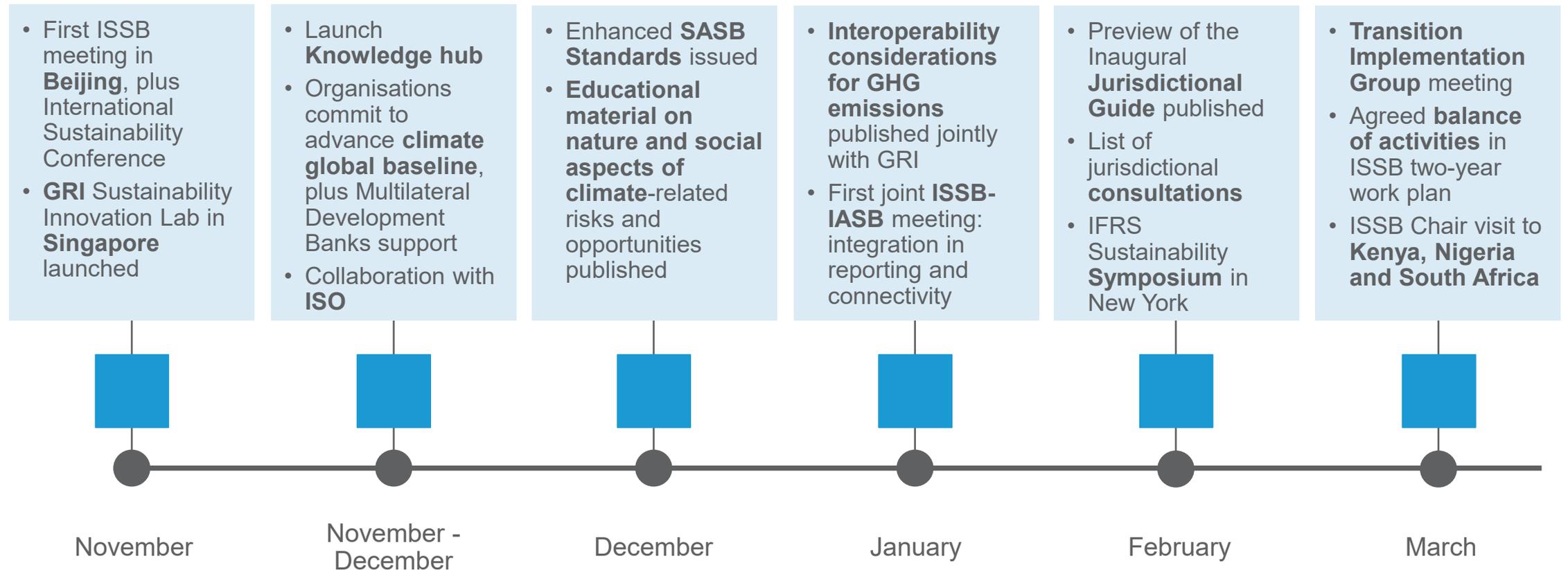

Update on the ISSB's Activities

Agenda Paper 5

The views expressed in this presentation are those of the presenter, not necessarily those of the IFRS Foundation, International Accounting Standards Board or the International Sustainability Standards Board.
Copyright © 2024 IFRS Foundation. All rights reserved.

Progress since November 2023 Advisory Council meeting



Monthly ISSB meetings: Frankfurt (October, December '23, March '24), Beijing (November '23), London (January '24), New York (February '24)

Agenda

1 – ISSB at COP28

2 – Inaugural Jurisdictional Guide

3 – ISSB Agenda Consultation

4 – Next steps

1 – ISSB at COP28



ISSB at COP28

- Declaration of support from close to 400 organisations from 64 jurisdictions and from many regulators and standard-setters, including IOSCO, FSB, IMF, Multilateral Development Banks
- IFRS Sustainability knowledge hub launched
- Collaboration with CDP, ISO, GRI
- Transition of TCFD to ISSB
- Commitments to capacity building, advancing regulatory adoption and building out the global baseline





IFRS[®]
Sustainability

Close to 400 organisations from 64 jurisdictions commit support to advance the ISSB's climate global baseline



