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## Global Preparers Forum meeting

Date **11 November 2022**

Topic **ISSB Update**

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



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## 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

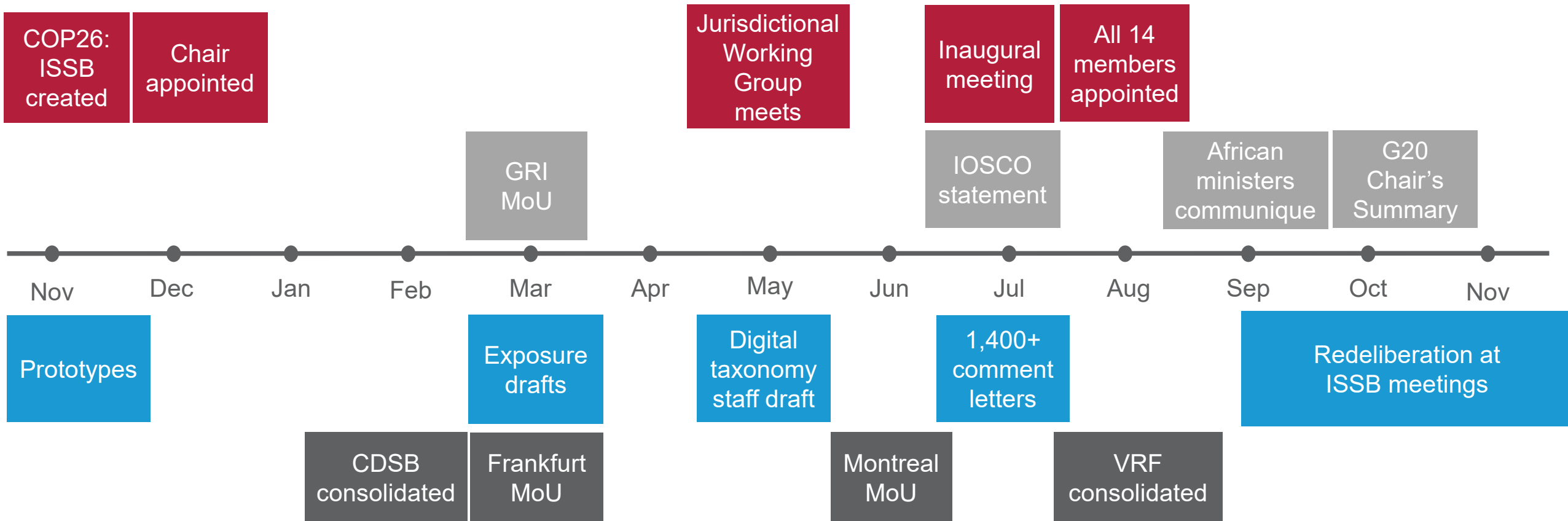


Enable companies to provide comprehensive sustainability information to global capital markets

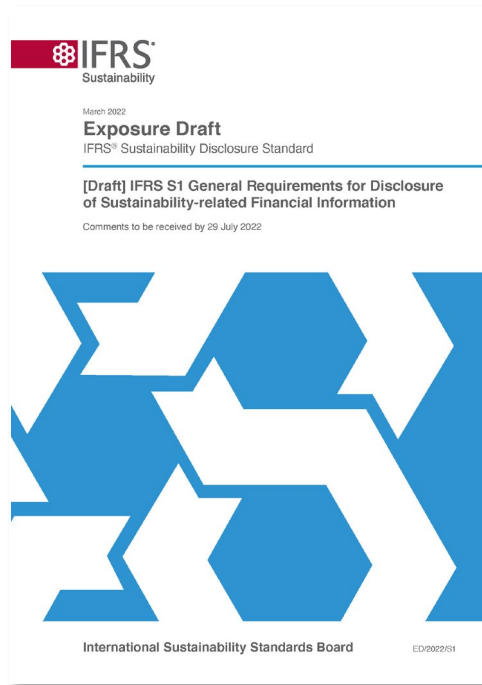


Facilitate addition of disclosures that are jurisdiction-specific / aimed at broader stakeholder groups

# ISSB milestones



# 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

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# Redeliberation based on your feedback

