
Global Preparers Forum Meeting

Date	15 November 2024
Topic	ISSB Update
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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

Current priorities

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

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***

***75%**

excluding US market

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		

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)

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 ensure ongoing interoperability
- Immediate work on:
 - **sector-based standards**;
 - **digital reporting**;
 - research projects on **biodiversity, ecosystems and ecosystem services**, and **human capital**; and
 - **transition plan disclosures**.



Sector-specific standards

- EFRAG's **priority is implementation support** for those adopting sector-agnostic ESRS
- Nonetheless, EFRAG is working on the development of **sector-specific standards** over the next few years
- ISSB is **engaging with EFRAG** on the relevance of the SIC5 (classification system) to EFRAG's sector-specific standards
- ISSB is encouraging the use of the **SASB Standards** as a basis for EFRAG's sector-specific standard setting
- ISSB **encourages alignment** between the two sets of standards



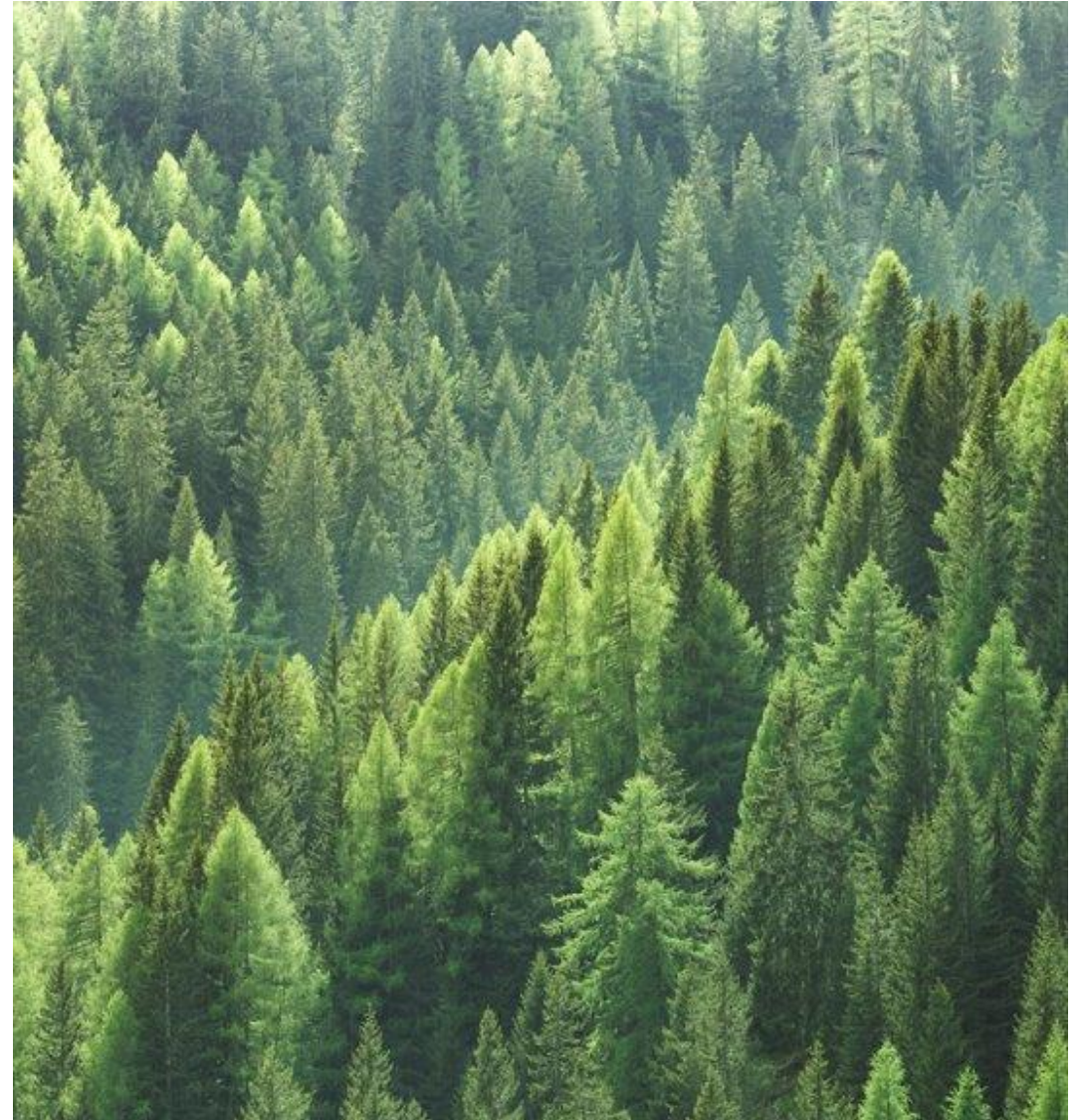
Educational material

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:

