IFRS® Foundation

International Sustainability Standards Board

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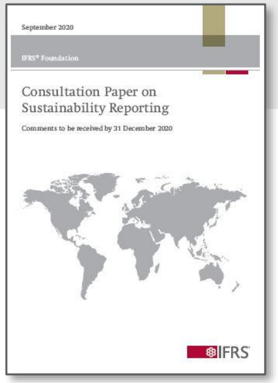
Demand-driven process

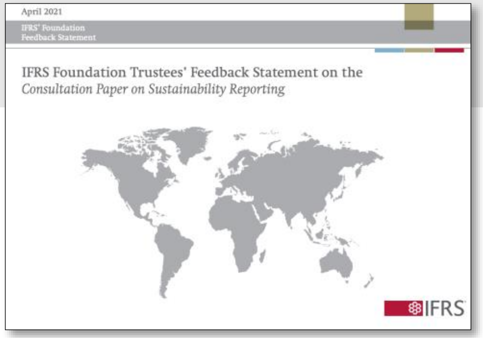
What we asked

- Demand for global sustainability standards?
- Should the IFRS Foundation play a role?
- Is the solution a sustainability-focused standard-setting board within the IFRS Foundation?


September 2020
IFRS® Foundation
Consultation Paper on Sustainability Reporting
Comments to be received by 31 December 2020
IFRS

What we heard

- 750+ comment letters across stakeholder groups, geographies & economic settings
- Growing and urgent demand for global standards to improve consistency and comparability
- Broad support for Foundation to play a role
- ESG focus but climate first


April 2021
IFRS® Foundation
Feedback Statement
IFRS Foundation Trustees' Feedback Statement on the *Consultation Paper on Sustainability Reporting*
IFRS

COP26 announcement

1. Formation of the International Sustainability Standards Board (ISSB)

2. Consolidation with Climate Disclosure Standards Board (CDSB) & Value Reporting Foundation (VRF)

3. Publication of climate and general disclosure prototype requirements

Creates the necessary institutional arrangements and technical groundwork for a global sustainability standard-setter for the financial markets

1. International Sustainability Standards Board (ISSB)

- Develop global baseline of sustainability disclosure standards
- Focus on meeting the information needs of investors
- Will enable companies to provide comprehensive sustainability information for the global capital markets
- Facilitate the addition of requirements that are jurisdiction-specific or aimed at a broader group of stakeholders

2. Consolidation with CDSB & VRF

Becomes part of the IFRS Foundation

CDSB Climate Disclosure Standards Board

INTEGRATED THINKING PRINCIPLES

INTEGRATED REPORTING FRAMEWORK

SASB STANDARDS

VALUE REPORTING FOUNDATION

Additional members of Technical Readiness Working Group

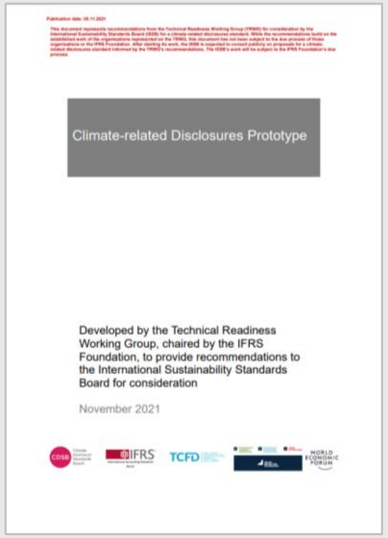
IFRS International Accounting Standards Board

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

WORLD ECONOMIC FORUM

3. Publication of prototype requirements

Climate-related Disclosures



Climate-related Disclosures Prototype

Developed by the Technical Readiness Working Group, chaired by the IFRS Foundation, to provide recommendations to the International Sustainability Standards Board for consideration

