



The Institute of  
Chartered Accountants  
of Pakistan

**CA**  
PAKISTAN

# Exposure Draft

# IFRS Sustainability Disclosure Standard 1

July 2022

International Sustainability Standards Board

IFRS Sustainability Disclosure Standards

Exposure Draft IFRS Sustainability Standard 1

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# **International Sustainability Standards Board**

# What it is all about

Investors demand –

Consistent, comparable, verifiable sustainability reporting

Establish International Sustainability Standards Board –

Structured under the IFRS Foundation

Global endorsement (e.g. G7, G20, IOSCO, IFAC)

Measurement, management, and reporting of sustainability related risks and opportunities effecting enterprise value

# What is the focus of ISSB

3

Develop standards for **global baseline** for sustainability disclosures

Focus on meeting information needs of **investors**

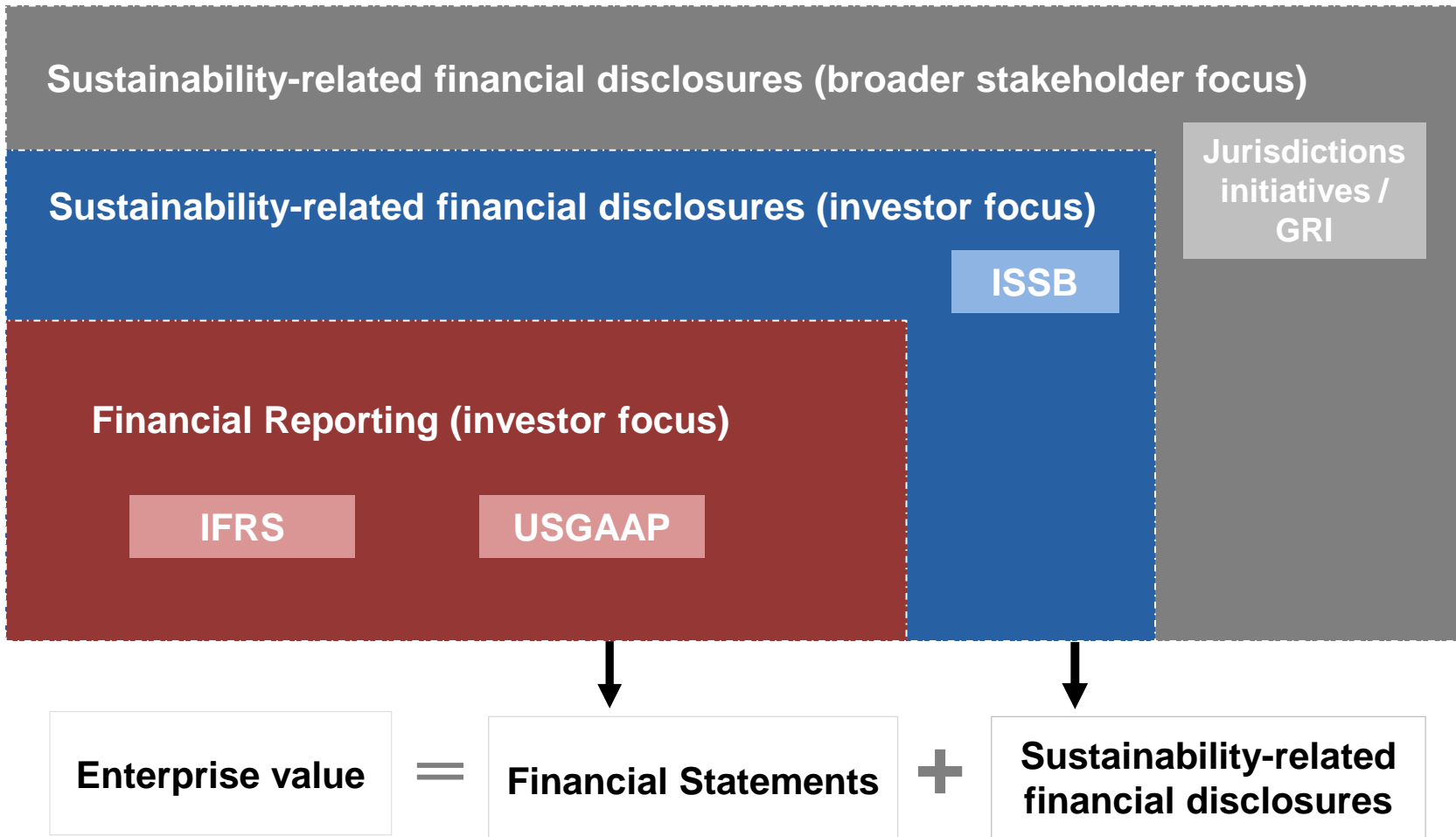
**Consolidation** of ESG reporting initiatives and frameworks –  
End of fragmented ESG standards and reporting

