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# Update about ISSB's activities

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## Current priorities

### Adoption

**Advance jurisdictional adoption** of the ISSB Standards through bilateral dialogues with governments and regulators to support them on their journey to requiring sustainability-related disclosures in their jurisdiction

**Advance market adoption** of the ISSB Standards by companies choosing to use the Standards to communicate to investors

### Implementation

**Support the implementation of IFRS S1 and IFRS S2**, including through educational activities and advancing the IFRS Foundation's **capacity building programme** to help ensure companies, regulators and other stakeholders are well prepared to use the ISSB Standards

### Work plan

Advance the ISSB's work to **build out the global baseline of sustainability-related disclosures** following feedback to the consultation on the ISSB's agenda

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# Adoption



# Jurisdictions taking steps towards ISSB Standards

**30 jurisdictions** have already decided to use or are taking steps to introduce ISSB Standards in their legal or regulatory frameworks.

Together, these jurisdictions account for:

**~57%**

of global **gross domestic product** (GDP)

**40%+**

of **global market capitalisation**

**50%+**

of **global greenhouse gas emissions**

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## Jurisdictional progress

### Americas

Bolivia, Brazil, Canada, Chile, Costa Rica, El Salvador, Mexico

### Asia-Oceania

Australia, Bangladesh, China, Hong Kong SAR, Japan, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Chinese Taipei

### EMEA

EU, Ghana, Kenya, Nigeria, Switzerland, Tanzania, Türkiye, Uganda, UK, Zambia, Zimbabwe

## Latest progress insights...

...on the ISSB Standards

1,000+

companies  
**referenced  
ISSB** in their  
reports

30

jurisdictions on  
the journey **to  
introducing  
ISSB Standards**

...on the TCFD  
recommendations

82%

of companies disclosed  
information in line with  
**at least one TCFD  
recommended  
disclosure\***

2–3%

of companies reported  
in line with **all 11 TCFD  
recommended  
disclosures\***

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# Implementation



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# Supporting IFRS S1 and IFRS S2 implementation



Develop and enhance **educational materials** that explain the core concepts underpinning IFRS S1 and IFRS S2



Convene the **Transition Implementation Group** (TIG) to discuss companies' questions related to implementing IFRS S1 and IFRS S2



Monitor the **progress of relevant standard-setters and framework providers** to assess potential implications for IFRS S1 and IFRS S2



Design and deliver comprehensive **regulatory and market capacity-building programme**



Support companies in using the **ISSB Taxonomy** to enhance efficient digital consumption and comparison of reports



