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Jurisdictional Readiness Assessment Tool

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Introduction

The IFRS Foundation (Foundation) [Regulatory Implementation Programme Outline](#) describes four illustrative phases that a jurisdiction might follow as it works towards adoption or other use of IFRS Sustainability Disclosure Standards (ISSB Standards). The four phases are:

- Phase 1—becoming familiar with the ISSB Standards;
- Phase 2—assessing the case for adoption and considering jurisdictional readiness;
- Phase 3—developing a roadmap for adoption; and
- Phase 4—executing the roadmap.

In Phase 2 (assessing the case), a jurisdiction builds a detailed understanding of the readiness of its corporate reporting ecosystem to support high-quality sustainability-related financial disclosures.¹ The jurisdiction assesses the readiness of key ecosystem actors (for example, regulators, reporting professionals, professional services firms and data providers) and preparers. It also assesses the readiness of the wider support system of development partners, accountancy bodies and others. Assessing jurisdictional readiness can provide important insights to inform decisions and actions in subsequent phases as a jurisdiction develops and executes a roadmap for adoption or other use of ISSB Standards.²

The readiness of the sustainability reporting landscape can vary significantly between jurisdictions, with potential implications for the timing and scope of sustainability-related financial disclosure requirements. Outcomes of a jurisdictional readiness assessment can inform deliberations in each of the four key decision areas identified in the [Roadmap Development Tool](#)—regulatory process, reporting entities, requirements and readiness. Decisions might include the basis of compliance; the entities that will be in scope of the requirements; the timing, scaling and phasing-in of the requirements; and the process by which the requirements are introduced into legal and regulatory frameworks.

The *Jurisdictional Readiness Assessment Tool* complements the other resources in the Adoption Toolkit component of the Regulatory Implementation Programme: the [Jurisdictional Rationale Guide for the adoption or other use of ISSB Standards](#) and the *Roadmap Development Tool*. By supporting a clear, evidence-based understanding of a jurisdiction's institutional, regulatory and market preparedness, this *Jurisdictional Readiness Assessment Tool* enables regulators to make informed and context-sensitive decisions. This tool also aims to equip implementation partners and advisors with the information they need to build systematic jurisdictional readiness assessment into their provision of technical assistance to jurisdictions.

This *Jurisdictional Readiness Assessment Tool* is accompanied by the *Jurisdictional Readiness Assessment Guide for the adoption or other use of ISSB Standards (Jurisdictional Readiness Assessment Guide)*. These two resources are grounded in desktop analysis of the considerations for jurisdictional readiness that appear in many jurisdictions' roadmaps for the adoption or other use of ISSB Standards. To inform both resources, the Foundation reviewed approaches to adoption and existing jurisdictional readiness assessments. It complemented this work by engaging with implementation partners—such as multilateral development banks, development agencies and professional accountancy bodies—and gathering inputs from jurisdictions at different stages in their adoption journeys. The analytical and conceptual basis for the *Jurisdictional Readiness Assessment Tool* is elaborated in the *Jurisdictional Readiness Assessment Guide*. The two documents are designed to be considered together.

¹ An entity 'implements' ISSB Standards as part of its sustainability-related financial disclosures, whereas a jurisdiction 'adopts' ISSB Standards into its legal or regulatory framework.

² In the [Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards \(Jurisdictional Guide\)](#), 'adoption or other use of ISSB Standards' refers to the range of 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. This range includes approaches that involve the adoption or other use of IFRS S1 and IFRS S2 directly, as well as 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.

The *Jurisdictional Readiness Assessment Tool* is built on the idea that high-quality, decision-useful sustainability-related financial disclosures by Publicly Accountable Entities (PAEs)³ aligned with ISSB Standards require:

- **ecosystem readiness**—the readiness of the institutional and market infrastructure to support high-quality sustainability-related financial disclosure, including regulatory architecture, supervisory capacity, reporting professionals, advisory services, assurance providers, data availability and digital reporting;
- **preparer readiness**—the readiness of entities to apply IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, including the aspects of governance, resourcing, prior use of voluntary frameworks and the understanding of proportionality mechanisms; and
- **support system readiness**—the ability of development partners, accountancy bodies and other stakeholders to contribute towards filling capability gaps and supporting implementation.⁴

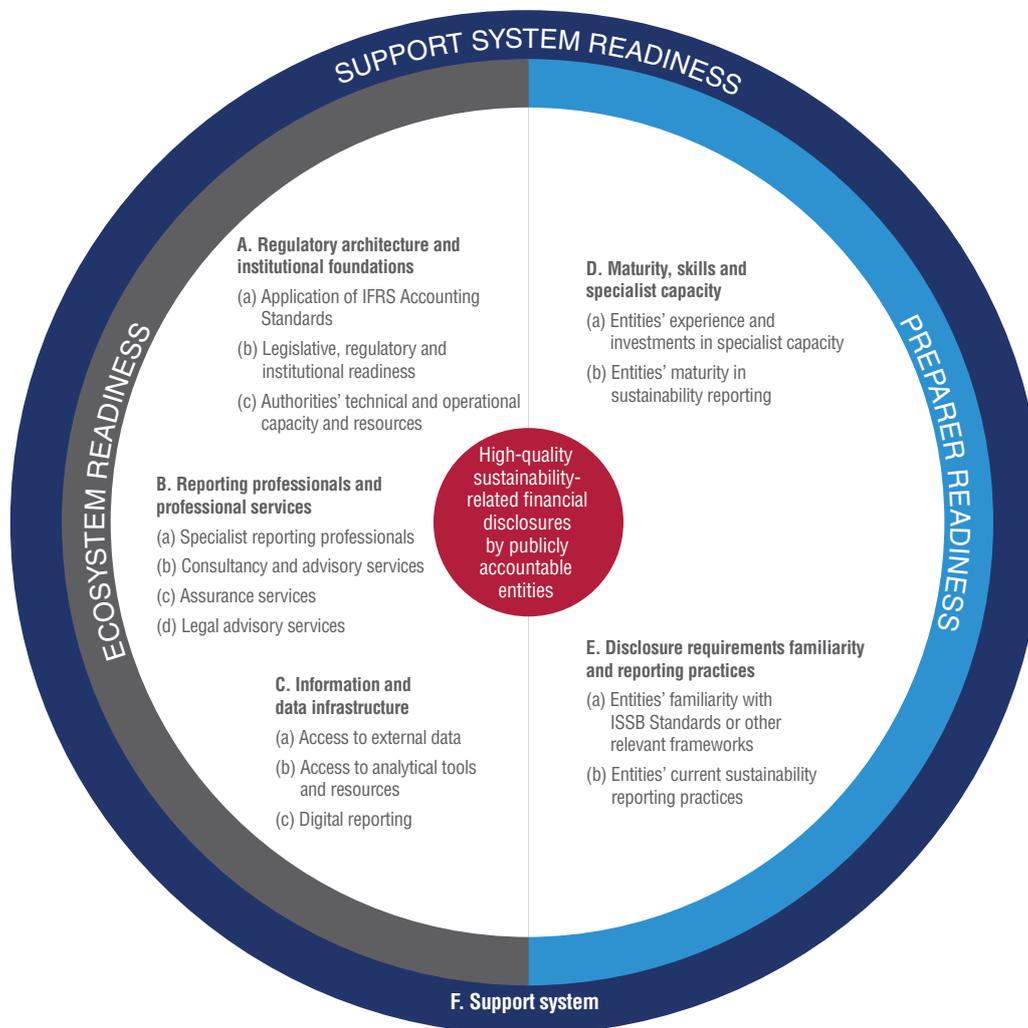
The *Jurisdictional Readiness Assessment Tool* is structured around three corresponding (and mutually reinforcing) domains: **ecosystem readiness**, **preparer readiness** and **support system readiness**. Each domain is further divided into discrete assessment areas (see A–F in Figure 1). This document describes each assessment area, sets out matters for consideration and suggests questions a jurisdiction can use to consider each assessment area. The goal is to help a jurisdiction to consider each assessment area systematically to inform its adoption decisions and to shape any targeted support it might need to give preparers or other actors in the reporting ecosystem.

