



*Sustainable
Stock Exchanges
Initiative*




IFRS Sustainability
**CAPACITY
BUILDING**


Developing a disclosure plan

Homework assignment for participants of the ISSB training workshop

ASSIGNMENT



This homework assignment has been designed to be used alongside the SSE's training program on the ISSB Standards. While a reporting strategy is not a requirement of these standards, it can help a company to plan its activities and ensure effective application of the standards. This assignment aims to help workshop participants think through the various components of a disclosure strategy.



Assignment



This document provides you with a set of steps that can help you to start to develop your organization's sustainability-related reporting plan that we will jointly discuss in the training program.

Upon completion of the training workshop, you will have the tools to start to develop your own disclosure plan. We recommend starting to develop your plan soon after completing the workshop.

This plan can be used to initiate a conversation within your organization and can be used as a starting point to develop a more comprehensive strategy to enhance your company's disclosure.

This should be an internal exercise, and you will not be asked to share this homework activity with the training team.

The benefits of a disclosure plan

A disclosure plan can:



Help the company to **balance opinions** and conclusions based on a **variety of information** sources.



Support **collaboration, knowledge sharing** and **cross-functional** team discussions with professionals from across departments, including finance, risk management and sustainability.

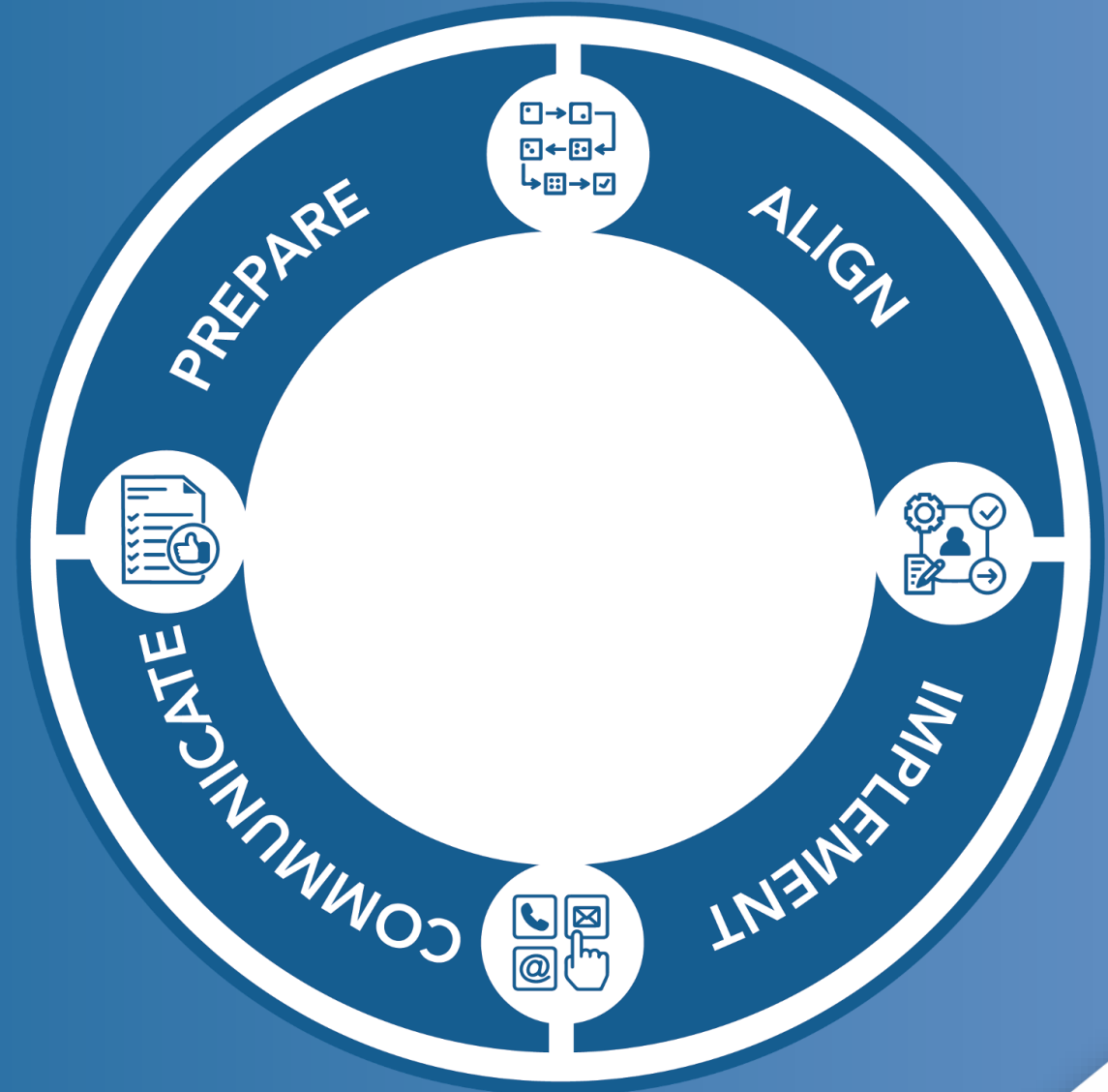


Act as a **reference point** for documenting, explaining and managing the process of preparing disclosures, including where and how **judgements** have been made.

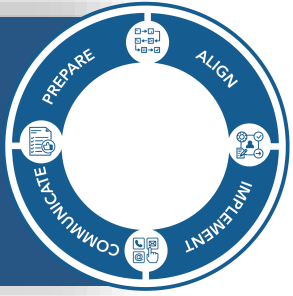
FOUR STEPS -

- Prepare
- Align
- Implement
- Communicate

Together in the training program, we discuss four steps to effective communication on sustainability-related financial disclosures. In each of the four steps, you have the opportunity to think through key aspects of the disclosure plan that relate to that step.



Structure of this homework



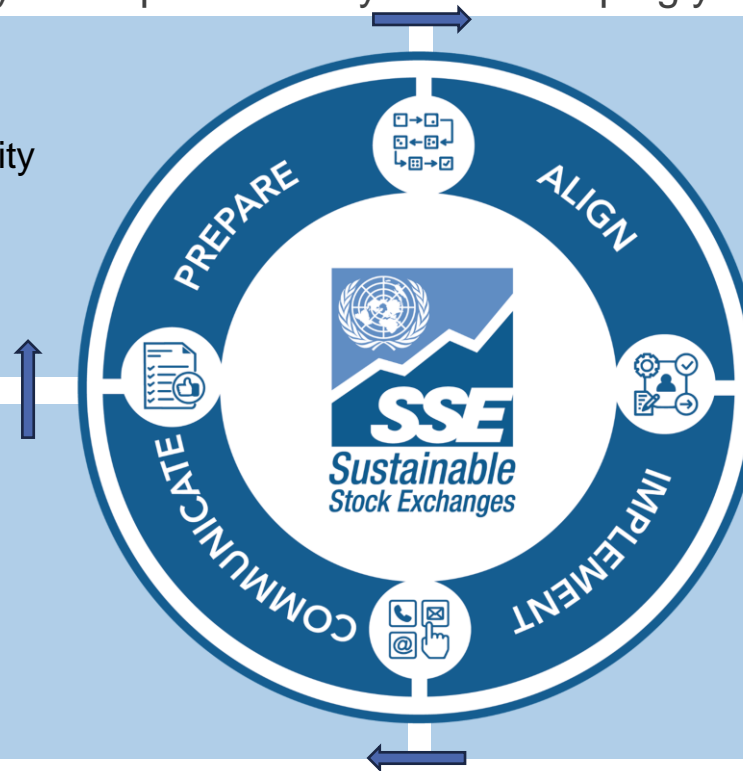
This document aligns to the four modules we will cover in the training. It includes an initial exercise for each module to support you in taking forward key concepts internally and developing your disclosure plan.

Exercise 1: PREPARE

Setting your **objectives** for sustainability reporting to ensure clarity in what **reporting requirements and stakeholder expectations** you are seeking to meet.

Considering **location, efficiency and user confidence** when disclosing in general-purpose financial reports, and how to enhance existing reports.