Sustainability information **integrated** with existing financial reporting

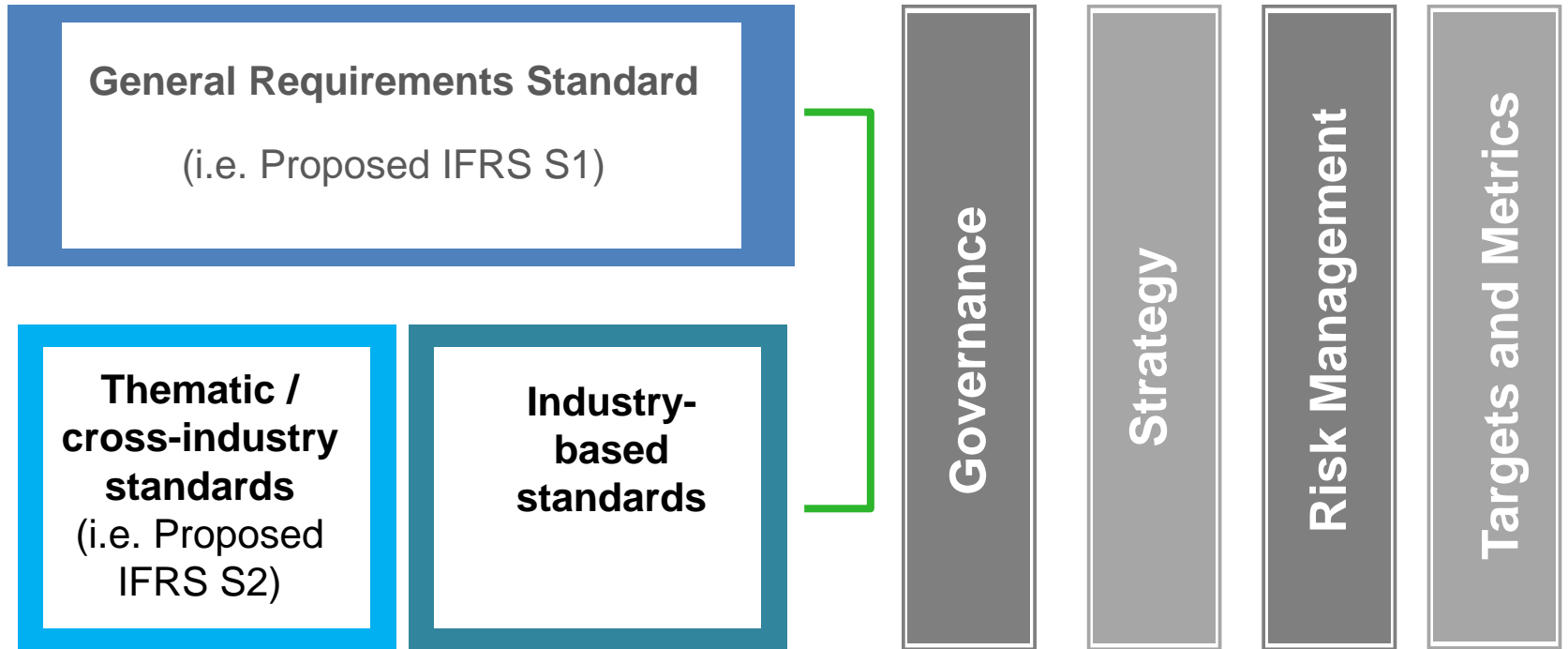
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# **IFRS Sustainability Disclosure Standards**

# What is ISSB's approach



## IFRS Sustainability Disclosure Standards



Standards based on TCFD 4 pillar structure



# Exposure Draft IFRS S1

**Material** information on all **significant sustainability** related **risks** and **opportunities** necessary to assess **enterprise value**

Reporting entity

Reporting period

Statement of compliance

Disclosures – How to identify disclosures

Materiality

Core contents – 4 pillars

Use of estimates

Location of information

Structure of presentation

Comparative information

Correction of error, change in estimate

Effective date

Transition

# How it is connected to corporate reporting

7

Applicable for all financial reporting frameworks

Connected with the financial statements

Connected with corporate reporting

# What is the core content

## Consistent with TCFD Framework

### Governance

Disclose the entity's governance around sustainability related risks and opportunities

### Strategy

Disclose how entity's strategy addresses significant sustainability-related risks and opportunities