3 In this document, ‘entities’ refers to Publicly Accountable Entities (PAEs). PAEs are defined in the *Jurisdictional Guide* as entities:
(a) whose securities are traded in a public market or entities in the process of issuing securities for trading in a public market; and
(b) that hold assets in a fiduciary capacity for a broad group of outsiders as one of their primary businesses and have a significant weight in the jurisdiction, regardless of their ownership structure or listed status.

While recognising that the scope of a jurisdiction’s sustainability-related financial disclosure requirements might extend beyond PAEs, the focus in this tool is the reporting ecosystem that supports high-quality sustainability-related financial disclosures by PAEs. The *Jurisdictional Guide* states that in developing jurisdictional profiles, the Foundation considers the extent to which sustainability-related financial disclosure requirements cover all or most PAEs (see Section 3.3 of the *Jurisdictional Guide*).

4 ‘Development partners’ refers to multilateral development banks and development agencies.

Figure 1—Ecosystem, preparer and support system readiness assessment areas



How jurisdictions should use this tool

The *Jurisdictional Readiness Assessment Tool* can be used flexibly at any stage of planning—from early scoping and exploration, to determining suitable pathways towards the adoption or other use of ISSB Standards and carrying out cost–benefit analysis. It is non-prescriptive and helps jurisdictions to find their own way towards adoption or other use of ISSB Standards.

The Foundation recommends that a jurisdiction begin by reviewing the **focus of the assessment, matters for consideration** and **suggested assessment questions** provided for each assessment area. The matters for consideration can help a jurisdiction to identify key diagnostic points and will form the basis for gathering evidence on practices and ecosystem capacity using the questions.

The **assessment approach** section outlines which methods—such as surveys, desktop analysis, stakeholder engagement or landscape mapping—might be most appropriate for gathering relevant insights. A jurisdiction should apply the methods that best reflect its circumstances and the availability of information.

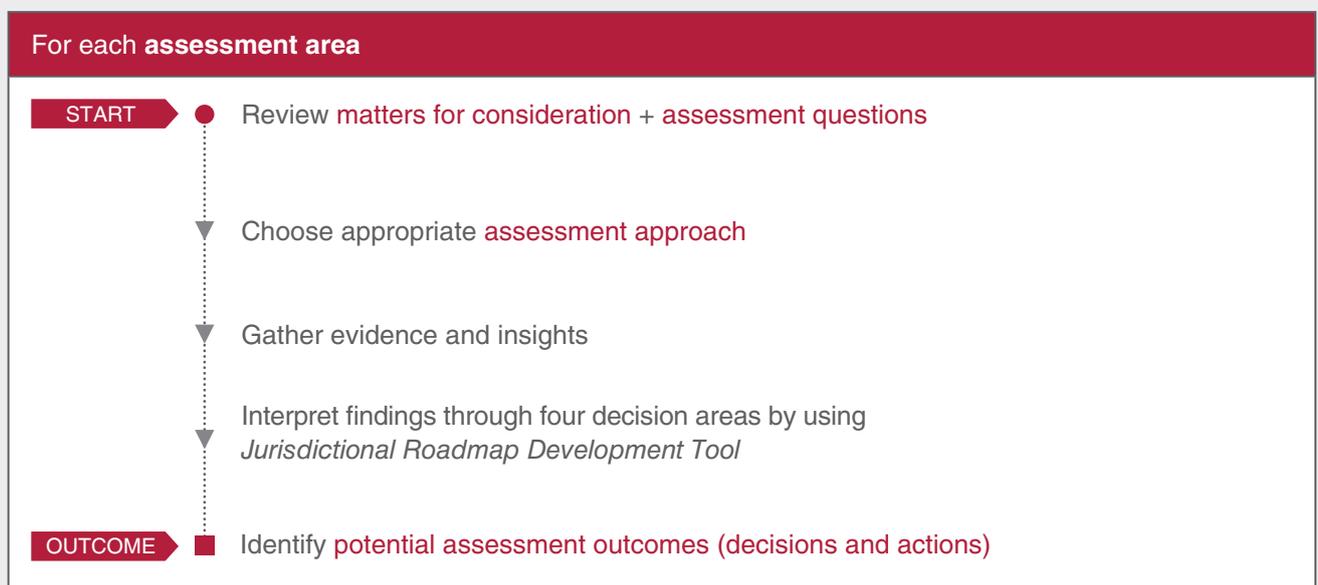
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A jurisdiction can then interpret its findings in relation to the four key decision areas of the *Roadmap Development Tool*: regulatory process (how), reporting entities (who), requirements (what) and readiness (when). For each assessment area, the **potential assessment outcomes** section outlines potential decisions as well as potential actions the jurisdiction might take to fill gaps it has identified.

Support system readiness:

- plays a role in this process as a bridge from diagnostic insights to practical action; and
- underpins both preparer and ecosystem readiness by helping to fill identified gaps with targeted capacity building and technical assistance.

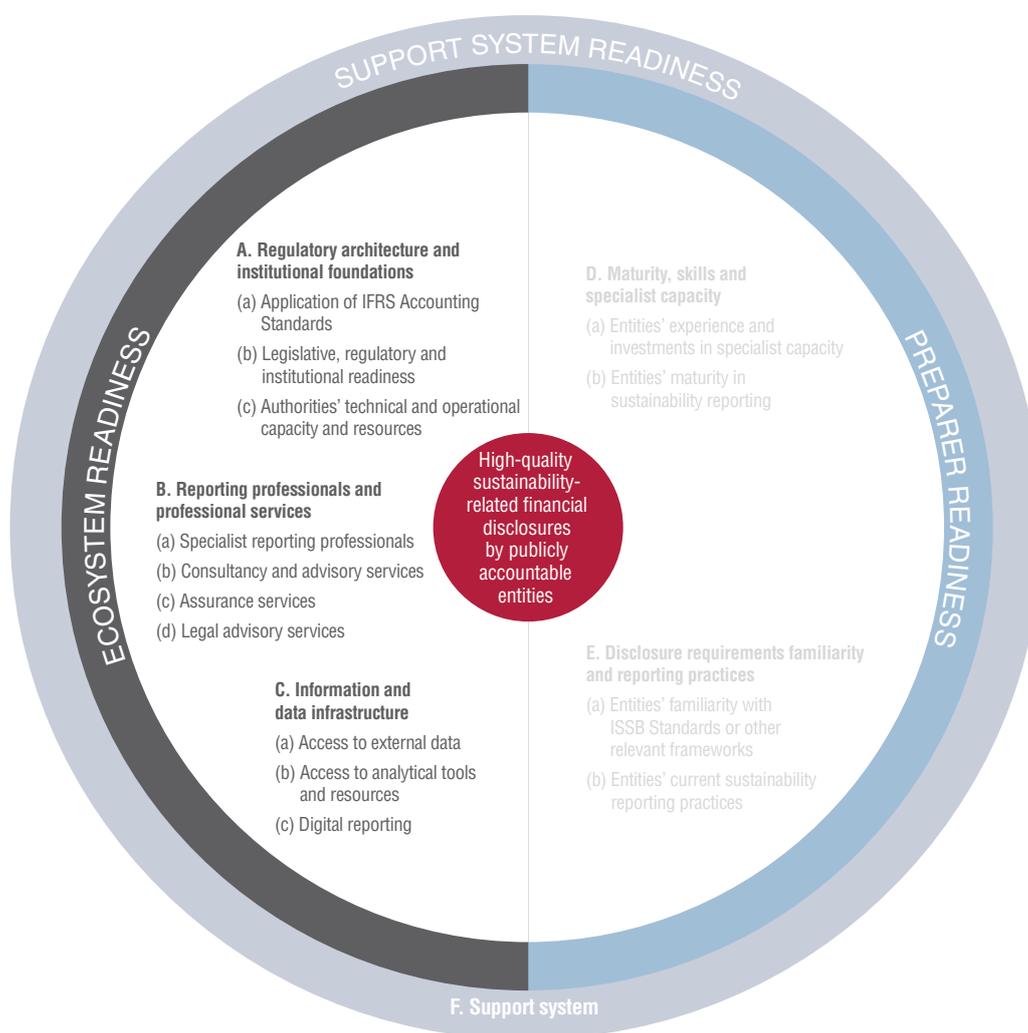
Figure 2—The jurisdictional assessment process