140+
companies



25+ stock exchanges



70+ institutional
investors



40+ professional accounting
organisations and audit firms

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

2 – Inaugural Jurisdictional Guide

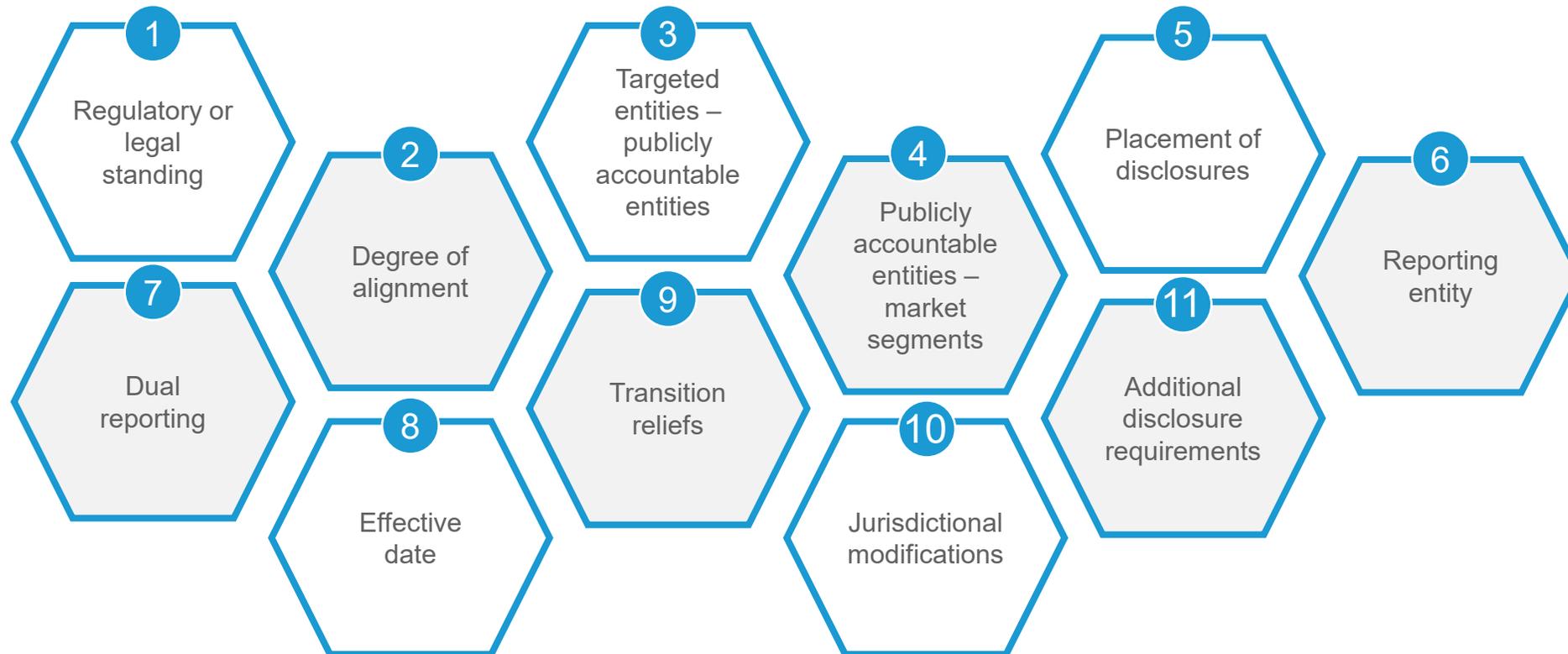


Objectives of the Inaugural Jurisdictional Guide

To promote globally consistent and comparable sustainability-related disclosures for capital markets.

