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ISSB Corporate Reporting Webinar Series

**Part 2: Any size or stage —  
Getting started on climate  
disclosure**



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## ISSB Corporate Reporting Webinar Series

### Part 2: Any size or stage—Getting started on climate disclosure

Moderator

Speakers



**Neil Stewart**  
Director of  
Corporate Outreach  
**IFRS Foundation**



**Rommie Johnson**  
ISSB Technical  
Strategy Lead  
**IFRS Foundation**



**Joe Allanson**  
Executive Vice  
President, Finance  
ESG  
**Salesforce**



**Verity Chegar**  
Member  
**ISSB**



**Richard Manley**  
Chief Sustainability  
Officer and Head of  
Sustainable Investing  
**CPP**

Joining us today are:

- **4,496** registrants
- From **141** jurisdictions around the world



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## Series Schedule

### **Part 1: Better information for better decisions—Introduction to investor-focused sustainability disclosure**

Tuesday 24 January 14:00 GMT

### **Part 2: Any size or stage—Getting started on climate disclosure**

Tuesday 31 January 16:00 GMT

### **Part 3: Connectivity and controls—the path to investor-grade disclosure**

Tuesday 7 February 04:00 GMT (13:00 JST)






**Recordings and slides will be made available after each session.**

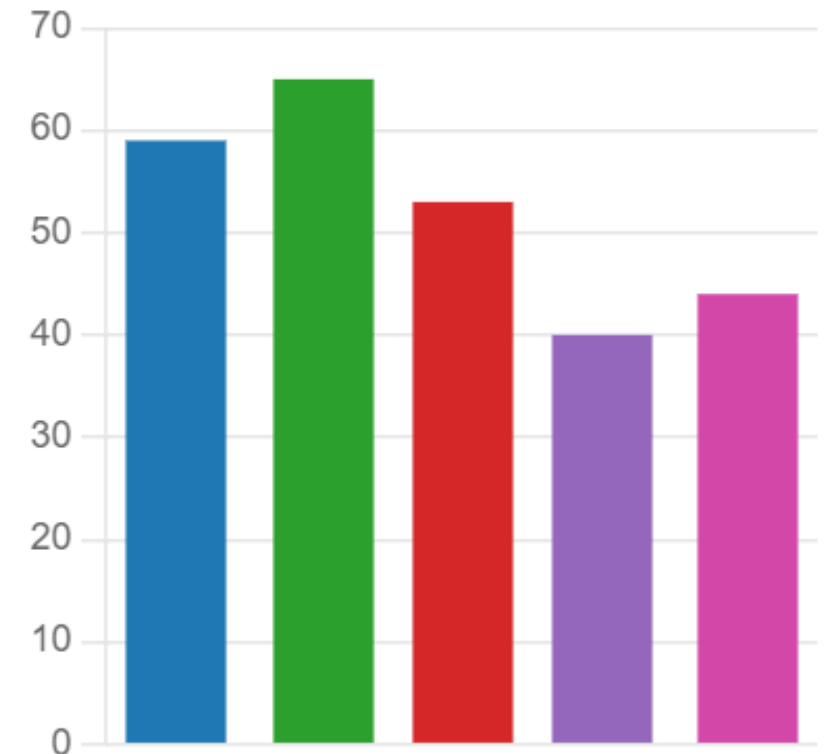
- Overview of the concepts in IFRS S2 Climate-related disclosures
- Companies' approach towards climate-related risks and opportunities
- Preparing for the future disclosure using the SASB Standards, TCFD recommendations and CDSB guidance

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# Pre-webinar survey

Topics you have told us you are most interested in hearing about:

	Overview of IFRS S2 Climate-related Disclosures	59
	Best practices in data gathering and reporting	65
	Use of the SASB Standards	53
	Link to TCFD recommendations	40
	Alignment with the EU and US climate-disclosure requirements	44



