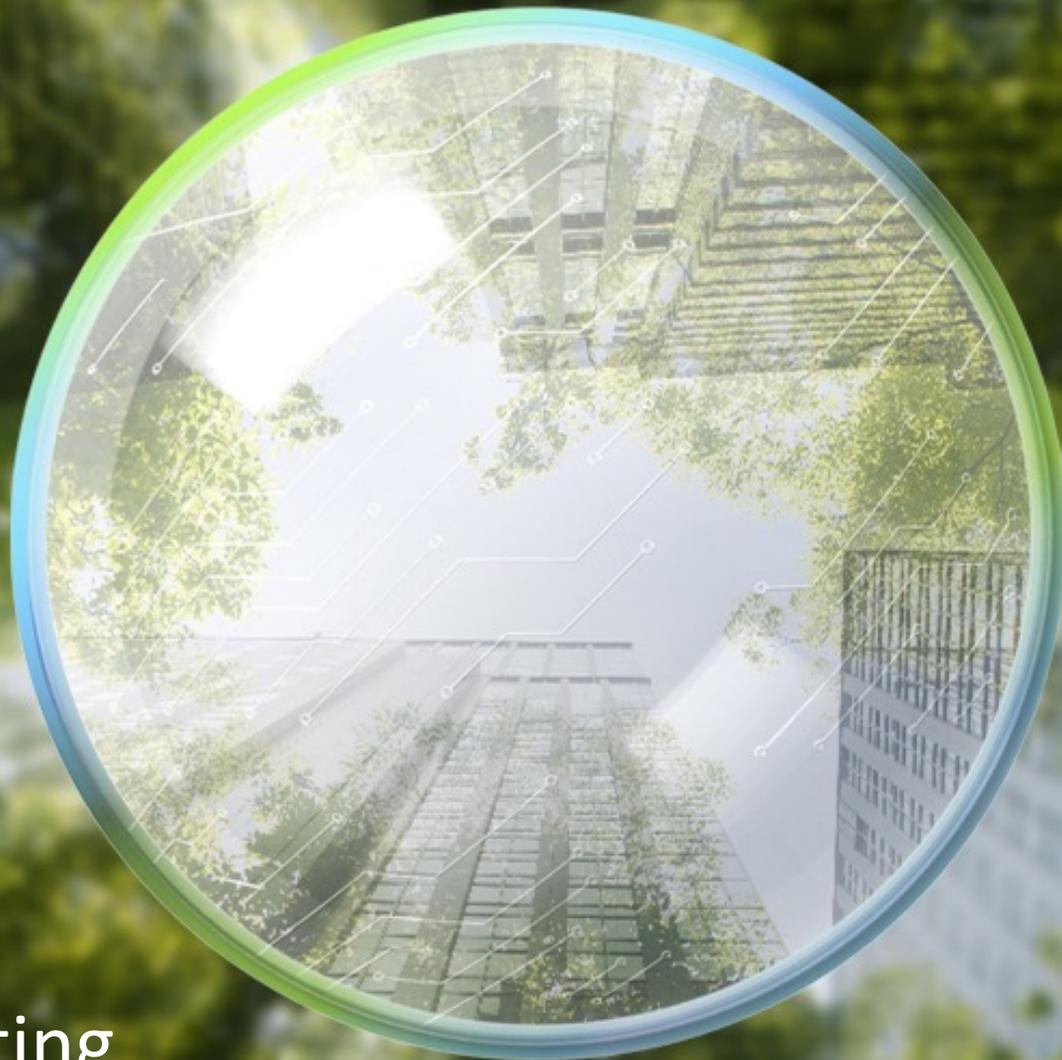


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## Sustainable Reporting

ISSB publishes its first IFRS Sustainability Disclosures Standards



# Sustainability Reporting

## The International Sustainability Standards Board (ISSB) publishes the first IFRS Sustainability Disclosure Standards



On 26 June 2023, the ISSB published its long awaited first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

- **IFRS S1** *General Requirements for Disclosure of Sustainability-related Financial Information*
- **IFRS S2** *Climate-related Disclosures*

*Both Standards are effective for annual periods beginning on or after 1 January 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statements.*

### Background

The ISSB was established in November 2021 to develop high-quality sustainability disclosure standards that meet investors’ information needs with the objective to create a comprehensive global baseline of sustainability-related disclosures. **IFRS S1** and **IFRS S2** are the first IFRS Sustainability Disclosure Standards and result from a consultation process started in March 2022.

### Jurisdictional efforts towards sustainability reporting requirements

The first IFRS Sustainability Disclosure Standards are published at a time of significant policy and regulatory developments. The ISSB’s standards are intended to be used to create a global baseline, which can be supplemented (and therefore be interoperable) by jurisdictional requirements. The Standards will need to be adopted by local jurisdictions.



For further details: [iGAAP in Focus](#)



#### Damian Regan

Middle East Sustainability Reporting & Assurance Leader

[dregan@deloitte.com](mailto:dregan@deloitte.com)  
+971 52 120 1840



#### Magali Abdessater

Middle East IFRS Sustainability Disclosures Champion

[maabdessater@deloitte.com](mailto:maabdessater@deloitte.com)  
+971 50 363 5322

### IFRS S1: General Sustainability Disclosures

#### Objective



Information about **significant sustainability-related risks and opportunities**. Disclosures should be useful to the primary users of general purpose financial reporting in making decisions related to providing resources to the entity.

#### Key Disclosure Topics



- Governance - Processes, controls, and procedures to monitor and manage **sustainability-related** risks and opportunities.
- Strategy - Approach for addressing **sustainability-related** risks and opportunities that could affect business model and strategy over the short, medium, and long term.
- Risk management - Processes to identify, assess, and manage **sustainability-related** risks.
- Metrics and targets - Information used to assess, manage, and monitor performance of **sustainability-related** risks and opportunities.

### IFRS S2: Climate-Related Disclosures

Information about **climate-related risks and opportunities**. Disclosures should assist users in understanding the use of resources and evaluating strategies, business model, and operational adaptation abilities.

- Governance - Processes, controls, and procedures to monitor and manage **climate-related** risks and opportunities.
- Strategy - Approach for addressing **climate-related** risks and opportunities that could affect business model and strategy over the short, medium, and long term.
- Risk management - Processes to identify, assess, and manage **climate-related** risks.
- Metrics and targets - Cross-industry metrics, **industry-based** metrics, and other metrics used to measure **progress toward targets**.

*Deloitte welcomes the publication of IFRS S1 and IFRS S2 as an important milestone in achieving a global baseline of consistent, high quality, and comparable sustainability information addressing the needs of capital markets. Adoption of the standards worldwide is needed to help achieve true harmonization and avoid the risk of a fragmented approach to regulation.*



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