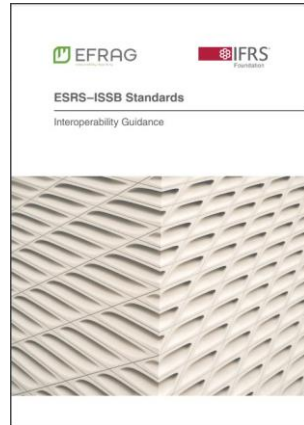
- **Materiality**
- Proportionality mechanisms
- Scenario analysis



Example 1: EU companies



An EU company can **filter** its CSRD sustainability statement...



...using the **interoperability guidance**...



...to **surface** the ISSB global baseline of sustainability-related disclosures...



Investors globally

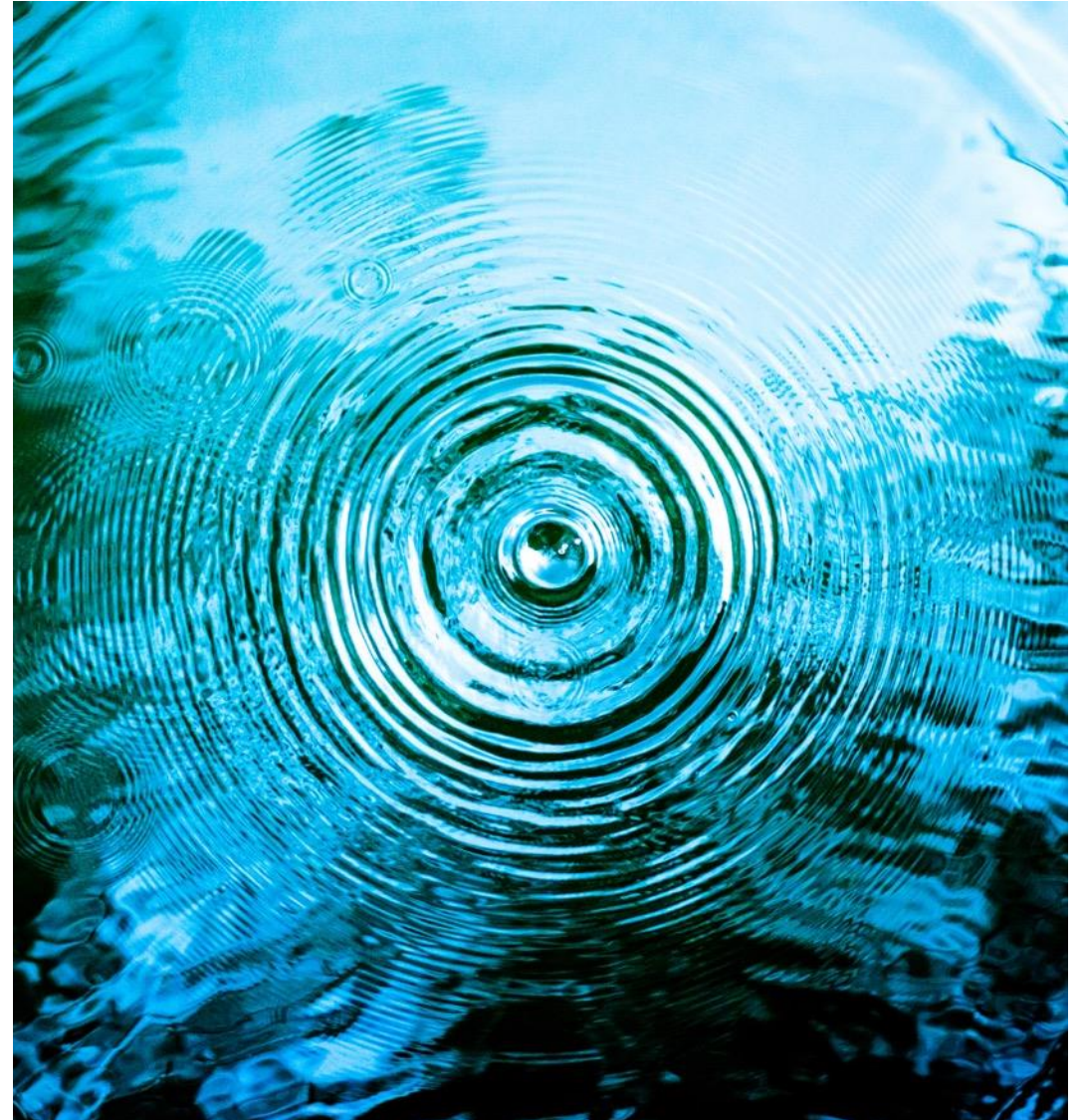
20+ jurisdictions adopting or otherwise using ISSB