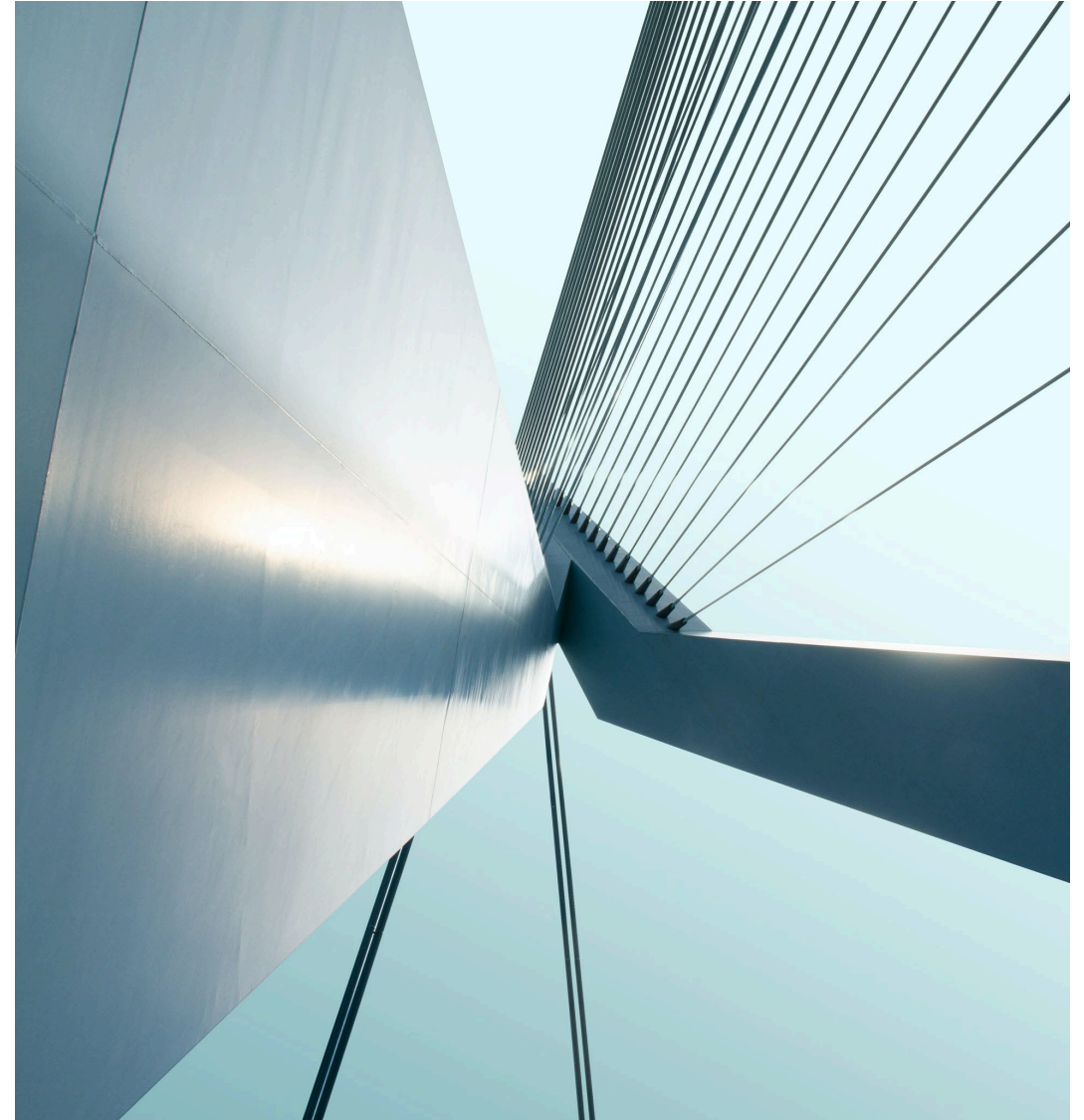
Both proposed standards	General requirements (S1)	Climate (S2)
<ul style="list-style-type: none"> <li>• Proportionality – tools to support adoption</li> <li>• Current and anticipated financial effects of sustainability-related risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Fundamental concepts: ‘enterprise value’, meaning of ‘significant’, materiality assessment</li> <li>• Breadth of reporting</li> <li>• Connected information</li> <li>• Timing of reporting</li> <li>• Comparative information and updated estimates</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy and decision-making (including transition planning)</li> <li>• Climate resilience</li> <li>• GHG emissions</li> <li>• Industry-based requirements</li> </ul>

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Decisions taken by ISSB in October

## Clarifying key concepts

- **Remove term ‘enterprise value’** from the objective and the assessment of materiality
- **Remove term ‘significant’** to describe which sustainability risks and opportunities to disclose
- Confirmed use of the same **definition of material** as is used in IFRS Accounting Standards and **investors** as primary users
- Will consider building on the **Integrated Reporting Framework** to articulate what information is required.



