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FA NB – öffentliche SITZUNGSUNTERLAGE

Sitzung:	06. Sitzung FA NB / 30.05.2022 / 14:30 – 16:45 Uhr
TOP:	02 – ISSB – ED S1
Thema:	Kommentierung zu den allgemeinen Anforderungen für die Offenlegung von nachhaltigkeitsbezogenen Finanzinformationen
Unterlage:	06_02a_FA-NB_ISSB_ED S1

General Requirements for Disclosure of Sustainability-related Financial Information

Proposed IFRS S1



- The General Requirements Exposure Draft sets out the **core content for a complete set of sustainability-related financial disclosures**, establishing a comprehensive baseline of sustainability-related financial information.
- To comply with the proposed requirements, a **company would disclose material information about all significant sustainability-related risks and opportunities to which it is exposed**—the materiality judgement is made in the context of the sustainability-related financial information necessary for users of general purpose financial reporting (investors) **to assess enterprise value**.
- **Enterprise value** is the total value of an entity's equity and net debt and reflects expectations of the amount, timing and uncertainty of future cash flows over the short, medium and long term and the value attributed to those cash flows (reflecting the cost of capital).
- **Information** that could be **relevant to** the assessment of **enterprise value** is **broader** than **information** reported **in the financial statements**. It includes information about a company's impacts and dependencies on people, the planet and the economy when relevant to the assessment of the company's enterprise value.
- Information the General Requirements Exposure Draft proposes a company be required to disclose—and any information required by an IFRS Sustainability Disclosure Standard—would need to be disclosed as a **part of a company's general purpose financial reporting**. A consequence is that the sustainability-related financial disclosures would be required to be **published at the same time as the financial statements**.

Source: Snapshot, p. 3

Proposed IFRS S1

Further documents on ED IFRS S1



[Link](#)



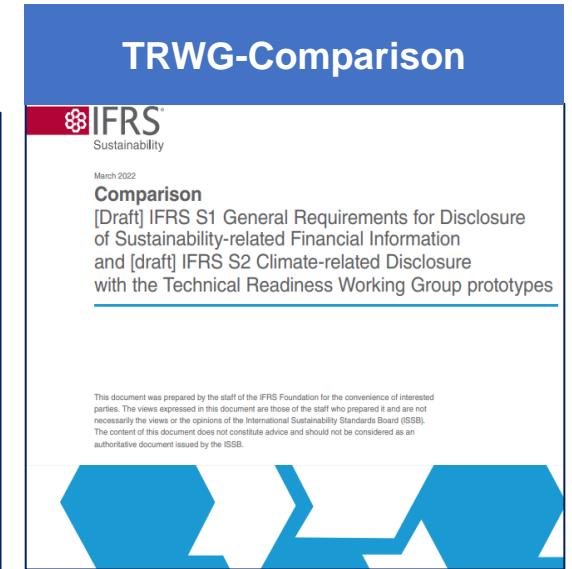
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CORE CONTENT

Paragraph 11



- The General Requirements Exposure Draft proposes requiring the disclosure of information about **significant sustainability-related risks and opportunities**. The sustainability-related financial information disclosed would be **centred on a company's consideration of its governance, strategy and risk management and the metrics and targets** it uses to measure, monitor and manage significant sustainability-related risks and opportunities.
- This approach **is consistent with the recommendations of the TCFD**, but extends them to sustainability-related risks and opportunities beyond those related to climate.

Source: Snapshot, p. 4

CORE CONTENT



Governance (para. 12-13)

The **objective** of sustainability-related financial disclosures on governance is to enable users of general purpose financial reporting **to understand the governance processes, controls and procedures used to monitor and manage** sustainability-related risks and opportunities. (para. 12)