Ecosystem readiness

The ecosystem readiness domain focuses on the readiness of the reporting ecosystem of regulators, reporting professionals, professional services, data and information services to enable entities to make high-quality sustainability-related financial disclosures in accordance with ISSB Standards. This domain encompasses three assessment areas: A—Regulatory architecture and institutional foundations, B—Reporting professionals and professional services and C—Information and data infrastructure (see Figure 3).

Figure 3—Ecosystem readiness assessment areas



Assessment area A—Regulatory architecture and institutional foundations

Focus of the assessment

This assessment area is designed to help a jurisdiction to determine the readiness of its regulatory architecture and institutional foundations to introduce enforceable sustainability-related financial disclosure requirements, oversee high-quality sustainability-related financial reporting and instil confidence among capital market participants.

This assessment area examines:

- **the jurisdiction’s application of IFRS Accounting Standards.** This aspect helps a jurisdiction to examine the extent to which entities already apply IFRS Accounting Standards or local generally accepted accounting principles (GAAP) substantively aligned with IFRS Accounting Standards. In a jurisdiction in which entities apply IFRS Accounting Standards or aligned GAAP, preparers and the wider ecosystem will be familiar with the Conceptual Foundations in IFRS S1 on which ISSB Standards are developed and are likely to have arrangements in place that can be leveraged for the adoption or other use of ISSB Standards. Such familiarity will reduce costs and complexity for preparers, regulators and the wider ecosystem. Gaps that remain might signal the need for additional capacity building or transitional measures.
- **legislative, regulatory and institutional readiness to accommodate sustainability-related financial disclosure requirements.** This aspect helps a jurisdiction to assess whether a clear legal mandate exists to introduce sustainability-related financial disclosure requirements, and whether arrangements are already in place to coordinate actions among regulators to avoid duplication. Robust legal frameworks and defined processes enable consistent and enforceable application. Gaps might require reform, phased introduction or enhanced inter-agency coordination.
- **authorities’ technical and operational capacity and resources to introduce, supervise and enforce sustainability-related financial disclosures in accordance with ISSB Standards.** This aspect helps a jurisdiction to consider regulators’ familiarity with ISSB Standards (and other sustainability-related sources of guidance) and their ability to supervise and enforce disclosures.⁵ Points to assess include the presence of supervisory and enforcement procedures, staffing, expertise and digital infrastructure relevant to the regulation of sustainability-related financial disclosures. Existing prudential supervisory activities in areas such as climate-related risk management, scenario analysis or stress testing might also contribute to the authorities’ technical and operational capabilities. Strong capacity in these areas supports credible implementation and enforcement. Limited capacity highlights a need for targeted training, guidance and resourcing.

⁵ Other sustainability-related sources of guidance include the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standards Board (SASB) Standards, the Climate Disclosure Standards Board (CDSB) Standards, the Carbon Disclosure Project (CDP) questionnaires, the International Integrated Reporting (IR) Framework developed by the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) Standards and the European Sustainability Reporting Standards (ESRS).

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess whether the jurisdiction applies IFRS Accounting Standards.</p> <p>NOTE: Jurisdictions that already require or permit reporting in accordance with IFRS Accounting Standards or aligned local GAAP might be more likely to have institutional familiarity with the concepts, reporting structures and governance practices in ISSB Standards (see assessment area E—Disclosure requirements familiarity and reporting practices).</p> <p>NOTE: Paragraph 52 of the <i>Jurisdictional Guide</i> states: 'Jurisdictions that have managed a successful adoption process for IFRS Accounting Standards have tended to identify and equip either a single organisation or an inter-agency committee with the necessary statutory powers to drive the project' (see matter for consideration (b) below).</p>	<p>(i) Are IFRS Accounting Standards formally required or permitted in the jurisdiction for financial reporting purposes?</p> <p>(ii) If the answer to (i) is yes, what is the legal or regulatory basis for this regulation (for example, securities law, exchange rules, sectoral regulations)?</p> <p>(iii) If the answer to (i) is yes, which types of entities are required or permitted to report in accordance with IFRS Accounting Standards?</p> <p>(iv) If the answer to (i) is yes, does the jurisdiction have a licensing arrangement with the Foundation for translating or publishing IFRS Accounting Standards for adoption or other use?</p> <p>(v) If the answer to (i) is no, to what extent is local GAAP aligned with IFRS Accounting Standards?</p> <p>(vi) Which jurisdictional authority (or authorities) has responsibility for introducing legal or regulatory measures to support financial reporting (for example, securities regulator, prudential supervisor)? To what extent can such arrangements be leveraged for the adoption or other use of ISSB Standards?</p> <p>(vii) To what extent have preparers, regulators or other ecosystem providers already built evidence of technical competence, professional judgement and consistent application of IFRS Accounting Standards or aligned local GAAP?</p> <p>(viii) To what extent has the jurisdiction already created financial reporting calendars, assurance mechanisms and IT systems that support reporting in accordance with IFRS Accounting Standards or aligned requirements? To what extent can such arrangements be leveraged for the adoption or other use of ISSB Standards?</p> <p>(ix) To what extent could regulators and other relevant authorities leverage existing procedures for supervising or enforcing financial reporting (for example, IFRS Accounting Standards) to build capabilities for supervising or enforcing sustainability-related financial disclosures (see matter for consideration (c) below)?</p> <p>(x) To what extent has the jurisdiction previously engaged with the Foundation's standard-setting process (for example, commenting on exposure drafts, engaging in consultations)?</p>
<i>continued ...</i>	

