
Update on ISSB Standards

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6 June 2025

Jurisdictional developments and implementation priorities

Jurisdictional progress: 36 jurisdictions on the journey

Finalised



20 jurisdictions have finalised decisions on adoption or other use of ISSB Standards

Americas

- Brazil, Chile, El Salvador, Mexico

Asia-Oceania

- **Australia, Bangladesh, Hong Kong SAR, Malaysia, Pakistan, Singapore, Sri Lanka, Chinese Taipei**

EMEA

- EU, Ghana, Jordan, Kenya, Nigeria, Tanzania, Türkiye, Zambia

In progress



16 jurisdictions are making progress to adopt or otherwise use ISSB Standards

Americas

- Bolivia, Canada, Costa Rica, Panama

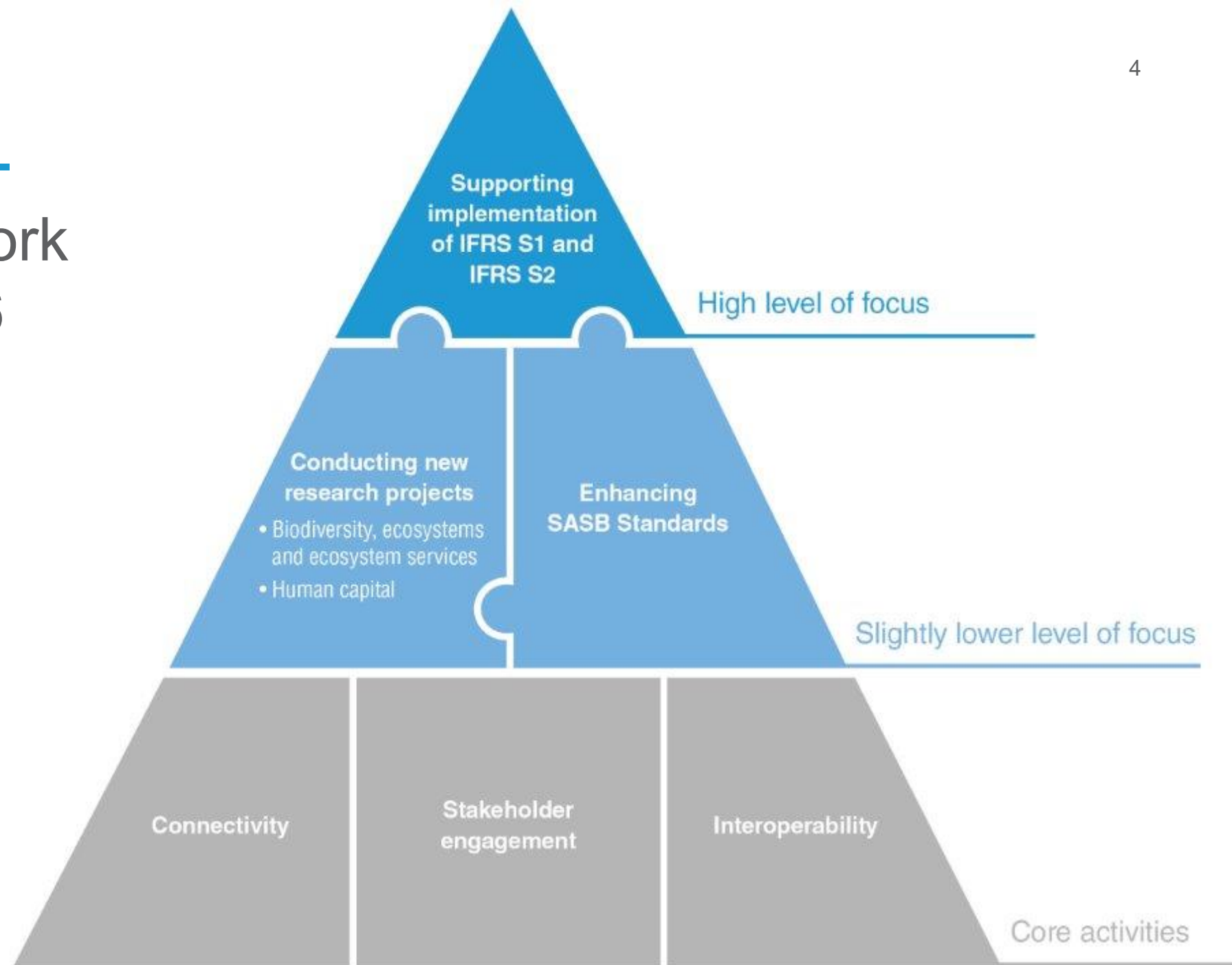
Asia-Oceania

- **China, Indonesia, Japan, South Korea, Philippines, Thailand**

EMEA

- Qatar, Rwanda, Switzerland, Uganda, UK, Zimbabwe

Technical work plan to 2026



Research projects

The ISSB is researching disclosure about risks and opportunities associated with:



Biodiversity, ecosystems and ecosystem services

Might include matters related to water management, land-use management, pollution (for example, emissions into air, water and soil), resource depletion, and biodiversity risk management (for example, rehabilitation/restoration)



Human capital

Relates to workers in an entity's direct operations or those in its value chain, including workforce-related human rights. Might include matters such as worker wellbeing, pay and benefits, diversity and inclusion, and working conditions in the value chain.