- To achieve this objective**, an entity shall disclose **information about the governance body** or bodies [...] with **oversight** of **sustainability-related risks and opportunities**, and **information about management's role** in those processes. Specifically, [...]
- (a) the **identity of the body** or individual within a body **responsible for oversight** of sustainability-related risks and opportunities;
 - (b) **how** the body's **responsibilities** [...] **reflected in** the entity's **terms of reference, board mandates and other related policies**;
 - (c) **how** [...] **ensures** that the appropriate **skills and competencies** are available to oversee strategies designed to respond to sustainability-related risks and opportunities;
 - (d) **how and how often** [...] are **informed** about sustainability-related risks and opportunities;
 - (e) **how** [...] **consider** sustainability-related risks and opportunities **when overseeing** the entity's **strategy**, its **decisions** on major transactions, and its **risk management policies**, [...];
 - (f) **how** [...] **oversee** the setting of **targets** [...], and **monitor progress** towards them [...]; and
 - (g) a **description of management's role** [...] (para.13)

CORE CONTENT



Strategy (para. 14-24)

The **objective** of sustainability-related financial disclosures on strategy is to enable users of general purpose financial reporting **to understand** an entity's **strategy for addressing** significant sustainability-related **risks and opportunities**. (para. 14)

To **achieve this objective**, an entity shall **disclose** information about:

- (a) the significant sustainability-related **risks and opportunities** that it reasonably expects could affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term (see paragraphs 16–19)
- (b) the **effects** of significant sustainability-related risks and opportunities **on its business model and value chain** (see paragraph 20);
- (c) the **effects** of significant sustainability-related risks and opportunities **on its strategy and decision-making** (see paragraph 21);
- (d) the **effects** of significant sustainability-related risks and opportunities on its **financial position, financial performance and cash flows** for the reporting period, and the anticipated effects over the short, medium and long term—including how sustainability-related risks and opportunities are included in the entity's financial planning (see paragraph 22); and
- (e) the **resilience** of its strategy (including its business model) to significant sustainability-related risks (see paragraphs 23–24).

CORE CONTENT



Risk Management (para. 25-26)

The **objective** of sustainability-related financial disclosures on risk management is to enable users of general purpose financial reporting to **understand the process**, or processes, by which sustainability-related risks and opportunities are **identified, assessed and managed**. [...] (para. 25)

To achieve this objective, an entity shall disclose:

- (a) the **process**, or processes, it uses to **identify** sustainability-related: (i) risks; and (ii) opportunities;
- (b) the process, or processes, it uses to **identify** sustainability-related **risks for risk management purposes**, including when applicable:
 - i. how it **assesses** the likelihood and effects associated with such risks [...];
 - ii. how it **prioritises** sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;
 - iii. the **input parameters** it uses [...]; and
 - iv. whether it has changed the processes used compared to the prior reporting period;
- (c) the process, or processes, it uses to **identify, assess and prioritise sustainability-related opportunities**;
- (d) the process, or processes, it uses to **monitor and manage** the sustainability-related: (i) risks, [...] and (ii) opportunities, [...];
- (e) the extent to which and how the sustainability-related **risk** identification, assessment and management process, or processes, are **integrated into** the entity's **overall risk management process**; and
- (f) the extent to which and how the sustainability-related **opportunity** identification, assessment and management process, or processes, are **integrated into** the entity's **overall management process**. (para. 26)

CORE CONTENT



Metrics and Targets (para. 27-35)

The **objective** of sustainability-related financial disclosures on metrics and targets is to enable users of general purpose financial reporting **to understand** how an entity **measures, monitors and manages** its significant sustainability-related **risks and opportunities**. [...] (para. 27)

Metrics shall include

- those defined in any other applicable IFRS Sustainability Disclosure Standard,
- metrics identified from the other sources identified in paragraph 54 and
- metrics developed by an entity itself. (para. 28)

An entity shall identify metrics that apply to its **activities in line with its business model** and **in relation to specific sustainability-related risks or opportunities**. Some entities will have a range of activities and, therefore, may need to apply metrics that are applicable to more than one industry. (para. 29)

CORE CONTENT



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QUESTION 4

[...]

- (a) Are the disclosure objectives for governance, strategy, risk management and metrics and targets clear and appropriately defined? Why or why not?*
- (b) Are the disclosure requirements for governance, strategy, risk management and metrics and targets appropriate to their stated disclosure objective? Why or why not?*

REPORTING ENTITY



Paragraphs 37–41

37 [...] for the same reporting entity as the related general purpose financial statements.

