
Connecting financial statements and sustainability-related financial disclosures

Early bird breakout session

Presenters



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Agenda

- 1 Setting the scene
- 2 Resources focused on connections
- 3 Connected working at the IFRS Foundation

Setting the scene



Connected information—the role we play



IFRS Standards—Stronger together

**Common investor
focus**



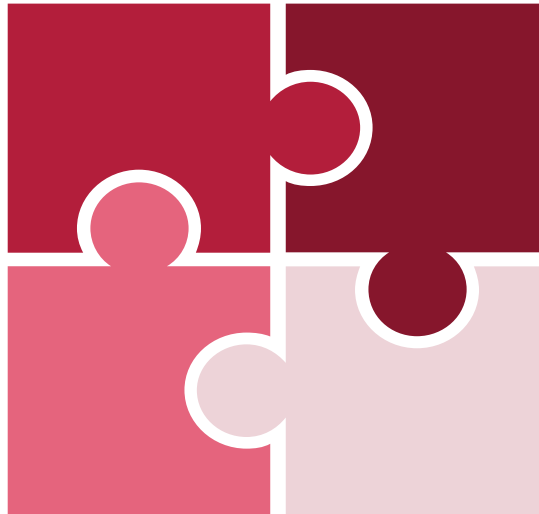
**Shared concepts and
consistent language**