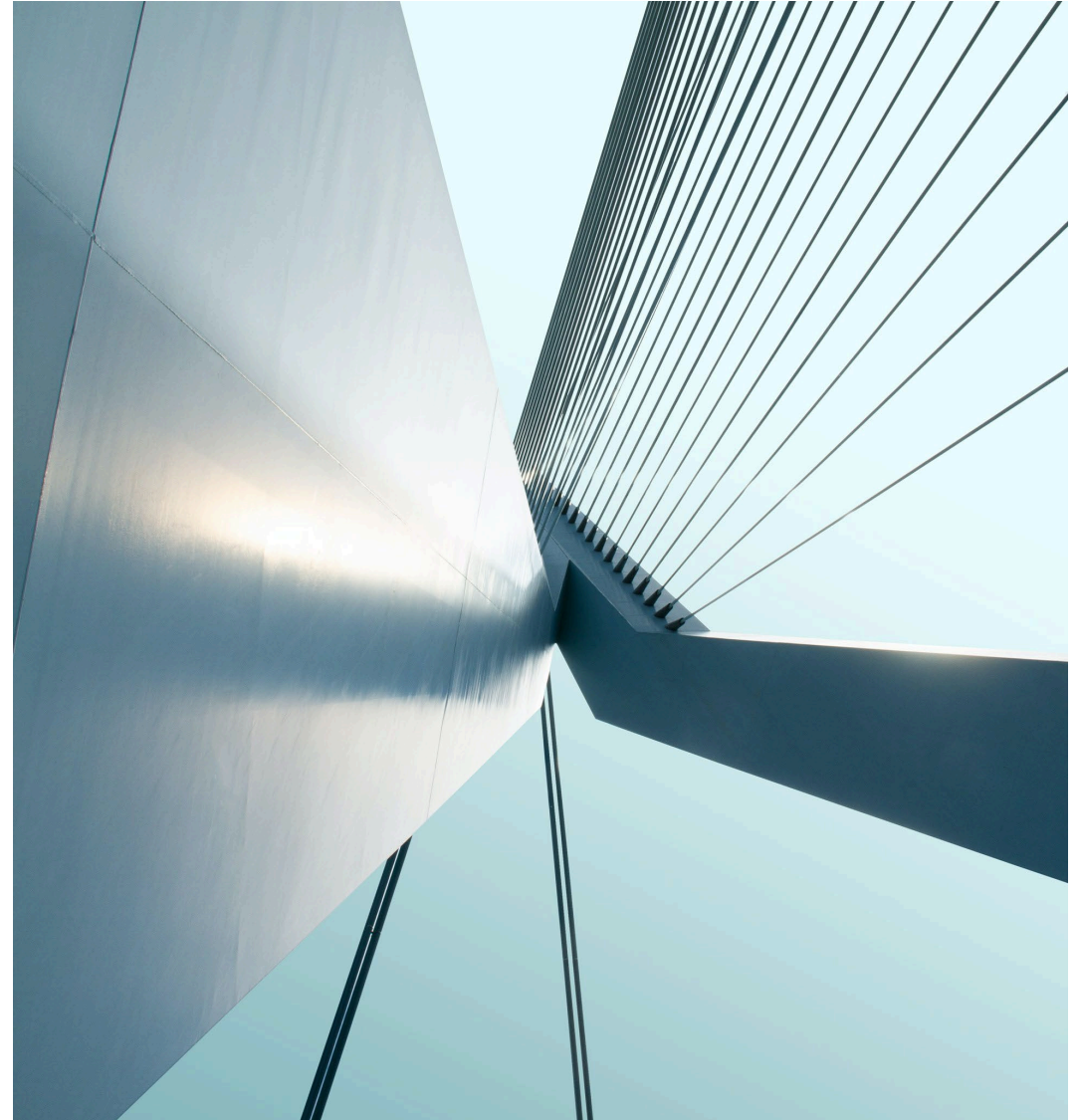


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Decisions taken by ISSB in October

# GHG Emissions

- Confirmed disclosure of **Scope 1-3 emissions**, applying GHG Protocol Corporate Standard
- **Relief provisions** for Scope 3, to assist with data challenges, will be decided at a future meeting
- Work with jurisdictions to establish Scope 3 **safe harbour** relief
- Work to provide **guidance** on how to estimate Scope 3