Exercise 4: COMMUNICATE



Exercise 2: ALIGN

Commencing a **gap analysis** to identify **strengths and weaknesses** of your existing reporting, and clarify what new **processes, resources or topics** may need to be considered to evolve your reporting

Identifying, evaluating, and integrating sustainability-related risks and opportunities. Identifying **governance arrangements, internal processes and data requirements.**

Exercise 3: IMPLEMENT

These exercises are intended to be used flexibly to prompt thinking. The relative proportion of time committed to each exercise is likely to vary depending on the maturity of existing reporting processes.

Exercise 1: Prepare your objectives



In our Prepare unit we look at the **purpose** of disclosing sustainability-related information as well as the evolution of the disclosure **landscape**. Based on where your company is now, it's important to identify what the **core objectives** of your non-financial disclosure are, and to set a clear goal for this disclosure plan.

Activity: Identify your goals

- What are the **objectives** of your updated disclosures?
- What **requirements** should you meet?
- What is **missing** in your current disclosures to allow you to achieve this?

Take a moment to think about how you can identify the **overall objective** of your disclosure plan, and what are the main areas of disclosure you will need to enhance in order to achieve this?

Exercise 1 - TIPS



Tips for identifying your disclosure plan's objectives:



Define objectives

- set clear objectives for sustainability disclosures, outlining what you want to achieve (e.g., transparency, compliance, alignment with investor expectations).



Understand the audience

- Ensure clarity in who the users of your reporting are, for example investors, and consider any known expectations or feedback received from these users regarding what they value from your reporting, in terms of content or structure.



Look to the future

- As well as meeting current requirements, your objectives should also aim to capture anticipated future reporting requirements, building in flexibility to continue to adapt and enhance reporting over time.



Start a discussion



Start discussing internally through questions such as:

- Why do we want to enhance our non-financial disclosure practices?
- What regulatory or listing requirements are present and/or forthcoming that we should be prepared for?
- What internal and external benefits do we hope to achieve from enhancing our disclosure practices?
- What information may we be hesitant to disclose, and why?

Exercise 2 – Align your reporting



In the Align unit, we identified what disclosures are required by the ISSB Standards and how to add on additional requirements. This may require new **skillsets, processes or disclosure content**. It's important to take the time to ensure that gaps in existing disclosures and internal processes are identified, understood and actions to align are agreed.

Activity: Identifying gaps

- Which **standards and frameworks** will the report be developed to align to?
- What **gaps** existing against these requirements, what further information is needed?
- Are there additional **topics, processes or skillsets** that may be needed to align to these requirements?

Take a moment to think about what your immediate or most substantive gaps are likely to be. Use the tips on the next page to guide your brainstorming.

Exercise 2 - TIPS



Tips for aligning your reporting:



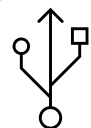
Gap Analysis Tools

- To review your reporting against new requirements, you can make use of the [SSE Gap Analysis Checklist](#), you can also make use of the various framework and standard mapping documents outlined in the training.



Assess data requirements

- Conduct an inventory of the existing data sources within the organization to determine what sustainability-related data is already available and what is missing.
- Identify the data required to meet the sustainability disclosure requirements, including quantitative metrics (e.g., emissions, energy use) and qualitative information (e.g., governance processes, risk management).
- Work with various departments (finance, operations, HR, sustainability, etc.) to ensure they understand their role in providing the necessary data.



System and technology requirements

- Evaluate whether current IT systems can handle the collection, integration, and reporting of sustainability-related data. Consider implementing new systems or upgrading existing ones to streamline the process.



Start a discussion



Start discussing internally through questions such as:

- What team or department will lead the drafting of the disclosure, which others need to be involved?
- Are there are new skillsets or teams which may be needed to support alignment?
- What gaps are the highest priority to address and what are the immediate next steps?
- Which systems are currently utilised internally for data collection, can these be adapted to support new disclosure requirements?

Exercise 3 – Implement and integrate



In the Implement unit, we discussed how companies can **identify, evaluate and integrate** sustainability-related risks and opportunities. This is key to **getting the most out of the data** that investors are looking for; if companies don't make use of this for **strategic decision making**, they are missing out on the benefits of non-financial disclosures.

Activity: Integrating risks and opportunities

- What internal control **mechanisms** can be implemented or adapted to **identify, assess and manage** sustainability-related risks and opportunities?
- How can these mechanisms be **integrated into strategic decision-making processes**?
- Which **internal and external stakeholders** need to be involved in developing and implementing these mechanisms?