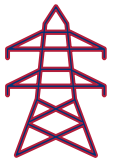
Enhancing the SASB Standards: workstreams

Phase I – initial priority industries

Extractives & Minerals Processing 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

Targeted amendments

- In addition to priority industries, the ISSB will also consider amendments to other SASB Standards to **maintain consistency of metrics across different industries**, where appropriate

Phase II priorities

- The ISSB is seeking input on which **additional industries or topics** in the SASB Standards should be prioritised in the next phase of work, including enhancements to **SICS[®]**
- Staff targeting launch of second phase of enhancements during early **2H 2025**

Enhancing the SASB Standards: next steps

Exposure drafts of proposed amendments are now under development, targeting:

- **Q2 2025** for the Extractives sector (8 industries) and Processed Foods industry
- **Q4 2025** for Agricultural Products; Meat, Poultry & Dairy; and Electric Utilities industries



120-day comment period

(usual comment period for IFRS Foundation consultation documents)



Relevance for stakeholders interested in specific **industries**, sectors, and **topics** including nature, human capital and climate



Marked up changes to SASB Standards and Basis for Conclusions (usual format for IFRS Foundation due process documents)



May be accompanied by **educational material** to support understanding of how the SASB Standards are intended to be used by entities applying ISSB Standards

Objectives of ISSB Standards

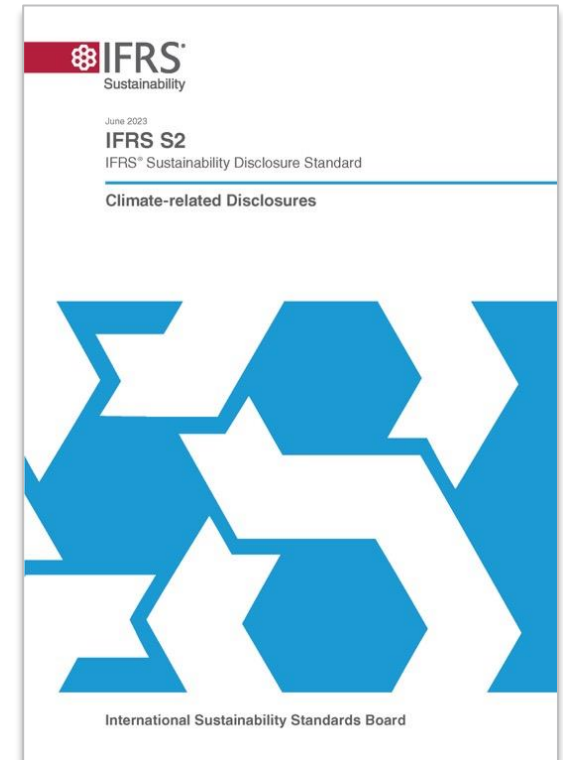
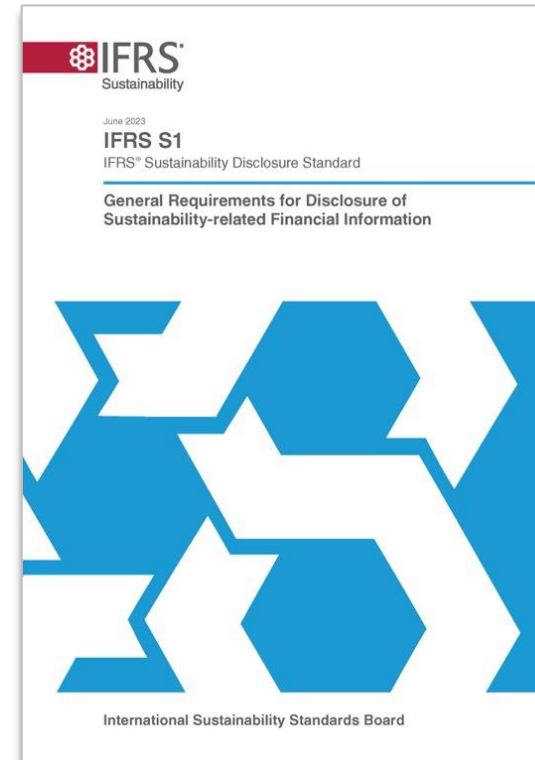
Overarching objective

IFRS S1.1

*‘The objective of [the Standards] is to require an entity to disclose **information** about its sustainability-related risks and opportunities that is **useful to primary users** of general purpose financial reports in making decisions relating to providing resources to the entity.*

IFRS S1.3

*This Standard requires an entity to disclose information about all **sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.***



Scope

What risks and opportunities?