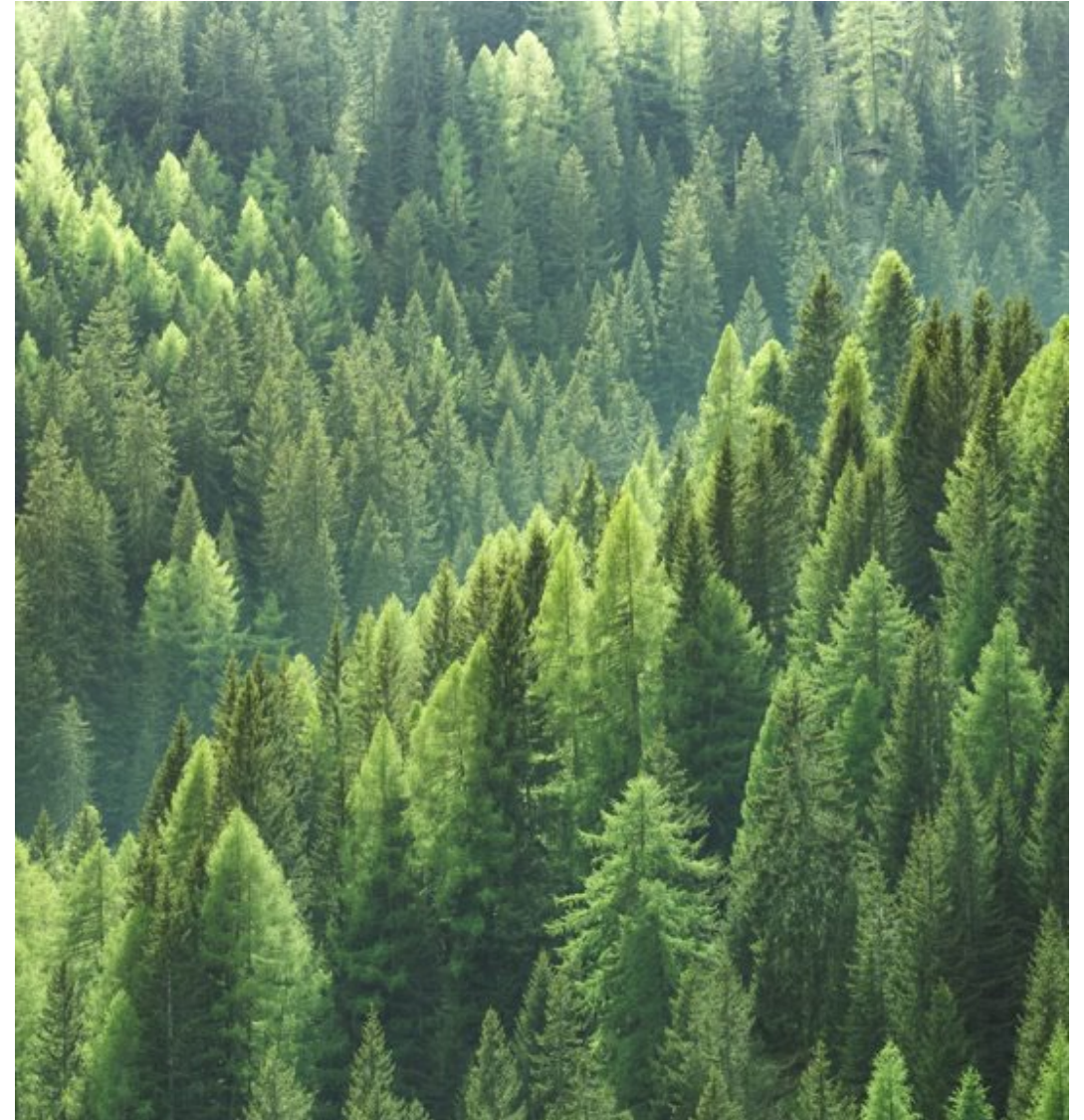
# Educational material

Available now:

- Comparison of IFRS S2 with the TCFD recommendations
- Nature and social aspects of climate-related risks and opportunities
- Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards
- Using the SASB Standards to meet the requirements in IFRS S1
- How to apply the Integrated Reporting Framework with IFRS S1 and IFRS S2
- Current and anticipated financial effects
- Interoperability guidance: ISSB Standards and ESRS
- Sustainability-related risks and opportunities and the disclosure of material information

In development – materials about:

