Consultation Paper on Sustainability Reporting

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Consultation

- Part of Trustees' five-yearly strategy review
- Accelerated focus on sustainability
- Research, analysis & initial engagement by Trustee task force
- Guided by expert advisory group
- Demand-driven
- High-level and specific questions
- Key requirements for success
Sustainability reporting
assessment of current situation

Growing and urgent demand

A supply side in transition

Need for consistency in reporting and comparable information
What can the IFRS Foundation contribute?

Growing interconnectivity between financial and non-financial reporting

Demand for consolidation in sustainability reporting

IFRS Foundation proven global governance, standard-setting and due process

Increasing calls for IFRS Foundation to play a role

The IFRS Foundation, with an enhanced remit and composition, should create an International Sustainability Standards Board

IFAC, 2020

[A sustainability standards board could] be established within the current IFRS [Foundation’s] structures. It would be overseen by the IFRS Foundation Trustees

Accountancy Europe, 2020
High-level options considered

1. Maintain status quo

2. Facilitate existing initiatives

3. Create a Sustainability Standards Board (SSB)
   - Within IFRS Foundation governance
   - Alongside IASB
   - Build on excellent work of existing sustainability initiatives
Requirements for SSB success

• Achieving sufficient global support
• Working with regional initiatives
• Ensuring adequacy of governance structure
• Achieving appropriate technical expertise
• Achieving level of separate funding required
• Effective synergies with financial reporting
• Ensuring current mission and resources not compromised
Key considerations

- Scope: a climate-first approach
- Approach to materiality
- Achieving assurance
Relationships with other institutions & initiatives

Building upon:

- Task Force for Climate-related Financial Disclosures (TCFD)
- International Integrated Reporting Council (IIRC)
- Climate Disclosure Standards Board (CDSB)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- CDP

Providing a global platform for:

- Regional initiatives
Key questions

Is there a need for global sustainability standards?

Should the IFRS Foundation play a role?

Is a new Sustainability Standards Board within the IFRS Foundation an appropriate approach?

Views on requirements for success?
Timeline

30 Sept 2020: Consultation Paper published
Oct-Dec 2020: Outreach
31 Dec 2020: Comment deadline
Q1 2021: Comment analysis & Trustee discussions

ifrso.org/sustainability
Questions?

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