...to:

- provide **decision-useful** information to investors
- align with ISSB **disclosure requirements** in jurisdictions globally

Example 2: Companies outside of the EU (1)

- The EU has not decided **how companies** based outside of the EU and not within the initial scope of CSRD will be required to meet CSRD **in 2028**.
- The Swiss government is currently considering requiring **ISSB Standards + GRI Standards** to meet investor and broader stakeholder information needs.
- There is growing support for this model to inform the construction of the future ESRS.



Informed by experts

Strategic Advisory Groups

IFRS Advisory Council

Integrated Reporting and Connectivity Council

IFRS Taxonomy Consultative Group

ISSB Advisory Groups

Sustainability Standards Advisory Forum

Jurisdictional Working Group

Sustainability Consultative Committee

Investor Advisory Group

IFRS Sustainability Reference Group

Transition Implementation Group

Why do we focus on connectivity?



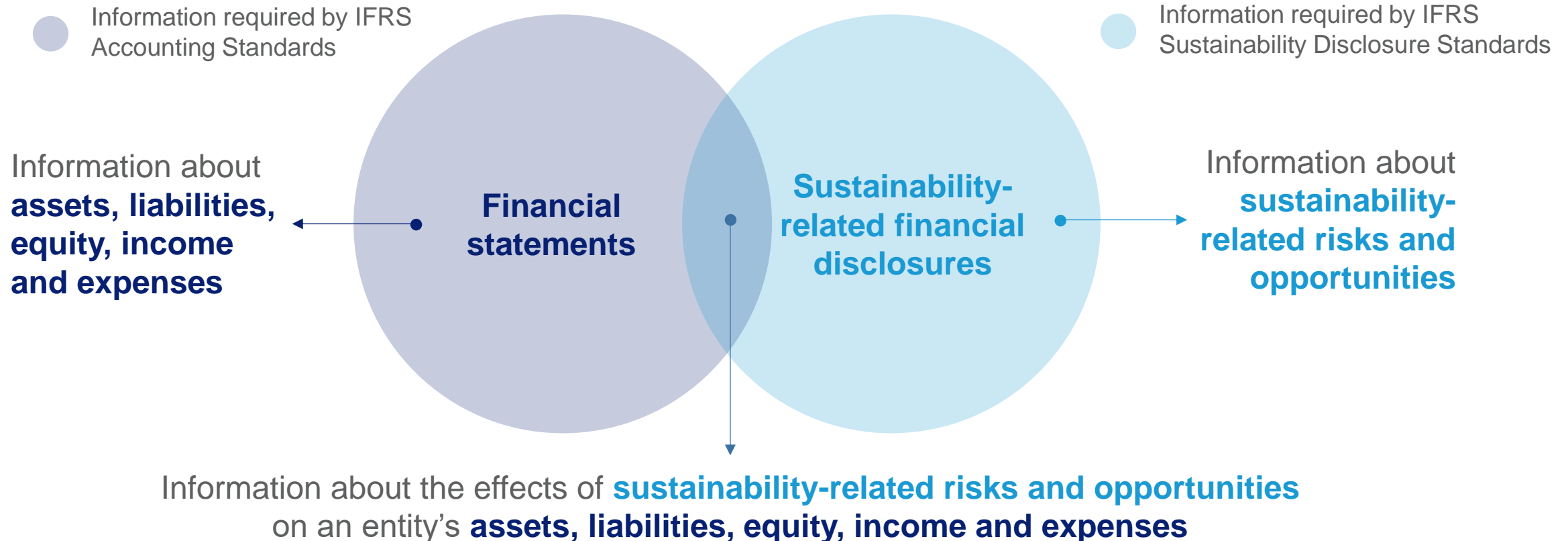
Our **stakeholders**, particularly **investors**, express consistent strong support for connectivity between the IASB and ISSB, connectivity between the boards' respective Standards and connectivity in reporting



The **IFRS Foundation Constitution**:

- establishes the focus on high-quality reporting to meet the needs of investors and other capital market participants
- requires the boards to work together to ensure their respective Standards are compatible and to avoid inconsistencies and conflicts between them

Complementary objectives



Note: The diagram is not intended to represent relative proportions of reported information.

