

MEDIA RELEASE

Tokyo, December 4, 2023

IFRS Foundation Monitoring Board welcomes the achievements in the area of sustainability-related disclosure

The IFRS Foundation Monitoring Board (Monitoring Board) welcomes the developments over the past two years in the area of sustainability-related disclosure by the IFRS Foundation and the International Sustainability Standards Board (ISSB). The issuance of the inaugural standards on climate-related disclosures (IFRS S2) and general requirements for disclosure of sustainability-related financial information (IFRS S1) by the ISSB (“ISSB Standards”),¹ and the subsequent endorsement by the International Organization of Securities Commissions (IOSCO),² mark an important milestone, achieved within a short timeframe to develop a global framework in the area of sustainability reporting focused on investor needs.

Building on this achievement, the next step will be to advance the jurisdictional consideration to adopt, apply or otherwise be informed by the two ISSB Standards, to promote consistent and comparable climate-related and other sustainability-related disclosure for investors. In this context, the Monitoring Board acknowledges the ongoing efforts of the ISSB to develop an adoption guide to support jurisdictions in their implementation considerations of its standards, as well as to provide educational materials to help the corporate sector in applying the standards.

The Monitoring Board has exercised its oversight responsibilities throughout the process of the abovementioned initiatives with the leadership of the ISSB and the IFRS Foundation Trustees, and remains focused on overseeing the further work of the ISSB to ensure that their standards continue to be developed using robust governance, due process, and oversight, as are the IFRS Accounting Standards developed by the International Accounting Standards Board.

Takashi Nagaoka, Chairman of the Monitoring Board, said:

“The accomplishments over the past two years have provided a global framework on which we may promote consistent and comparable climate-related and other sustainability-related disclosure for investors. The Monitoring Board calls for further endeavors to broaden the consideration of the standards.

The Monitoring Board also looks forward to the ISSB’s future work to meet market demand for information on sustainability-related risks and opportunities in a rapidly changing business environment, with due consideration to the feedback received from global stakeholders.

¹ ISSB, IFRS Sustainability Disclosure Standard S1, General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS Sustainability Disclosure Standard S2, Climate-Related Disclosures, available at www.ifrs.org.

² IOSCO, IFRS Endorsement Assessment of the ISSB Standards for Sustainability-Related Disclosures, available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD741.pdf>.

The Monitoring Board will continue to work closely with the IFRS Foundation Trustees from the public authorities' point of view to help oversee their strategic activities with the two standard setting boards under the Foundation."

Notes to editors:

About the IFRS Foundation Monitoring Board

The Monitoring Board was created in 2009 with the aim of overseeing the IFRS Foundation, whose Trustees in turn exercise oversight over the IASB (International Accounting Standards Board) and the ISSB (International Sustainability Standards Board).

The members of the Monitoring Board are the Board of the International Organization of Securities Commissions (IOSCO), the IOSCO Growth and Emerging Markets Committee, the Financial Services Agency of Japan (JFSA), the European Commission, the US Securities and Exchange Commission (SEC), the Comissão de Valores Mobiliários (CVM) of Brazil, the Financial Services Commission (FSC) of Korea, the Ministry of Finance of the People's Republic of China and the Financial Conduct Authority (FCA) of the United Kingdom.

The Basel Committee on Banking Supervision (BCBS) is an observer.

Through the Monitoring Board, capital markets authorities responsible for setting the form and content of financial reporting in their respective jurisdictions are able to carry out more effectively their mandates regarding investor protection, market integrity and capital formation.

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