For example, if the reporting entity is a group, the consolidated financial statements will be for a parent and its subsidiaries; consequently, that entity's sustainability-related financial disclosures shall enable users of general purpose financial reporting to assess the enterprise value of the parent and its subsidiaries.

38 An entity shall disclose the financial statements to which the sustainability-related financial disclosures relate.

39 When currency is specified as the unit of measure, the entity shall use the presentation currency of its financial statements.

40 Paragraph 2 requires [...] to disclose [...] risks and opportunities to which it is exposed. These [...] relate to activities, interactions and relationships and to the use of resources along its value chain, such as:

- (a) its employment practices and those of its suppliers, wastage related to the packaging of the products it sells, or events that could disrupt its supply chain;
- (b) the assets it controls (such as a production facility that relies on scarce water resources);
- (c) investments it controls, including investments in associates and joint ventures (such as financing a greenhouse gas-emitting activity through a joint venture); and
- (d) sources of finance.

41 Other IFRS Sustainability Disclosure Standards will specify how an entity is required to disclose or measure its significant sustainability-related risks and opportunities, including those related to its associates, joint ventures and other financed investments, and those related to its value chain.

QUESTION 5

[...]

- (a) Do you agree that the sustainability-related financial information should be required to be provided for the same reporting entity as the related financial statements? If not, why?*
- (b) Is the requirement to disclose information about sustainability-related risks and opportunities related to activities, interactions and relationships, and to the use of resources along its value chain, clear and capable of consistent application? Why or why not? If not, what further requirements or guidance would be necessary and why?*
- (c) Do you agree with the proposed requirement for identifying the related financial statements? Why or why not?*

FAIR PRESENTATION



Paragraphs 45–55

A **complete set** of sustainability-related financial disclosures shall **present fairly** the sustainability-related risks and opportunities to which an entity is exposed. Fair presentation requires the faithful representation of sustainability-related risks and opportunities in accordance with the principles set out in this [draft] Standard. (para. 45)

Applying IFRS Sustainability Disclosure Standards, with **additional** disclosure when necessary, is presumed to **result in** sustainability-related financial disclosures that achieve a **fair presentation**. (para. 46)

- Decide how to **aggregate** the information in its sustainability-related financial disclosures (para. 48-49)
- **Identify** sustainability-related **risks and opportunities** (para. 50-51)
- **Identify disclosures**, including metrics, about a significant sustainability-related risk or opportunities (para. 52-54)
- **Disclose** the **industry** or industries specified in the relevant IFRS Sustainability Disclosure Standard or industry-based SASB Standards that it has used when identifying disclosures (para. 55)

Identifying sustainability-related risks and opportunities and disclosures

In addition to IFRS Sustainability Disclosure Standards, an entity shall consider:

- (a) the disclosure topics in the industry-based SASB Standards;
- (b) the ISSB's non-mandatory guidance (such as the CDSB Framework application guidance for water- and biodiversity-related disclosures);
- (c) the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the needs of users of general purpose financial reporting; and
- (d) the sustainability-related risks and opportunities identified by entities that operate in the same industries or geographies.

(para. 51 and 53)

[...] applying those pronouncements would **not be a formal requirement** for an entity. For example, an entity could still assert compliance with IFRS Sustainability Disclosure Standards in accordance with paragraph 91 if it did not apply the requirements in these documents. (BC68)

The Exposure Draft does **not propose a disclosure about how materiality assessments** have been made as there was concern that such disclosures may be boiler plate. (BC66)

QUESTION 7

[...]