- 1 Support jurisdictions by providing **information helpful to design and plan** their journey:
 - Policy rationale
 - Roadmap
 - Licensing and translation
 - Capacity Building, including the development of a Regulatory Implementation Programme
- 2 Provide **transparency** that supports capital markets, regulators and other stakeholders
 - Features considered
 - Description of jurisdictional approaches
 - Jurisdictional profiles
 - prepared when jurisdictions have finalised decisions
 - informed by bilateral discussions

Features of jurisdictional approaches*



* Features advanced in the [Overview](#) published in July 2023

Benefits of transparency on jurisdictional approaches



Support IOSCO's monitoring on the adoption or other use of ISSB Standards and its capacity building initiatives



Support regulators:

- **prepare** for the adoption or other use of ISSB Standards, including considerations on scalability and phasing-in
- **identify peers** following similar jurisdictional approaches
- **understand** how emerging disclosure requirements support global consistency and comparability



Support investors' understanding of jurisdictional approaches to help them assess, compare and price sustainability-related risks and opportunities

Support the IFRS Foundation identifying capacity building needs across different stakeholder groups, including regulators, and coordinate its own efforts

‘Adoption or other use of ISSB Standards’

Refers to the range of different approaches that jurisdictions may take to *‘adopt, apply or otherwise be informed by ISSB Standards’* when introducing sustainability-related disclosure requirements in their legal and regulatory frameworks. Includes approaches that:

- involve the **adoption or other use of IFRS S1 and IFRS S2 directly**
- involve the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver **functionally aligned outcomes** to those resulting from the application of IFRS S1 and IFRS S2

Preview of the Inaugural Jurisdictional Guide

Preview will allow **early engagement** with jurisdictions that are taking steps in the process of designing their roadmaps

- **strong calls for delivering visibility** and transparency to regulators, capital markets and other stakeholders on progress towards delivering global consistency and comparability
- **facilitates more granular engagement** with jurisdictions, IOSCO and other regulatory bodies ahead of publication of Inaugural Jurisdictional Guide

Guide focuses on **IFRS S1 and IFRS S2** only at this inaugural stage

Reassessment of the Inaugural Jurisdictional Guide expected in **three years**

Jurisdictional profiles

Jurisdictional profiles will provide information for jurisdictions that have already taken, are in the process of, or are taking, steps towards the adoption or other use of ISSB Standards or the introduction of other sustainability-related disclosures

Stated jurisdictional target



- Requirements that are planned to become effective or to be introduced in the future

Stage in the jurisdictional journey



- Most up-to-date status on a jurisdiction's sustainability-related requirements

Publicly announced pathway issued by competent regulatory authority

Single or series of steps over time

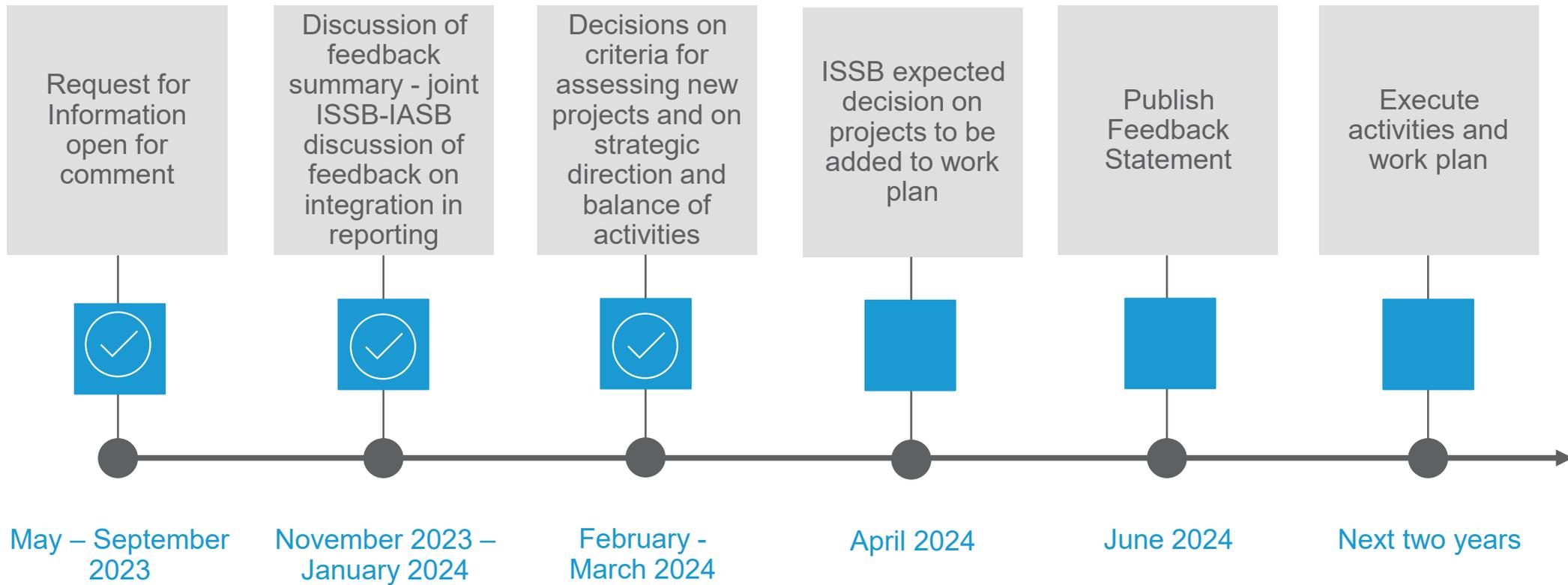
Focus on scalability and transition reliefs