Matters for consideration	Suggested questions
<p data-bbox="124 427 778 510">(b) Assess the jurisdiction's legislative, regulatory and institutional readiness to accommodate sustainability-related financial disclosure requirements.</p> <p data-bbox="124 533 778 638">NOTE: In the <i>Jurisdictional Guide</i>, adoption or other use of ISSB Standards by a jurisdiction is understood to be a legal or regulatory action taken by a jurisdiction to require or explicitly permit entities to apply ISSB Standards.</p> <p data-bbox="124 651 778 880">The <i>Roadmap Development Tool</i> notes that the pace of adoption or other use of ISSB Standards might vary depending on a range of factors. In some jurisdictions, the relevant regulatory and policy framework might already be well defined, with clear governance and statutory arrangements, facilitating a faster adoption path. In others, it might be necessary to introduce new legislation or create new institutions. Some jurisdictions might need to amend several pieces of legislation, whereas others might need to make just one change. The time needed to introduce or amend the appropriate legislation might differ between jurisdictions.</p> <p data-bbox="124 898 778 1003">NOTE: Clear designation of authority can help to ensure effective implementation. A lack of clear leadership can create uncertainty, delay progress and undermine implementation quality (see paragraph 31 of the <i>Roadmap Development Tool</i>).</p>	<ul style="list-style-type: none"> <li data-bbox="817 418 1453 510">(i) Are relevant laws and regulations on sustainability reporting already in place (see assessment area E—Disclosure requirements familiarity and reporting practices)? <li data-bbox="817 517 1453 609">(ii) If the answer to (i) is yes, to what extent can existing laws and regulations be leveraged or adapted to adopt or otherwise use ISSB Standards? <li data-bbox="817 616 1453 741">(iii) If existing laws and regulations cannot be leveraged or adapted, has the jurisdiction already established a clear legal basis for incorporating ISSB-aligned reporting requirements into its regulatory or legislative framework? <li data-bbox="817 748 1453 808">(iv) Are regulators' roles and responsibilities with respect to the adoption or other use of ISSB Standards clearly defined? <li data-bbox="817 815 1453 936">(v) Can regulators and other relevant authorities and other stakeholders leverage existing forums or processes to coordinate actions related to adoption or other use of ISSB Standards? <li data-bbox="817 943 1453 1034">(vi) Does the jurisdiction have a due process for adopting individual ISSB Standards (both initial adoption and ongoing adoption of new and evolving Standards)? <li data-bbox="817 1041 1453 1167">(vii) Does the existing regulatory framework provide ways to integrate updates to ISSB Standards in a timely way (for example, incorporation by reference, delegated rulemaking, or endorsement processes)? <li data-bbox="817 1173 1453 1339">(viii) What capability building or coordination activities (such as training for regulators, inter-agency committees or technical assistance programmes) have been carried out to strengthen legislative, regulatory and institutional readiness for sustainability reporting? What capacity building needs remain?
<i>continued ...</i>	

Matters for consideration	Suggested questions
<p>(c) Assess authorities' technical and operational capacity and resources to introduce, supervise and enforce sustainability-related financial disclosures prepared in accordance with ISSB Standards.</p> <p>NOTE: The ISSB Standards incorporate disclosure requirements based on the TCFD Recommendations and the SASB Standards. In addition, ISSB S1 establishes that entities may refer to and consider other sources of guidance when applying judgement to identify information about a sustainability risk or opportunity that (i) is relevant to the decision-making of users of general purpose financial reports and (ii) faithfully represents that sustainability risk or opportunity (see paragraphs 57–58 of IFRS S1). Accordingly, authorities' knowledge and experience with other sources of guidance can support readiness.</p> <p>NOTE: In some jurisdictions, supervision and enforcement of sustainability-related financial disclosures might lie with existing authorities for capital markets or financial reporting. Other jurisdictions might need to set new mandates (see paragraph 72 of the <i>Roadmap Development Tool</i>). Regulators might also need to consider capacity building needs within their supervisory ecosystem (see paragraph 71 of the <i>Jurisdictional Guide</i> and assessment area F—Support system).</p> <p>NOTE: The adoption or other use of ISSB Standards might require new supervisory capacities. 'Supervisors and enforcers may ... use any transition period ... to build up the required competencies, skills, expertise and resources.' (see paragraph 74 of the <i>Roadmap Development Tool</i> and assessment area F—Support system).</p> <p>NOTE: Questions (iv) and (v) do not assess the adequacy of prudential regulation, but instead focus on identifying existing technical and operational capabilities associated with these activities that might be leveraged to support the supervision and enforcement of sustainability-related financial disclosures.</p>	<p>(i) To what extent are regulators and other relevant authorities familiar with ISSB Standards?</p> <p>(ii) To what extent are relevant authorities familiar with other sustainability-related sources of guidance, such as:</p> <ol style="list-style-type: none"> (1) the TCFD recommendations; (2) the SASB Standards; (3) the CDSB Standards; (4) the IR Framework; (5) the GRI Standards; (6) the ESRS; or (7) others? <p>(iii) To what extent do relevant authorities have knowledge and experience of sustainability-related requirements or sustainability-related risks and opportunities arising from other regulatory activities (for example, activities related to green or sustainable finance, sustainability-labelled instruments and products, green or sustainable taxonomies)?</p> <p>(iv) As an example of other relevant regulatory activities (see (iii)), have existing prudential supervisory activities in areas such as climate risk management, scenario analysis or stress testing helped to build technical and operational capabilities relevant to the supervision and enforcement of sustainability-related financial disclosures?</p> <p>(v) To what extent do any activities in (iv) apply to entities that are within, or expected to be within, the initial scope of sustainability-related financial disclosure requirements?</p> <p>(vi) To what extent do relevant authorities have experience in monitoring and engaging with reporting entities in areas where reporting entities will need to exercise judgement?</p> <p>(vii) Do relevant authorities have enough staff, systems (including digital platforms) and budget to supervise and enforce sustainability-related financial disclosures effectively?</p> <p>(viii) Have supervisory staff received targeted training or built familiarity with ISSB Standards and educational materials relating to ISSB Standards? What capacity building needs remain?</p>

Assessment approach

A jurisdiction might consider a combination of approaches to assess this area—for example:

- **structured interviews** or **roundtable consultations** with representatives of different regulators or other institutions, to build a shared understanding of mandates, existing regulations, inter-agency coordination mechanisms and supervisory and enforcement capabilities.
- **desktop analysis**, including systematic review of existing regulations and standard-setting or endorsement processes, to determine the most appropriate way to introduce sustainability-related financial disclosure requirements into the legal and regulatory framework.

Potential assessment outcomes

Potential decisions

This section relates directly to the section ‘Regulatory process (how?)’ in the *Roadmap Development Tool*, including sub-components of that section on existing laws/regulations, the adoption process and institutional roles/responsibilities (see paragraphs 20–21 of the *Roadmap Development Tool*).

The insights from this assessment could support high-level decisions on:

- **regulatory mandate**—clarifying or strengthening the statutory basis for adoption or other use of ISSB Standards, including responsibilities for supervision and enforcement, to underpin high-quality, consistent application of sustainability-related financial disclosure requirements;
- **institutional responsibilities**—determining clear roles and responsibilities for jurisdictional regulators and other relevant authorities (for example, securities regulators, central banks, exchanges) in the process of adopting or otherwise using ISSB Standards, supported by formal coordination mechanisms to avoid gaps or duplication; and
- **due process**—embedding transparent regulatory procedures, such as public consultation, impact assessment and structured engagement with preparers and market participants.

Potential actions

Depending on the findings from this assessment, follow-up actions could include:

- **building capacity for regulators**—by delivering structured capacity building programmes for regulatory authorities that cover ISSB Standards disclosure requirements and supervisory and enforcement practices (see assessment area F—Support system);
- **strengthening operations and resourcing**—by enhancing regulatory infrastructure, including workflows, escalation protocols and resourcing (staffing, expertise and funding) to support long-term supervisory and enforcement activities; and
- **enhancing supporting infrastructure**—by investing in digital platforms for intake, validation, analysis and publication of sustainability-related financial disclosures and by encouraging active use of IFRS Foundation and partner educational materials to build familiarity.

