Press release

IFRS Foundation completes consolidation with Value Reporting Foundation

1 August 2022 - The IFRS Foundation has today announced the completion of the consolidation of the Value Reporting Foundation (VRF) into the IFRS Foundation. It follows the commitment made at COP26 to consolidate staff and resources of leading global sustainability disclosure initiatives to support the IFRS Foundation’s new International Sustainability Standards Board’s (ISSB) work to develop a comprehensive global baseline of sustainability disclosures for the capital markets.

The VRF’s SASB Standards serve as a key starting point for the development of the IFRS Sustainability Disclosure Standards, while the Integrated Reporting Framework provides connectivity between financial statements and sustainability-related financial disclosures.

The consolidation delivers on market demand, including from companies, investors and regulators, for simplification of the sustainability disclosure landscape, and follows the consolidation of the Climate Disclosure Standards Board (CDSB) into the IFRS Foundation earlier this year.

The ISSB, which now governs the SASB Standards, is embedding the industry-based approach of the SASB Standards into its standard-setting process, as well as addressing the international applicability of the SASB Standards as a priority. The ISSB encourages companies and investors to continue to provide full support for, and use of, the SASB Standards.

The IFRS Foundation’s International Accounting Standards Board (IASB) and the ISSB now assume joint responsibility for the Integrated Reporting Framework and are working together to agree on how to build on and integrate the Integrated Reporting Framework into their standard-setting projects and requirements. The ISSB and IASB actively encourage continued adoption of the Integrated Reporting Framework to drive high-quality corporate reporting.

The IFRS Foundation is focused on continued market participation in the development of IFRS Sustainability Disclosure Standards, as well as on connectivity in the reporting required by the IASB and the ISSB. To foster this market engagement and to drive continued dialogue, Value Reporting Foundation advisory bodies, education, membership and licensing programmes and networks continue under the IFRS Foundation.

As previously announced, a number of VRF Board Directors will transition into advisor roles, to observe IFRS Foundation Trustee meetings and to participate in a newly formed IFRS Foundation Transitional Advisory Group.

Erkki Liikanen, Chair of the IFRS Foundation Trustees, said:

“I am delighted that the IFRS Foundation has finalised consolidation with the VRF. This consolidation follows the successful consolidation of the Climate Disclosure Standards Board in February. These consolidations help us to respond to the demand from stakeholders and deliver on the commitment we made at COP26 – to harmonise the sustainability disclosure landscape and build on the work of existing reporting initiatives.”

Richard Sexton and Robert K Steel, Co-Chairs of the Value Reporting Foundation Board, commented:

“The Integrated Reporting Framework and SASB Standards were developed to meet market demand for effective reporting and management tools. Their adoption worldwide has enabled companies to voluntarily deliver comparable, consistent and reliable information for investors. Now, we look to a future under the IFRS Foundation where these tools can help deliver a global baseline for sustainability disclosure,

1 Any standard-setting proposals of the ISSB or IASB are subject to due process.
connected to financial statements. We know the VRF team, as they take up new roles alongside colleagues in the IFRS Foundation, stand ready to meet this new challenge and deliver on this mission. We count on the ongoing support of our stakeholders globally to enable us to reach this goal.”

ENDS

Notes to editors

Value Reporting Foundation bodies transitioning to the IFRS Foundation are as follows:

- The ISSB Investor Advisory Group (previously the SASB Standards Investor Advisory Group) will provide an investor perspective on the development of IFRS Sustainability Disclosure Standards. Chaired by Richard Manley, Head of Sustainable Investing, CPP Investments, with Carine Smith Ihenacho, Chief Governance and Compliance Officer, Norges Bank Investment Management as Vice-Chair, members represent a diverse grouping of major global investors.

- The Integrated Reporting and Connectivity Council will play a crucial role in providing advice and input on connectivity in the reporting required by the IASB and the ISSB, including to enable the IFRS Foundation to provide coherent and connected reporting to jurisdictions, supporting global adoption. Chaired by former IIRC CEO and VRF Board Member, Charles Tilley OBE, the Council is a global coalition of companies, investors, standard setters, the accounting profession, regulators, academia and NGOs.

- The ISSB Technical Reference Group will advise on current market practice, reporting and subject matter capability to the ISSB. Members of the former SASB Standards Advisory Group have been invited to join, as a diverse group of subject matter experts, particularly from the preparer community.

- The FSA Credential and <IR> Training Programme continue to provide and support training and education to advance understanding and awareness within the disclosure landscape.

- The IFRS Foundation will continue to work with and support commercial use and licensing of the SASB Standards, the SASB Standards Consultant Program, and the Integrated Reporting Regional Networks.

About the IFRS Foundation

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.

Our 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. Our governance arrangements are set out in our Constitution.

IFRS Accounting Standards, set by the IASB, are required in more than 140 jurisdictions.

For detailed information about our organisation, visit ifrs.org.