



**IFRS**<sup>®</sup>  
Foundation

# World Standard-setters Conference 2024

**ISSB update—Q&A with ISSB  
Vice-Chair and ISSB  
Technical Director**

**#WSS2024**



# Presenters

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**Sue Lloyd**  
ISSB Vice-Chair



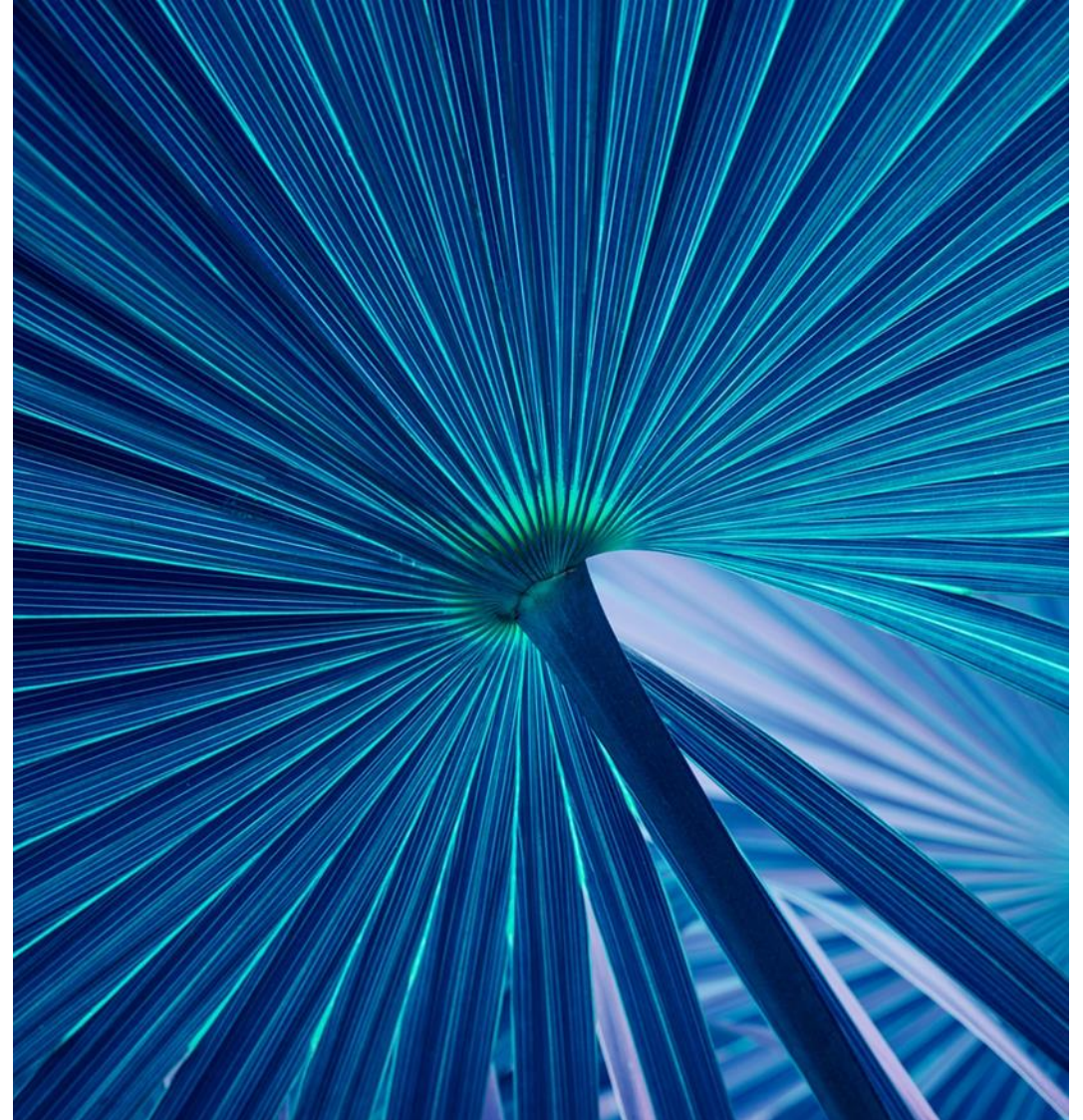
**David Bolderston**  
ISSB Technical  
Director



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# The power of a global baseline

1. High quality information for investors that is globally comparable
2. Avoid duplication for companies enabling them to collect, govern and control data once
3. Efficient reporting landscape, reducing cost, complexity and fragmentation for companies and investors operating across borders.



