
Accounting Standards Advisory Forum meeting

Date	March 2026
Topic	Connections between financial statements and sustainability disclosures
Contacts	Bryan Easterly (Bryan.Esterly@ifrs.org) Yulia Feygina (yfeygina@ifrs.org)

This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum (ASAF). This paper does not represent the views of the International Accounting Standards Board (IASB) or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Copyright © 2026 IFRS Foundation. All rights reserved.

Purpose

- discuss how financial statements and sustainability-related financial disclosures provide complementary and connected decision-useful information for investors
- provide an overview of IFRS educational materials on connected information available on IFRS Foundation website [IFRS - Connecting IFRS Accounting and IFRS Sustainability](#)

How we think about connections

High-quality **connected financial information** for investors



Why we do it

What we do

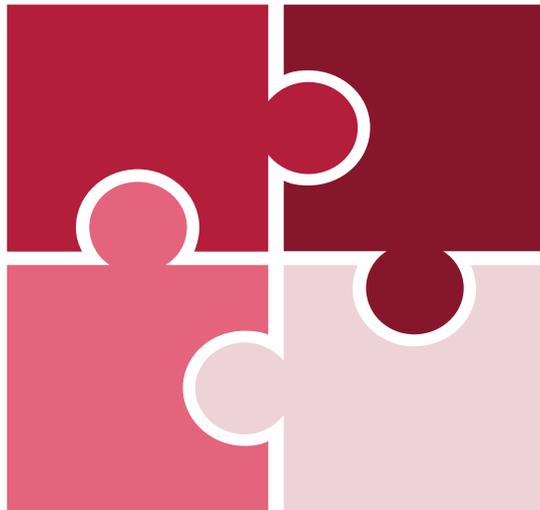
How we do it

Setting the scene

- The call for connected information **is not new**. Investors and other stakeholders have always emphasised the need for consistency and coherence across a company's financial disclosures.
- Connections are necessary **within and across** an entity's general purpose financial reports. Connections between financial statements and sustainability-related financial disclosures have come **into the spotlight** as more entities across jurisdictions provide those disclosures.
- IFRS Accounting Standards and IFRS Sustainability Disclosure Standards support the provision of useful **investor-focused** connected information.
- While **IFRS Standards** are intended to work well together, they need not be used together. They can be applied separately, and alongside third party's materials.

IFRS Standards—why they work well together

Common investor focus



Complementary perspectives on an entity

Shared concepts and consistent language



Requirements related to connected information

ISSB requirements

IFRS Sustainability
Disclosure Standards
require connections
with financial statements



Connected
information



Same
reporting
entity



Same
reporting
period



Same timing of
reporting



Located within
general purpose
financial reports



Same
currency



Consistent
data



Consistent
assumptions



Financial
effects and
particular
metrics



The use of
cross-reference
to reduce
duplication

IASB requirements

IFRS Accounting Standards **facilitate connections** between financial statements and other investor-focused financial disclosures such as those related to sustainability