Updated as reliefs expire

3 – ISSB Agenda Consultation



Agenda Consultation Timeline



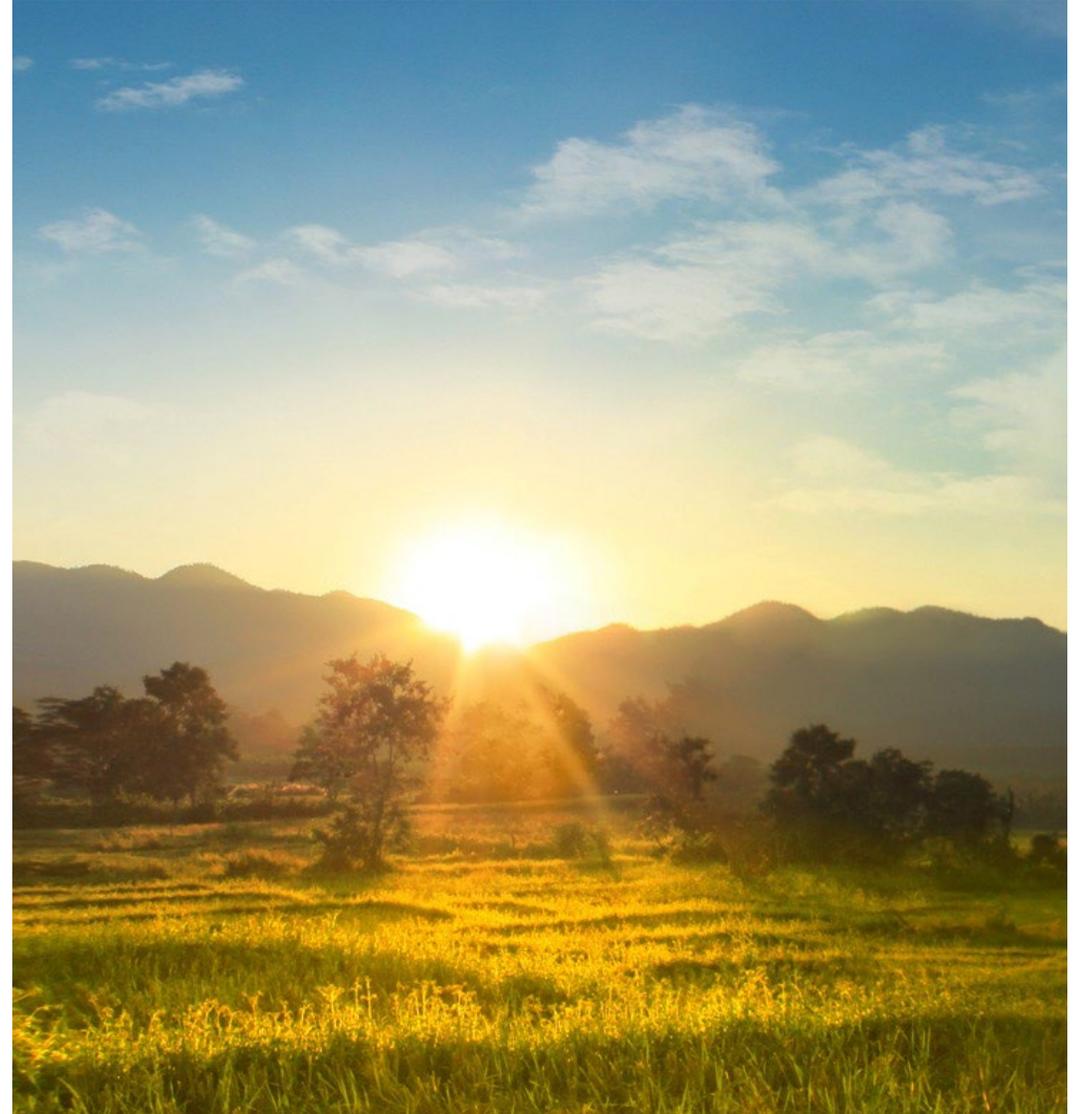
Asked feedback on

- 1 Strategic direction and balance of the ISSB's activities
- 2 Criteria for assessing the priority of new projects
- 3 Priority, scope and structure of potential new research projects on:
 - biodiversity, ecosystems and ecosystem services
 - human capital
 - human rights
 - integration in reporting



Agenda feedback: common themes

- Desire for a **roadmap** showing ISSB overall strategic direction and future suite of standards
- Demand for the ISSB to pursue **interoperability** to reduce duplication for preparers and secure consistency and comparability for investors
- Need to balance different views on **timelines**: many noted it is important to support implementation of IFRS S1 and IFRS S2 (focus on capacity building initiatives) – with those already more advanced with disclosures keener for the ISSB to more quickly develop new ISSB Standards
- General support for **research** in areas related to the four potential research projects discussed in the Request for Information, to balance with different views on timelines



Joint IASB-ISSB meeting – January 2024

Integration in reporting

- Respondents gave different priority to this potential project
 - about 25% ranked integration in reporting as a higher priority than the other three potential projects
 - about 25% said it is important but did not rank it higher or lower than other potential projects
 - about 50% indicated it was a lower priority or did not comment on this topic but asked the ISSB to work on other projects or activities
- ISSB and IASB Chairs have made it clear that ongoing use of the Integrated Reporting Framework is encouraged – it is a great tool for helping companies communicate to investors