- (a) Is the proposal to present fairly the sustainability-related risks and opportunities to which the entity is exposed, including the aggregation of information, clear? Why or why not?*
- (b) Do you agree with the sources of guidance to identify sustainability-related risks and opportunities and related disclosures? If not, what sources should the entity be required to consider and why? Please explain how any alternative sources are consistent with the proposed objective of disclosing sustainability-related financial information in the Exposure Draft.*

MATERIALITY

Paragraphs 56–62

Sustainability-related financial information is **material if omitting, misstating or obscuring** that information could reasonably be expected to **influence decisions** that the primary users of general purpose financial reporting make on the basis of that reporting, which provides information about a specific reporting entity. (para. 56)

- An entity **need not provide** a specific **disclosure** that would otherwise be required by an IFRS Sustainability Disclosure Standard if the information resulting from that disclosure is **not material**. [...] (para. 60)
- An entity **shall also consider** whether to disclose **additional information** when compliance with the specific requirements in an IFRS Sustainability Disclosure Standard is insufficient [...] (para. 61)
- An entity **need not disclose** information otherwise required by an IFRS Sustainability Disclosure Standard **if local laws or regulations prohibit** the entity from disclosing that information. [...] (para. 62)
- An entity shall apply judgement [...] shall be reassessed at each reporting date (para. 59)
- Materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both [...] This [draft] Standard does not specify any thresholds for materiality or predetermine what would be material in a particular situation. (para. 58)

QUESTION 8

[...]

- (a) Is the definition and application of materiality clear in the context of sustainability-related financial information? Why or why not?*
- (b) Do you consider that the proposed definition and application of materiality will capture the breadth of sustainability-related risks and opportunities relevant to the enterprise value of a specific entity, including over time? Why or why not?*
- (c) Is the Exposure Draft and related Illustrative Guidance useful for identifying material sustainability-related financial information? Why or why not? If not, what additional guidance is needed and why?*
- (d) Do you agree with the proposal to relieve an entity from disclosing information otherwise required by the Exposure Draft if local laws or regulations prohibit the entity from disclosing that information? Why or why not? If not, why?*



Entire list of questions

Backup Slides

Entire list of questions

QUESTION 1 – OVERALL APPROACH

The Exposure Draft sets out overall requirements with the objective of disclosing sustainability-related financial information that is useful to the primary users of the entity's general purpose financial reporting when they assess the entity's enterprise value and decide whether to provide resources to it.

Proposals in the Exposure Draft would require an entity to disclose material information about all of the significant sustainability-related risks and opportunities to which it is exposed. The assessment of materiality shall be made in the context of the information necessary for users of general purpose financial reporting to assess enterprise value.

- (a) *Does the Exposure Draft state clearly that an entity would be required to identify and disclose material information about all of the sustainability-related risks and opportunities to which the entity is exposed, even if such risks and opportunities are not addressed by a specific IFRS Sustainability Disclosure Standard? Why or why not? If not, how could such a requirement be made clearer?*
- (b) *Do you agree that the proposed requirements set out in the Exposure Draft meet its proposed objective (paragraph 1)? Why or why not?*
- (c) *Is it clear how the proposed requirements in the Exposure Draft would be applied together with other IFRS Sustainability Disclosure Standards, including the [draft] IFRS S2 Climate-related Disclosures? Why or why not? If not, what aspects of the proposals are unclear?*
- (d) *Do you agree that the requirements proposed in the Exposure Draft would provide a suitable basis for auditors and regulators to determine whether an entity has complied with the proposals? If not, what approach do you suggest and why?*

QUESTION 2 – OBJECTIVE



Paragraphs 1–7

The Exposure Draft sets out proposed requirements for entities to disclose sustainability-related financial information that provides a sufficient basis for the primary users of the information to assess the implications of sustainability-related risks and opportunities on an entity's enterprise value.

Enterprise value reflects expectations of the amount, timing and uncertainty of future cash flows over the short, medium and long term and the value of those cash flows in the light of the entity's risk profile, and its access to finance and cost of capital. Information that is essential for assessing the enterprise value of an entity includes information in an entity's financial statements and sustainability-related financial information.

