

PRESS RELEASE

Memoranda of Understanding on International Sustainability Standards Board (ISSB) signed in Frankfurt

Frankfurt am Main, March 2, 2022 – The public and private sectors today signed agreements with the IFRS Foundation governing the presence of the International Sustainability Standards Board (ISSB) in Frankfurt. At the ceremony in Frankfurt's Römer, the Memoranda of Understanding were signed by the IFRS Foundation, and by high-level representatives of the Federal Republic of Germany, the State of Hesse and the cities of Frankfurt and Eschborn for the public sector, and the Deutsches Aktieninstitut, the German Accounting Standards Committee, the Institute of Public Auditors in Germany, the Wirtschaftsförderung Frankfurt and Frankfurt Main Finance for the private sector.

The signing took place in conjunction with the meeting of the IFRS Foundation Trustees in Frankfurt on March 1-3. The declarations set out the cornerstones for the establishment of the ISSB key site in Frankfurt. As announced at the COP26 climate conference in November 2021, the ISSB will have a global presence in several locations, with the Frankfurt office hosting the seat of the Board and the office of the ISSB Chair. Frankfurt will thus act as a hub for Europe, the Middle East and Africa (EMEA) and take on key functions for the ISSB as a whole, such as hosting board meetings.

The board, chaired by Emmanuel Faber, will develop a comprehensive global baseline of sustainability disclosure standards. The IFRS Foundation has already announced its intention to coordinate activities in the Americas region out of Montreal. Preparations for the ISSB's presence in Asia and Oceania are also being driven forward.

Erkki Liikanen, Chairman of the IFRS Foundation Board of Trustees, said, "The formalisation of our collaboration with public and private institutions in Germany will enable us to establish the ISSB's Frankfurt office, which – together with Montreal – will host key function and facilitate engagement and cooperation with regional stakeholders."

Emmanuel Faber, Chair of the ISSB, said, "Establishing a permanent presence in Frankfurt, and soon to be Montreal, are important steps on the path to building out our global multi-location model. These offices will serve key roles as the ISSB begins its ambitious programme of work. We have much to do."

Dr. Florian Toncar, Parliamentary State Secretary to the Federal Ministry of Finance: "With the presence of the new International Sustainable Standards Board in Frankfurt, we establish a global hub for sustainable finance excellence at the heart of Europe. This constitutes a major contribution to creating a global level playing field for corporate sustainability reporting."

Standardised reporting is crucial to enable financial markets to steer capital into projects that will support our sustainable transformation. And we need this transformation so that society is equipped for today's and tomorrow's challenges. Our ambition is to make financing of the fight against climate change more effective in the long term. We are working to bring this forward on the international level with our G7 partners."

Benjamin Strasser, Parliamentary State Secretary to the Federal Minister of Justice:
"Standards for corporate reporting must work worldwide. This is especially crucial for the globally oriented German economy. Locating central functions of the ISSB in Germany will create an excellent opportunity for exchange in the development of sustainability reporting standards."

On behalf of the Hessian State Government, the Minister for Economics, Tarek Al-Wazir, and the Minister of Finance, Michael Boddenberg, warmly welcomed the ISSB with its Chair Emmanuel Faber and Vice-Chair Sue Lloyd. "At the Financial Centre Frankfurt, the ISSB finds an ideal ecosystem for the development of global standards for corporate sustainability reporting. For ISSB, Frankfurt opens up a gateway to the largest economy in the EU – an economy on a credible transformation path with internationally leading companies of all sizes and structures. This huge economic diversity in the heart of Europe offers a unique base for the ISSB with its global mission. For the State Government ISSB's key-location in Frankfurt is the next building block in our powerful efforts for Frankfurt to become the world's leading centre for sustainable finance", both ministers emphasised.

Adnan Shaikh, Mayor of Eschborn: "The City of Eschborn has committed itself to reach climate neutrality until 2035. As the mayor of Eschborn, a strong economic hub in a prospering region at the heart of a European financial centre, I wholeheartedly welcome ISSB to Frankfurt. Our support for setting global standards for sustainability meets our vision of an economically strong yet eco-friendly region. ISSB's committal to Frankfurt-Rhein-Main makes us proud and proves that our region is on track to reaching this target as a sustainable global leader."

Dr. Hans-Ulrich Engel, President of Deutsches Aktieninstitut e.V.: "Having the seat of such a prestigious body as the ISSB in Frankfurt is a great honour for Frankfurt, Germany and Europe as a whole. I wish the ISSB a great start in Frankfurt and as German businesses we look forward to supporting the important work of the ISSB on the sustainability reporting standards."

Prof. Dr. Klaus-Peter Naumann, Chief Executive Officer of the Institute of Public Auditors in Germany (IDW): "We are confident that the ISSB will make a significant contribution to globally comparable sustainability reporting. Impactful reporting standards combined with robust assurance by an auditor will generate the necessary confidence, without which we will not see the level of investment needed to transform the economy being realized. Whilst the current crisis may call for a different focus in the immediate term, in the long-term we must always have this goal in mind."

Georg Lanfermann, President of the Accounting Standards Committee of Germany: "Germany has been a staunch supporter of the idea of international reporting standards for more than

two decades. The Accounting Standards Committee of Germany (ASCG) is the German voice in this regard and is proud that the IFRS Foundation has located the International Sustainability Standards Board (ISSB) in Frankfurt. In particular, this is recognition of our successful involvement in representing German interests. ASCG is currently the most active contributor to the work of the IFRS Foundation bodies in Europe and intends to be the same in the area of sustainability reporting."

Gerhard Wiesheu, President of Frankfurt Main Finance: "Frankfurt will do all it can do to make the ISSB a global success. As our application has shown, sustainability can only succeed as a joint venture between the financial sector and the real economy. The interaction of politics and finance, corporates and our respective associations, research & science and international organisations that has brought the ISSB to Frankfurt is also the blueprint for the sustainable transformation of our economy. With the ISSB as a nucleus, we are building a future sustainability ecosystem that will point the way for the next generation."

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About Frankfurt Main Finance

Frankfurt Main Finance is the voice of the Frankfurt Rhine-Main financial center. In addition to the State of Hesse, its 70 members include the cities of Frankfurt am Main, Offenbach am Main and Eschborn, numerous well-known financial market players (banks, insurance companies, the stock exchange) and their service providers, as well as private and public universities. With their membership, Frankfurt Main Finance members express their close ties to the financial center and their desire to position Frankfurt am Main as a top-ranking national and international financial center. Find out more about the Financial Center Initiative and its members at <http://www.frankfurt-main-finance.com>.

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