# Investor support for the ISSB Standards

## Global Asset Owner Forum<sup>1</sup>:

“...are encouraging **all portfolio companies** to align their disclosures with ISSB Standards... we hope that the jurisdictional implementation of ISSB Standards **will stay as faithful as possible** to the global baseline.”

## CaSTRS:

"The ISSB Standards establish a global baseline of sustainability-related disclosures, **essential for evaluating a company's** sustainability-related risks and opportunities and facilitating informed decision-making by investors.“

## Norges Bank Investment Management:

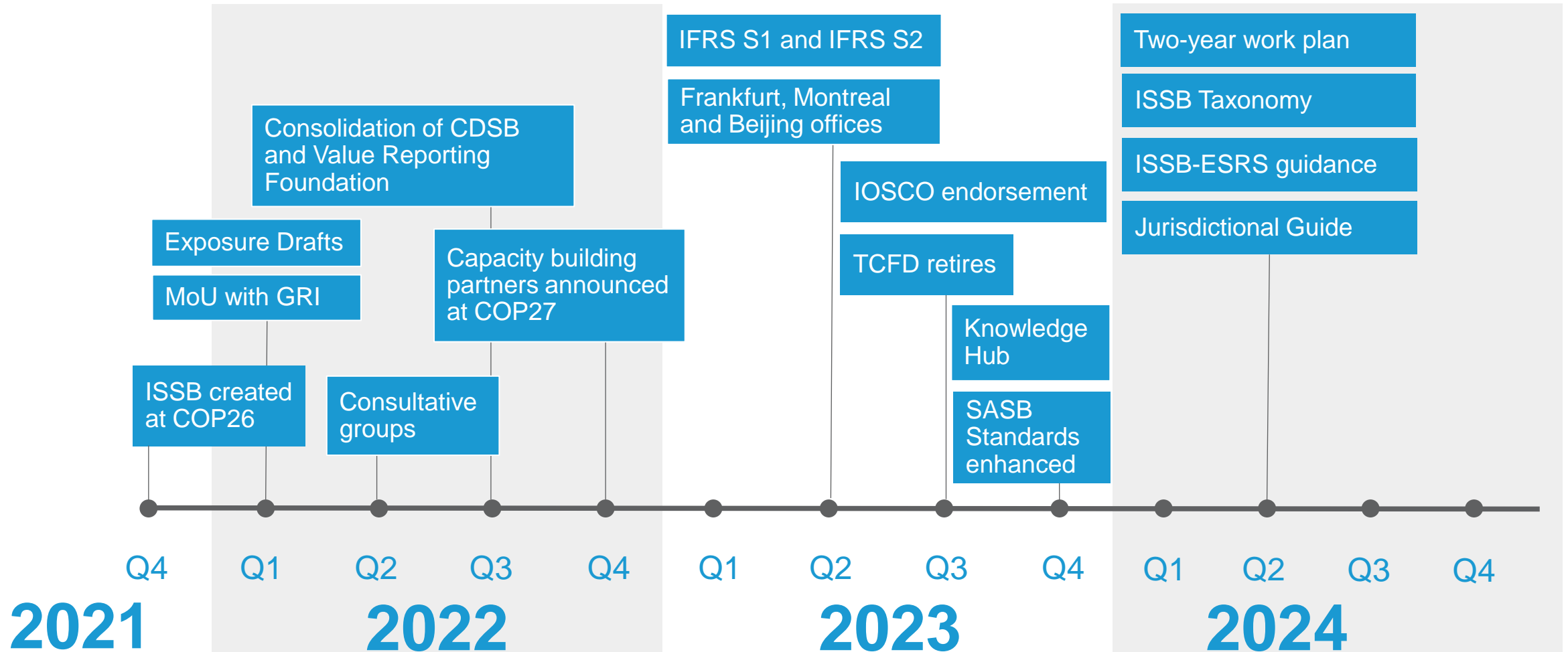
“We strongly support the ISSB and its **mission of providing a global baseline** for sustainability-related financial disclosures.”