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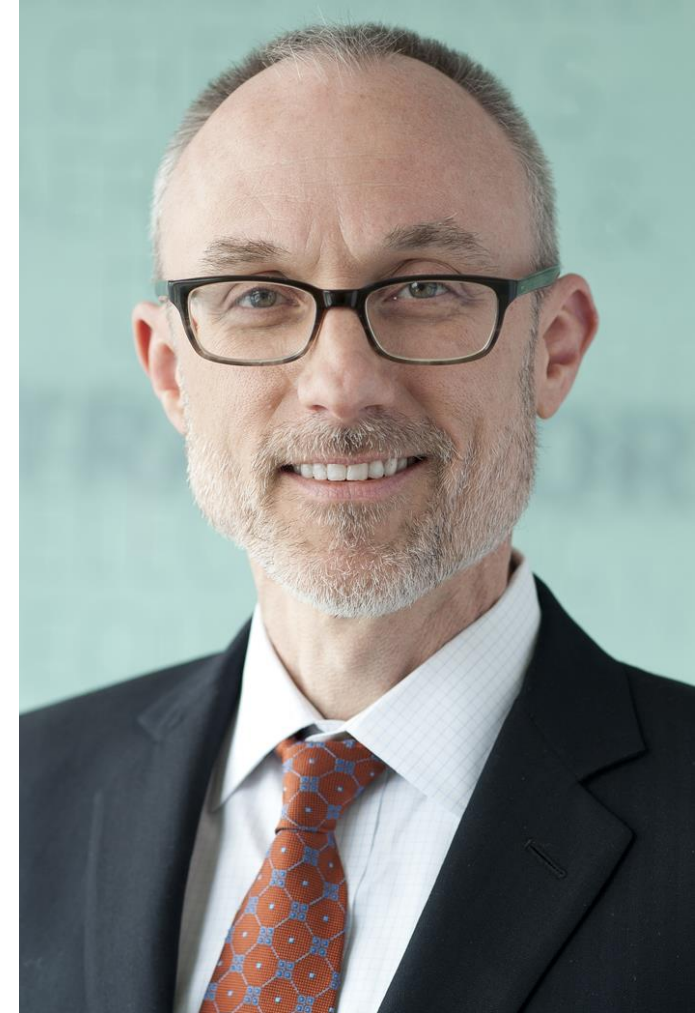
## Quickfire round

1. Financial materiality is clearly ISSB's focus. Any plans to address broader materiality?
2. How much of the ISSB's standards do you expect to be sector-specific versus universal?
3. Will the ISSB's standards be mandatory for all companies?
4. Will assurance be required for disclosure using the ISSB's standards?
5. What accommodations are you making for small and medium-sized enterprises?

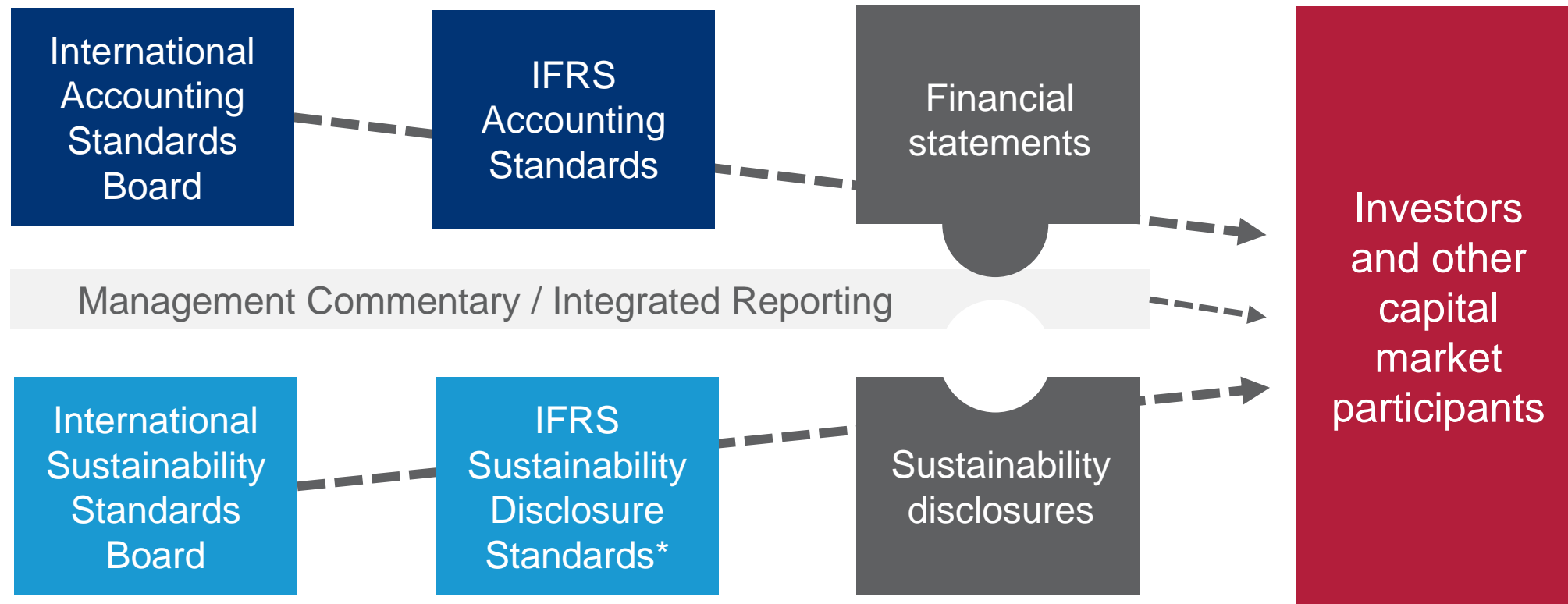
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# Introducing the IFRS Climate-related Disclosures