Assessment area B—Reporting professionals and professional services

Focus of the assessment

This assessment area is designed to help a jurisdiction to determine whether preparers have access to the skills, advice, assurance and legal services they need to make high-quality sustainability-related financial disclosures. This assessment area examines entities' access to:

- **specialist reporting professionals.** This aspect helps a jurisdiction to examine whether a sufficiently qualified and accessible base of reporting professionals is available to support the application of ISSB Standards. It helps a jurisdiction to consider the presence of transferable skills (for example, whether financial reporting or sustainability professionals have relevant skills that can be transferred to sustainability-related financial reporting) and the extent to which concepts and requirements pertinent to sustainability-related financial reporting are embedded in qualifications, certifications and continuing professional development programmes. It also helps a jurisdiction to consider the role of professional associations in promoting awareness. Strong professional capacity supports consistent and scalable adoption. Gaps might require targeted training, professional pathways and accreditation schemes.
- **consultancy and advisory services.** This aspect helps a jurisdiction to review the availability and quality of advisory services capable of supporting entities in implementing reporting processes and controls for applying ISSB Standards. It helps a jurisdiction to assess whether advisory capacity is adequate across sectors and entity types, including smaller entities. Proper advisory support enables timely and effective implementation, whereas limited access might necessitate implementing requirements in stages or relying on external technical assistance.
- **assurance services.** This aspect helps a jurisdiction to evaluate the capacity of its assurance sector to deliver credible and high-quality sustainability-related assurance. It helps a jurisdiction to consider the availability of qualified assurance providers, the use of internationally recognised assurance standards and the breadth of assurance coverage for different kinds of reporting entities. A robust assurance ecosystem instils confidence in sustainability-related financial disclosures and supports early adoption and application of sustainability assurance standards by assurance providers. Gaps might imply a need to build up assurance provision on sustainability-related financial disclosures and introduce targeted capacity building initiatives for assurance providers.
- **legal advisory services.** This aspect helps a jurisdiction to consider whether legal professionals are equipped to understand obligations for sustainability-related financial disclosure and advise on the intersection of those obligations with corporate and securities law. It also helps a jurisdiction to review the extent to which the legal profession has developed sustainability reporting expertise and can provide guidance and advice to help entities to advance in their application of ISSB Standards. Gaps might require targeted training or other measures to strengthen the profession's capacity.

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess entities' access to specialist reporting professionals.</p> <p>NOTE: The <i>Roadmap Development Tool</i> observes that jurisdictions might need specialised human resources and data systems, obtained by recruitment, training or access to external specialists. Effective dates and transition reliefs are linked to concrete plans to build expertise before fully mandating requirements (see assessment area E—Disclosure requirements familiarity and reporting practices).</p>	<p>(i) To what extent do entities have access to reporting professionals familiar with ISSB Standards, and how does this access differ by:</p> <ol style="list-style-type: none"> (1) entity size (for example, large-cap or small-cap); (2) sector (for example, financial institutions, manufacturing, services); and (3) geographical reach of operations? <p>(ii) What gaps in access remain most significant?</p> <p>(iii) To what extent are professionals with transferable skills present in the jurisdiction—for example, financial reporting or sustainability professionals with skills that can be transferred to sustainability-related financial reporting?</p> <p>(iv) What arrangements are already in place to recruit, train or use external specialists to bridge near-term needs?</p> <p>(v) To what extent do initial professional qualifications and continuing professional development include content on sustainability-related financial disclosures, including the principles, concepts and requirements in ISSB Standards?</p> <p>(vi) To what extent do accountancy training programmes (including those run by universities) include content on sustainability-related financial disclosures, including the principles, concepts and requirements in ISSB Standards?</p> <p>(vii) What is the typical length of time necessary for staff in key roles (finance, risk, sustainability, internal audit) to achieve competence in using ISSB Standards?</p> <p>(viii) To what extent are professional bodies (such as the International Federation of Accountants (IFAC) and its member bodies) actively providing tools, guidance and training that feature content on sustainability-related financial disclosures, including the principles, concepts and requirements in ISSB Standards? To what extent are these resources available beyond main metropolitan areas?</p> <p>(ix) What structured capacity building initiatives (such as regulator-led programmes, partnerships with professional bodies and donor-supported technical assistance) have been carried out to expand access to specialist reporting professionals? What capacity building needs remain?</p>
	<p><i>continued ...</i></p>

Matters for consideration	Suggested questions
<p data-bbox="124 427 778 483">(b) Assess entities' access to consultancy and advisory services in the jurisdiction.</p> <p data-bbox="124 506 740 658">NOTE: The <i>Roadmap Development Tool</i> emphasises that jurisdictional readiness includes access to professional services that enable preparers to build systems, controls and internal governance necessary for high-quality sustainability-related financial disclosures. Advisory services serve as a bridge to internal capacity, particularly in the early phases of adoption.</p> <p data-bbox="124 674 778 801">NOTE: The Effects Analysis on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (<i>Effects Analysis</i>) notes that preparers will face up-front costs for finding qualified employees or consultants to help build reporting processes.</p>	<ul style="list-style-type: none"> <li data-bbox="817 418 1453 474">(i) To what extent are consultancy or advisory firms familiar with ISSB Standards? <li data-bbox="817 495 1453 741">(ii) To what extent do entities have access to consultancy and advisory services that are familiar with ISSB Standards, and how does this access differ by: <ul style="list-style-type: none"> <li data-bbox="865 595 1378 629">(1) entity size (for example, large-cap or small-cap); <li data-bbox="865 640 1461 696">(2) sector (for example, financial institutions, manufacturing, services); and <li data-bbox="865 707 1241 741">(3) geographical reach of operations? <li data-bbox="817 752 1302 786">(iii) What gaps in access remain most significant? <li data-bbox="817 797 1469 853">(iv) To what extent are consultancy and advisory services tailored to local preparers' needs? <li data-bbox="817 864 1445 954">(v) To what extent have local consultants or advisors contributed to preparer training or developed implementation guidance, methods or toolkits informed by ISSB Standards? <li data-bbox="817 965 1469 1055">(vi) To what extent do consultancy and advisory firms have technical skills and capacity obtained in relation to other related activities (for example, advising on green bonds)? <li data-bbox="817 1066 1461 1189">(vii) To what extent are local consultancy and advisory firms able to draw on expertise, methods or staff from affiliated international networks, thereby expanding the pool of available skills and ensuring alignment with international good practice? <li data-bbox="817 1200 1453 1379">(viii) What structured capacity building initiatives (such as training programmes, accreditation schemes or partnerships with professional bodies) have been carried out to strengthen consultancy and advisory service providers' ability to support high-quality sustainability-related financial disclosures? What capacity building needs remain?
<p data-bbox="1358 1391 1469 1413"><i>continued ...</i></p>	

Matters for consideration	Suggested questions
<p>(c) Assess entities' access to assurance services.</p> <p>NOTE: Assurance services are critical for enhancing trust and confidence in sustainability-related financial disclosures. In its 2023 report on the global assurance framework for sustainability-related corporate reporting, the International Organization of Securities Commissions (IOSCO) said that it 'considers the development of a robust, global assurance framework as an important part of the ecosystem towards reliable corporate reporting practices.'⁶</p> <p>Although ISSB Standards do not require assurance, the <i>Effects Analysis</i> emphasises growing market demand and jurisdictional interest in integrating assurance requirements over time, either on a mandatory or voluntary basis.</p> <p>NOTE: The International Auditing and Assurance Standards Board's (IAASB) ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements</i> and the International Ethics Standards Board for Accountants' (IESBA) <i>International Ethics Standards for Sustainability Assurance</i> (IESSA) set the global requirements to support sustainability assurance.</p> <p>NOTE: According to IFAC's report The State of Play: Sustainability Disclosure and Assurance, from 2019 to 2023 the percentage of companies that reported some ESG information increased from 91% in 2019 to 98% in 2023.⁷ Of those companies, 73% obtained some level of assurance on at least some of their sustainability disclosures by 2023. Greenhouse gas emissions remained the most widely assured category of sustainability-related information.</p>	<p>(i) To what extent are sustainability-related disclosures subject to assurance (whether voluntary or mandated)? What are the prevailing practices by type of preparer?</p> <p>(ii) To what extent do entities have access to assurance on sustainability-related financial disclosure, and how does this access differ by:</p> <ol style="list-style-type: none"> (1) entity size (for example, large-cap or small-cap); (2) sector (for example, financial institutions, manufacturing, services); and (3) geographical reach of operations? <p>(iii) What gaps in access remain most significant?</p> <p>(iv) To what extent do domestic assurance providers (audit firms or other qualified entities) have the capability to conduct high-quality assurance on sustainability-related financial disclosures?</p> <p>(v) To what extent do sustainability assurance engagements reference internationally recognised standards? Is there guidance or endorsement from national regular or professional bodies on their use?</p> <p>(vi) To what extent are domestic assurance providers familiar with, and building capacity for, the application of international standards such as ISSA 5000 and IESSA (for example, through training, pilots or professional development)?</p> <p>(vii) To what extent are auditing regulators supervising, or preparing to supervise, the quality and independence of sustainability assurance engagements?</p> <p>(viii) To what extent are mechanisms in place to promote the voluntary uptake of assurance ahead of any requirement for it (for example, through regulatory encouragement, market initiatives or professional body programmes)?</p> <p>(ix) What capacity building activities have been implemented to prepare assurance providers to deliver high-quality assurance on sustainability-related financial disclosures? What additional support is needed to build enough capacity for all market segments?</p>
<i>continued ...</i>	