- Sustainability-related risks that **could reasonably be expected** to affect a company's prospects
- Sustainability-related risks and opportunities that **could not reasonably be expected to affect** a company's prospects are **outside the scope** of ISSB Standards

IFRS S1.1–6

What information?

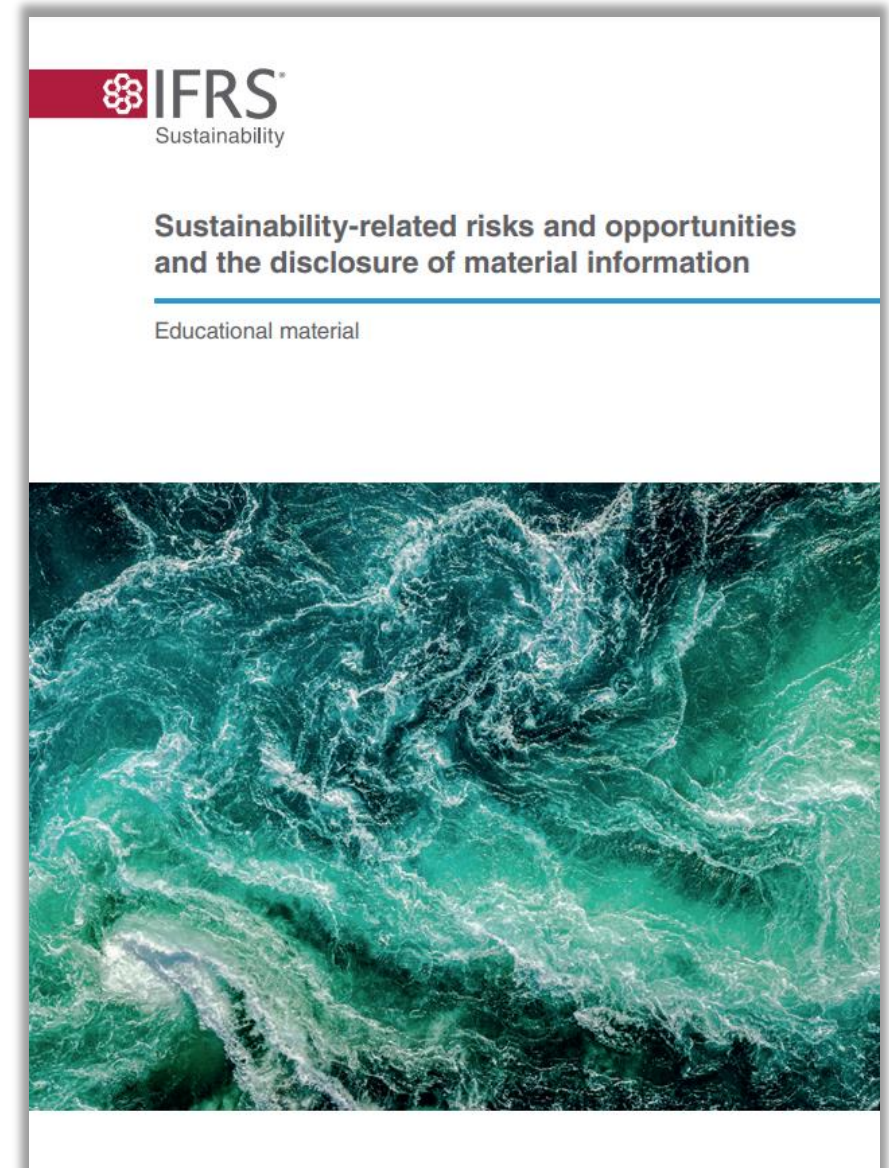
- ISSB Standards require a company to disclose **material information** about its sustainability-related risks and opportunities
- Information is material if **omitting, misstating or obscuring** that information could reasonably be expected to influence **primary users'** decisions