## CPP Investments:

“We **encourage companies** to report in alignment with ISSB Standards”

<sup>1</sup>Forum members represent ~\$5T in assets in Australia (Hesta), Japan (GPIF), the Netherlands (APG), Norway (NBIM), Singapore (Temasek), and the US (CaSTRS and CalPERS), among others.

# ISSB milestones



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## 2024 priorities

### 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

### Adoption

**Advance jurisdictional adoption** of the ISSB Standards through bilateral dialogue 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

### Work plan

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

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# Supporting implementation of IFRS S1 and IFRS S2





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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



Support the IFRS Foundation's comprehensive **capacity-building programme**



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



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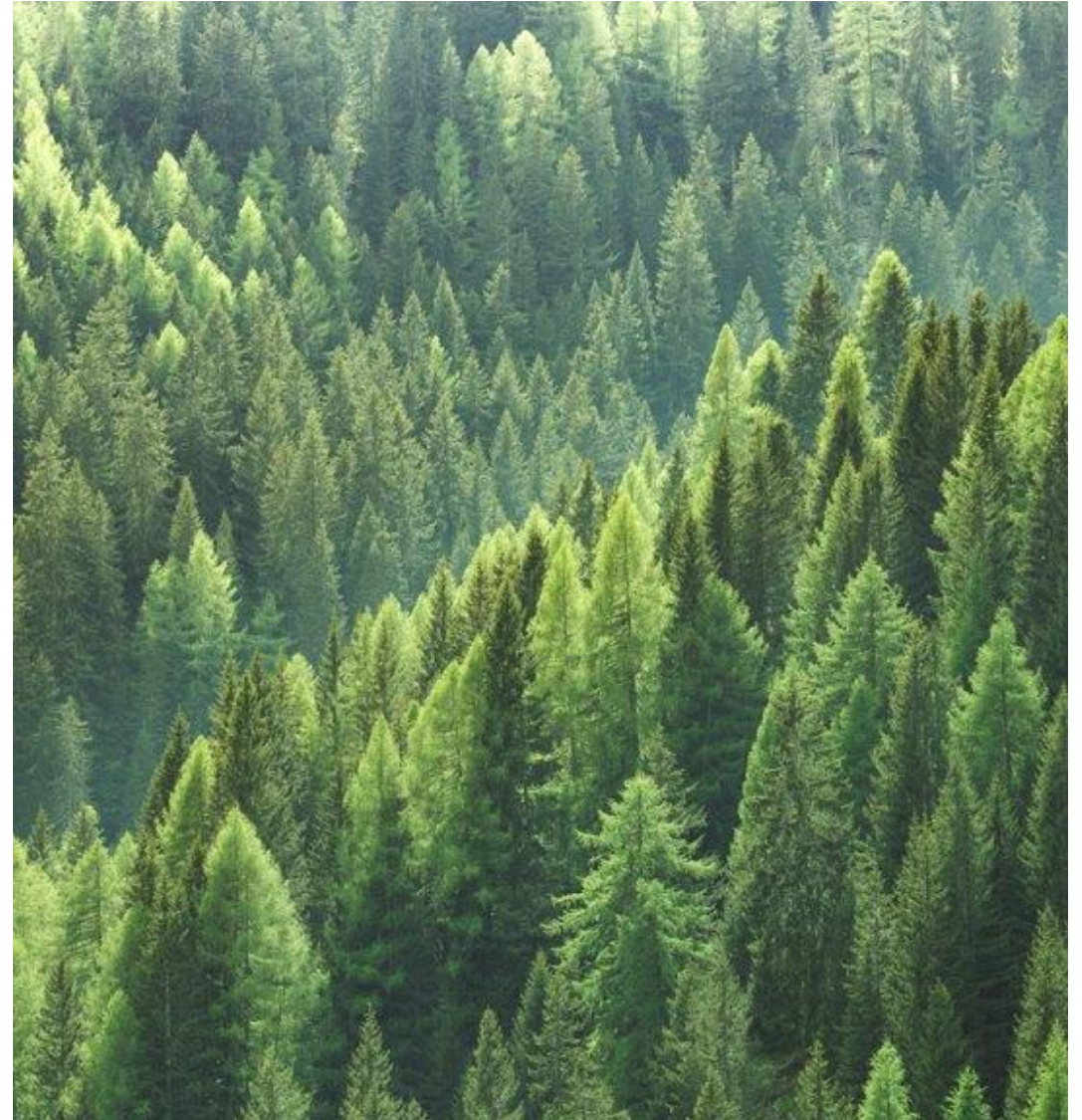
## Educational material

