



## SHORT ARTICLE SERIES

Our purpose at Atleha-edu is to help ordinary South Africans save and invest for a better tomorrow.

We do this through Financial Sector Code (FSC)-compliant awareness and interactive education programmes focused on retirement fund trustee, management committee member; and fund member awareness and education initiatives, such as this short article.

We would like to thank Ninety One and the ASISA Foundation for funding this short articles series.



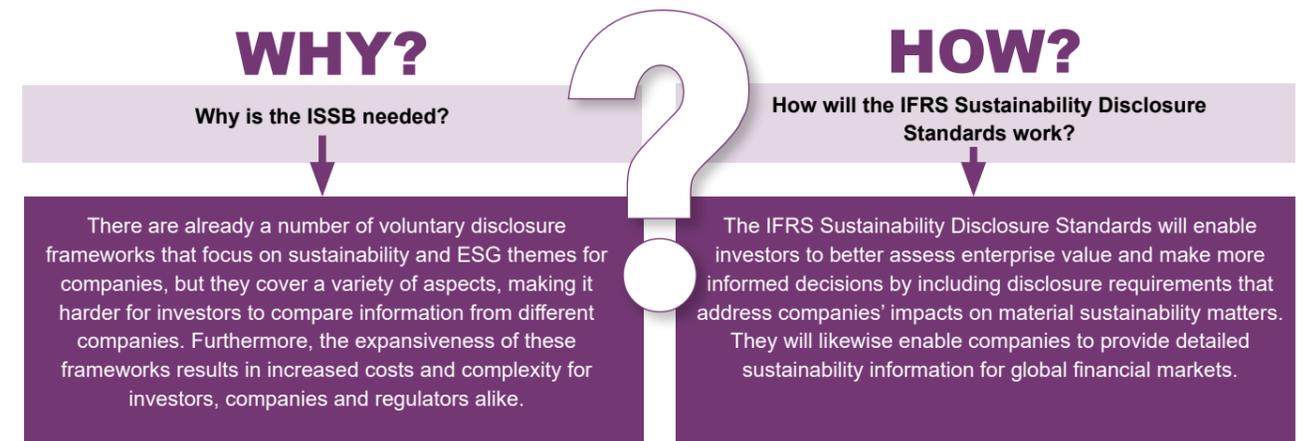
# IFRS – SETTING THE GLOBAL STANDARD

The IFRS Foundation recently announced the formation of a new International Sustainability Standards Board (ISSB). The creation of this board is in response to the increase in demand for better reporting by companies on climate, and other environmental, social and governance (ESG) factors – investors require a streamlined and formal method for corporate sustainability disclosures.

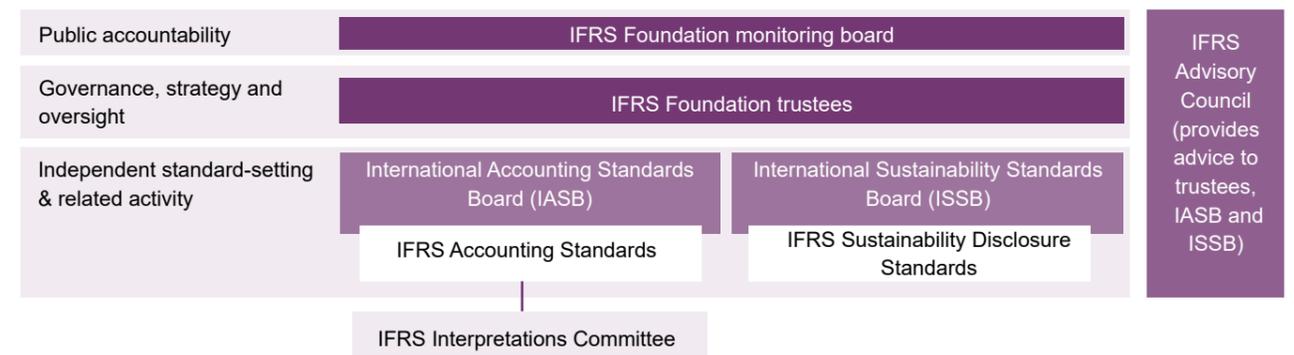
On 3 November 2021, the International Financial Reporting Standards (IFRS) Foundation’s trustees announced a new standard-setting board, the International Sustainability Standards Board (ISSB). The IFRS Foundation is a not-for-profit international organisation responsible for developing a single set of high-quality global accounting (and now also sustainability disclosure standards), known as IFRS Standards. Their mission is to develop standards that bring transparency, accountability and efficiency to financial markets around the world. This was first done with the establishment of the IFRS Accounting Standards under the International Accounting Standards Board (IASB) and will now expand to include the soon-to-be-developed IFRS Sustainability Disclosure Standards under the ISSB.

The creation of this board is in response to the increase

in demand for better reporting by companies on climate, and other environmental, social and governance (ESG) factors – investors require a streamlined and formal method for corporate sustainability disclosures. Where financial reporting is concerned, investors are able to obtain high-quality, assured and globally comparable financial information which they can use when making their investment decisions. The demand for this level of reporting on the side of sustainability issues by investors has been steadily increasing without being uniformly met. As such, the ISSB aims to provide a comprehensive baseline of disclosure standards related to sustainability issues. **The intended outcome is for these standards to provide investors and other stakeholders with the necessary information about companies’ sustainability related risks that will enable them to make informed decisions.**



### IFRS Foundation structure



### IN SHORT:

The combination of the creation of the ISSB, the consolidation of the major sustainability disclosure organisations, and the development of the prototype disclosure requirements is intended to be the crucial foundation for a global sustainability disclosure standard setter for financial markets. Furthermore, having a single, comprehensive set of sustainability reporting standards would make a big difference in addressing the challenges presented by the abundance of sustainability disclosure frameworks. As such, the IFRS Foundation is well placed to develop these standards – they have experience in creating accounting standards that are used in more than 140 jurisdictions.

### Glossary of acronyms

IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
IASB	International Accounting Standards Board
IOSCO	International Organization of Securities Commissions
CDSB	Climate Disclosure Standards Board
VRF	Value Reporting Foundation

SASB	Sustainability Accounting Standards Board
TRWG	Technical Readiness Working Group
TCFD	Task Force for Climate-related Financial Disclosures
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development

Do you have a question that you would like us to address in a subsequent article? If so, please send your questions or suggestions for article topics by email to:

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