- Proportionality mechanisms
- Scenario analysis

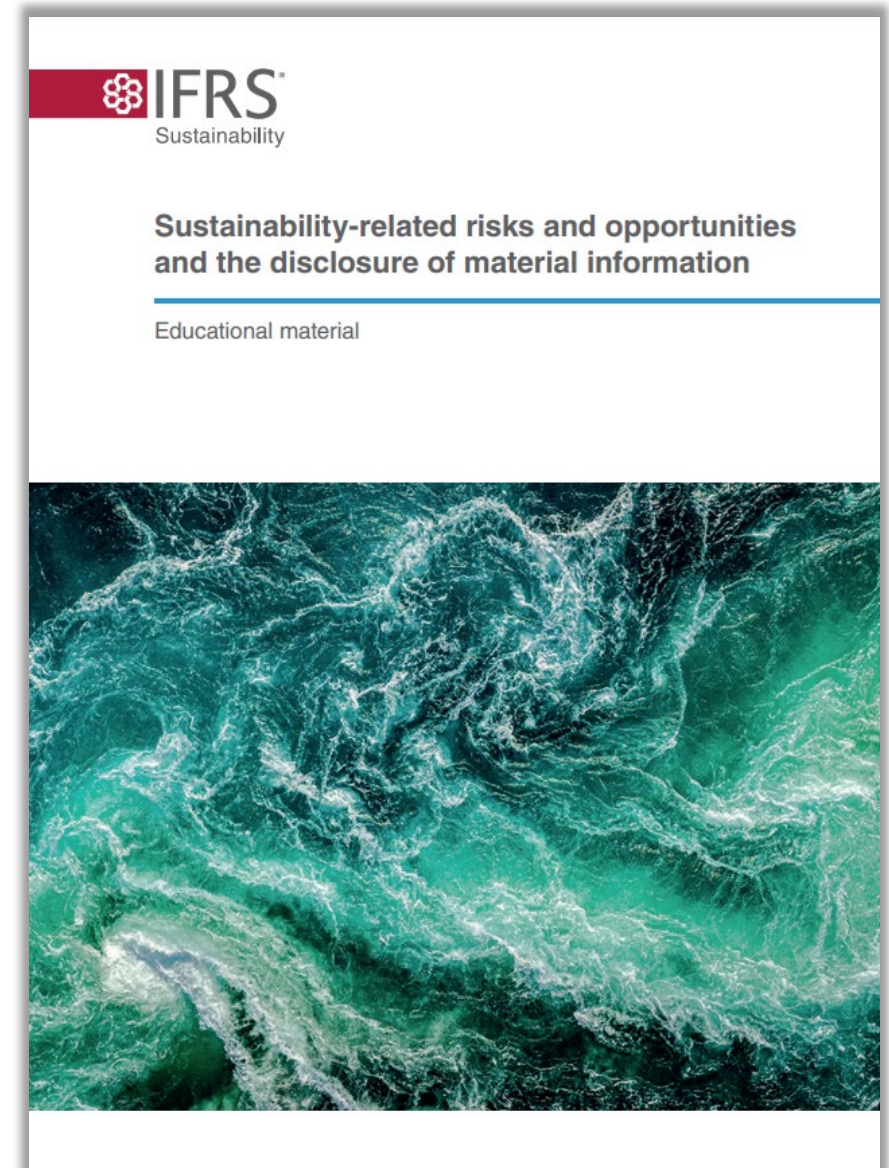


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# Guide to help identify and disclose material information

Companies can use the Guide to:

- 1 identify sustainability-related risks and opportunities that could reasonably be expected to affect their prospects
- 2 identify and disclose material information about sustainability-related risks and opportunities they have identified



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# Connectivity and Interoperability considerations in the Guide

The Guide:

- sets out a process for identifying material information closely aligned with the process in the IASB's IFRS Practice Statement 2 *Making Materiality Judgements*
- provides considerations a company might make to drive connectivity between its sustainability-related financial disclosures and its financial statements
- provides considerations about applying ISSB Standards alongside ESRS or GRI Standards for those looking to meet the information needs of a broader set of stakeholders

CONNECTIVITY

CONNECTIVITY

INTEROPERABILITY

# Main messages in the Guide



## Definition of material information and its application in ISSB Standards

### Useful

ISSB Standards are designed to result in the **provision of information that is useful to investors**

### Entity-specific

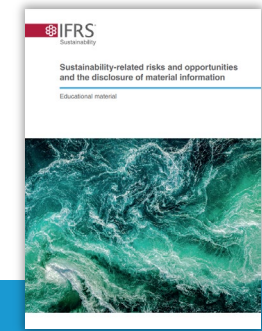
**Materiality is an entity-specific characteristic of *information***

### Assessment

When making materiality judgements, an entity assesses **whether omitting, misstating or obscuring information could** reasonably be expected to **influence** the **decisions** investors make about providing resources to the entity



## Main messages in the Guide (cont.)



Sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects and its application in ISSB Standards

### Description

IFRS S1 describes the **concept of sustainability-related risks and opportunities**