An update from  
**Rommie Johnson**  
ISSB Technical Strategy Lead  
**IFRS Foundation**

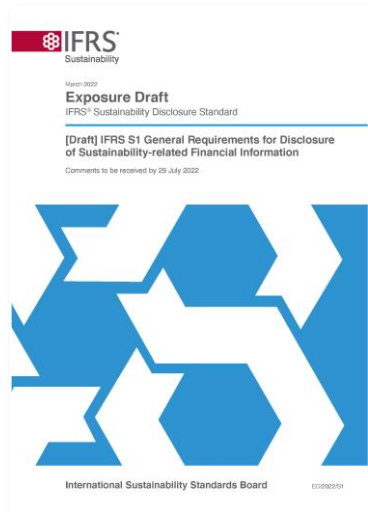


# Designed for communication to investors

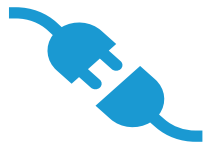




# Key concepts in IFRS S1



- Asks for 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

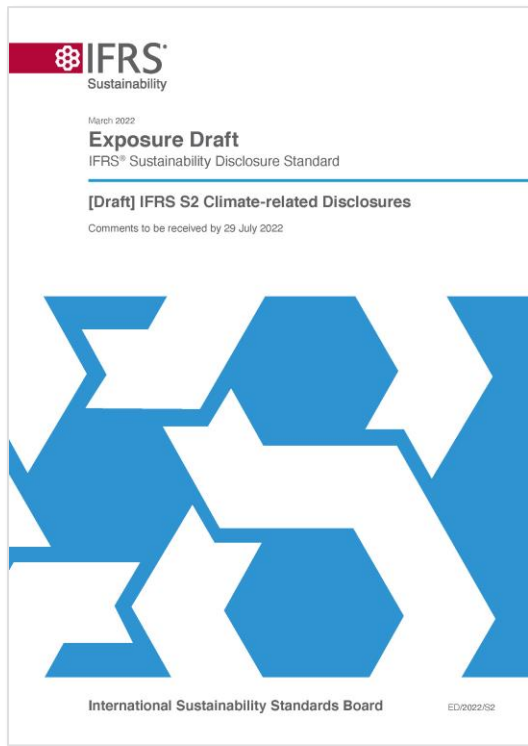


Financial statements and sustainability disclosures published **at the same time**, but with transitional relief



Does **not specify a location** for disclosure within general purpose financial reporting and **allows for additional information**, to facilitate application in different jurisdictions

# Climate-related Disclosures Standard: IFRS S2



- Disclosure of material information about climate-related risks and opportunities
- Incorporates TCFD Recommendations
- Includes industry-based disclosure requirements, such as financed emissions
- Industry-specific metrics included as illustrative guidance, taken from SASB Standards
- Requires disclosure of information about:
  - Physical risks (eg flood risk)
  - Transition risks (eg regulatory change)
  - Climate-related opportunities (eg new technology)