Take a moment to think about how you can meaningfully integrate sustainability-related risks and opportunities into the organization's strategic decision-making to get the most out of your risk and opportunity management.

Exercise 3 - TIPS



Tips for implementation and integration:



Utilise existing processes

- Existing enterprise risk management (ERM) processes can support sustainability-related risk and opportunity management. Ensure you have a good understanding of the ERM process, stakeholders and what can be built upon to avoid duplication.



Recognize where processes may need to be adapted

- Sustainability-related risks and opportunities may require to inclusion of new risk types, longer-term time horizons and the input of additional stakeholders to ensure all relevant risks and opportunities are identified and integrated into strategic process.



Establish governance

- Exact arrangements may evolve over time and depend on organizational structure, reporting maturity and the remit of existing committees. An initial working group may be replaced by a more formal committee over time. What is most important is that governance arrangements are established early in the reporting process, to agree objectives and resourcing and drive progress.



Consider financial connectivity

- Disclosures should be linked to existing financial reporting; therefore it is important to consult with finance teams and connect processes at outset.



Start a discussion



Start discussing internally through questions such as:

- What are the current decision-making processes and what data-sets are prioritized?
- Which existing risks including on the enterprise risk register may be influenced or exacerbated by sustainability-related risks and opportunities?
- What information is available already internally to enable sustainability risks and opportunities to be assessed?
- What new information might need to be gathered to support further understanding?

Exercise 4 – Purposeful Communication



In the Communication unit, we discussed how companies can communicate **effectively, efficiently** and in a way that builds **report-user confidence**. When you're deciding how to communicate sustainability-related information, it's important to be purposeful with the narrative used and to be both efficient/effective while also clear and aligned with the organization's strategic objectives.

Activity: Determining your communication approach

- How will you **evolve your reporting** to enhance the inclusion of sustainability-related financial information?
- How can sustainability disclosures be **connected to and integrated** with existing reporting?
- What **techniques and tools** can be utilized to support report users in **navigating** reporting effectively?

Consider how you will integrate sustainability-related information with other disclosures in your annual report, how you will format sustainability disclosures and what techniques you could use to support navigation and connection within your reporting.

Exercise 4 - TIPS



Tips for purposeful communication:



Communication strategy

- Develop a strategy to communicate the disclosures both internally (to ensure buy-in and alignment) and externally (to ensure transparency and meet stakeholder expectations).



Know your audience

- Be clear on the users of your report and ensure their needs and requirements are a clear focus in structuring your content.



Iterate each reporting cycle

- Use feedback from stakeholders, both internal and external, to understand report user needs and improve future disclosures each year. Be transparent about areas for further improvement.



Utilize cross referencing and mapping

- To allow you to demonstrate alignment of your report with different frameworks and requirements (such as ISSB or TCFD) without duplicating content.



Start a discussion



Start discussing internally through questions such as:

- What are the strengths of our existing reporting, and what areas could be improved?
- What feedback has been received on reporting from external and internal stakeholders?
- What are elements of other companies' sustainability-related financial disclosures that we could adopt in our approach?
- What resources and tools will we need to prepare the reporting?
- How will changes in disclosure approach over time be explained to report users (to enable comparability)?



Now, start drafting!

Develop a draft ISSB-aligned disclosure plan for your company, using what you've learned in this training program and the activities we have completed together. You can use the questions in each section to guide you as well as the final tips in the next slide.

FINAL TIPS

- This plan is not the final version – but it will help you start a conversation within your organization.
- Enlist the support of colleagues and ensure you have a top-level sponsor to champion change and resolve internal blockers.
- Use the resources provided in the training to help you, e.g. the [IFRS S1 standard](#) outlines general requirements for disclosure setup which can inform your approach.
- Re-watch the training workshop if you need a refresher or review the slides for reminders.
- If you get stuck, get ideas from other companies! You can find examples of climate-related disclosures using the TCFD Recommendations [here](#) and you can find additional guidance and resources on the [ISSB knowledge hub](#).
- Don't forget to make use of the SSE's ISSB Toolkit.



www.SSEinitiative.org/disclosure-toolkit/