Sustainability-related financial information is broader than information reported in the financial statements that influences the assessment of enterprise value by the primary users. An entity is required to disclose material information about all of the significant sustainability-related risks and opportunities to which it is exposed. Sustainability-related financial information should, therefore, include information about the entity's governance of and strategy for addressing sustainability-related risks and opportunities and about decisions made by the entity that could result in future inflows and outflows that have not yet met the criteria for recognition in the related financial statements. Sustainability-related financial information also depicts the reputation, performance and prospects of the entity as a consequence of actions it has undertaken, such as its relationships with, and impacts and dependencies on, people, the planet and the economy, or about the entity's development of knowledge-based assets.

The Exposure Draft focuses on information about significant sustainability-related risks and opportunities that can reasonably be expected to have an effect on an entity's enterprise value.

- (a) *Is the proposed objective of disclosing sustainability-related financial information clear? Why or why not?*
- (b) *Is the definition of 'sustainability-related financial information' clear (see Appendix A)? Why or why not? If not, do you have any suggestions for improving the definition to make it clearer?*

QUESTION 3 – SCOPE



Paragraphs 8–10

Proposals in the Exposure Draft would apply to the preparation and disclosure of sustainability-related financial information in accordance with IFRS Sustainability Disclosure Standards. Sustainability-related risks and opportunities that cannot reasonably be expected to affect users' assessments of the entity's enterprise value are outside the scope of sustainability-related financial disclosures.

The Exposure Draft proposals were developed to be applied by entities preparing their general purpose financial statements with any jurisdiction's GAAP (so with IFRS Accounting Standards or other GAAP).

Do you agree that the proposals in the Exposure Draft could be used by entities that prepare their general purpose financial statements in accordance with any jurisdiction's GAAP (rather than only those prepared in accordance with IFRS Accounting Standards)? If not, why not?

QUESTION 4 – CORE CONTENT



Paragraphs 11–35

The Exposure Draft includes proposals that entities disclose information that enables primary users to assess enterprise value. The information required would represent core aspects of the way in which an entity operates.

This approach reflects stakeholder feedback on key requirements for success in the Trustees' 2020 consultation on sustainability reporting, and builds upon the well established work of the TCFD.

Governance The Exposure Draft proposes that the objective of sustainability-related financial disclosures on governance would be: to enable the primary users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage significant sustainability-related risks and opportunities.

Strategy The Exposure Draft proposes that the objective of sustainability-related financial disclosures on strategy would be: to enable users of general purpose financial reporting to understand an entity's strategy for addressing significant sustainability-related risks and opportunities.

Risk management The Exposure Draft proposes that the objective of sustainability-related financial disclosures on risk management would be: to enable the users of general purpose financial reporting to understand the process, or processes, by which sustainability-related risks and opportunities are identified, assessed and managed. These disclosures shall also enable users to assess whether those processes are integrated into the entity's overall risk management processes and to evaluate the entity's overall risk profile and risk management processes.

Metrics and targets The Exposure Draft proposes that the objective of sustainability-related financial disclosures on metrics and targets would be: to enable users of general purpose financial reporting to understand how an entity measures, monitors and manages its significant sustainability-related risks and opportunities. These disclosures shall enable users to understand how the entity assesses its performance, including progress towards the targets it has set.

- (a) *Are the disclosure objectives for governance, strategy, risk management and metrics and targets clear and appropriately defined? Why or why not?*
- (b) *Are the disclosure requirements for governance, strategy, risk management and metrics and targets appropriate to their stated disclosure objective? Why or why not?*

QUESTION 5 – REPORTING ENTITY



Paragraphs 37–41

The Exposure Draft proposes that sustainability-related financial information would be required to be provided for the same reporting entity as the related general purpose financial statements.

The Exposure Draft proposals would require an entity to disclose material information about all of the significant sustainability-related risks and opportunities to which it is exposed. Such risks and opportunities relate to activities, interactions and relationships and use of resources along its value chain such as:

- its employment practices and those of its suppliers, wastage related to the packaging of the products it sells, or events that could disrupt its supply chain;
- the assets it controls (such as a production facility that relies on scarce water resources);
- investments it controls, including investments in associates and joint ventures (such as financing a greenhouse gas-emitting activity through a joint venture); and
- sources of finance.

The Exposure Draft also proposes that an entity disclose the financial statements to which sustainability-related financial disclosures relate.

