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# Connectivity webcast series

## Episode 1

### *IFRS Standards—Complementary and connected information*

# Presenters



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## Purpose of this series

The IASB and ISSB recognise the importance of connectivity between their respective requirements in enabling companies to provide high-quality financial information to capital markets. This session:

- a) discusses how IFRS Accounting Standards and IFRS Sustainability Disclosure Standards complement each other; and
- b) walks through examples to illustrate how applying the Standards together results in complementary and connected reported information.

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# Agenda

## Episode 1

IFRS Standards—Complementary and connected information

## Episode 2

Example—Climate-related risks and impairment of non-financial assets

## Episode 3

Example—Climate-related opportunities and changes in product mix

## Episode 4

Example—Climate-related commitments

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# Agenda

## Episode 1

IFRS Standards—Complementary and connected information

## Episode 2

Example—Climate-related risks and impairment of non-financial assets

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Example—Climate-related commitments

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**IFRS Standards**  
*Complementary and  
connected information*



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# Why do we focus on connectivity?



Our **stakeholders**, particularly **investors**, express consistent strong support for connectivity between the IASB and ISSB, connectivity between the boards' respective Standards and connectivity in reporting



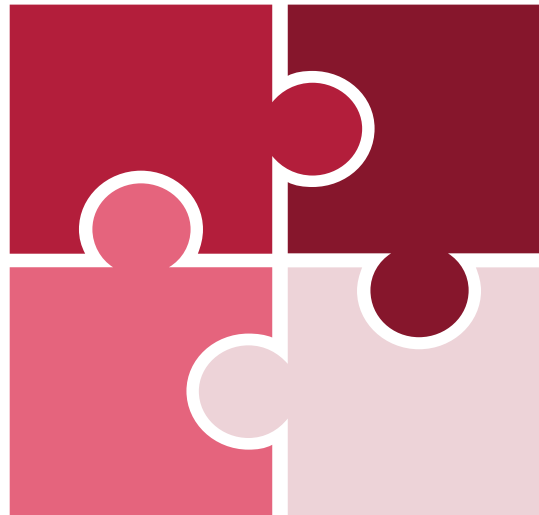
The **IFRS Foundation Constitution**:

- establishes the focus on high-quality reporting to meet the needs of investors and other capital market participants
- requires the boards to work together to ensure their respective Standards are compatible and to avoid inconsistencies and conflicts between them

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# IFRS Standards—Stronger together