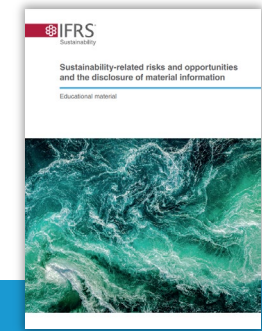
### Identification

An entity *identifies* **sustainability-related risks and opportunities that could reasonably be expected to affect its prospects**

### Sources of guidance

ISSB Standards do not require that an entity use a specific approach or method to identify sustainability-related risks and opportunities; however, the Standards do require entities to **consider specific sources of guidance to identify** such risks and opportunities

# Main messages in the Guide (cont.)



## Identifying and disclosing material information

### Process

Sets out a possible **process to identify and disclose material information** about the sustainability-related risks and opportunities it has identified

### Impacts

ISSB Standards require the disclosure of information about how an entity's activities impact people and the environment **when those impacts give rise to sustainability-related risks or opportunities** that could reasonably be expected to affect the entity's prospects, and the related information about those impacts is material to investors

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# Connectivity between the financial statements and sustainability-related financial disclosures

The IASB and ISSB recognise the importance of connectivity between their respective requirements in enabling companies to provide high-quality financial information to capital markets.

At a dedicated session at the WSS Conference in September 2024, the IFRS Foundation's Connectivity team:

- discussed how IFRS Accounting Standards and ISSB Standards complement each other
- walked through examples to illustrate how applying the Standards together results in complementary and connected reported information

Recording of the session available on the [WSS 2024 webpage](#).



# Transition plan disclosures

1	Make the <b>disclosure specific material</b> developed by the Transition Plan Taskforce (TPT) available in the <b>IFRS Sustainability Knowledge Hub</b>	IFRS S2 requires a company to disclose information about any transition plan it has
2	Incorporate the TPT material into <b>IFRS Foundation educational material*</b>	
3	<b>Monitor disclosure</b> about transition plans	
4	Consider if <b>more guidance</b> on disclosure about transition plans is needed	
5	Over time, consider whether enhancements to IFRS S2 are needed, building on TPT material as relevant. Any changes would be subject to consultation.	

*\* Tailoring the material to ensure global applicability and to deliver full compatibility with the global baseline and IFRS S2's focus on disclosures of the climate-related risks and opportunities affecting an entity's prospects, to meet the needs of investors and the capital markets.*



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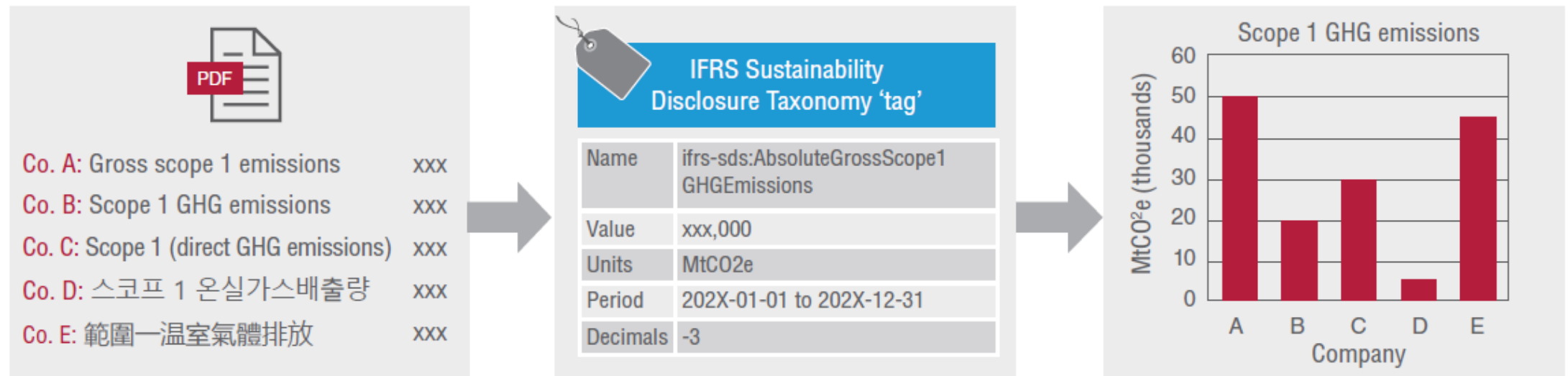
# 2024 meetings of the Transition Implementation Group

