

Introduction to the ISSB

Exposure Drafts: IFRS S1 and IFRS S2

June 2022

International Sustainability Standards Board



Formed by the IFRS Foundation in Nov 2021



Leverages the expertise of leading standard setters and framework developers



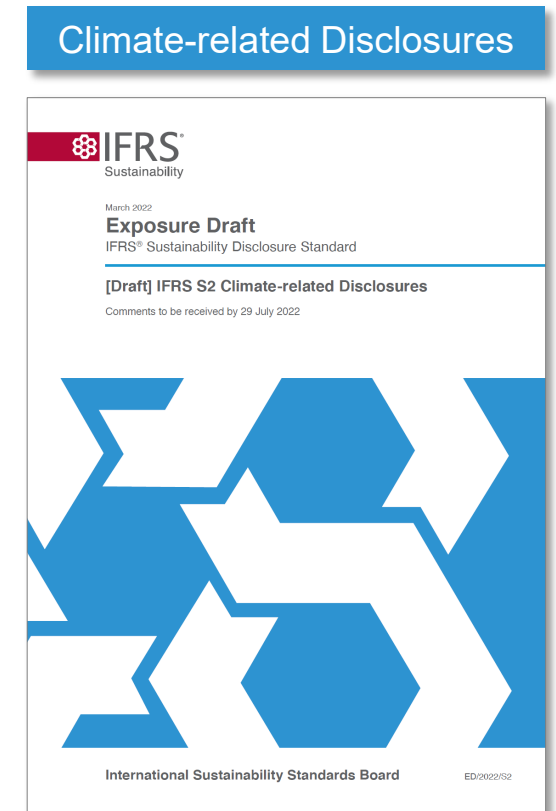
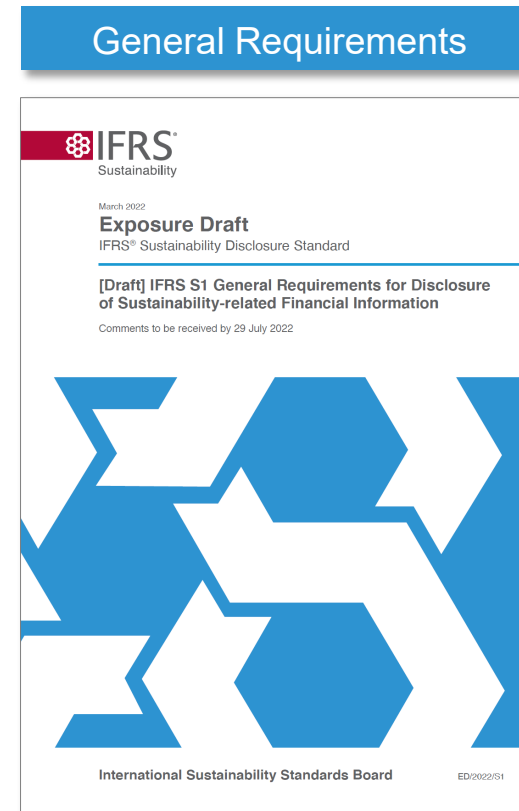
Features a global footprint, including a Montreal-based centre



Provides global baseline standards for sustainability-related financial disclosures

Exposure Drafts: IFRS S1 and IFRS S2

- Comment deadline: July 29
- Based on structure of Task Force on Climate-related Financial Disclosures (TCFD) Recommendations