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## Material climate-related information that enables investors to:

- Determine the effects of climate-related risks and opportunities on the company's performance and prospects
- Understand the company's response to, and strategy for, managing its climate-related risks and opportunities
- Evaluate the ability of the company to adapt its planning, business model and operations to climate-related risks and opportunities



# Relation to TCFD recommendations and SASB Standards



## Consistent with TCFD

- Governance
- Strategy
- Risk management
- Metrics and targets

## Builds on SASB Standards

- Industry-specific requirements within the Standard
- Illustrative guidance provided, derived from SASB Standards

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# Structure



## Governance

Governance processes, controls and procedures a company uses to monitor sustainability-related risks and opportunities



## Strategy

How a company's strategy addresses significant sustainability-related risks and opportunities



## Risk management

How a company assesses, identifies, manages and mitigates its sustainability-related risks

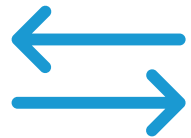


## Metrics and targets

Information used to measure, manage and monitor sustainability-related risks and opportunities; and metrics required through IFRS Sustainability Disclosure Standards

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## Key features



### **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.

# GHG Emissions

## Scope 1: Direct emissions

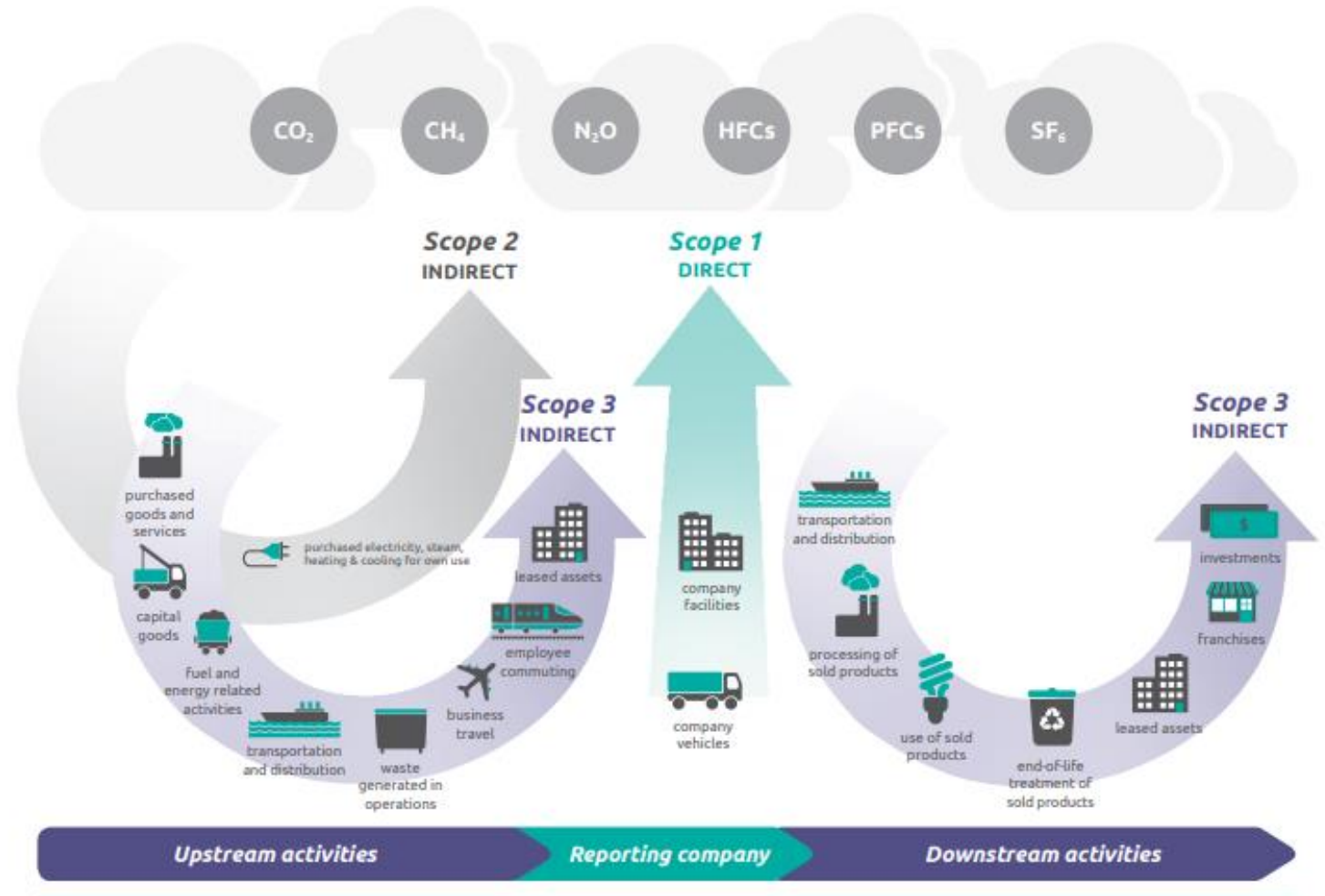
which occur from sources that are owned or controlled by the company.