Disclosure about assumptions, judgements and estimation uncertainty



Catch-all requirement to disclose material information

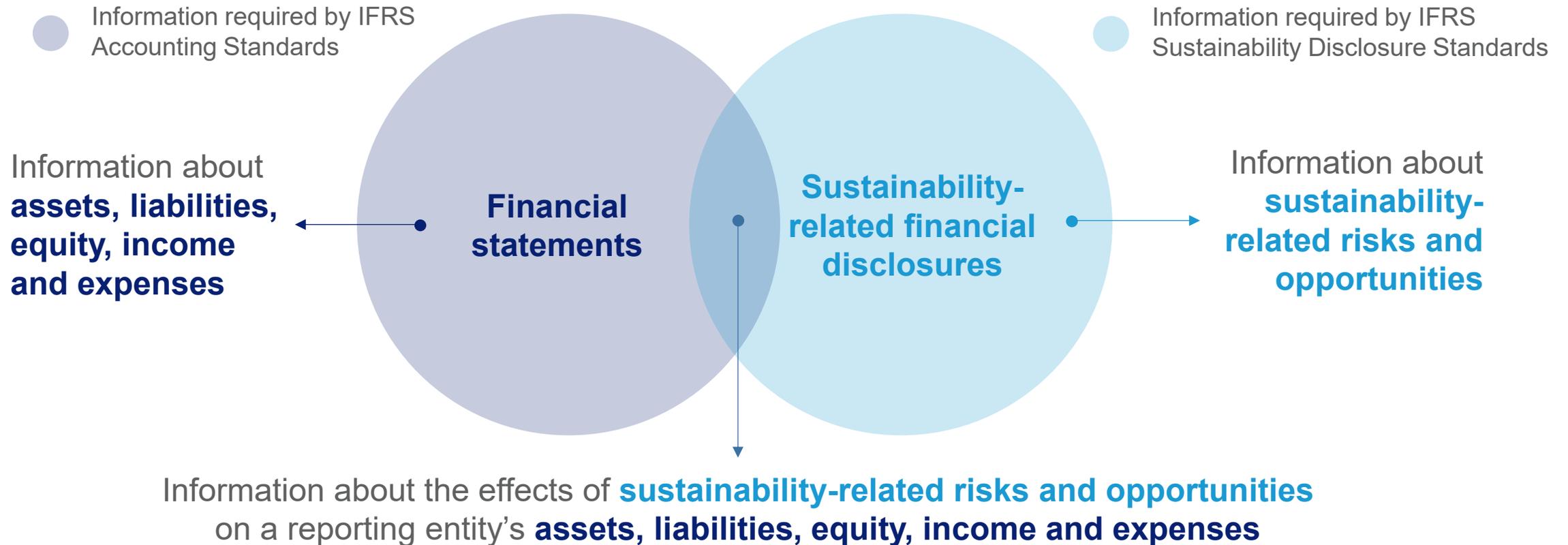


Disaggregation of information



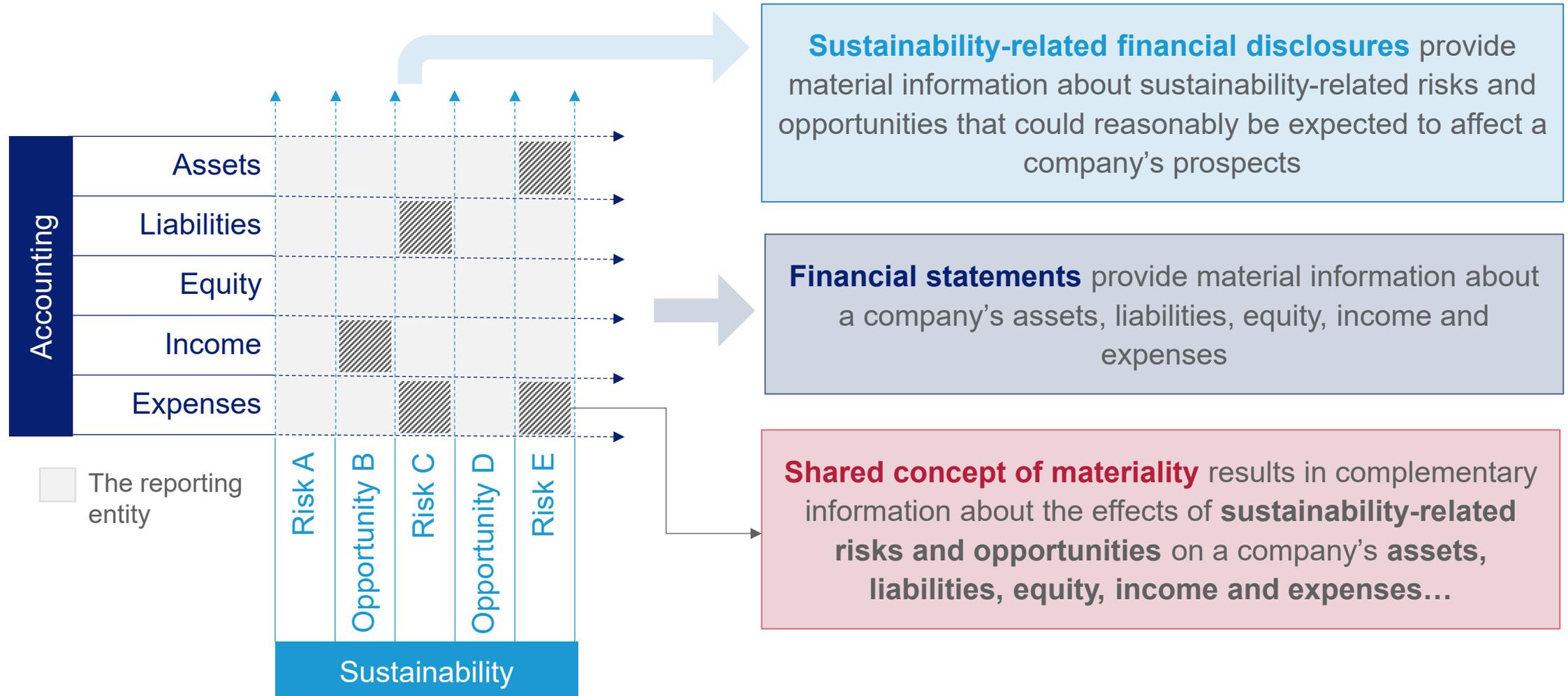
Requirements and guidance on coherence in Management Commentary Practice Statement

Complementary investor-focused reporting objectives



Note: The diagram is not intended to represent relative proportions of reported information.

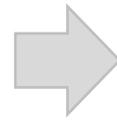
Complementary perspectives on a reporting entity



Shared concept of investor-focused 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

To conclude—Frequently asked questions

- **Value chain**—consideration of the value chain relates to the identification of sustainability-related risks and opportunities of the **reporting entity**. The reporting entity is unchanged but interactions with parties outside the entity may give rise to sustainability-related risks and opportunities for the entity.
- **Greenhouse gas (GHG) emissions**—the notion of operational control relates to the **measurement** of GHG emissions and does not change the boundary of the reporting entity.
- **Anticipated financial effects**—disclosure requirements for anticipated financial effects are designed to **enable investors to understand** how the entity’s financial position, financial performance and cash flows may change over time rather than require the entity to provide a forecast.
- **Disaggregation of information**—disaggregation judgements are made **in the context of the reporting objective** of the general purpose financial report and are **subject to materiality** considerations.
- **Location of information**—investor-focussed information needs to be connected both within and across general purpose financial reports and **regardless of where it is located** in those reports.
- **The use of cross-reference**—**incorporating material information** into a particular report by cross reference to another report is permitted in some cases, subject to specified conditions, and is different from sign-posting to related information in another report.

Follow us online

 ifrs.org

 [@IFRSFoundation](https://twitter.com/IFRSFoundation)

 [IFRS Foundation](https://www.youtube.com/IFRSFoundation)

 [IFRS Foundation](https://www.linkedin.com/company/ifrs-foundation)