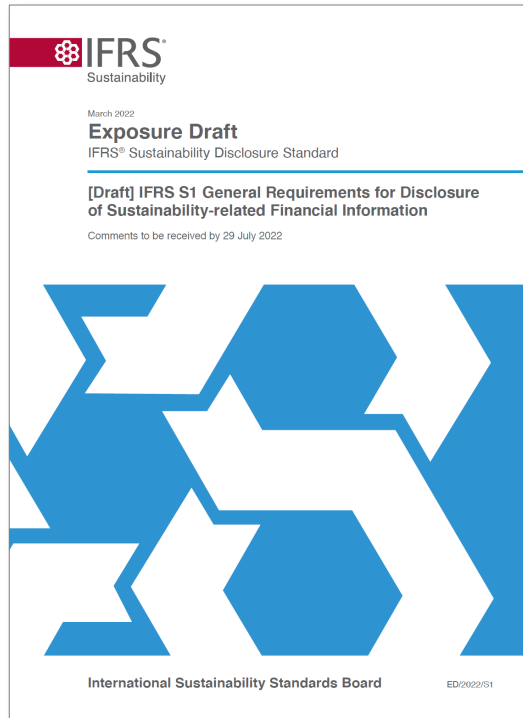
Exposure Drafts: IFRS S1 and IFRS S2



Exposure Drafts: IFRS S1 and IFRS S2



IFRS S1: General Requirements



- Points to additional resources for disclosure **topics** and **metrics**
- Characteristics of **useful** sustainability-related financial information

relevance

faithful representation

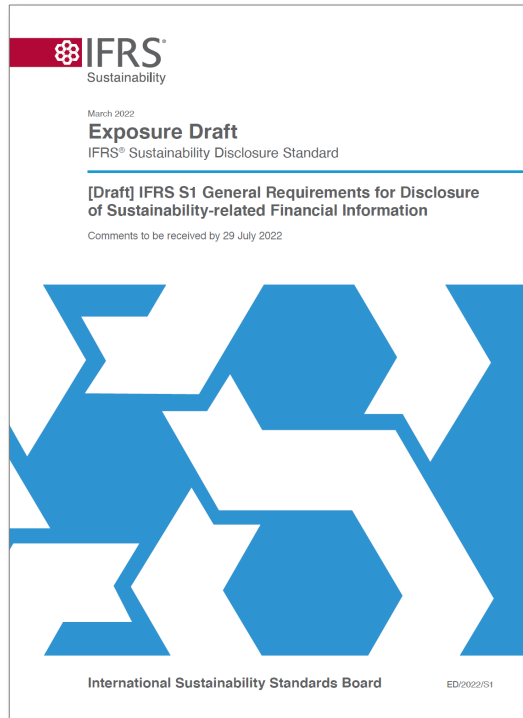
comparability

verifiability

timeliness

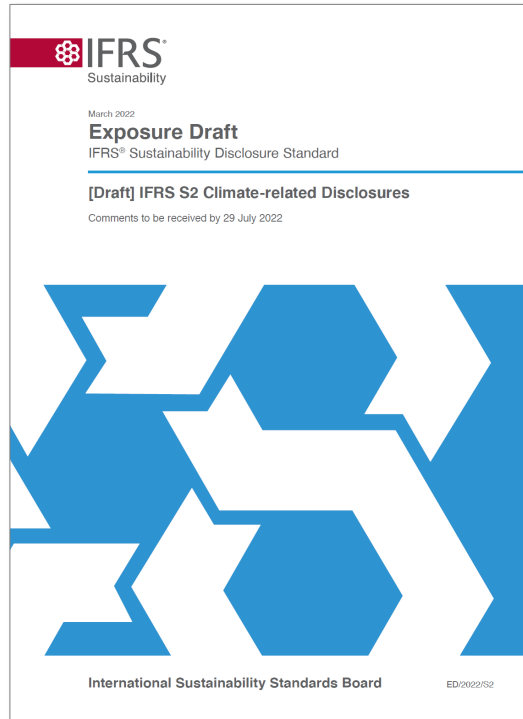
understandability

IFRS S1: General Requirements



- Consistent with:
 - *IASB's Conceptual Framework for Financial Reporting*
 - *IAS 1 Presentation of Financial Statements*
 - *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*

IFRS S2: Climate-related Disclosures



- Focuses on significant climate-related risks and opportunities
- Includes industry-based metrics of SASB Standards
- Builds on recommendations of the Task force on Climate-related Financial Disclosures (TCFD)

