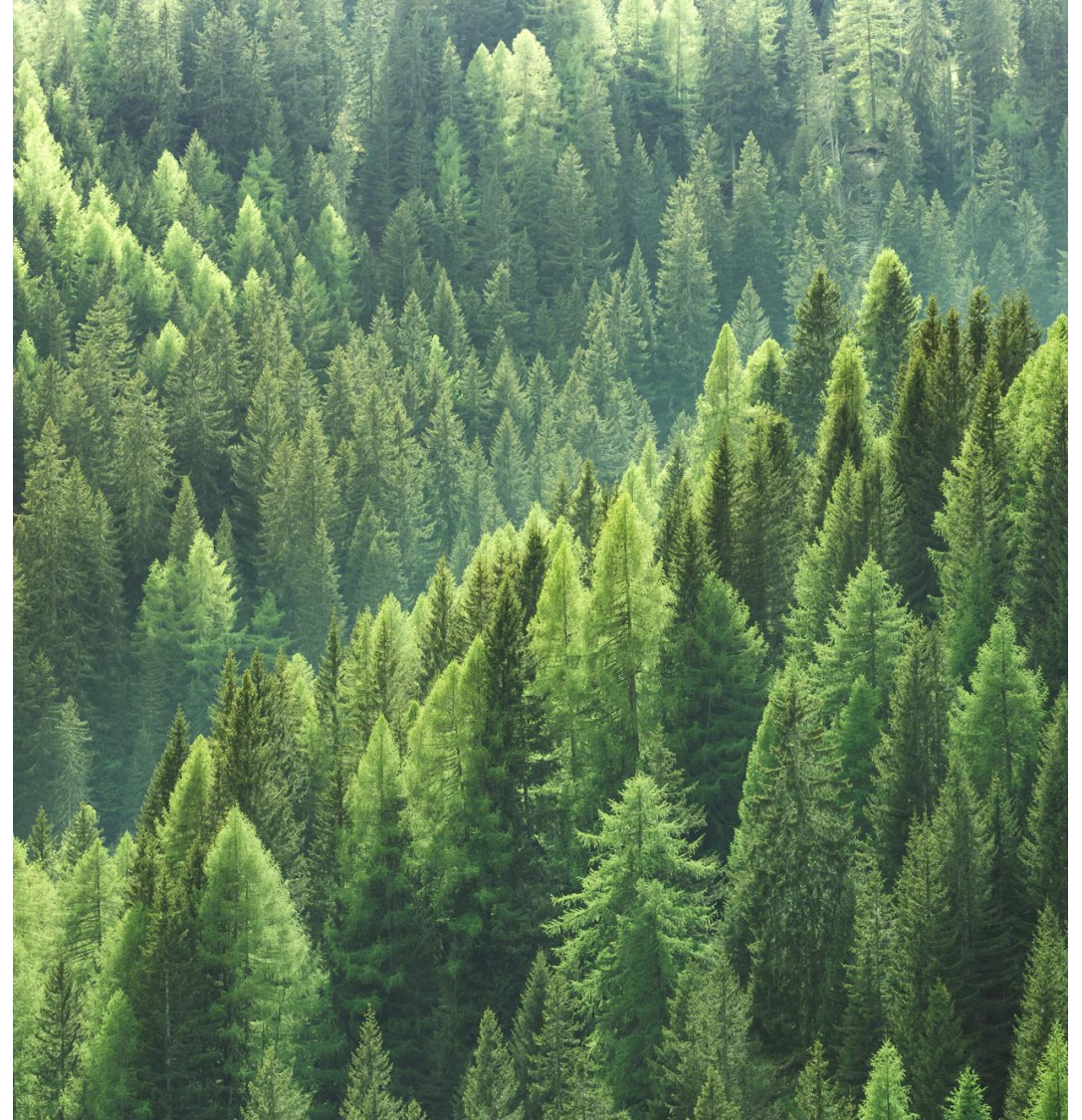


- Australia
- Brazil
- Canada
- Hong Kong
- Japan
- Kenya
- Nigeria
- Mexico
- Philippines
- Singapore
- Turkey
- UK

Pillar 4: Capacity building

Partnership Framework

- 30+ global and local partners committed to ensuring readiness, which includes **IFAC**.
- Helps to consider specific circumstances of **emerging and developing economies**, including **smaller companies**
- Focused on **enabling consistent and comparable high-quality disclosures** to bring benefits of sustainability-related disclosures to all.