**Complementary objectives**



**Connected information**

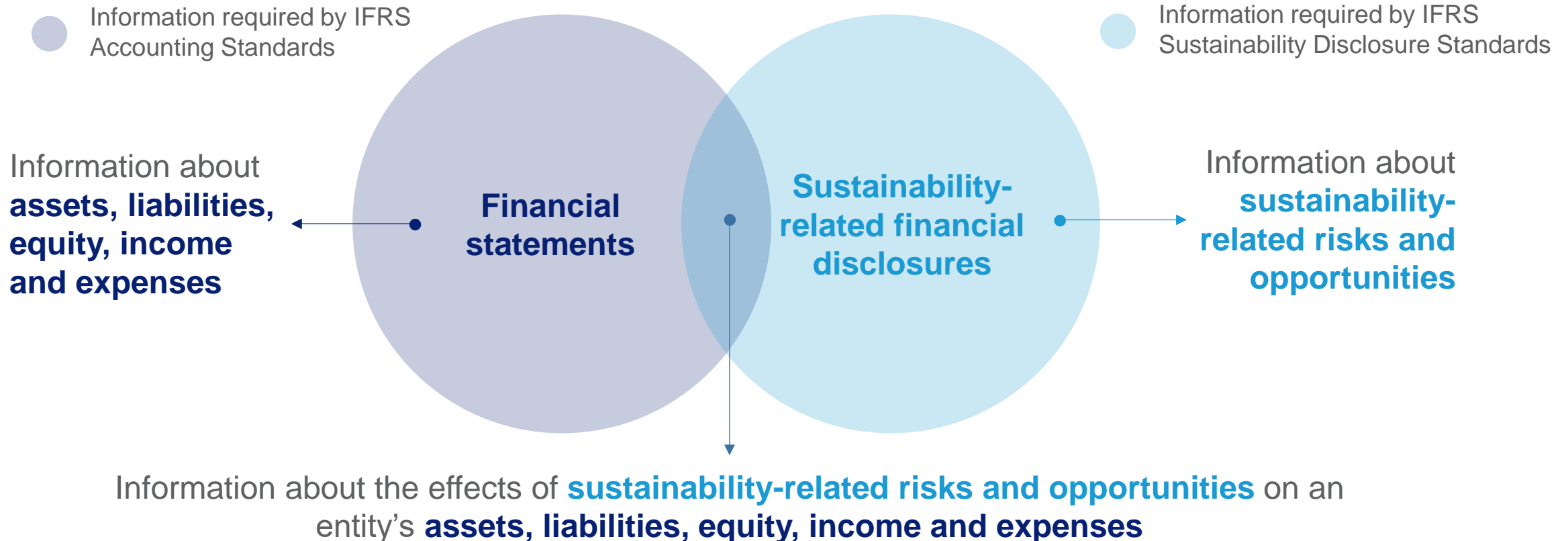
**Shared concepts**



**Complementary perspectives**



# Complementary objectives



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

# Shared concepts



Same target audience:  
investors, lenders and other  
creditors (primary users)



Aligned use of language  
and terminology



Same qualitative  
characteristics of useful  
financial information

...including an aligned **concept of materiality**

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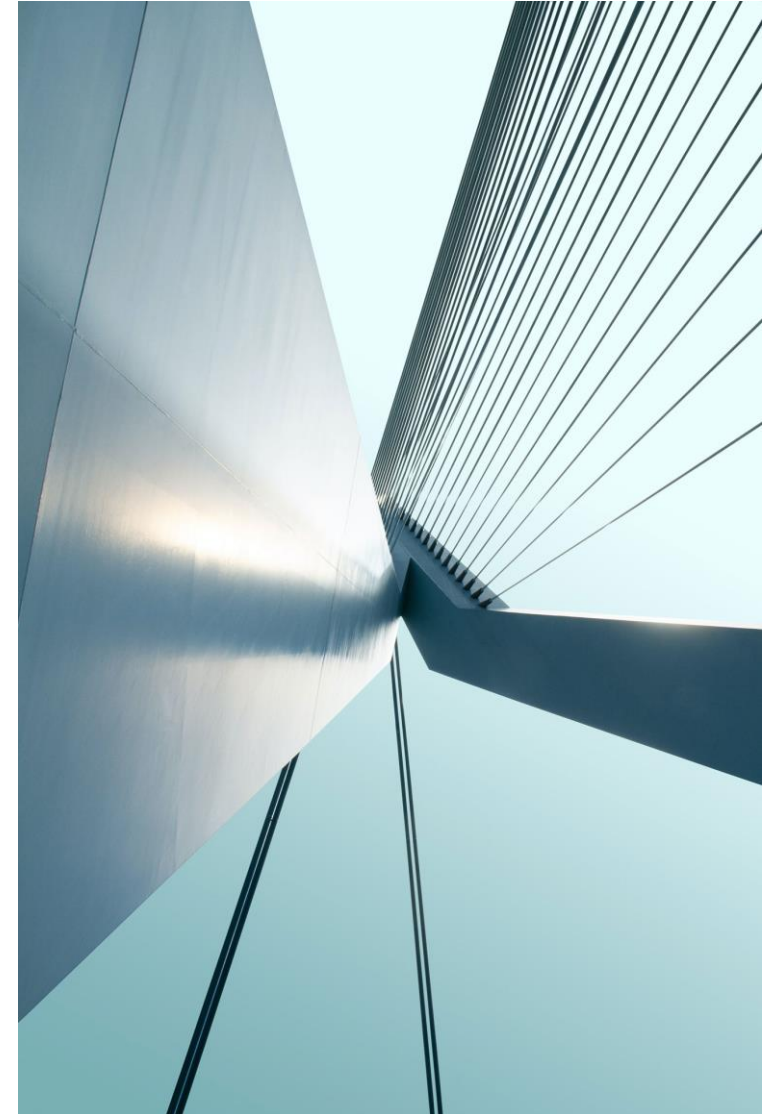
# IFRS concept of materiality

## Aligned definitions of material information

...**information** is **material** if omitting, misstating or obscuring it could reasonably be expected to influence decisions that **primary users** make on the basis of the report(s)...

