IFRS S1 & S2 Readiness Checklist

A practical checklist for preparing ISSB-aligned sustainability and climate-related disclosures

IFRS S1 · IFRS S2 · ISSB · GHG Protocol · TCFD

IFRS S1 and S2 ask for sustainability and climate information with the same discipline as financial reporting. This checklist follows the four ISSB pillars, so each gap you find points to the disclosure it affects.

A Applicability & Timing

- [ ] You have confirmed whether IFRS S1 and S2, or a local standard based on them, apply to you and from which period
- [ ] The reporting entity and period match the financial statements
- [ ] The transition reliefs you intend to use are decided and documented, such as climate-first reporting or no Scope 3 in year one
- [ ] Investor, lender and customer requests for ISSB-aligned information are recorded even where reporting is voluntary

B Governance

- [ ] The board or committee responsible for sustainability and climate oversight is named, with its terms of reference
- [ ] How the board is informed, how often, and how it considers climate in strategy and major decisions is documented
- [ ] Management's role, including any delegated committees, is documented
- [ ] The skills and competencies available to oversee sustainability are assessed
- [ ] Links between climate targets and remuneration, if any, are recorded

C Strategy & Business Model

- [ ] Sustainability and climate-related risks and opportunities are identified, with the time horizons used
- [ ] Their current and expected effects on the business model and value chain are described
- [ ] Current and expected financial effects are estimated, or the reason they cannot be is recorded
- [ ] Climate resilience is assessed using scenario analysis proportionate to your circumstances
- [ ] Any transition plan is documented, with its key assumptions and dependencies

D Risk Management

- [ ] The process to identify, assess, prioritise and monitor sustainability and climate risks is documented
- [ ] Climate risks are held in the risk register with owners, scores and treatments
- [ ] The process is integrated with enterprise risk management, not run separately
- [ ] Inputs used, such as data sources and scenarios, are recorded

E GHG Emissions

- [ ] Scope 1 and Scope 2 emissions are measured in line with the GHG Protocol
- [ ] Location-based Scope 2 is disclosed, with contractual instruments explained where they are used
- [ ] Scope 3 categories are screened and measured, or the relief being used is documented
- [ ] The measurement approach, inputs and assumptions are recorded, with the reasons for them

F Climate Metrics

- [ ] The cross-industry metric categories are covered: transition risks, physical risks, opportunities, capital deployment, internal carbon prices and remuneration
- [ ] Industry-based metrics relevant to your sector are identified and measured
- [ ] Other metrics used by management to monitor climate risks are disclosed
- [ ] Each metric has a definition, an owner and a data source

G Targets

- [ ] Climate targets are recorded with their metric, scope, base period, target date and milestones
- [ ] Whether each target is a gross or net emissions target, and any planned use of carbon credits, is recorded
- [ ] Progress against each target is tracked through the year
- [ ] Changes to targets are recorded with the reason

H Controls & Assurance Readiness

- [ ] Sustainability data follows the same review, approval and sign-off discipline as financial data
- [ ] Every disclosed figure can be traced back to its source data and evidence
- [ ] Internal controls over sustainability data are documented and tested
- [ ] An assurance provider has been engaged, or a readiness review has been completed
- [ ] Connected information between sustainability disclosures and the financial statements is checked for consistency

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