- Do you agree that the sustainability-related financial information should be required to be provided for the same reporting entity as the related financial statements? If not, why?*
- Is the requirement to disclose information about sustainability-related risks and opportunities related to activities, interactions and relationships, and to the use of resources along its value chain, clear and capable of consistent application? Why or why not? If not, what further requirements or guidance would be necessary and why?*
- Do you agree with the proposed requirement for identifying the related financial statements? Why or why not?*

QUESTION 6 – CONNECTED INFORMATION



Paragraphs 42–44

The Exposure Draft proposes that an entity be required to provide users of general purpose financial reporting with information that enables them to assess the connections between (a) various sustainability-related risks and opportunities; (b) the governance, strategy and risk management related to those risks and opportunities, along with metrics and targets; and (c) sustainability-related risks and opportunities and other information in general purpose financial reporting, including the financial statements.

- (a) *Is the requirement clear on the need for connectivity between various sustainability-related risks and opportunities? Why or why not?*
- (b) *Do you agree with the proposed requirements to identify and explain the connections between sustainability-related risks and opportunities and information in general purpose financial reporting, including the financial statements? Why or why not? If not, what do you propose and why?*

QUESTION 7 – FAIR PRESENTATION



Paragraphs 45–55

[...]

- (a) Is the proposal to present fairly the sustainability-related risks and opportunities to which the entity is exposed, including the aggregation of information, clear? Why or why not?*
- (b) Do you agree with the sources of guidance to identify sustainability-related risks and opportunities and related disclosures? If not, what sources should the entity be required to consider and why? Please explain how any alternative sources are consistent with the proposed objective of disclosing sustainability-related financial information in the Exposure Draft.*

QUESTION 8 – MATERIALITY



Paragraphs 56–62

[...]

- (a) *Is the definition and application of materiality clear in the context of sustainability-related financial information? Why or why not?*
- (b) *Do you consider that the proposed definition and application of materiality will capture the breadth of sustainability-related risks and opportunities relevant to the enterprise value of a specific entity, including over time? Why or why not?*
- (c) *Is the Exposure Draft and related Illustrative Guidance useful for identifying material sustainability-related financial information? Why or why not? If not, what additional guidance is needed and why?*
- (d) *Do you agree with the proposal to relieve an entity from disclosing information otherwise required by the Exposure Draft if local laws or regulations prohibit the entity from disclosing that information? Why or why not? If not, why?*

QUESTION 9 – FREQUENCY OF REPORTING



Paragraphs 66–71

The Exposure Draft proposes that an entity be required to report its sustainability-related financial disclosures at the same time as its related financial statements, and the sustainability-related financial disclosures shall be for the same reporting period as the financial statements.

Do you agree with the proposal that the sustainability-related financial disclosures would be required to be provided at the same time as the financial statements to which they relate? Why or why not?

QUESTION 10 – LOCATION OF INFORMATION



Paragraphs 72–78

[...]

- (a) *Do you agree with the proposals about the location of sustainability-related financial disclosures? Why or why not?*
- (b) *Are you aware of any jurisdiction-specific requirements that would make it difficult for an entity to provide the information required by the Exposure Draft despite the proposals on location?*
- (c) *Do you agree with the proposal that information required by IFRS Sustainability Disclosure Standards can be included by cross-reference provided that the information is available to users of general purpose financial reporting on the same terms and at the same time as the information to which it is cross-referenced? Why or why not?*
- (d) *Is it clear that entities are not required to make separate disclosures on each aspect of governance, strategy and risk management for individual sustainability-related risks and opportunities, but are encouraged to make integrated disclosures, especially where the relevant sustainability issues are managed through the same approach and/or in an integrated way? Why or why not?*

QUESTION 11 – COMPARATIVE INFORMATION, SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY, AND ERRORS



Paragraphs 63–65, 79–83 and 84–90

[...]