- Three meetings held this year to discuss eight implementation questions
- Topics discussed by the Group include:
  - how the Standards can be used to inform an understanding of specific disclosure requirements
  - revision of preceding period estimated amounts
  - comparative information
  - identification of sustainability-related risks and consideration of risk mitigation activities
  - GHG emissions, including what emissions are included in Scope 3 GHG emissions, application of the jurisdictional relief on the measurement method and use of global warming potential values

Submission guidelines  
and form to submit  
questions are available  
at [ifrs.org](https://ifrs.org)

# Supporting investors' use of ISSB disclosures in a digital format

The ISSB Taxonomy provides the common elements (or 'tags') needed to make sustainability-related financial disclosures computer-readable



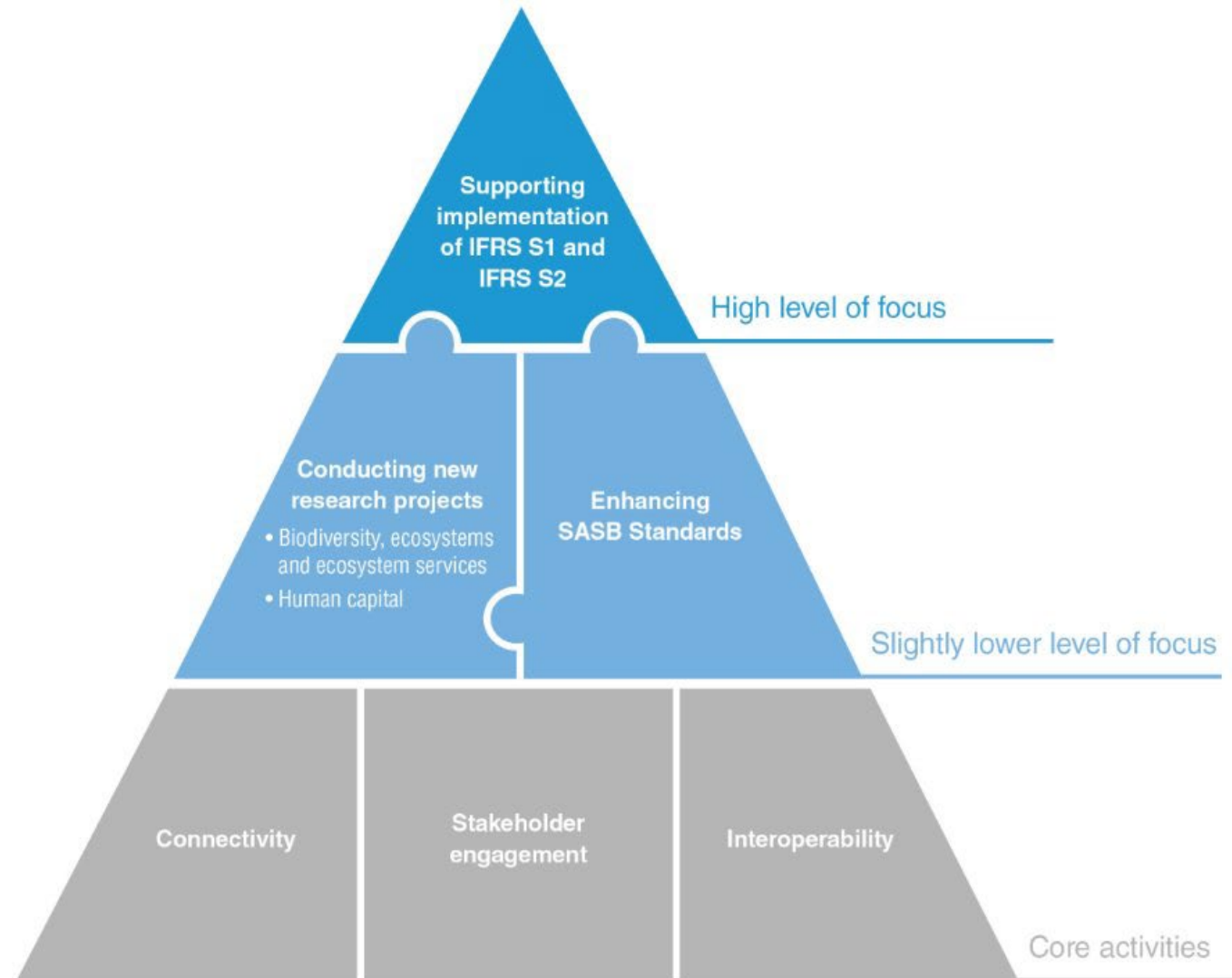
The ISSB Taxonomy reflects the requirements and accompanying materials of the ISSB Standards. It does not introduce any new requirement