Shared concepts



Same target audience:
investors, lenders and other
creditors (primary users)



Aligned use of language
and terminology



Same qualitative
characteristics of useful
financial information

...including an aligned **concept of materiality**



New ISSB projects

The ISSB has **finalised the decisions** for its next two-year work plan and will start **two new research projects**:



Biodiversity, ecosystems and ecosystem services

- Growing interest among investors for improved disclosure
- Build from pre-existing initiatives such as SASB Standards, CDSB guidance and TNFD

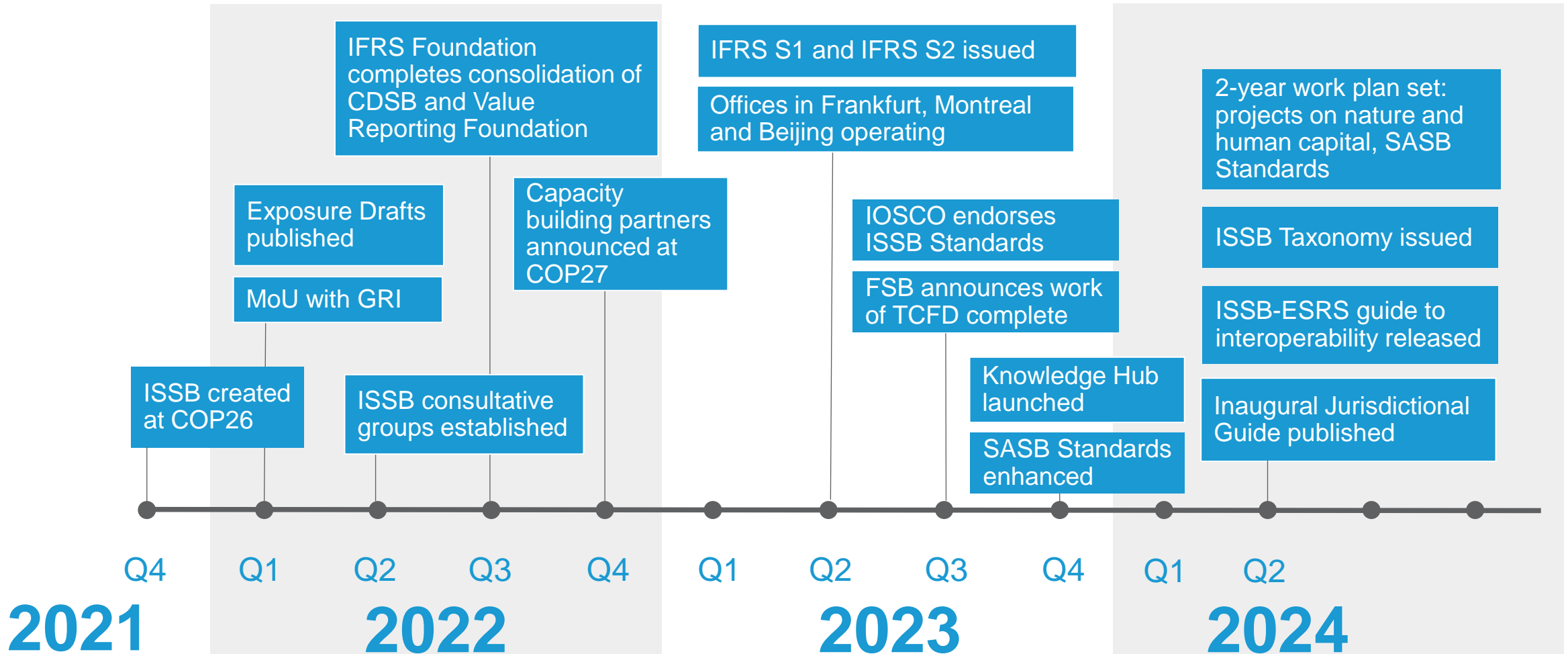


Human capital

- Affects companies of all sizes and types
- Opportunity to address a lack of consistent, comparable disclosures
- Includes both employees and workers in value chain

The ISSB expects to publish its Feedback Statement in June 2024, setting out its two-year work plan.

ISSB milestones



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