⁶ International Organization of Securities Commissions (IOSCO), *Report on International Work to Develop a Global Assurance Framework for Sustainability-related Corporate Reporting*, IOSCO, 2023, paragraph 1.1, <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD729.pdf>.

⁷ International Federation of Accountants (IFAC), 'The State of Play: Sustainability Disclosure and Assurance—Five Year Trends & Analysis (2019–2023)', IFAC, 2025, <https://www.ifac.org/knowledge-gateway/audit-assurance/publications/state-play-sustainability-disclosure-and-assurance>.

Matters for consideration	Suggested questions
<p data-bbox="124 423 778 454">(d) Assess entities' access to legal advisors' services.</p> <p data-bbox="124 477 778 577">NOTE: Legal advisory services are an important enabler for preparers to understand the intersection between sustainability-related financial disclosure requirements and other obligations in corporate or securities law.</p> <p data-bbox="124 595 778 719">NOTE: The <i>Effects Analysis</i> found that stakeholders were concerned about liability—particularly if information is uncertain or data is incomplete. Legal advisors play an essential role in reviewing sustainability-related financial disclosures to ensure clarity, consistency and appropriate caveats.</p>	<ul style="list-style-type: none"> <li data-bbox="817 423 1453 477">(i) To what extent are legal advisory services available to support preparers in applying IFRS S1 and IFRS S2? <li data-bbox="817 495 1453 734">(ii) To what extent do entities have access to legal advisors' services related to sustainability-related financial disclosure, and how does this access differ by: <ul style="list-style-type: none"> <li data-bbox="865 595 1374 627">(1) entity size (for example, large-cap or small-cap); <li data-bbox="865 636 1453 689">(2) sector (for example, financial institutions, manufacturing, services); and <li data-bbox="865 707 1230 739">(3) geographical reach of operations? <li data-bbox="817 757 1294 788">(iii) What gaps in access remain most significant? <li data-bbox="817 797 1453 882">(iv) To what extent are national regulators, professional bodies or training providers equipping legal professionals with guidance or capacity building initiatives focused on ISSB Standards? <li data-bbox="817 900 1453 1032">(v) What initiatives (for example, training programmes, continuing legal education or guidance from bar associations) have been carried out to build legal professionals' capacity to provide high-quality advice on sustainability-related financial disclosure requirements? What additional capacity building needs remain?

Assessment approach

A jurisdiction might consider a combination of approaches to assess this area—for example:

- **consultations** or **focus-group discussions** with professional accountancy bodies, assurance firms, legal advisors (or bodies) and consultants. This type of stakeholder engagement can yield qualitative insights into skills, service capacity, coverage and gaps in relation to adoption or other use of ISSB Standards.
- **desktop analysis** to supplement stakeholder engagement by reviewing publicly available information on market maturity, pricing structures and training availability, and mapping the presence and distribution of service providers.

A jurisdiction might also consider including additional questions in wider surveys of preparers to capture their perspectives on access to and reliance on professional advisory services (see assessment area D—Maturity, skills and specialist capacity, and assessment area E—Disclosure requirements familiarity and reporting practices). This kind of multi-method approach enables jurisdictions to diagnose both institutional strengths and areas requiring capacity development to support high-quality implementation of ISSB Standards.

Potential assessment outcomes

Potential decisions

The insights from this assessment could be particularly helpful in supporting decisions on matters such as the **timing of disclosure requirements** and the extension of **transition reliefs**, as well as any **requirements for the assurance** of disclosures and any **phasing-in of assurance requirements**. Jurisdictions with strong professional and advisory services could be better positioned to adopt ISSB Standards early and comprehensively, potentially setting earlier effective dates, applying requirements broadly and introducing external assurance sooner than jurisdictions still at earlier stages. Conversely, those jurisdictions at earlier stages might find it appropriate to take a more gradual approach, prioritising specific entities or sectors, deferring assurance and implementing targeted measures to build capacity.

Potential actions

Depending on the findings from this assessment, follow-up actions could include:

- **integrating sustainability reporting content into professional pathways**—by collaborating with accountancy, assurance and legal professional bodies to include content aligned with ISSB Standards in initial professional development qualifications and continuing professional development programmes, thereby building a pipeline of professionals equipped to support high-quality sustainability-related financial disclosures;
- **strengthening accreditation and professional standards**—by creating or enhancing accreditation frameworks for sustainability reporting consultants and assurance providers that set expectations for training, professional standards and sector-specific experience with the aim of promoting consistency and credibility in the provision of services; and
- **clarifying recognised assurance frameworks in the jurisdiction**—by encouraging early familiarity with recognised sustainability assurance standards (for example, ISSA 5000 and IESSA) and access to capacity building for these standards (see assessment area F—Support system).

Assessment area C—Information and data infrastructure

Focus of the assessment

This assessment area is designed to help a jurisdiction to determine whether the information infrastructure is mature enough to enable timely and comparable reporting by entities. This assessment area examines:

- **access to external data.** This aspect helps a jurisdiction to assess entities' current and anticipated access to data to support high-quality sustainability-related financial reporting. The assessment helps a jurisdiction to consider matters such as the availability and quality of datasets and other data necessary to support high-quality financial disclosure of sustainability-related risks and opportunities throughout the value chain, including whether the data is timely, reliable and provides good coverage.
- **access to analytical tools and resources.** This aspect helps a jurisdiction to consider matters such as the availability and accessibility of analytical tools that help preparers to translate sustainability-related risks and opportunities into decision-useful sustainability-related financial information. The assessment also helps a jurisdiction to evaluate entities' access to support in using these analytical tools, including the availability of specialist sustainability consultancies, data analytics firms and fintech platforms that offer any necessary modelling services.
- **digital reporting.** This aspect helps a jurisdiction to examine whether a jurisdiction's ecosystem has the capacity and familiarity to implement a digital reporting system for sustainability-related financial disclosures. It helps a jurisdiction to consider preparers' and regulators' familiarity with digital tagging and filing, the extent to which digital reporting platforms such as XBRL are available and regularly updated, and the readiness of these platforms to integrate the IFRS Sustainability Disclosure Taxonomy.

