

Sustainability Reporting (Update from ISSB)¹ – Cover Note

Objectives of the Discussion

The objectives of this Agenda Item in September 2026 are to:

- Receive an update from the ISSB about their activities, with a focus on how they have responded to emerging risks and opportunities; and
- Discuss with the ISSB what the IAASB can learn from the ISSB's experiences in responding to those risks and opportunities in supporting adoption and implementation (A&I) of IFRS S1 & S2; and
- Identify opportunities for further cooperation between the two Boards.

Background

1. Although ISSA 5000² is framework neutral, the IAASB has been monitoring developments in significant global (e.g. ISSB, GRI)³ and jurisdictional (e.g. ERS)⁴ general purpose sustainability reporting frameworks. These frameworks are relevant to understanding the status of adoption of ISSA 5000 and to inform the development of ISSA 5000 implementation resources. These frameworks are being widely used by entities globally to report on either sustainability-related financial disclosures or their impacts on sustainability matters, or both. In addition, assurance reports are being obtained on sustainability information reported under these frameworks.
2. Since the ISSB issued its Sustainability Disclosure Standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* in 2023, it has been working with stakeholders on A&I. The IAASB, jointly with the IESBA, have been meeting with the ISSB every quarter to benefit from their experience in A&I of their standards, so that both Boards can benefit from the ISSB's experience in supporting A&I for IFRS S1 and S2 and sharing the approaches that have proven to be most effective.

Presentation

3. The ISSB has been invited to present to the Board to provide an update on their activities, including in addressing emerging risks and opportunities, the impact of those risks and opportunities and the ISSB's response. Sue Lloyd, Vice-Chair of the ISSB, will be presenting, having last presented to the Board in September 2025. In addition to this cover note, meeting materials will include the slide deck for the presentation, which will be distributed in the week before the Board meeting.

¹ International Sustainability Standards Board (ISSB)

² International Standard on Sustainability Assurance ISSA 5000TM *General Requirements for Sustainability Assurance Engagements*.

³ Global Reporting Initiative

⁴ European Sustainability Reporting Standards

4. The presentation will provide the opportunity for the Board to reflect on whether the emerging risks and opportunities identified by the ISSB may impact the IAASB, what the IAASB can learn from the ISSB's experiences in responding to those risks and opportunities, and if there are further opportunities for cooperation between the two Boards.

Discussion

5. Sue Lloyd will be available to have a discussion with the Board, following her presentation.