Knowledge hub

Supporting the application of **IFRS Sustainability Disclosure Standards**

FAQs, guides and resources curated by the IFRS Foundation and third-party organisations in support of global drive to build capacity

[IFRS - Knowledge hub](#)

The Knowledge Hub includes supporting IFRS S1 guidance



Application Guidance

- Identifying sustainability-related risks and opportunities and disclosing material information about such risks and opportunities
- Material information
- Connected information



Accompanying Guidance

- Guidance on who 'primary users' are and how companies should apply sources of guidance
- Examples of considering and applying the SASB Standards

And IFRS S2 guidance



Application Guidance

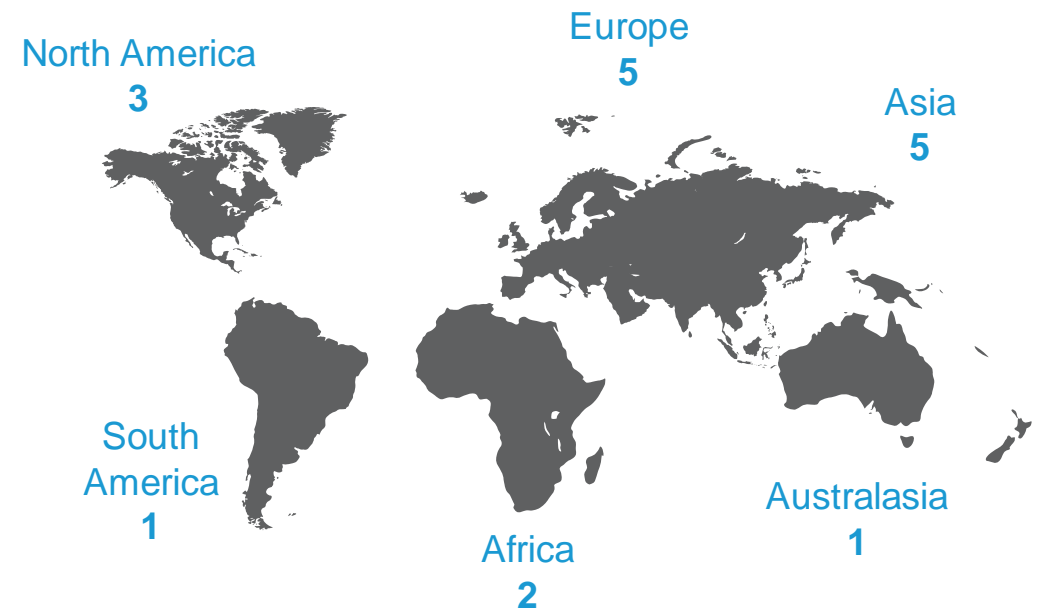
- Applying scenario analysis to assess climate resilience
- Measuring Scope 1-3, plus a framework for measuring Scope 3
- Disclosing information:
 - relevant to financed emissions
 - relevant to cross-industry metric categories
 - about climate-related targets



Accompanying Guidance

- Metrics that could be disclosed relevant to cross-industry metric categories
- Examples of disclosing GHG emissions information applying the principles in IFRS S1 for aggregation and disaggregation
- Industry-based guidance on identifying appropriate disclosures associated with common business models and activities in a particular industry
- Nature and social aspects of climate

- **Any stakeholder** can submit a question, so long as the issues raised:
 - **are related to, or arise from**, the implementation of IFRS S1 and/or IFRS S2
 - may result in possible **diversity in practice**
 - are expected to be **pervasive**, i.e. relevant to a wide group of stakeholders
- In your submission, include a **detailed description** of the possible ways in which the Standard(s) could be applied
- The form and your name will **not be made public**
- Consistent with previous IASB (and FASB) groups, will not issue any authoritative guidance
- Meeting summaries and recordings published on ifrs.org
- Discussions help the ISSB determine what, if any, action needed to address implementation questions (eg webinars, case studies, other educational material)



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