## Scope 2: Energy indirect emissions

which accounts for the generation of purchased electricity that is consumed by the company.

## Scope 3: Other indirect emissions

(not included in Scope 2) and are a consequence of activities that occur outside the ownership or control of the company (upstream and downstream).



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## High-level feedback



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**



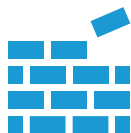
**Need for urgency**, citing significant risks that climate change presents to individual companies, as well as to financial stability



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



Importance of **interoperability with jurisdictional initiatives** and for **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



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# Scope 3 GHG emissions

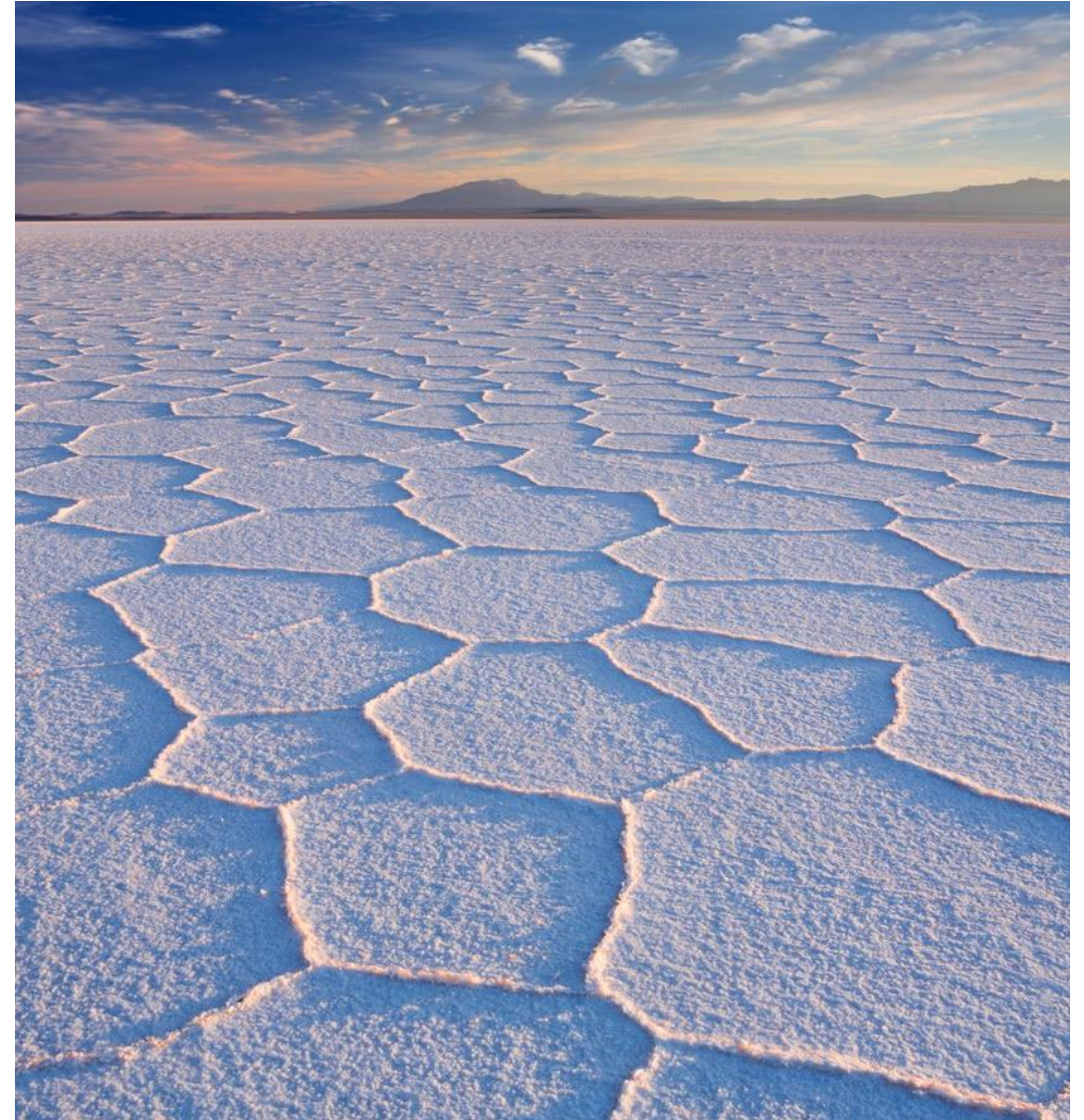
- Investors called for Scope 1, 2 and 3 emissions disclosure to **understand transition risk**
- ISSB will help companies **embed and improve their processes for measurement and disclosure** of Scope 3 through:
  - **Guidance:** a framework for Scope 3 measurement that requires use of reasonable and supportable information that is available without undue cost or effort and incorporates use of estimation
  - **Relief:** temporary exemption for a minimum of one year following the effective date of IFRS S2
  - **Relief:** possibility to include information obtained from companies in the value chain with a different reporting cycle