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

In development – materials about:

- Materiality
- Proportionality mechanisms
- Scenario analysis





# Knowledge hub

Supporting the application of **IFRS Sustainability Disclosure Standards**

FAQs, guides and resources curated by the IFRS Foundation and third-party organisations in support of global drive to build capacity





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## Capacity building with and through partners

- 40+ global and local partners committed to ensuring readiness through the ISSB's Partnership Framework
- Considering specific circumstances of emerging and developing economies and smaller companies
- Focused on enabling consistent and comparable high-quality disclosures to bring benefits of sustainability-related disclosures to all



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# Update on adoption of ISSB Standards



## Jurisdictions taking steps towards ISSB Standards

**More than 25 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:

**~55%**

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

**40%+**

of **global market capitalisation**

**50%+**

of **global greenhouse gas emissions**



# Jurisdictional progress towards the adoption or other use of ISSB Standards

Americas	Asia/Oceania		EMEA	
Bolivia	Australia	Pakistan	EU	Türkiye
Brazil	Bangladesh	Philippines	Ghana	Uganda
Canada	China	Singapore	Kenya	UK
Chile	Hong Kong SAR	South Korea	Nigeria	
Costa Rica	Japan	Sri Lanka	Switzerland	
El Salvador	Malaysia	Chinese Taipei	Tanzania	

This list of jurisdictions is based on information available to the IFRS Foundation as of 10 September 2024. A list of ongoing and completed jurisdiction consultations on sustainability-related disclosures is available:

[ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdiction-consultations-on-sustainability-related-disclosures](https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdiction-consultations-on-sustainability-related-disclosures)

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## Four-pillar strategy to support adoption and use of ISSB Standards