IFRS S1.17–18

Guide to help identify and disclose material information

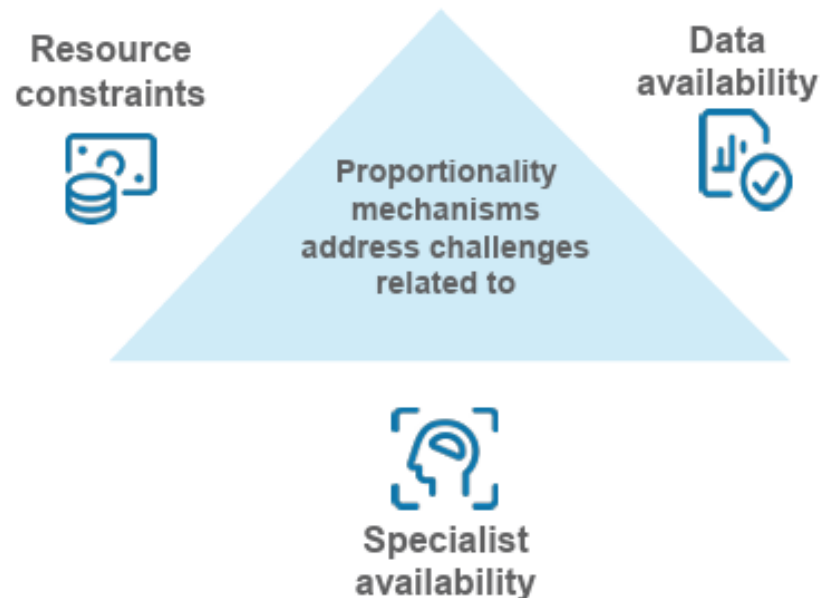
The Guide can help companies to:

- 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



Proportionality mechanisms

Proportionality mechanisms are designed to help companies with different **levels of capability and preparedness** apply the IFRS Sustainability Disclosure Standards



- Designed to be **helpful** for companies that would find **some requirements** in IFRS S1 and IFRS S2 **challenging to apply**.
- **Do not introduce** additional disclosure requirements **nor do they exempt** companies from providing disclosures.

What do the proportionality mechanisms require?

Use all reasonable and supportable information that is available to the company at the reporting date without undue cost or effort

In preparing disclosures for specific requirements, it establishes **parameters** for:

- the **type of information** to consider and
- the **effort** required.

Supports companies in providing disclosures for specific requirements where there may be a **high level of judgement or uncertainty**.

Commensurate with the skills, capabilities and resources that are available to the company
(applied in two ways to specific requirements)

Application 1

Requires the use of an **approach** that is **commensurate** with the **skills, capabilities and resources** that are available to the company.

Supports companies in applying the requirements in a way that is **proportionate to their circumstances**.

Application 2

Adjusts the information required to be provided **if** the company does **not** have the **skills, capabilities or resources** to provide particular information.

Scope 3 measurement framework

Guidance to support companies

	A company shall prioritise the use of:	If prioritised information not available, consider:
Measurement	direct measurement	estimation activity data and emission factors
Data	primary data eg company-specific metric tons of waste generated	secondary data eg estimated metric tons of waste generated based on industry-average data
Scope	more granular data cradle-to-gate GHG emissions for the product of interest	less granular data GHG emissions and/or activity data for the entire corporation
Verification	verified	not verified

Transition reliefs

Transition reliefs are designed to **give companies time** to put into place reporting practices and processes **in the first year of application**

- Temporarily limits disclosures
- Temporarily allows later reporting
- Temporarily permits companies to use existing approaches to meet certain requirements

Which IFRS S1 and IFRS S2 requirements include transition reliefs?

IFRS S1 requirements *(also apply to IFRS S2)*

Comparative information
(IFRS S1.70)

Timing of reporting
(IFRS S1.64)

Climate first
(IFRS S1.3)

IFRS S2 requirements

Use of GHG Protocol
(IFRS S2.29(a)(ii))

Scope 3 emissions
(IFRS S2.29(a)(i)(3))

IFRS S2 amendments: What is the ISSB proposing?

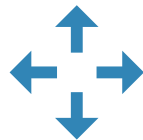
The proposed amendments are targeted toward aspects of **GHG emissions disclosures** and **provide reliefs** to existing requirements in IFRS S2

The ISSB considered the **perspectives of multiple stakeholder** groups in developing the amendments



Providing application support to companies

- Make it easier and reduce related costs to apply IFRS S2
- Optional reliefs that entities can choose to apply



Minimising disruption to jurisdictions

Optional reliefs that jurisdictions can choose to make available — without affecting their degree of alignment with ISSB Standards



Keeping investors' needs in focus

Ensure the usefulness of sustainability-related financial information provided by companies

No fundamental change in disclosures

What disclosure requirements do the proposed amendments relate to?

1

Measurement and disclosure of Scope 3 Category 15 GHG emissions

2

Use of Global Industry Classification System (GICS) for specific financed emissions disclosures

3

Jurisdictional relief from using the GHG Protocol Corporate Standard*

4

Applicability of the jurisdictional relief for global warming potential (GWP) values

* The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) is referred to as the 'GHG Protocol Corporate Standard' for brevity

Q&A

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