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# Facilitating interoperability and an efficient landscape

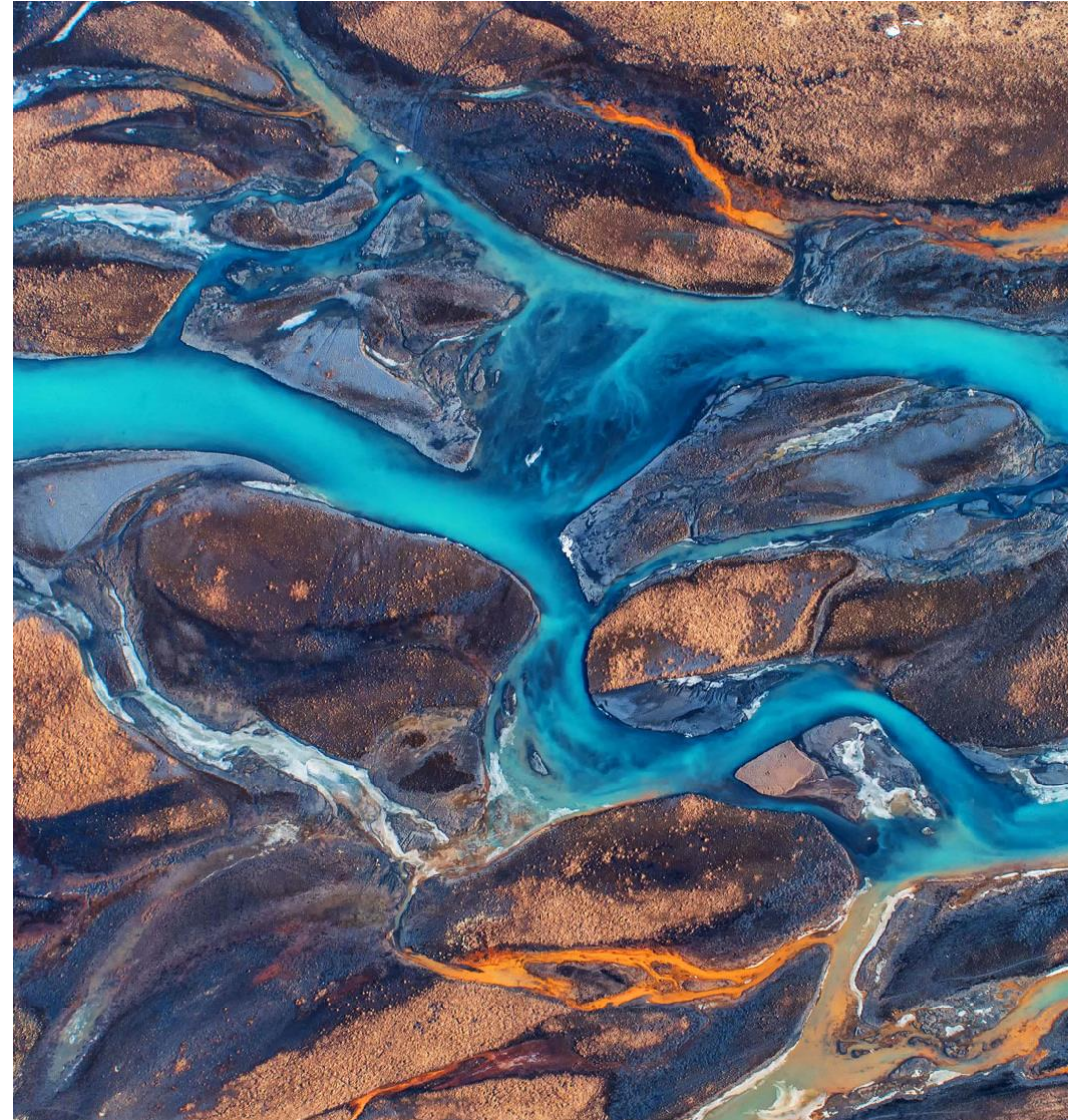
- **Ongoing dialogue with jurisdictions** working on jurisdiction-specific disclosure requirements
- Many redeliberation decisions – eg enterprise value, Scope 3 – **support interoperability**
- Adopted the **TCFD architecture** to drive interoperability
- Working with **GRI** to deliver interoperability for a comprehensive sustainability reporting landscape
- CDP to align platform to IFRS S2, **helping companies get started on ISSB**