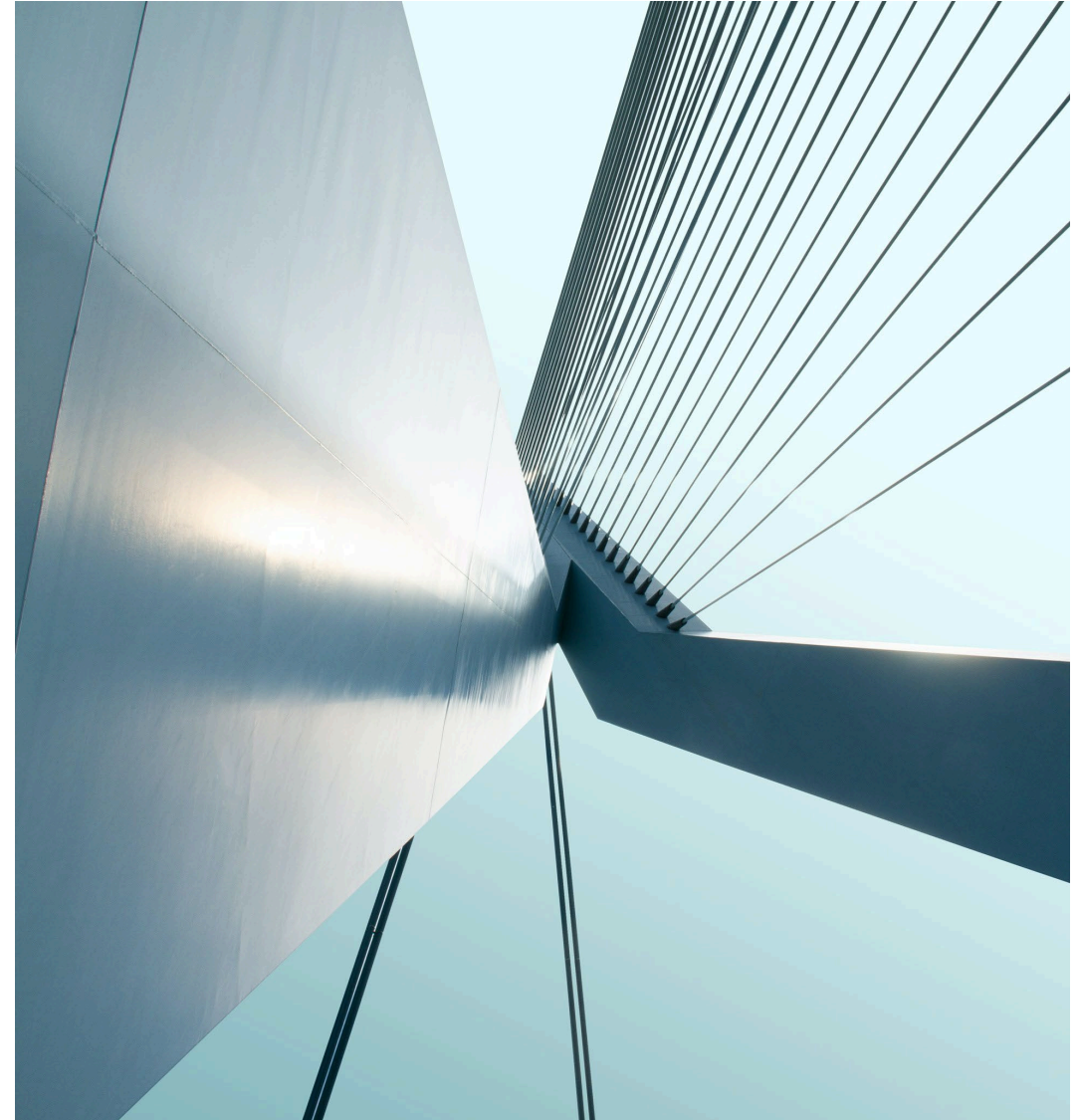


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Decisions taken by ISSB in October

## Industry-based

- Feedback during the consultation indicated support from investors for industry-based disclosures as **decision-useful**
- The ISSB tentatively agreed to:
  - Maintain the requirement that entities provide industry-specific disclosures
  - Make Appendix B of S2 (Climate-related) **illustrative examples**, with the view to make the topics and metrics **mandatory in the future** following further consultation