- (a) *Have these general features been adapted appropriately into the proposals? If not, what should be changed?*
- (b) *Do you agree that if an entity has a better measure of a metric reported in the prior year that it should disclose the revised metric in its comparatives?*
- (c) *Do you agree with the proposal that financial data and assumptions within sustainability-related financial disclosures be consistent with corresponding financial data and assumptions used in the entity's financial statements to the extent possible? Are you aware of any circumstances for which this requirement will not be able to be applied?*

QUESTION 12 – STATEMENT OF COMPLIANCE



Paragraphs 91-92

The Exposure Draft proposes that for an entity to claim compliance with IFRS Sustainability Disclosure Standards, it would be required to comply with the proposals in the Exposure Draft and all of the requirements of applicable IFRS Sustainability Disclosure Standards. Furthermore, the entity would be required to include an explicit and unqualified statement that it has complied with all of these requirements.

The Exposure Draft proposes a relief for an entity. It would not be required to disclose information otherwise required by an IFRS Sustainability Disclosure Standard if local laws or regulations prohibit the entity from disclosing that information. An entity using that relief is not prevented from asserting compliance with IFRS Sustainability Disclosure Standards. Do you agree with this proposal? Why or why not? If not, what would you suggest and why?

QUESTION 13 – EFFECTIVE DATE



Appendix B

The Exposure Draft proposes allowing entities to apply the Standard before the effective date to be set by the ISSB. It also proposes relief from the requirement to present comparative information in the first year the requirements would be applied to facilitate timely application of the Standard.

- (a) When the ISSB sets the effective date, how long does this need to be after a final Standard is issued? Please explain the reason for your answer, including specific information about the preparation that will be required by entities applying the proposals, those using the sustainability-related financial disclosures and others.*
- (b) Do you agree with the ISSB providing the proposed relief from disclosing comparatives in the first year of application? If not, why not?*

QUESTION 14 – GLOBAL BASELINE



IFRS Sustainability Disclosure Standards are intended to meet the needs of the users of general purpose financial reporting to enable them to make assessments of enterprise value, providing a comprehensive global baseline for the assessment of enterprise value. Other stakeholders are also interested in the effects of sustainability-related risks and opportunities. Those needs may be met by requirements set by others, including regulators and jurisdictions. The ISSB intends that such requirements by others could build on the comprehensive global baseline established by the IFRS Sustainability Disclosure Standards.

Are there any particular aspects of the proposals in the Exposure Draft that you believe would limit the ability of IFRS Sustainability Disclosure Standards to be used in this manner? If so, what aspects and why? What would you suggest instead and why?

QUESTION 15 – DIGITAL REPORTING



The ISSB plans to prioritise enabling digital consumption of sustainability-related financial information prepared in accordance with IFRS Sustainability Disclosure Standards from the outset of its work. The primary benefit of digital consumption as compared to paper-based consumption is improved accessibility, enabling easier extraction and comparison of information. To facilitate digital consumption of information provided in accordance with IFRS Sustainability Disclosure Standards, an IFRS Sustainability Disclosures Taxonomy is being developed by the IFRS Foundation. The Exposure Draft and [draft] IFRS S2 Climate-related Disclosures Standards are the sources for the Taxonomy.

It is intended that a staff draft of the Taxonomy will be published shortly after the release of the Exposure Draft, accompanied by a staff paper which will include an overview of the essential proposals for the Taxonomy. At a later date, an Exposure Draft of Taxonomy proposals is planned to be published by the ISSB for public consultation.

Do you have any comments or suggestions relating to the drafting of the Exposure Draft that would facilitate the development of a Taxonomy and digital reporting (for example, any particular disclosure requirements that could be difficult to tag digitally)?

QUESTION 16 - COSTS, BENEFITS AND LIKELY EFFECTS



The ISSB is committed to ensuring that implementing the Exposure Draft proposals appropriately balances costs and benefits.

- (a) Do you have any comments on the likely benefits of implementing the proposals and the likely costs of implementing them that the ISSB should consider in analysing the likely effects of these proposals?*
- (b) Do you have any comments on the costs of ongoing application of the proposals that the ISSB should consider?*

QUESTION 17 – OTHER COMMENTS



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Do you have any other comments on the proposals set out in the Exposure Draft?



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