Proportionality and guidance built into IFRS S1 and IFRS S2

Transition reliefs - with possibility of jurisdictional extensions

**Implementation strategy for ISSB Standards**

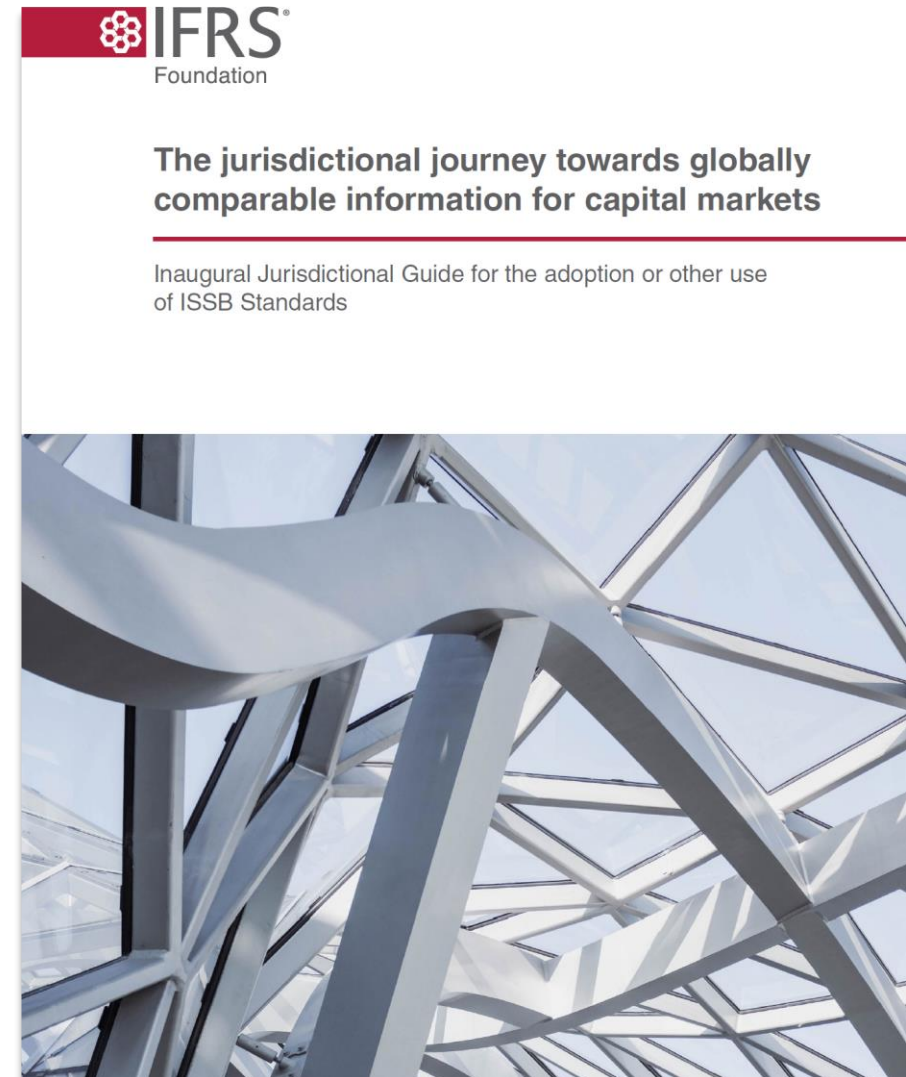
Adoption Guide to support scalability and jurisdictional phasing in

Additional support – including capacity building for companies and regulators

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# Inaugural Jurisdictional Guide

- Objective: to promote globally consistent and comparable sustainability-related disclosures for capital markets by:
  - ✓ Supporting jurisdictions as they design and plan their journey to the adoption or other use of ISSB Standards
  - ✓ Providing transparency on jurisdictional progress towards the adoption or other use of ISSB Standards and help market participants understand emerging jurisdictional approaches



