

# LEVEL I CURRICULUM OUTLINE

## PART I: THE NEED FOR SUSTAINABILITY DISCLOSURE STANDARDS

### 1. Demand for sustainability information

- 1.1. What is sustainability?
- 1.2. Growing investor demand
- 1.3. Demand within companies
- 1.4. Other institutions driving demand

### 2. The historical basis for disclosure

- 2.1. The aftermath of the stock market crash of 1929
- 2.2. Disclosure as the basis of regulatory reform
- 2.3. The road to standardized accounting procedures

### 3. Materiality: a guiding principle for required disclosure

- 3.1. A long-standing legacy of investor decision-making
- 3.2. General characteristics of materiality
- 3.3. Materiality changes over time

### 4. The limitations of financial disclosure

- 4.1. Financial information beyond financial statements: the use of non-GAAP
- 4.2. The changing nature of market value
- 4.3. The scope of financial reporting expands
- 4.4. New tools for investors

## PART II: THE SUSTAINABILITY INFORMATION ECOSYSTEM

### 5. Introduction to the sustainability information value chain and the role of data providers

- 5.1. Growth of the ecosystem: a maturing industry
- 5.2. The role of data providers
- 5.3. Sustainability data's unique challenges

### 6. The role of standards and frameworks: from fragmentation to cohesion in sustainability disclosure

- 6.1. The role of standard-setters
- 6.2. Formative standards and frameworks
- 6.3. Distinguishing characteristics of sustainability disclosure guidance
- 6.4. Creating a coherent system for comprehensive reporting—simplification through consolidation

### 7. Materiality: going beyond investors

- 7.1. Materiality applied to sustainability disclosure
- 7.2. Materiality in the IFRS Sustainability Disclosure Standards
- 7.3. Materiality in the GRI Standards
- 7.4. Materiality in the European Sustainability Reporting Standards
- 7.5. Process vs. outcomes

### 8. Sustainability disclosure across jurisdictions

- 8.1. The relationship between standard-setters and regulators
- 8.2. The growing prevalence of regulatory disclosure guidance
- 8.3. Common types of sustainability reporting rules
- 8.4. Types of guidance shaping global disclosure rules
- 8.5. The influence of corporate governance codes
- 8.6. Balancing flexible implementation with usable information

## PART III: UNDERSTANDING IFRS SUSTAINABILITY DISCLOSURE STANDARDS

### 9. What is useful sustainability-related financial information?

- 9.1. The importance of standards
- 9.2. Sustainability: a unique context

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9.3. The goals of the International Sustainability Standards Board

9.4. Additional characteristics of the IFRS Sustainability Disclosure Standards

9.5. The primary objective of the IFRS Sustainability Disclosure Standards

9.5.1. Qualitative characteristics of useful sustainability-related financial information

## **10. The IFRS Sustainability Disclosure Standards**

10.1. Core content

10.2. Conceptual foundations

10.3. Determining what information to disclose

## **11. Setting IFRS Sustainability Disclosure Standards**

11.1. The structure of the IFRS Foundation

11.2. Developing the first IFRS Sustainability Disclosure Standards

11.3. Maintaining the SASB Standards

11.4. The initial development of the TCFD Framework

## **12. How companies disclose sustainability-related financial information**

12.1. Introduction to sample disclosures

12.2. Why do companies disclose investor-focused sustainability information

12.3. Where do companies disclose investor-focused sustainability information?

12.4. What investor-focused sustainability information are companies reporting?

12.5. How is investor-focused sustainability information being disclosed?

## **PART IV: CORPORATE AND INVESTOR USE: GOING BEYOND DISCLOSURE**

### **13. A closer look: investor demand for sustainability information**

13.1. A global call for enhanced disclosure

13.2. A shift in market paradigms

13.3. Companies come to call

### **14. Considerations for corporate use**

14.1. Business roles applicable to sustainability disclosure

14.2. Preparing for disclosure

14.3. Preparing quality data

14.4. Reporting material sustainability data

14.5. Managing sustainability performance

### **15. Considerations for investor use**

15.1. Overview of sustainability in investing

15.2. A Spectrum of the use of sustainability information

15.3. Investor application of cross-industry vs. industry-specific sustainability data

15.4. The pre-investment stage

15.5. Index construction and sector allocation

15.6. Post-investment engagement

15.7. Investor reporting

15.8. Creating an effective framework

15.9. Data is the backbone

## **CONCLUSION**

## **PREPARING FOR THE EXAM**

## **GLOSSARY OF KEY TERMS**

# LEVEL I LEARNING OBJECTIVES

- 1 **IDENTIFY** the factors influencing investor use of sustainability information.
- 2 **RECOGNIZE** why financial accounting and disclosure have evolved to meet the needs of global capital markets.
- 3 **IDENTIFY** how sustainability disclosure has evolved and why it is an important component of general purpose financial reporting.
- 4 **DISTINGUISH** how 'materiality' is defined and used globally in the context of reporting.
- 5 **RECOGNIZE** the roles of the organizations that make up the sustainability information value chain.
- 6 **RECOGNIZE** the relationship between standard setters and regulators, the types of regulatory disclosure requirements and their implications for capital markets.
- 7 **RECALL** the inaugural goals of the ISSB and the characteristics of useful sustainability-related financial information.
- 8 **RECALL** the core content, conceptual foundations and sources of guidance of the IFRS Sustainability Disclosure Standards.
- 9 **RECOGNIZE** the ISSB's standard-setting process, including the processes originally used to develop the SASB Standards and TCFD Recommendations.
- 10 **DISCERN** the implications of the Sustainability Industry Classification System<sup>®</sup> (SICS<sup>®</sup>).
- 11 **DIFFERENTIATE** how companies disclose sustainability-related financial information.
- 12 **IDENTIFY** how investor demand for sustainability information shapes corporate disclosure and performance management practices.
- 13 **RECOGNIZE** the cross-functional nature of preparing sustainability disclosures.
- 14 **DISTINGUISH** the stages of sustainability disclosure.
- 15 **IDENTIFY** the influence of board governance, internal controls, and third-party assurance on the reliability of sustainability information.
- 16 **RECOGNIZE** the role of sustainability management in corporate strategy and risk management.
- 17 **IDENTIFY** how sustainability information is used in public equities (active and passive).
- 18 **IDENTIFY** how sustainability information is used in corporate fixed income.
- 19 **IDENTIFY** how sustainability information is used in private markets.
- 20 **UNDERSTAND** the challenges investors face in using sustainability information and how those challenges impact the market.