### Risk Management

Disclose how the entity identifies, assesses manages, and mitigates sustainability risks

### Metrics and targets

Disclose the metrics and targets used to manage and monitor the entity's performance in relation to sustainability related risk over time

# What are the key aspects

Reporting entity

Reporting period

Materiality

Statement of compliance

Comparative information

# How to identify relevant disclosures

**General Requirements [ISSB Standard]**



**Climate [ISSB Standard]**



If no specific IFRS Sustainability Disclosure requirements, a company must consider:

**SASB Standards**

(Industry-based disclosure topics)

**ISSB Guidance**

(ISSB's non-mandatory guidance)

**Other standards**

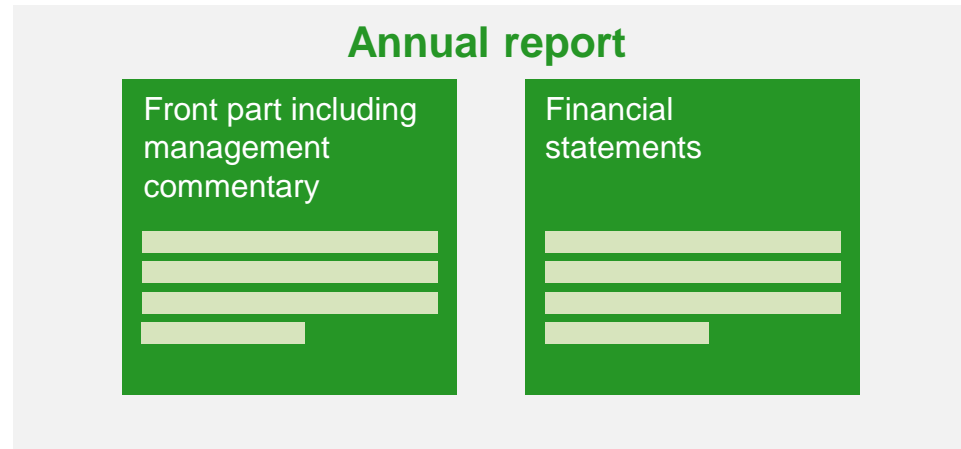
(Those that meet investors information needs)

**Other resources**

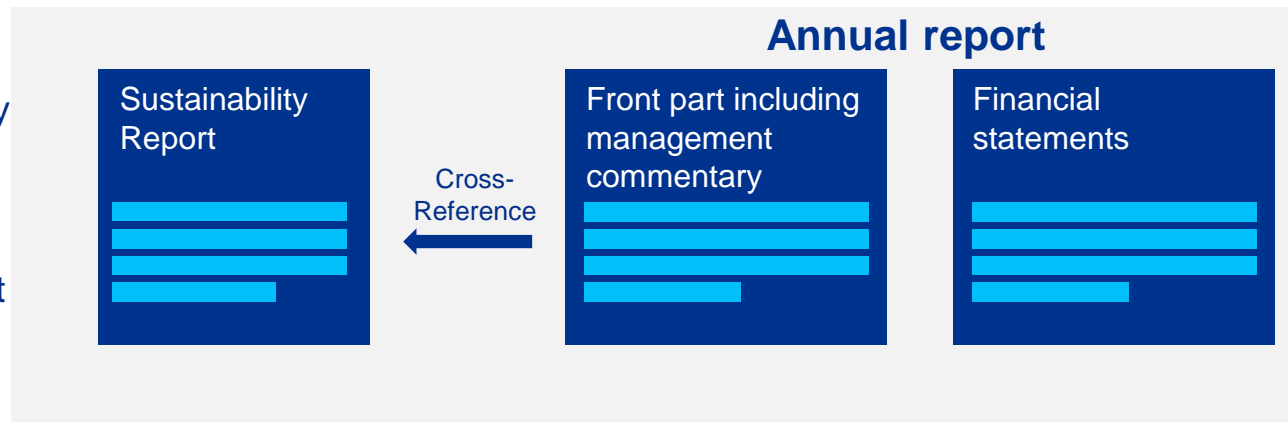
(Industry or local practice)

# What is location of sustainability reporting

**Example 1:**  
Integration of information in management commentary.



**Example 2:**  
Separate report providing sustainability information, cross-referenced to and available on the same terms as management commentary



# What is the effective date of IFRS S1

12

Effective date not proposed by ISSB -

It will be for local jurisdictions to determine when to mandate adoption of the Standard(s)

Final standard by end of the year



# Would reporting need to be audited

13

Audit requirements are not within the ISSB's remit

Regulators may choose to require assurance

# Thank you



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