## Jurisdictional approaches\*

Committing to adoption or other use of ISSB Standards

Permitting the use of ISSB Standards

Partially incorporating ISSB Standards

Adopting ISSB Standards with extended transition

Adopting ISSB Standards with limited transition

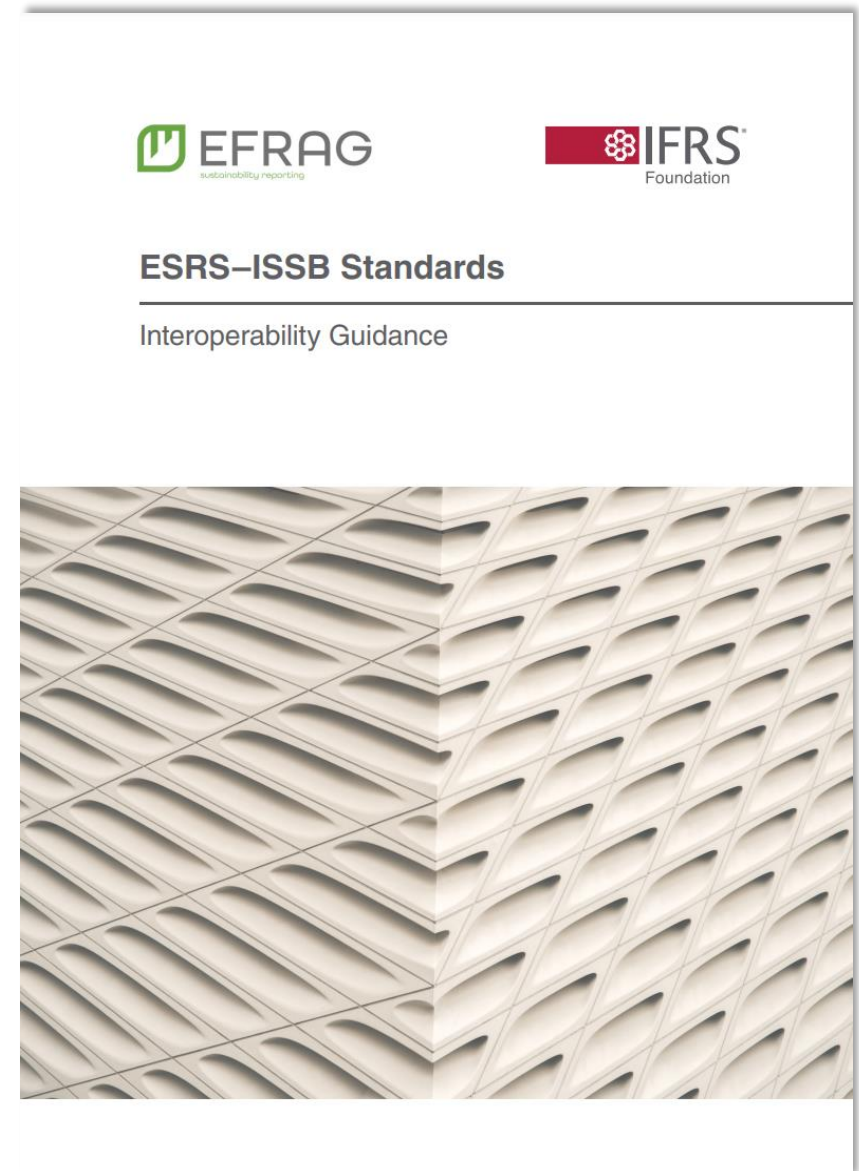
Adopting climate requirements in ISSB Standards

Fully adopting ISSB Standards

*\*approaches address range of methods contemplated by IOSCO including direct use or development of local standards. Assess alignment with disclosures required by IFRS S1 and IFRS S2.*

# Key takeaways: Interoperability guidance

- A company can prepare its IFRS S2 disclosures in a way that **enables all these disclosures to be used as part of compliance** with ESRS climate-related requirements
- To achieve this, some disclosures need to be prepared in **a particular way** – the guidance explains how.
- Section 4.2 sets out the **additional** climate-related disclosure requirements in ESRS
- ESRS covers **'impact materiality'** in addition to 'financial materiality' (the latter is aligned between ISSB Standards and ESRS)
- To comply with ISSB Standards, companies cannot **'obscure'** sustainability-related financial disclosures with additional information.