# Focused on supporting application: IFRS S2

To support those using its standards, the ISSB will provide guidance, education materials or illustrative examples on:

- Scenario analysis, using TCFD Guidance
- Industry-based climate disclosure, drawing on SASB Standards
- Scope 3 GHG emission measurement
- Disaggregation of Scope 1-2 GHG emissions by consolidated accounting group and unconsolidated investees
- Potential disaggregation of GHG emissions by greenhouse gas (eg methane)
- Potential disaggregation of financed emissions by entities in the Asset Management & Custody Activities industry
- How to identify relevant sustainability-related risks and opportunities in the value chain, using Scope 3 GHG emissions as an example.



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## Quick-take on Salesforce's trailblazing ESG journey

**Joe Allanson**, EVP, Finance ESG, **Salesforce**  
Formerly Chief Accountant and Controller



# Salesforce & ESG

salesforce

## Salesforce is a Trailblazer in ESG reporting

Early adopters of leading reporting frameworks.

- Sustainable Accounting Standards Board (SASB) standards,
- Global Reporting Initiative (GRI) ,
- Task Force on Climate-Related Financial Disclosures,
- United Nations 17 Sustainability Development Goals and
- World Economic Foundation ... their 4 Pillars (Planet, People, Governance and Prosperity)

Salesforce was one of the first large public companies to include **ESG reporting and metrics in its 10-K**, five years ago; One of the first large companies to **obtain independent limited third party assurance** over our Scope 3 greenhouse gas emissions. Now, all of the emissions we generate (Scope 1, 2 and 3) are **covered by an EY limited assurance report**.

We introduced the **Salesforce Net Zero Cloud** to do carbon accounting and scenario planning.

Defined Reporting Cadence > 10-K, then the Stakeholder Impact Report, then the Proxy, culminating with the Annual Shareholder meeting five months after year end. Recent Investor Day included 45 minutes on our ESG action plans and learnings.



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# Panel Discussion

Moderator



**Neil Stewart**  
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Speakers



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Chief Sustainability  
Officer and Head of  
Sustainable Investing  
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# Don't forget to register:

## Part 3:

### Connectivity & controls - the path to investor-grade disclosure

Tuesday 7 February 04:00 GMT (13:00 JST)



IFRS Sustainability  
**SYMPOSIUM**

Friday 17 February 2023  
Palais des congrès de Montréal  
Montreal, Canada

*visit [ifrs.org](https://www.ifrs.org) to register*



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