November 2021

General Requirements for Disclosure of Sustainability-related Information

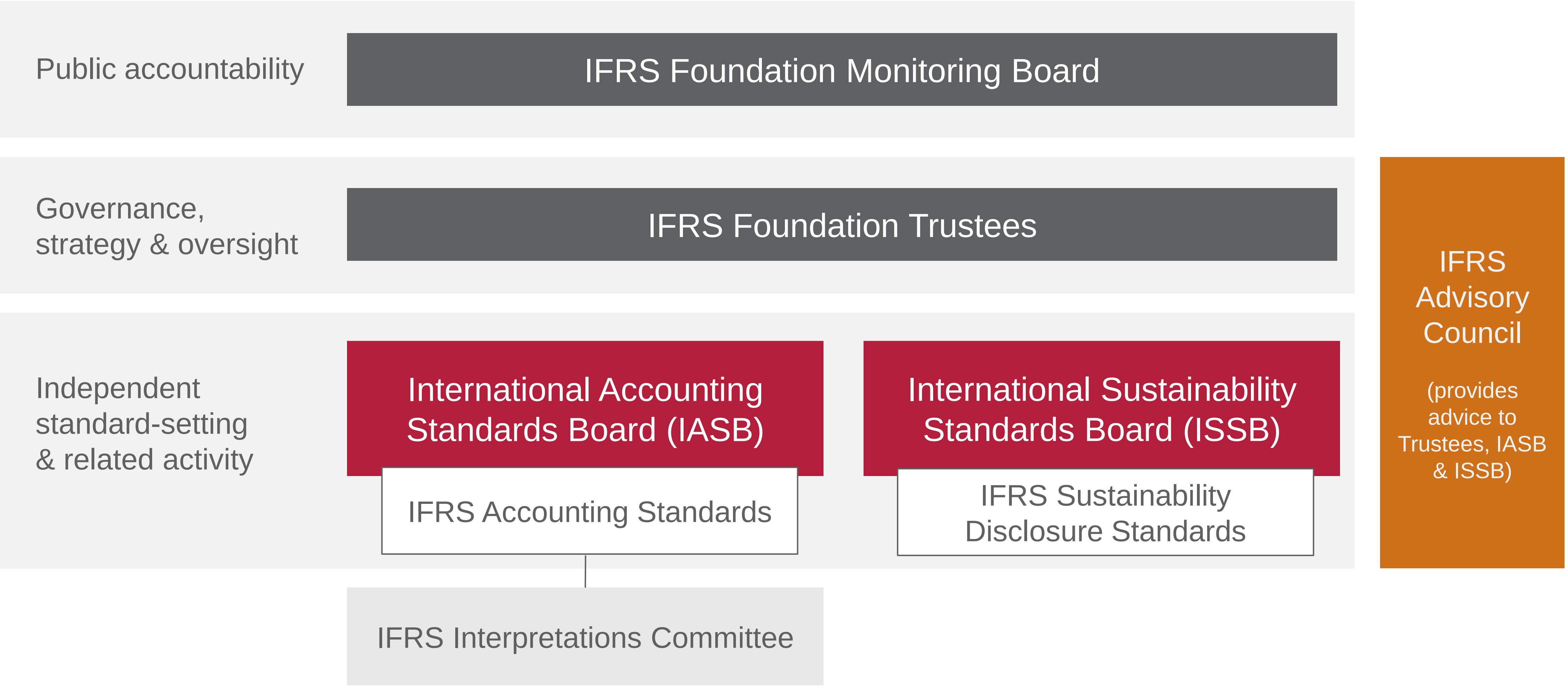
General Requirements for Disclosure of Sustainability-related Financial Information Prototype

Developed by the Technical Readiness Working Group, chaired by the IFRS Foundation, to provide recommendations to the International Sustainability Standards Board for consideration

November 2021

- Recommendations – Technical Readiness Working Group to ISSB
- ISSB to consider as part of initial work programme

ISSB within IFRS Foundation Governance structure



ISSB informed by expert advice

Sustainability Consultative Committee	• Technical expert advice to the ISSB • Multilateral institutions & other technical experts
Sustainability Standards Advisory Forum (TBC)	• Formal mechanism for jurisdictional engagement • Membership TBC, representing all regions, both developed, developing and emerging economies
IFRS Advisory Council	• Mandate extended to include strategic advice to ISSB (in addition to Trustees & IASB) • Approx. 50 members representing cross-section of key stakeholder organisations

Steps to achieving global capital market standards

ISSB

Comprehensive global baseline of standards & digital taxonomy

IOSCO

Assess with a view to recommend adoption

IAASB

Enhance & develop assurance standards

Jurisdictions

Require by adopting the standards & taxonomy

COP26 Statement

> Finance Ministers and Central Bank Governors from 40 jurisdictions* from 6 continents joined the UK in publicly welcoming the announcement of the establishment of the ISSB and its work programme to develop a set of internationally consistent, high-quality, and reliable baseline standards for disclosure of sustainability-related information on enterprise value creation.

* Australia, Brazil, Canada, Chile, China, Costa Rica, Egypt, Ethiopia, European Commission, Fiji, France, Germany, Greece, Guatemala, India, Indonesia, Italy, Jamaica, Japan, Kenya, South Korea, Luxembourg, Maldives, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Paraguay, Philippines, Russia, Saudi Arabia, Seychelles, Singapore, Spain, Switzerland, Tonga, Turkey, UK, Uruguay, USA

ISSB Chair: Emmanuel Faber

- Appointment effective 1 Jan 2022
- Three-year term
- 30 years' international business experience
- Former Chair and CEO, Danone
- Founder and chair of several international organisations and initiatives focused on sustainable business and development

Next steps

Appointments	Vice-Chair(s), remaining ISSB members
Consultations	Proposed climate and general disclosure standards, digital taxonomy, work plan and future priorities (due process)
Advisory groups	Appoint members to technical and jurisdictional groups
Consolidation	Complete consolidation with CDSB and VRF
Location	Implement multi-location approach for global footprint

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