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## Work plan



# Technical work plan to 2026



# Research projects



## Biodiversity, ecosystems and ecosystem services

Might include: water management, land-use management, pollution (eg emissions into air, water and soil), resource depletion, and biodiversity risk management (eg rehabilitation/restoration).



## Human capital

Relates to workers in entities' direct operations or value chains, and workforce-related human rights. Might include: worker wellbeing, pay and benefits, diversity and inclusion, and working conditions in the value chain.

## Research project workstreams

Evidence of investor interest

Evidence of financial implications

Existing standards and frameworks

Current state of disclosure

# ISSB maintaining and enhancing SASB Standards

## Recent updates

- Enhanced the **international applicability** of the SASB Standards in 2023:
  - SASB Standards **updated** based on outcomes of consultation through ~150 comment letters
  - updated to remove and replace jurisdiction-specific references and definitions without significantly altering industries, topics or metrics
- **SASB Standards Taxonomy updated** to reflect disclosure requirements arising from recent amendments to the SASB Standards

## Looking ahead

- **Further enhancing** the SASB Standards through phased approach
- Enhancements work deeply connected to the **other ISSB work plan projects**
- First phase focused on **initial set** of 9–12 SASB Standards
- Considering targeted amendments to other SASB Standards to **maintain consistent measurement** of common topics across industries
- Public **consultation** expected H1 2025
- **Research ongoing** to understand phase two priorities including recommendations for any enhancements to the Sustainable Industry Classification System

*The ISSB is responsible for the SASB Standards.*

*Any proposed updates to SASB Standards are subject to consultation in accordance with IFRS Foundation due process*

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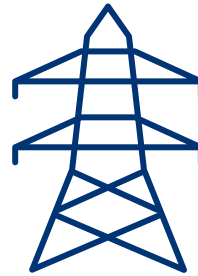
# Enhancing the SASB Standards

## Phase I - priority industries



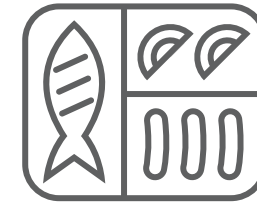
### **Extractives sector**

Oil & Gas (four industries)  
Metals & Mining  
Construction Materials  
Iron & Steel Producers  
Coal Operations



