MEDIA RELEASE

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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المنظمة الدولية لهيئات األوراق المالية

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IOSCO endorses the ISSB's Sustainability-related Financial Disclosures Standards

In a major step towards consistent, comparable and reliable sustainability information, IOSCO announces today that it has decided to endorse the sustainability-related financial disclosures standards, recently issued by the International Sustainability Standards Board (ISSB), IFRS S1 and IFRS S2.

IOSCO has engaged extensively with the ISSB over the last two years, culminating in a comprehensive and independent review of the final ISSB Standards. After a detailed analysis, IOSCO has determined that the ISSB Standards are appropriate to serve as a global framework for capital markets to develop the use of sustainability-related financial information in both capital raising and trading and for the purpose of helping globally integrated financial markets accurately assess relevant sustainability risks and opportunities.

IOSCO now calls on its 130 member jurisdictions, regulating more than 95% of the world's financial markets, to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards within the context of their jurisdictional arrangements, in a way that promotes consistent and comparable climate-related and other sustainability-related disclosures for investors.

Jean-Paul Servais, Chair of the Board of IOSCO, commented: *"This is a critical moment in advancing IOSCO's goal of improving climate-risk disclosure for investors. Investors are demanding better information about sustainability risks and opportunities, and the G20, the G7, and the FSB rely on IOSCO to assess whether the ISSB Standards are fit for purpose for capital markets. Our members, working together, have carefully analysed the ISSB's standards against IOSCO's endorsement criteria. IOSCO has found that the ISSB conducted a robust process and have concluded that these standards serve as an effective and proportionate global framework of investor-focused disclosures on sustainability- and climate-related risks and opportunities. At the beginning of my mandate as Chairman, I said IOSCO would meet expectations because the delivery of high quality standards in due time is of the essence when it comes to sustainability. Today, with the publication of the endorsement decision, I am honoured to say we did just that."*

Rodrigo Buenaventura, Chair of IOSCO's Sustainable Finance Task Force, added: "*The publication of this endorsement is the result of truly global efforts. On the one hand the ISSB and the IFRS Foundation have ensured that the final standards are the result of broad stakeholder input. On the other hand, this endorsement by IOSCO is an important milestone that we expect will result in global capital markets being able to access reliable, consistent and comparable sustainability related information which will allow investors to price sustainability risks and opportunities and help them make investment decisions.*"

Today's endorsement of the ISSB Standards is in line with IOSCO's objective to achieve a comprehensive toolkit for both sustainability-related disclosure and related assurance standards that should be available to jurisdictions and ready for use by issuers for the end-2024 accounts.

In this regard, IOSCO welcomes the IFRS Foundation's "*The jurisdictional journey to implementing IFRS S1 and IFRS S2—Adoption Guide overview*" published today. It provides an outline of a forthcoming Adoption Guide that will set out pathways for implementation of the ISSB Standards. IOSCO is committed to working closely with the ISSB, other relevant bodies, and IOSCO members to promote consistent and comparable climate-related and other sustainability-related disclosures for investors through the roll out of a comprehensive capacity building programme.

NOTES TO THE EDITORS

1. The Standards that IOSCO has endorsed are the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and the IFRS S2 Climate-related Disclosures issued in their final version on 26th June 2023 after an 18 month drafting process and available here. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1.

2. The International Sustainability Standards Board is an independent Board set up within the IFRS Foundation in order to develop standards for the disclosure by companies of information relating to sustainability-related risks and opportunities. The first detailed standard relates to climate. It will now turn to consider disclosure of other sustainability issues.

3. The IFRS Foundation is a not-for-profit organisation created to serve the public interest by developing globally accepted financial reporting standards that meet investors and other capital market participants' need for reliable, transparent and comparable information to make economic decisions. Its standards—IFRS Accounting Standards and IFRS Sustainability Disclosure Standards—are developed by the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The boards are overseen by the IFRS Foundation Trustees, who in turn are accountable to the IFRS Foundation Monitoring Board of public authorities with responsibility for corporate

reporting. Its governance arrangements are set out in its *Constitution*. IFRS Accounting Standards, set by the IASB, are required in more than 140 jurisdictions. IOSCO endorsed its accounting standards in 2000, after which they were widely adopted across the globe.

4. IOSCO has published a report of its technical assessment which is available here.

5. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.

6. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium's Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Bahamas, Bangladesh, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, Mauritius, Mexico, Morocco, the Netherlands, Oman, Ontario, Peru, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO´s Affiliate Members Consultative Committee are also observers.

7. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including ten of the G20 members. Dr Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt is Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, amongst others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.

8. IOSCO aims through its permanent structures:

   - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;

   - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and

- to exchange information at both global and regional levels on their respective experiences to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

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