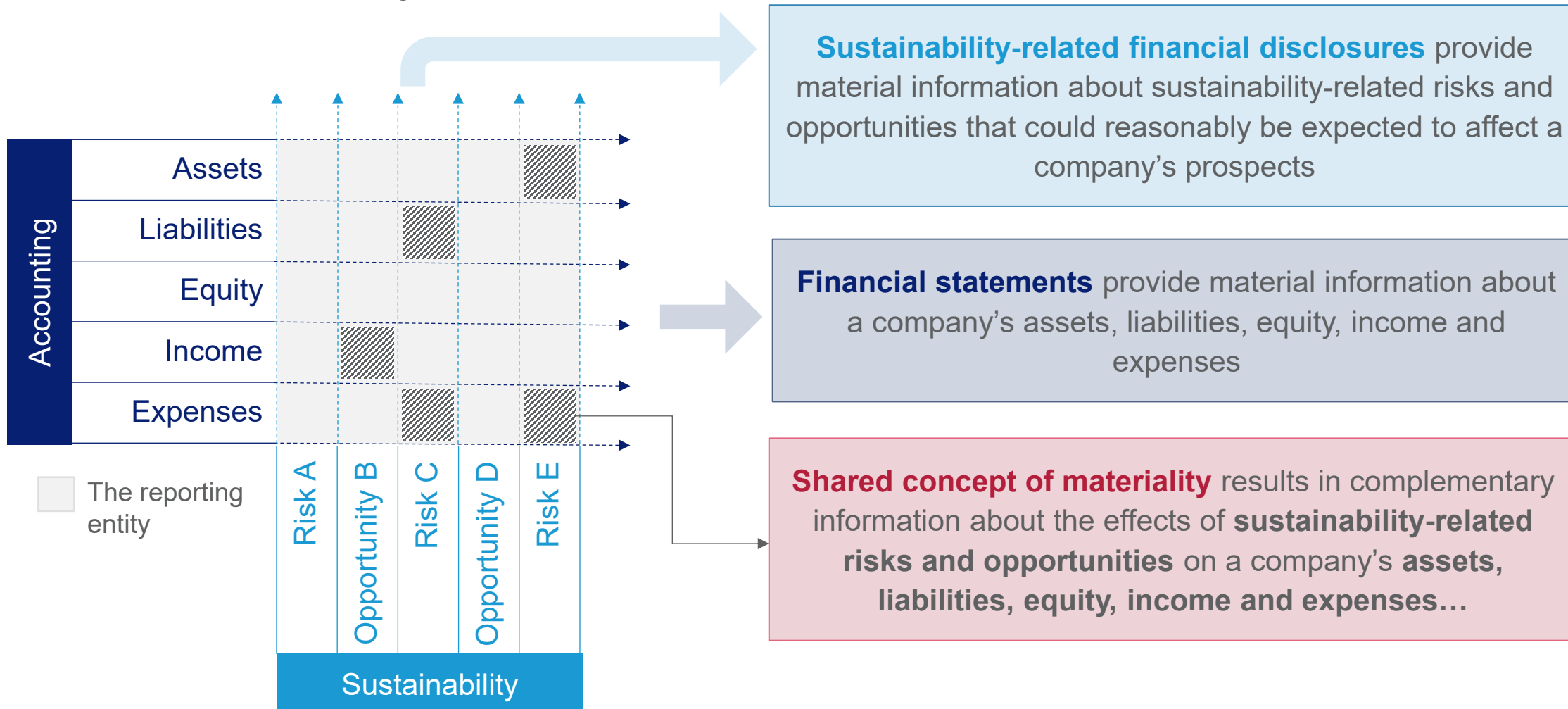
**Complementary
perspectives**



**Requirements related to
connected information**



Complementary perspectives



Applying the concept of materiality

A shared concept of
materiality...

...**information** is **material** if
omitting, misstating or
obscuring it could reasonably
be expected to influence
decisions that **investors**
make...



...applied in the different
contexts...

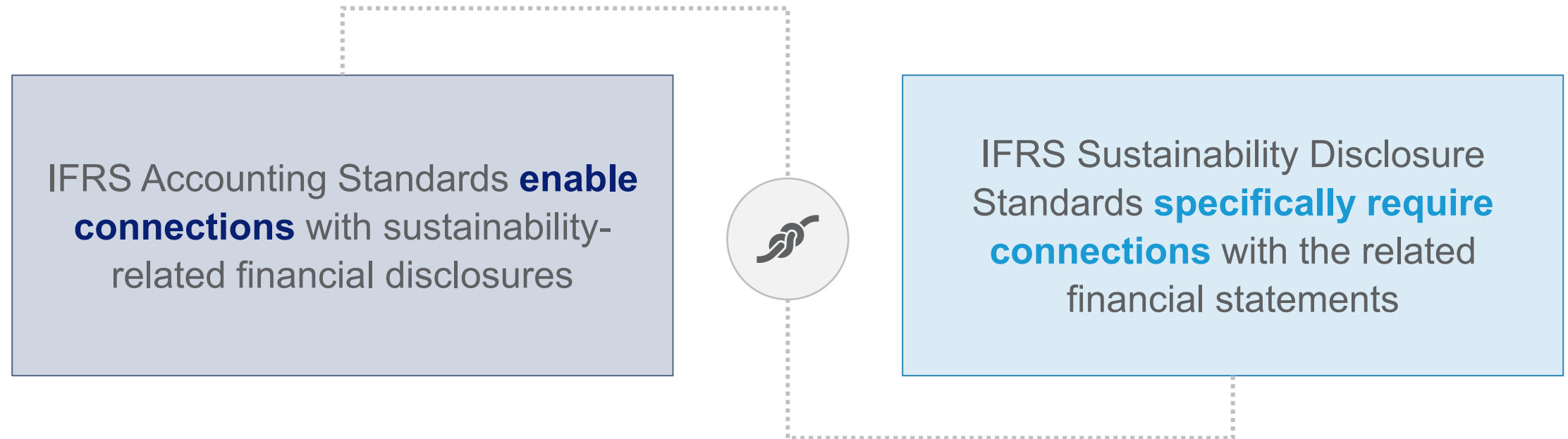
Materiality judgements are
made in the **context of a
particular report's objective**
and the **reporting
requirements**
applicable to that report



...results in complementary
information.