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess access to external data to support high-quality reporting.</p> <p>NOTE: ISSB Standards provide guidance on measurement approaches to support high-quality reporting. For example, the Scope 3 greenhouse gas emissions measurement framework set out in Appendix B of IFRS S2 provides support for an entity in preparing its disclosures of Scope 3 greenhouse gas emissions (see paragraphs B32–B63 of IFRS S2).</p> <p>IFRS S2 (paragraph B38) notes that ‘an entity’s measurement of Scope 3 greenhouse gas emissions is likely to include the use of estimation rather than solely comprising direct measurement. In measuring Scope 3 greenhouse gas emissions, an entity shall use a measurement approach, inputs and assumptions that result in a faithful representation of this measurement.’</p> <p>IFRS S2 (paragraph B40) also requires an entity to ‘prioritise inputs and assumptions using these identifying characteristics (listed in no particular order):</p> <ul style="list-style-type: none"> (i) data based on direct measurement; (ii) data from specific activities within the entity’s value chain; (iii) timely data that faithfully represents the jurisdiction of, and the technology used for, the value chain activity and its greenhouse gas emissions; and (iv) data that has been verified.’ <p>NOTE: The Foundation’s educational materials on proportionality mechanisms set out the circumstances in which an entity is required to ‘use all reasonable and supportable information that is available at the reporting date without undue cost or effort’ to disclose sustainability-related financial information. This requirement is designed to ease concerns around the need for flawless data.</p> <p>An entity considers factors that are specific to the entity and then general conditions in the external environment. When preparing sustainability-related financial disclosures on aspects specified by ISSB Standards (for example, disclosures on anticipated financial effects), all reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions.</p> <p>In identifying reasonable and supportable information, entities consider all information that is reasonably available to them, including information they already have. Entities need only use information available to them at the reporting date, including historical, current or forward-looking information (such as forecasts of future conditions). They need to have an appropriate basis for using the information. Entities cannot disregard information that is known or publicly available.</p> <p>Information comes from both internal and external sources of data. Internal data sources include the entity’s risk management processes or other reports and statistics. External data sources include public databases, industry and peer group experience, and external ratings.</p> <p>(For more information, see paragraphs B6–B10 of IFRS S1 and paragraphs BC8–BC17 of the <i>Basis for Conclusions on IFRS S1</i> General Requirements for Disclosure of Sustainability-related Financial Information.)</p>	<ul style="list-style-type: none"> (i) To what extent are datasets available to support high-quality financial disclosure of sustainability-related risks and opportunities throughout the value chain? (ii) What are the sources of data referenced in (i)? (iii) To what extent are (domestic or global) commercial data providers active in the jurisdiction? To what extent does the coverage of their data services include datasets pertinent to the activities of entities in the jurisdiction? (iv) To what extent do entities have access to relevant datasets, and how does this access differ by: <ul style="list-style-type: none"> (1) entity size (for example, large-cap or small-cap); (2) sector (for example, financial institutions, manufacturing, services); and (3) geographical reach of operations? (v) What gaps in access remain most significant? (vi) If useful datasets are not available, are there existing or planned initiatives to improve access to data in the near future (one to three years)? These initiatives could include proposals to develop a local database of emission factors, a data collection mechanism for the counterparty in the value chain or industrial initiatives for data sharing (see matter for consideration (d) in assessment area F—Support system). (vii) Are there any mechanisms helping entities collect information from value chain counterparts in the jurisdiction? Such mechanisms might include: <ul style="list-style-type: none"> (1) mandatory or voluntary disclosure requirements for value chain counterparts; (2) jurisdictional databases and registries; (3) smart metering infrastructure and energy tracing systems for real-time data; (4) digital supply chain tracking systems; (5) standardised questionnaire or templates that a reporting entity could leverage to request data from its counterparty in the value chain. (viii) To what extent do the datasets referenced in (i) possess the following attributes (which are qualitative characteristics of information as set out in IFRS S1): <ul style="list-style-type: none"> (1) timely; (2) faithfully representative of the entity’s activities; and (3) verifiable?
	<i>continued ...</i>

Matters for consideration	Decision points
<p>NOTE: To illustrate the range of data sources that might be relevant for any given sustainability-related financial disclosure requirement, examples of internal and external data sources for water and waste management and data security include:</p> <ul style="list-style-type: none"> • data from facility meters, purchase records and other internal energy management systems (internal sources); • data from the datasets and tools of non-governmental organisations (NGOs), national/regional water authority data, government databases or data from certification against industry standards (ISO) (external sources); and • data from internal systems, such as incident management systems, internal audits and risk assessment systems (internal sources); • data from privacy regulators and cybersecurity agencies, certification against industry standards (ISO, NIST) and third-party cybersecurity rating services (external sources). <p>NOTE: Refer to assessment area assessment area D—Maturity, skills and specialist capacity and assessment area E—Disclosure requirements familiarity and reporting practices.</p>	<p>(ix) What structured capacity building initiatives and infrastructure development (such as jurisdictional datasets building or donor-supported technical assistance) have already been carried out to expand access to external data to support high-quality sustainability-related financial disclosures? What capacity building needs remain?</p>
<p>(b) Assess access to analytical tools and resources in the ecosystem.</p> <p>NOTE: The <i>Roadmap Development Tool</i> emphasises that jurisdictional readiness might include access to providers of data services and analytical tools that enable preparers to process raw data into useful information necessary for high-quality sustainability-related financial disclosures. When assessing this matter, the jurisdiction takes into consideration ISSB Standards' proportionality mechanisms referred to in matter for consideration (a) above. These mechanisms are intended to respond to likely implementation-related resource constraints and data availability. Specifically:</p> <ul style="list-style-type: none"> • IFRS S1 (paragraphs 38–39) states: 'An entity need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity if the entity determines that: <ul style="list-style-type: none"> (a) those effects are not separately identifiable; or (b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. In addition, an entity need not provide quantitative information about the anticipated financial effects of a sustainability-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.' • IFRS S2 (paragraph 22) states that an entity is required to use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with its circumstances. • IFRS S2 also (paragraph B17) states that an entity might use a simpler approach to climate-related scenario analysis, such as qualitative scenario narratives, if such an approach is appropriate to its circumstances. 	<p>(i) To what extent are analytical tools, qualified service providers and fintech solutions available in the jurisdiction to support sustainability-related data processing and analysis, and implementation of ISSB Standards? How well developed are these capabilities?</p> <p>(ii) To what extent are globally recognised analytical tools (for example, greenhouse gas emissions measurement tools, scenario analysis, financial effects analysis tools) readily available and accessible to entities in the jurisdiction?</p> <p>(iii) To what extent do entities have access to analytical tools and resources in the ecosystem, and how does this access differ by:</p> <ol style="list-style-type: none"> (1) entity size (for example, large-cap or small-cap); (2) sector (for example, financial institutions, manufacturing, services); and (3) geographical reach of operations? <p>(iv) What gaps in access remain most significant?</p> <p>(v) Does the jurisdiction have a formal plan to enhance data tools and analytical services for sustainability reporting (see matter for consideration (d) in assessment area F—Support system).</p> <p>(vi) What structured capacity building initiatives (such as jurisdiction-supported analytical tools development or donor-supported technical assistance) have been carried out in the jurisdiction to enhance analytical tools and resources for high-quality sustainability-related financial disclosures? What capacity building needs remain?</p>
<i>continued ...</i>	