Joint IASB-ISSB meeting – January 2024

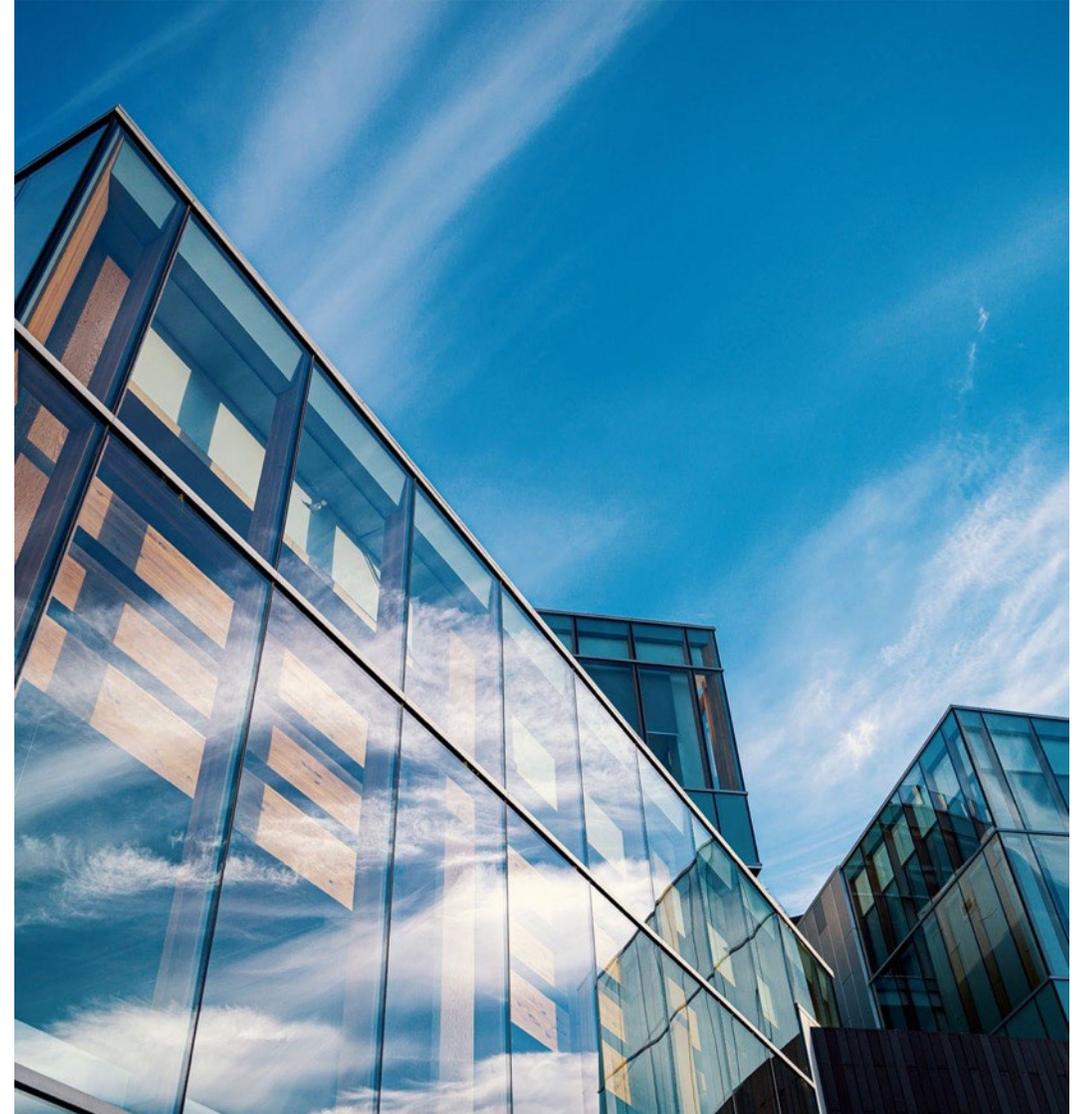
Connectivity

- Shared recognition of vital importance of working together
- Need to be better at communicating what goes on behind the scenes, as we work together a lot and that might not be obvious externally
- Connectivity is not a standalone project but part of the IASB and ISSB DNA under One Foundation - how the boards operate and everything they do – not the same for all IASB projects and all ISSB projects
- Goal is a coherent, consistent, connected set of disclosures that support better investment decisions



Balance of activities

- 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** (projects tbc in April)
- Some capacity reserved for flexibility to **address emerging issues** and **engage with IASB** as needed
- Furthermore, three activities **fundamental** to all work:
 1. interoperability with other sustainability standard-setting initiatives
 2. connectivity with IASB
 3. stakeholder engagement



4 - Next steps



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

Future 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

Support implementation of IFRS S1 and IFRS S2

Transition Implementation Group

- After kick off meeting in November 2023, first meeting to discuss implementation questions took place in March 2024
- Discuss questions arising from stakeholder meetings and/or submitted via form on ifrs.org
- At first meeting, discussed two questions related to IFRS S1 and IFRS S2
- Developing new podcast and other materials to share insights from discussions

IFRS Sustainability Disclosure Taxonomy

- Enable digital reporting of IFRS S1 and IFRS S2 information
- Publication of the IFRS Sustainability Disclosure Taxonomy in April 2024, having considered feedback on the proposals published in July 2023

Work on interoperability

- Developing material to support the interoperability of ISSB Standards with other relevant standards
- Finalising work on interoperability with European Sustainability Reporting Standards (ESRS) – navigation tool
- Mapped IFRS S2 GHG emissions disclosures to GHG emissions disclosures in the Global Reporting Initiative (GRI) Standards