### **Infrastructure sector**

Electric Utilities &  
Power Generators



### **Food & Beverage sector\***

Agricultural Products  
Processed Foods  
Meat, Poultry & Dairy

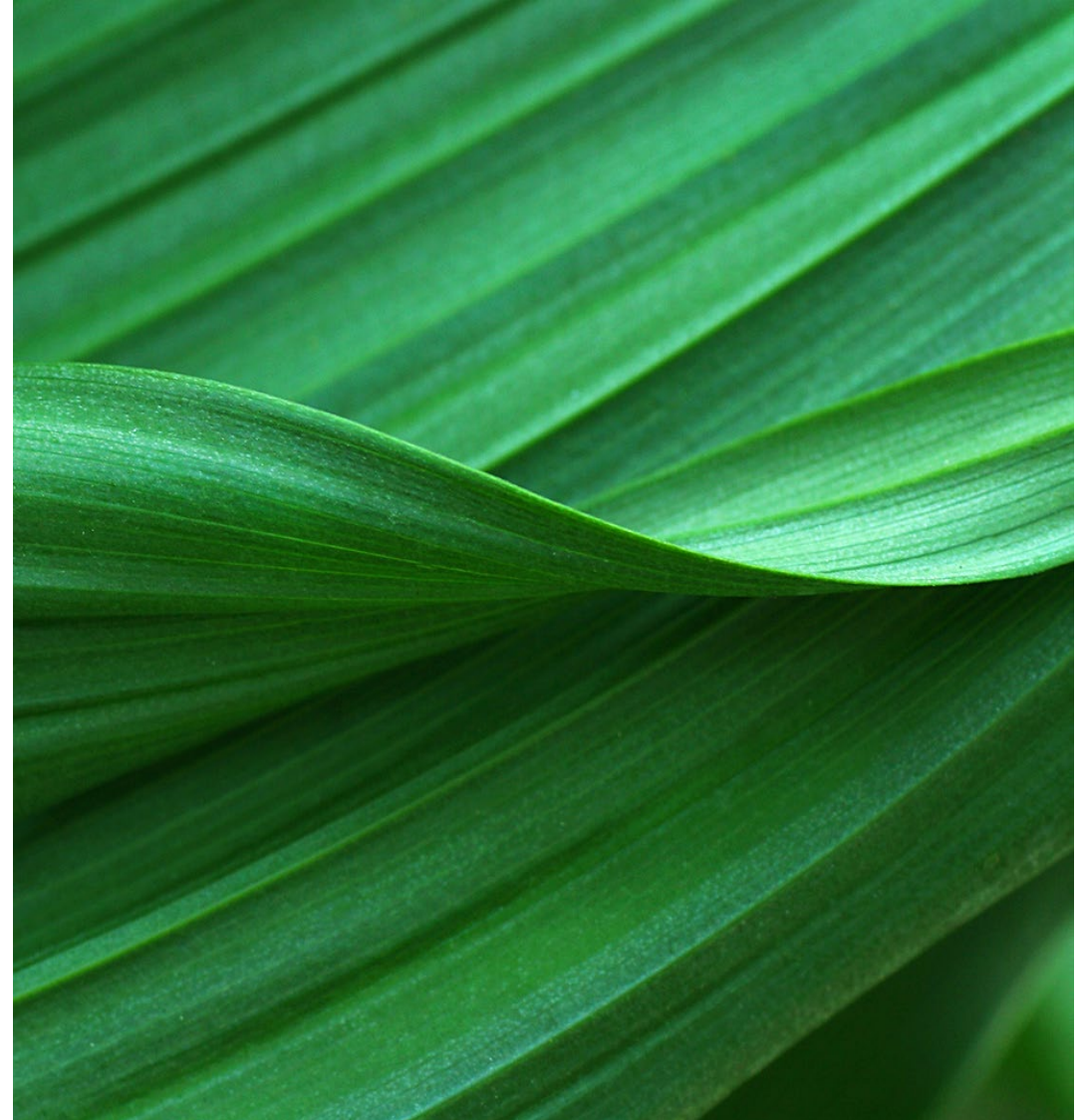
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\*Subject to capacity

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## Continued interoperability work with the EU

