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?

- Demand for consolidation in sustainability reporting
- Growing interconnectivity between financial and non-financial reporting
- IFRS Foundation proven global governance, standard-setting and due process

"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

ifar.org/sustainability
Questions?

Lucrezia Reichlin
IFRS Foundation Trustee
and Chair of the
Sustainability Task Force

Larry Leva
IFRS Foundation Trustee
and member of the
Sustainability Task Force