IFRS S2: Climate-related Disclosures

GOVERNANCE

Role of processes, controls, and procedures

IFRS S2: Climate-related Disclosures

GOVERNANCE

Role of processes, controls, and procedures

STRATEGY

How significant risks and opportunities are addressed

IFRS S2: Climate-related Disclosures

GOVERNANCE

Role of processes, controls, and procedures

STRATEGY

How significant risks and opportunities are addressed



Climate-related risks and opportunities



Strategy and decision-making



Financial position, financial performance, cash flows



Climate resilience

IFRS S2: Climate-related Disclosures

GOVERNANCE

Role of processes, controls, and procedures

STRATEGY

How significant risks and opportunities are addressed

RISK MANAGEMENT

How risks and opportunities are identified, assessed, and managed

IFRS S2: Climate-related Disclosures

GOVERNANCE

Role of processes, controls, and procedures

STRATEGY

How significant risks and opportunities are addressed

RISK MANAGEMENT

How risks and opportunities are identified, assessed, and managed

METRICS & TARGETS

How risk- and opportunity-related performance is tracked

Why participate?

- ✓ Increased investor demand
- ✓ Growing regulatory interest
- ✓ High engagement among large issuers
- ✓ Ripple effect for small and private entities
- ✓ Foundational stage
- ✓ Pace of development



Be heard



- Share your views on ISSB proposals at [Connect.FRASCANADA.ca](https://connect.frascanada.ca)
- Key survey themes include:

overall approach

objectives

materiality

metrics

risks and opportunities

climate resilience

applicability

Stay informed

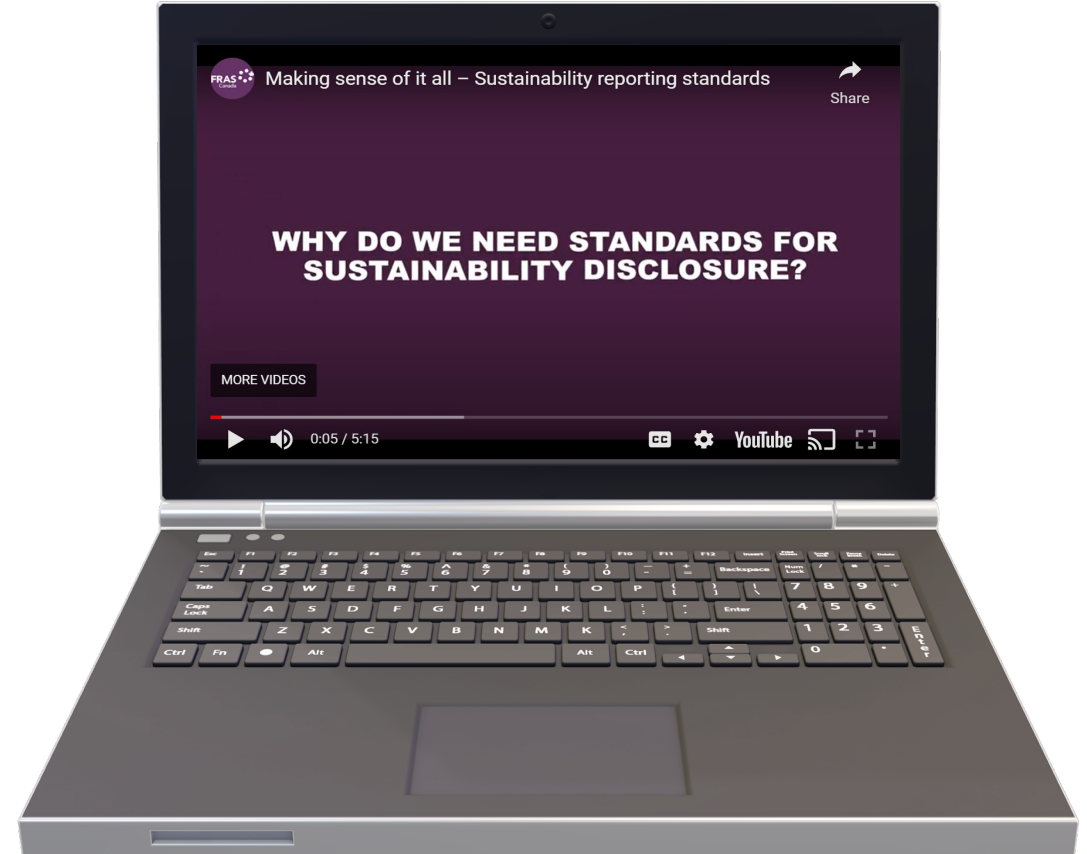
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