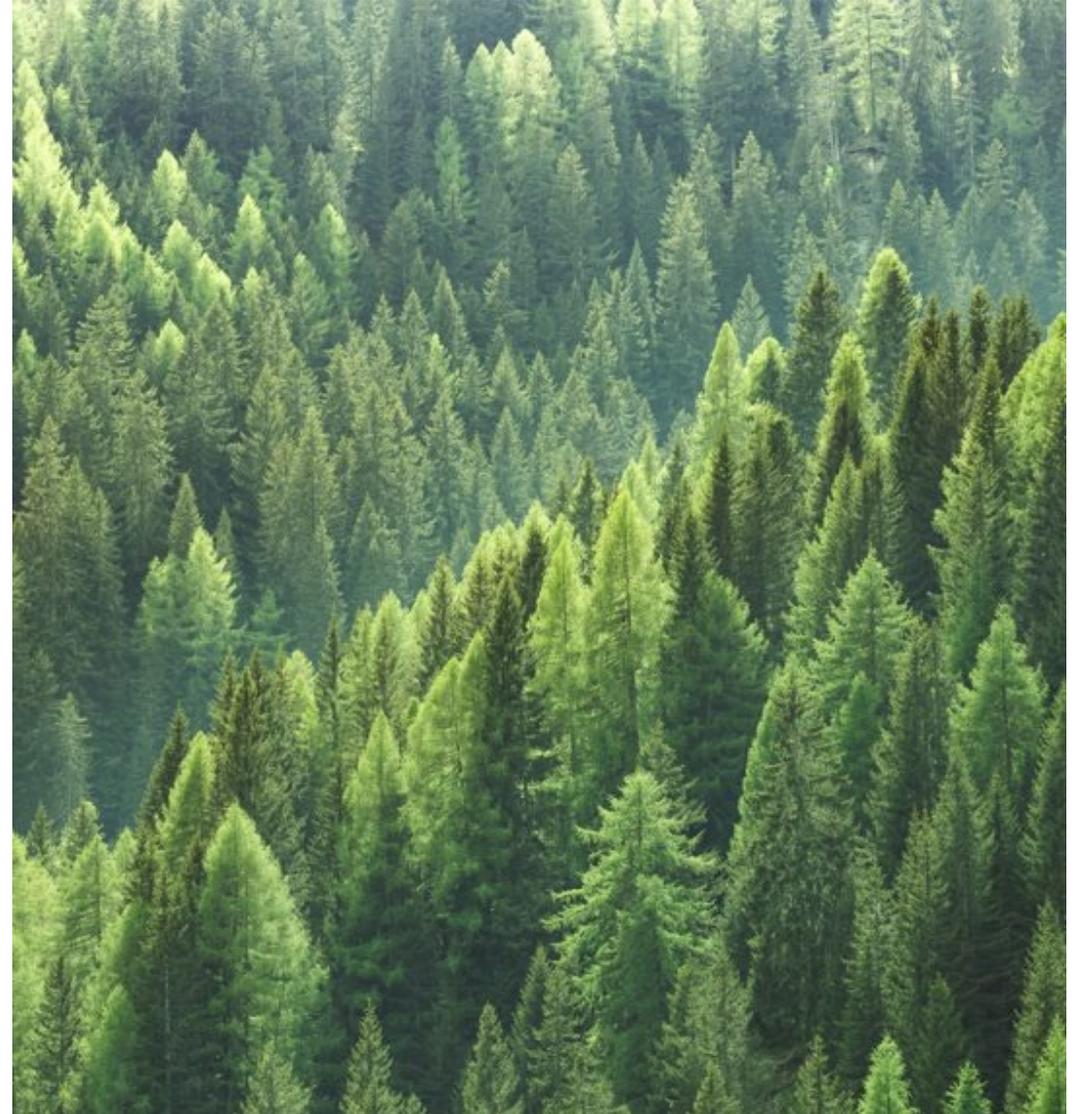
Educational material

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

In development – materials about:

- Current and anticipated financial effects
- Materiality
- Interoperability with ESRS
- Proportionality mechanisms
- Scenario analysis



Visit ifrs.org to find out more

- [Access](#) the Standards and supporting materials
- Listen to the monthly [podcast](#)
- Respond to live [consultations](#)
- [Sign up](#) for news alerts
- Discover [services](#) that can support you
- [Observe](#) ISSB meetings
- [Join](#) the team