Sustainability DIY

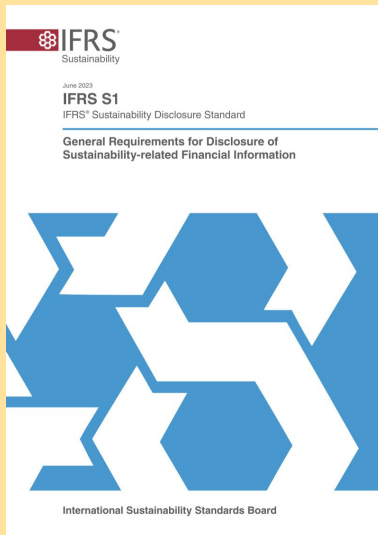## IFRS Sustainability Disclosure Standards

Journey 2

DIY your report in accordance to the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards

Journey 2

Setting the context for your organization's reporting boundaries and key stakeholders

IFRS Sustainability Disclosure Standards offer two standards[1]

IFRS
Sustainability

June 2023
IFRS S1
IFRS® Sustainability Disclosure Standard

General Requirements for Disclosure of Sustainability-related Financial Information

International Sustainability Standards Board

IFRS
Sustainability

June 2023
IFRS S2
IFRS® Sustainability Disclosure Standard

Climate-related Disclosures

International Sustainability Standards Board

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

IFRS S2 Climate-related Disclosures

You will notice that both disclosure standards are based on an organization's risks and opportunities.[2]

1,2 - IFRS. (n.d.). *IFRS - Introduction to ISSB and IFRS Sustainability Disclosure Standards*. https://www.ifrs.org/sustainability/knowledge-hub/introduction-to-issb-and-ifrs-sustainability-disclosure-standards/

Know the difference - IFRS Sustainability Disclosure Standards S1 and S2

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, requires disclosure of material information about all **sustainability-related risks and opportunities** in the **short, medium or long term**, that could be reasonably expected to affect the organization's cash flows, access to finance, cost of capital, enterprise value, or organization's prospects.[3]

IFRS S2, Climate-related Disclosures, requires disclosure of material information about **climate-related risks and opportunities, including physical and transition risks.**[4]

Use the Microsoft Sustainability Manager to help your organization identify its impacts. Through its deep analysis and sustainability dashboard, stakeholders can make informed decisions based on performance tracking, data insights, and custom reporting on waste, water, and carbon. This creates an opportunity for fact-based discussions with identified stakeholders who may not be involved in the day-to-day operations of the organization.[5] For more information on **how Microsoft Sustainability Manager converts "***environmental data insights into action,***"please** [click here](.).

3 - IFRS. (n.d.). *IFRS - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*. https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/

4 - IFRS. (n.d.). *IFRS - IFRS S2 Climate-related Disclosures*. IFRS . https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/

5 - Microsoft. (2023, September 29). Microsoft Sustainability Manager overview. Microsoft Cloud for Sustainability | Microsoft Learn. https://learn.microsoft.com/en-us/industry/sustainability/sustainability-manager-overview

Before you start, you will need to check if your organization is included in the industry-based guidance of IFRS S2.
This is how you can do so…

You can follow these steps:[6]

Identify the particular industry-based volume (activity spanning one sector) or multiple volumes (if your organization's business activities span more than one sector).

Identify risks and opportunities and prepare disclosures as per applicability of identified industry-based volumes.

Consider applicable metrics associated with identified industry-based volumes in preparing your organization's climate-related financial disclosures.

Take assistance from industry-based guidance in order to meet the requirements for disclosures related to *cross-industry metrics categories* as well.[7]

You must consider your organization's applicability of full set of relevant industry-based guidance to present fairly the climate-related risks and opportunities to which your organization is exposed regardless of a direct or explicit connection between a specific cross-industry metric category and a given industry-based metric.

You can check if your organization's industry is included here

6 - IFRS. (2023, June). *Industry-based Guidance on implementing Climate-related Disclosures*.
7 - IFRS. (2023, June 26). *IFRS S2 Climate-related Disclosures*. (pg. 14-16)