

SASB Standards and the new International Sustainability Standards Board

In June, the Value Reporting Foundation – home to the [Integrated Thinking Principles](#), [Integrated Reporting Framework](#) and the [SASB Standards](#) – will consolidate under the IFRS Foundation.

Here, we explain:

Why this is happening

What it means for the SASB Standards

What it means for report preparers and users.

Why this is happening

Capital markets need evidence-based, consistent, comparable disclosure to deliver long-term value to shareholders, while also helping to secure the future of our people and our planet.

In an increasingly complex disclosure landscape, businesses and investors globally have called for simplification and clarity.

To this end, the [IFRS Foundation](#) received significant stakeholder support for its proposal to create a global baseline of high-quality sustainability disclosure standards to meet investors' information needs through a new [International Sustainability Standards Board \(ISSB\)](#).

The ISSB will consolidate and build on existing frameworks, standards and guidance rather than create something new. The Value Reporting Foundation, along with [CDSB](#), [TCFD](#) and the [World Economic Forum](#), have committed to contribute their content to deliver the ISSB and work to achieve connectivity between financial reporting and sustainability disclosures. In addition, the Value Reporting Foundation and CDSB will consolidate into the IFRS Foundation to provide people and expertise to support the establishment of the ISSB.

We anticipate that the ISSB's standards will be adopted worldwide, through a combination of regulatory and market support. Some businesses can expect adoption to be mandated by local regulators, and others will adopt the standards voluntarily given strong investor demand.

What this means for SASB Standards

The ISSB's standards will include general (e.g. governance), thematic (e.g. climate) and industry-specific requirements. The SASB Standards will provide the starting point for the ISSB's industry specific requirements.

Visit [IFRS.org](#) for further information about the ISSB and [SASB.org](#) for support with SASB Standards.

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The SASB Standards will ultimately transition into IFRS Sustainability Disclosure Standards using ISSB due process. Ownership of the SASB Standards will transition to the IFRS Foundation in June, as will existing projects such as work to internationalize metrics following market feedback.

While there is urgency to move quickly, this transition will require robust due process and market consultation and the timeline for this transition is to be determined. We are committed to keeping the market informed and involved as we work through this process – [please subscribe](#) to receive these updates.

What this means for report preparers and users

In the short term, there is no change. Report preparers and users should continue to use the SASB Standards. Efforts put into disclosure now will help preparers implement the IFRS Sustainability Disclosure Standards in the future. Those considering adopting the SASB Standards, the Integrated Reporting Framework and/or the TCFD recommendations are encouraged to get started now to better meet both present and future information needs of investors.

In the medium term, it is essential to have strong preparer and investor input into the development of the IFRS Sustainability Disclosure Standards. The IFRS Foundation has already published two prototypes, with exposure drafts due in Q2 2022. These prototypes leverage content from the TCFD recommendations, the Integrated Reporting Framework and the SASB Standards. Please prepare to share your thoughts this year and on an ongoing basis as the Standards are developed.

In the long term, we aim for a streamlined landscape for reporting to investors, consisting of IFRS Sustainability Disclosure Standards, financial accounting standards (either IFRS or US GAAP), and a connecting framework for describing a company's governance, strategy, and risk management of financially material sustainability issues. Together, these resources will enable a company to provide a comprehensive view of performance and prospects to the financial markets.

We will support businesses and investors through the transition from SASB Standards to IFRS Sustainability Disclosure Standards. You can expect all the services available now – including the [FSA Credential](#), the [SASB Standards Alliance](#), and [licensed use of SASB Standards](#) to continue under the IFRS Foundation. The [SASB Standards Investor Advisory Group](#) and [SASB Standards Advisory Group](#) will also continue to provide expertise as the ISSB moves forward. We aren't going anywhere!

Streamlining disclosure



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