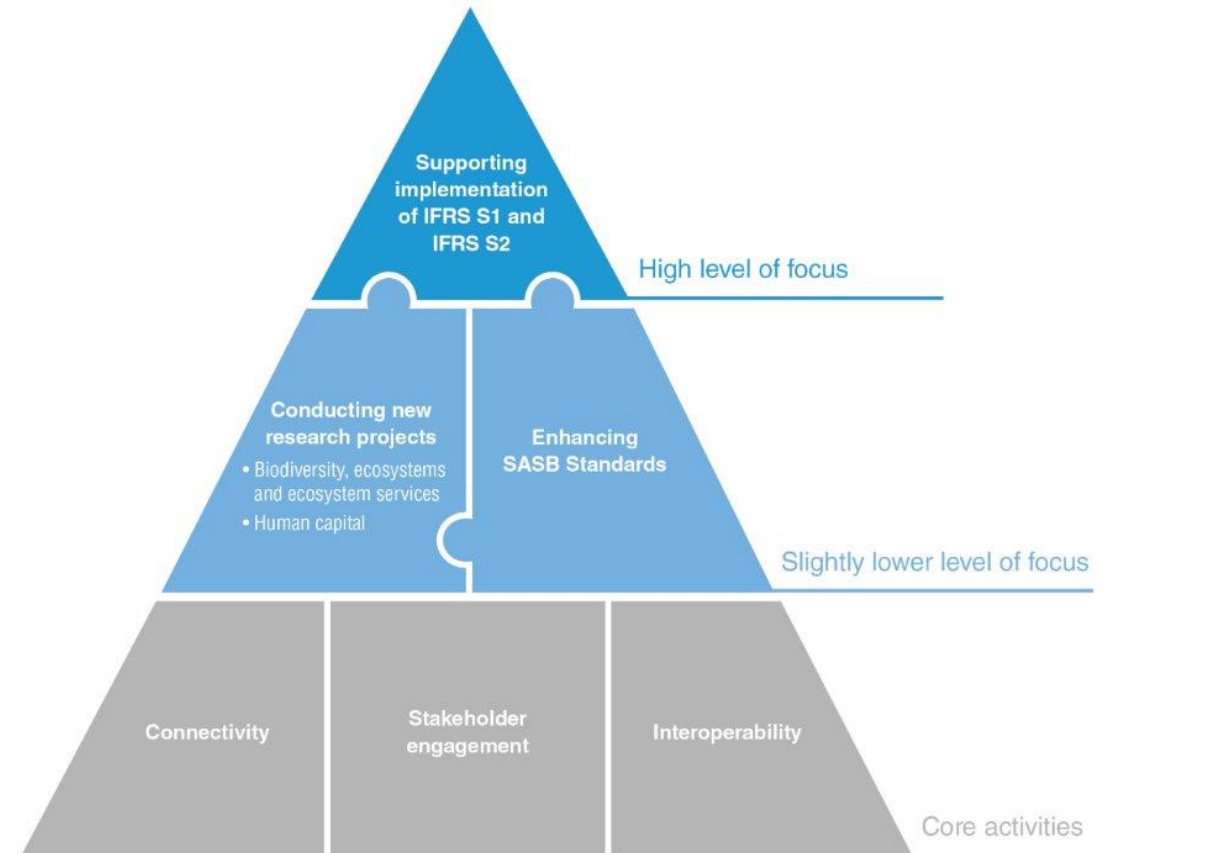
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# ISSB new work plan



# ISSB two-year work plan

- Highest level of focus on **supporting implementation of IFRS S1 and IFRS S2**
- Next, equal focus on **enhancing SASB Standards** and **beginning new research and standard-setting projects**
- Reserved capacity to **address emerging issues**
- Furthermore, three activities **fundamental** to all work:
  1. interoperability with other standard-setting initiatives
  2. connectivity with IASB
  3. stakeholder engagement



# Research projects



## Biodiversity, ecosystems and ecosystem services

### Why?

- Growing interest among investors for improved disclosure
- Initial research will include considering the SASB Standards, CDSB guidance and TNFD

### What could be covered?

- Water
- Land-use and land-use change
- Pollution
- Resource exploitation
- Invasive non-native species



## Human capital

### Why?

- Affects companies of all sizes and types
- Opportunity to address a lack of consistent, comparable disclosures

### What could be covered?

- Worker wellbeing
- Diversity and inclusion
- Workforce investment
- The alternative workforce
- Labour conditions in the value chain

# 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

## 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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# Strategic relationships

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- **CDP** – ISSB’s climate standard is the foundational baseline for CDP’s climate disclosure
- **GHG Protocol** – governance arrangements so that the ISSB is actively engaged in updates to the GHG Protocol Corporate Standard
- **GRI** – seeks to deliver full interoperability through jointly identifying and aligning common disclosures to deliver a seamless sustainability reporting system
- **Transition Plan Taskforce (TPT)** – the IFRS Foundation has assumed responsibility for TPT’s disclosure-specific materials
- **Taskforce on Nature-related Financial Disclosures (TNFD)** – ISSB will consider how to build upon the recommendations of the TNFD to meet investors’ information needs



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## Visit [ifrs.org](https://www.ifrs.org) to find out more

- [Access](#) the Standards and supporting materials
- Listen to the monthly [podcast](#)
- Respond to live [consultations](#)
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- [Join](#) the team

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# Q&A