Information judged to be
material for **financial
statements** and
**sustainability-related
financial disclosures** will
typically differ and
provide complementary
perspectives on a company

Requirements related to connected information




Resources focused on connections



Highlights since WSS 2024



Webpage—Connecting IFRS Accounting and IFRS Sustainability



Webcast series—Connecting financial statements and sustainability-related financial disclosures



IFRS Foundation Conference 2025—panel discussion

Webpage

Connecting IFRS Accounting and IFRS Sustainability

Following



ABOUT

①

RESOURCES

②

CONNECTED WORKING

③

NEWS

①

Overview

②

Dedicated
resources

③

Insights into connected
working at the IFRS
Foundation

<https://www.ifrs.org/connectivity/>

Webcast series

- Webcast 1: IFRS Standards—Complementary and connected information
- Webcast 2: Example—Climate-related risks and impairment of non-financial assets
- Webcast 3: Example—Climate-related opportunities and changes in product mix
- Webcast 4: Example—Climate-related commitments



IFRS Foundation Conference 2025—panel discussion

1

Why connected information is important to investors

2

Making connections in practice


3

How to improve connections in reported information

Connected working at the IFRS Foundation



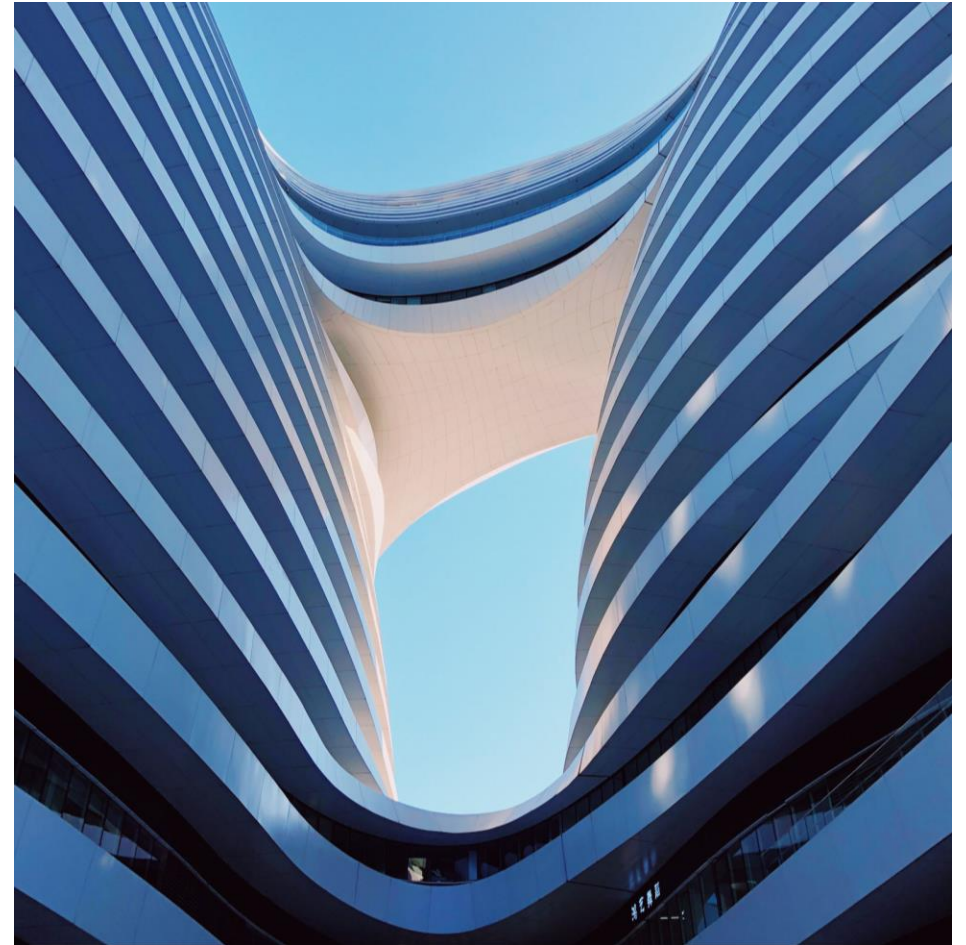
Highlights since WSS 2024

 Management Commentary Intangible Assets and Human Capital ISSB guide on the disclosure of material information Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples Agenda Consultations

