
Sustainability-related risks and opportunities and the disclosure of material information

Session 1: Introduction and overview

Materiality guide: webcast series
March 2025

Reminders

Educational material is not part of ISSB Standards and cannot add or change requirements in the Standards.

Overview of the webcast series

- 1 Introduction and overview
- 2 The definition of material information and its application in ISSB Standards
- 3 Sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects and its application in ISSB Standards
- 4 Identifying and disclosing material information
- 5 Closing remarks

The focus of this webcast

- 1 Introduction and overview
- 2 The definition of material information and its application in ISSB Standards
- 3 Sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects and its application in ISSB Standards
- 4 Identifying and disclosing material information
- 5 Closing remarks

Overview and main messages

Chapter 1

Examines main components of the **definition of 'material information'** to enable an understanding of the use of this term in ISSB Standards and how to make materiality judgements.

1

ISSB Standards are designed to result in the provision of information that is useful to **primary users** of general purpose financial reports.

2

Materiality is an entity-specific characteristic of **information**.

3

When making materiality judgements, an entity assesses whether **omitting, misstating or obscuring information** could reasonably be expected to influence the decisions primary users make about providing resources to the entity.

Overview and main messages

Chapter 2

Explains what **sustainability-related risks and opportunities** are and how to identify them.

4

IFRS S1 describes the concept of **sustainability-related risks and opportunities**.

5

An entity **identifies** sustainability-related risks and opportunities that could reasonably be expected to affect its prospects.

6

A specific approach or method to identify sustainability-related risks and opportunities is not required; but the Standards require entities to consider specific **sources of guidance** to identify such risks and opportunities (eg SASB Standards).

Overview and main messages

Chapter 3

Explains how to apply the requirements in ISSB Standards to **identify and disclose material information** about sustainability-related risks and opportunities.

7

An entity might follow a **process** to identify and disclose material information about the sustainability-related risks and opportunities it has identified.

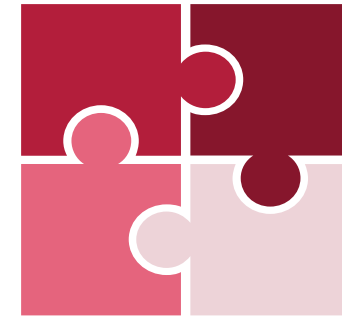
8

ISSB Standards require the disclosure of information about how an entity's activities impact people and the environment when those **impacts give rise to sustainability-related risks or opportunities** that could reasonably be expected to affect the entity's prospects, and the related information about those impacts is material to primary users.

Connectivity and interoperability considerations

Connectivity considerations

An entity applying ISSB Standards is required to provide information in a manner that enables primary users to understand the connections between disclosures provided in its sustainability-related financial disclosures and its related financial statements. Connectivity is also a particular focus in the work of the ISSB and IASB. These considerations are included in boxes labelled ‘connectivity considerations’.



Interoperability considerations

Interoperability considerations might be helpful to preparers who are applying ISSB Standards alongside the European Sustainability Reporting Standards (ESRS) and Global Reporting Initiative (GRI) Standards. Considerations related to this are included in boxes labelled ‘interoperability considerations’.

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