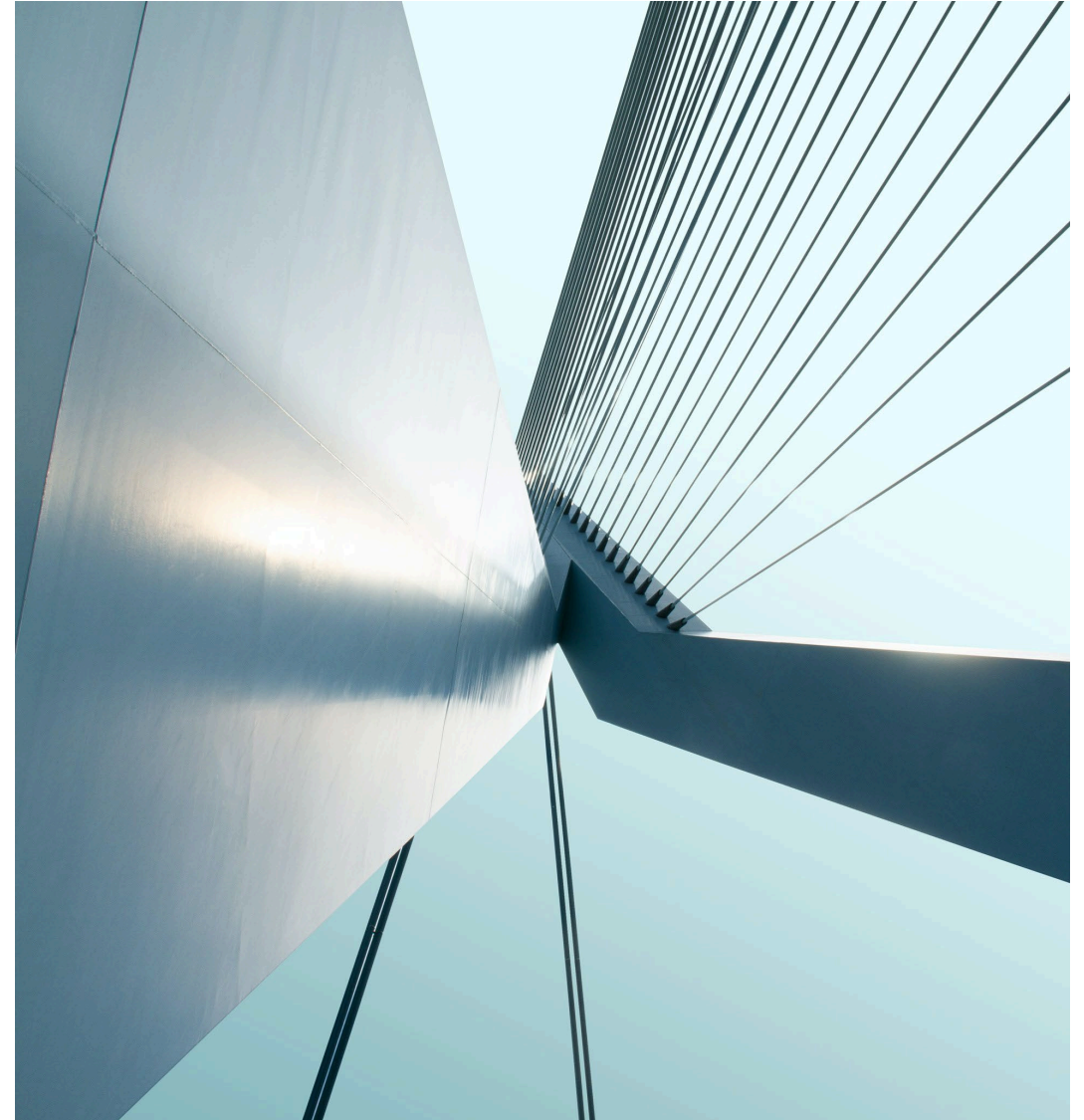


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Decisions taken by ISSB in October

## Facilitating interoperability

- Prioritising ISSB board meeting discussions that facilitate **ongoing dialogue with jurisdictions** working on jurisdiction-specific disclosure requirements
- Many redeliberation decisions – e.g. enterprise value, Scope 3 – **support interoperability**
- Adopted the **TCFD architecture** to drive interoperability
- Modifying some disclosures and language in relation to **transition plans** to facilitate alignment



“...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.”

*G7 Finance Ministers  
& Central Bank Governors’  
Statement on Climate Issues  
12 October 2022*

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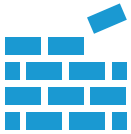
## Next steps



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

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