Management Commentary

Revised Practice Statement issued in June

- Responds to **investor demand** for better information in management commentary
- Provides a **comprehensive resource for regulators and companies** to support improvement and greater global alignment in management commentary
- **Supports connections** between a company's management commentary, financial statements and sustainability-related financial disclosures
- Draws on innovations in narrative reporting



Revised Practice Statement—important connections



comprehensive requirements for **coherence of information**



targeted refinements that **aid alignment** with ISSB requirements



sustainability-related financial disclosures **can be included** in management commentary



revised Practice Statement and IFRS Sustainability Disclosure Standards **work well together**

Intangible Assets and Human Capital



Intangible Assets

Useful information about intangible items in the financial statements, including the notes, ie information relating to assets, liabilities, equity, income and expenses



Human Capital

Useful information about human capital-related risks and opportunities that could reasonably be expected to affect a company's prospects



How to facilitate connected information

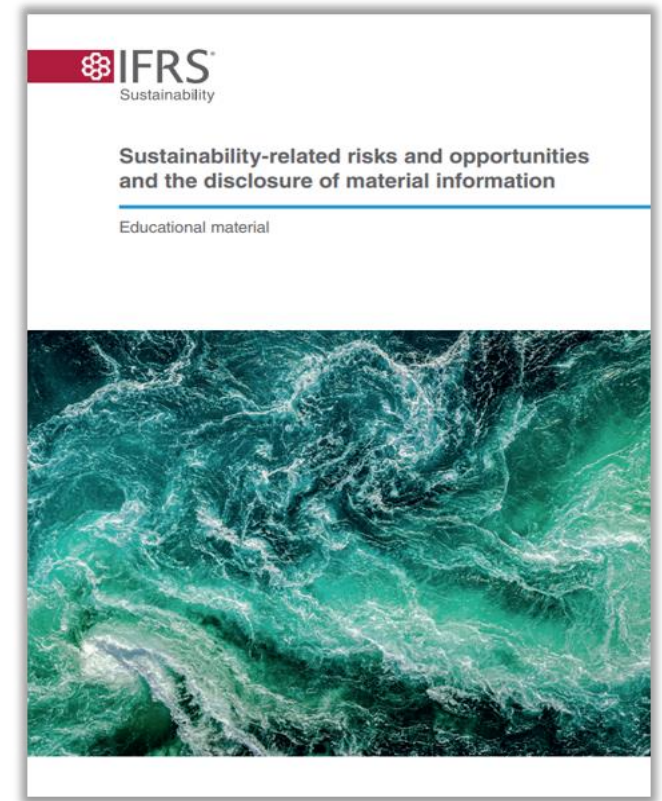
As the projects progress and opportunities for connections are identified, the IASB and ISSB will consider the interaction between their respective potential requirements to facilitate **connected information** across a company's general purpose financial reports

ISSB guide on the disclosure of material information

IFRS Standards use **aligned definitions** of ‘material information’ and supporting requirements and guidance focused on **investors’ information needs**

The Guide:

- builds on the IFRS Practice Statement 2 *Making Materiality Judgements*, including outlining a process to **identify material information**
- emphasises **connectivity considerations** throughout the discussion
- explains that the aligned definition focussed on investors supports **connections in reported information** but does not lead to duplication because it is applied in different context



Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples

How to facilitate
connected general
purpose financial
reports?

In developing the examples, the IASB:

- Responded to stakeholder concerns about inconsistencies between financial statements and information provided elsewhere
- Decided to use climate-related examples to illustrate the application of IFRS Accounting Standards to all types of uncertainties
- Considered the interaction with IFRS Sustainability Disclosure Standards



Draft Illustrative Examples are available
on the IFRS Foundation website

Agenda Consultations

- the IASB revisited its approach to the Fourth Agenda Consultation in September 2025
- aim for **concurrent IASB and ISSB Agenda Consultations**
- hear directly from stakeholders about **priorities holistically**, separate and joint
- consultation period is expected to start in 2027



Questions?



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