The **concept of materiality** is applied:

- to **information**, not items or transactions
- considering an entity's **own circumstances**
- in the context of a particular **report's objective**
- in relation to applicable **reporting requirements**



# Connected information—IFRS Sustainability

IFRS Sustainability Disclosure Standards **specifically require connections** with the related financial statements

## *Examples of requirements*



Connected information



Same reporting entity



Same reporting period



Same timing of reporting within GPFR<sup>1</sup>



Same currency



Consistent data



Consistent assumptions



Current and anticipated financial effects

<sup>1</sup> General purpose financial reports

# Connected information—IFRS Accounting

IFRS Accounting Standards **enable connections** with the related sustainability-related financial disclosures

## *Examples of requirements*



Disclosure about assumptions, judgements and estimation uncertainty



Overarching requirement to disclose material information

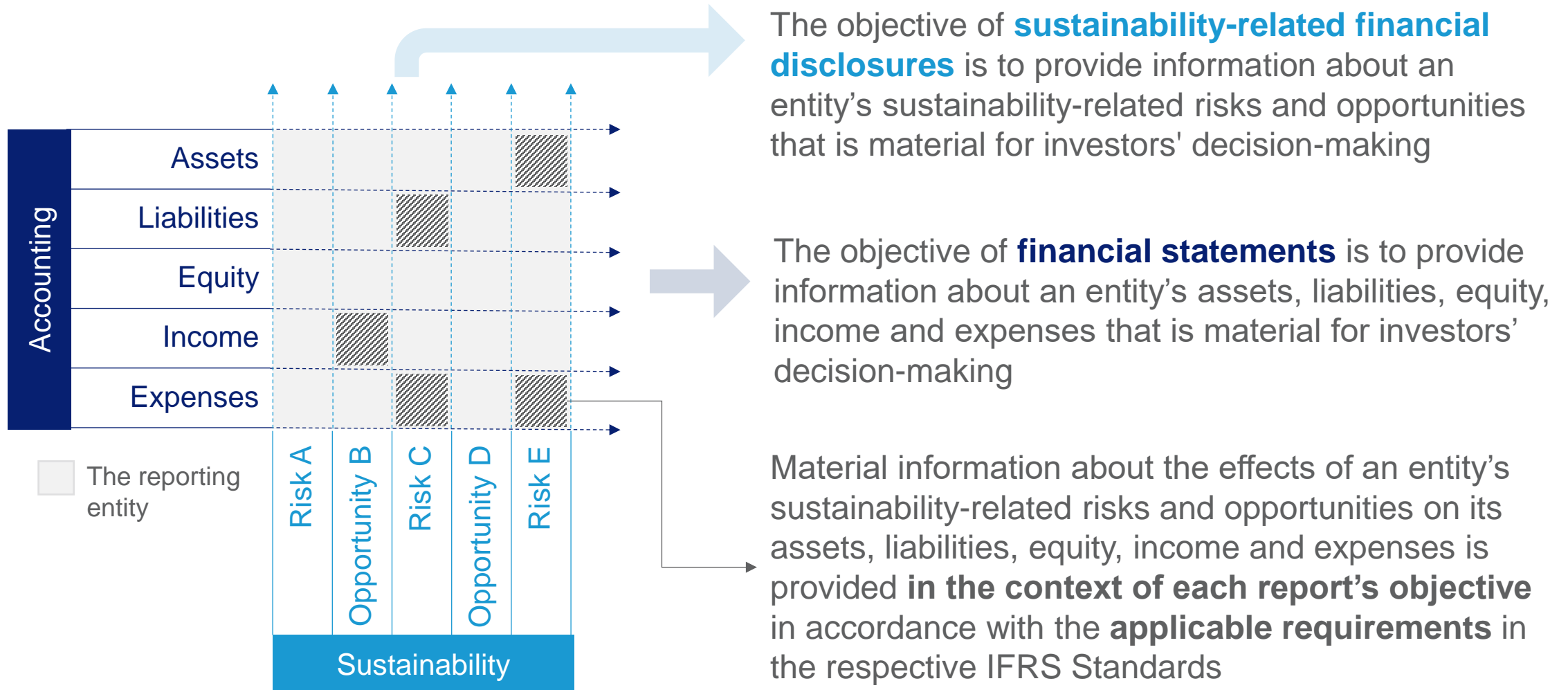


Disaggregation of information



Fair presentation

# Complementary perspectives on the reporting entity



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