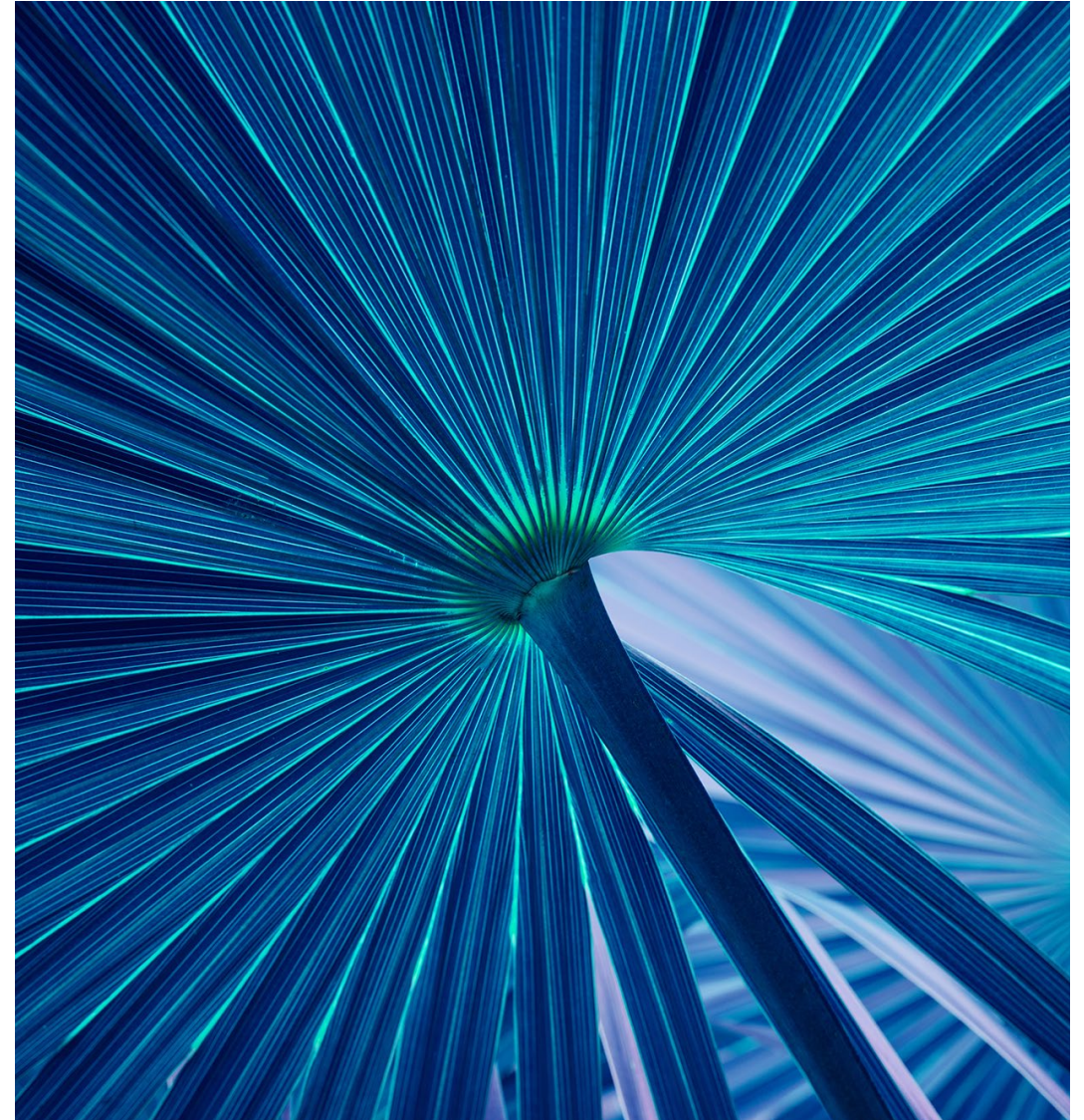
- Interoperability is **embedded** in the ISSB's future standard-setting
- ISSB will continue to work with EFRAG and the European Commission to support ongoing interoperability
- Immediate work on:
  - **sector-based standards**
  - **digital reporting**
  - research projects on **biodiversity, ecosystems and ecosystem services**, and **human capital**
  - **transition plan disclosures**





# IFRS Foundation and the Global Reporting Initiative

- Committed to **jointly identify and align common disclosures** that address information needs under the distinct scopes and purposes of respective standards for both thematic and sector-based standard-setting
- Interoperability work starting with **GRI 101 Biodiversity** and ISSB's project on biodiversity, ecosystems and ecosystem Services
- GRI has established a **sector program** to develop standards for 40 sectors; to date, GRI has released four sector standards
- The ISSB's work to enhance the **77 industry-based SASB Standards** will support interoperability with GRI's sector work



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