Matters for consideration	Decision points
<p>NOTE: The ISSB educational material Greenhouse Gas Emissions Disclosure Requirements Applying IFRS S2 Climate-related Disclosures provides information about the requirements for an entity to disclose its greenhouse gas emissions in accordance with IFRS S2.</p> <p>NOTE: The ISSB educational material Disclosing Information about Anticipated Financial Effects Applying ISSB Standards focuses on disclosures of information about anticipated financial effects of climate-related risks and opportunities.</p>	
<p>(c) Assess ecosystem familiarity with digital reporting for financial reporting and current and anticipated access to digital reporting.</p> <p>NOTE: Jurisdictions that do not have digital reporting frameworks might consider creating them. Digital reporting is increasingly being implemented by jurisdictions around the world. As noted in the <i>Roadmap Development Tool</i> (paragraph 89), digital reporting can assist regulators and policymakers by enabling:</p> <ul style="list-style-type: none"> • more efficient and effective market oversight activities and enforcement reviews; • automated validation checks and technology-driven monitoring; and • improved data sharing between regulators and government agencies. <p>The <i>Roadmap Development Tool</i> states that '[t]oday, many investors, companies and regulators are already receiving the benefits [of digital reporting]. More than 90% of listed entities (by global market capitalisation) are required to carry out digital financial reporting to some extent. Digital financial reporting is increasingly being implemented by jurisdictions around the world.'</p> <p>NOTE: Some jurisdictions might require entities to use the IFRS Accounting Taxonomy for financial statements prepared in accordance with IFRS Accounting Standards. The <i>Roadmap Development Tool</i> notes that the IFRS Sustainability Disclosure Taxonomy is '[d]esigned to be compatible with the IFRS Accounting Taxonomy, so that entities can use both IFRS digital taxonomies together to provide a holistic digital financial reporting package to investors.'</p>	<p>(i) To what extent are existing digital reporting tools and platforms available in the jurisdiction to support sustainability-related financial disclosures?</p> <p>(ii) To what extent do entities have access to digital reporting for financial statements and sustainability-related financial disclosures; for example, the IFRS Accounting Taxonomy and IFRS Sustainability Disclosure Taxonomy? How does this access differ by:</p> <ol style="list-style-type: none"> (1) entity size (for example, large-cap or small-cap); (2) sector (for example, financial institutions, manufacturing, services); and (3) geographical reach of operations? <p>(iii) What gaps in access remain most significant?</p> <p>(iv) Is there a regulatory framework or guidelines in place to support digital reporting for financial statements in the jurisdiction? If so, can the framework or guidelines be leveraged for sustainability-related financial disclosure?</p> <p>(v) Do market participants regard existing digital reports to be high-quality and useful?</p> <p>(vi) What structured capacity building initiatives and infrastructure development (such as training programmes, government-led research and development, or donor-supported technical assistance) have been carried out in the jurisdiction to enhance digital reporting for sustainability-related financial disclosures? What capacity building needs remain?</p>

Assessment approach

A jurisdiction might consider a combination of approaches to assess this area, for example:

- **stakeholder engagement** and **mapping of current sustainability reporting practices and service providers** to assess the status of the information infrastructure. These activities might include cross-authority meetings and roundtable consultations with professionals to build an initial overview of the information infrastructure and how it could be adapted for sustainability-related financial disclosures.
- a **survey**, based on that initial analysis, to assess entities' access to each component of the information infrastructure. The survey could be informed by the questions in the table 'Assessment—Considerations and questions', and could be carried out in conjunction with a **preparer survey** similar to that considered in assessment area D—Maturity, skills and specialist capacity, or separately.

Potential assessment outcomes

Potential decisions

The insights from this assessment could be particularly helpful in supporting decisions on:

- the **scope and phasing-in of requirements** for different groups of preparers (based on capacities, including their access to data and analytical services);
- the **timing of disclosure requirements** (based on, for example, whether the jurisdiction needs more time to develop or enhance its information and data infrastructure); and
- the **extension of transition reliefs** (informed by the access to and quality of relevant information and data inputs in the ecosystem).

Potential actions

Depending on the findings from this assessment, follow-up actions could include:

- **enabling or enhancing access to reliable and comparable data sources**—with accompanying data verification and regular data review and update mechanisms, including working with data service providers and providers of analytical tools to ensure local coverage;
- **working with support partners to encourage the development of free-to-market analytical tools**—to improve the quality of data-based sustainability-related financial disclosures; and
- **upgrading digital reporting infrastructure or developing new digital reporting infrastructure specific to sustainability-related financial disclosures**—to support the intake, validation, analysis and publication of sustainability-related financial disclosures, integrated with supervisory platforms if feasible.

Preparer readiness

The preparer readiness domain focuses on the readiness of entities to make high-quality sustainability-related financial disclosures. Preparer readiness encompasses two assessment areas: D—Maturity, skills and specialist capacity and E—Disclosure requirements familiarity and reporting practices (see Figure 4). This section elaborates on each of these assessment areas.

Figure 4—Preparer readiness assessment areas



Assessment area D—Maturity, skills and specialist capacity

Focus of the assessment

This assessment area is designed to help a jurisdiction set a baseline for the jurisdictional readiness assessments. This assessment area examines:

- **entities' experience in identifying, assessing and managing sustainability-related risks and opportunities, and investments in specialist sustainability-related skills and capacity.** An entity that recognises sustainability-related risks and opportunities as a driver of entity prospects might have already invested in specialist sustainability-related skills and capacity—for example, specialist sustainability-related skills, sustainability data and analytical tools and processes.
- **entities' maturity in sustainability reporting.** An entity with some experience in sustainability reporting will probably have some formal processes in place that can support the application of ISSB Standards—for example, data, review processes and controls, and governance arrangements that support management accountability and board oversight of sustainability-related financial disclosures.

This assessment area complements the detailed assessment of reporting practices recommended in assessment area E—Disclosure requirements familiarity and reporting practices.

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess entities' experience in identifying, assessing and managing sustainability-related risks and opportunities and their investments in specialist sustainability-related skills and capacity.</p> <p>NOTE: An entity is more likely to be well placed to identify and disclose material information about sustainability-related risks and opportunities if it is already familiar with how sustainability-related risks and opportunities might arise 'out of the interactions between an entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain' (see paragraph B2 of IFRS S1).</p> <p>NOTE: In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports. Such reports include financial statements and sustainability-related financial disclosures that provide information about a specific reporting entity (see the educational material Sustainability-related Risks and Opportunities and the Disclosure of Material Information).</p>	<p>(i) Do entities routinely assess how sustainability-related risks and opportunities might affect their prospects?</p> <p>(ii) To what extent have entities created processes to identify, assess and respond to sustainability-related risks and opportunities in:</p> <ol style="list-style-type: none"> (1) routine business functions; (2) the value chain; (3) financing arrangements (for example, issuance of green or sustainable financing instruments); (4) risk management; and (5) strategic decision-making? <p>(iii) To what extent do senior management and the boards of entities routinely consider sustainability-related risks and opportunities?</p> <p>(iv) What other specialist capacities have entities put in place that can be leveraged for sustainability-related financial reporting—for example:</p> <ol style="list-style-type: none"> (1) specialist sustainability-related skills and expertise; (2) sustainability-related data systems; (3) analytical tools or processes; (4) channels for cross-functional collaboration and information sharing; or (5) others? <p>(v) How much do the answers to (i)–(iv) differ by dimension or category (see Appendix B)?</p> <p>(vi) How much do the answers to (i)–(iv) differ by key aspects of entities' profiles—for example:</p> <ol style="list-style-type: none"> (1) entity size; (2) sector; or (3) geographical reach of operations?
<i>continued ...</i>	

Matters for consideration	Suggested questions
<p data-bbox="124 423 785 465">(b) Assess entities' maturity in sustainability reporting.</p> <p data-bbox="124 488 178 510">NOTE:</p> <p data-bbox="124 512 753 689">Companies that have been reporting sustainability-related information, whether voluntarily or by requirement, should be able to leverage their disclosure platforms, processes and governance arrangements to collect and report relevant sustainability-related information when applying IFRS S1 and IFRS S2 (see <i>Effects Analysis</i>). However, if previous reporting of sustainability-related financial information was not investor-focused, adjustments are still likely to be needed.</p> <p data-bbox="124 707 178 730">NOTE:</p> <p data-bbox="124 732 785 860">In assessing the costs and benefits of applying the ISSB Standards, the Foundation identified several areas in which entities—especially those that have not been doing sustainability reporting or have not been doing investor-focused sustainability reporting—might need to make up-front investments to build operational capacity for sustainability reporting. These areas include:</p> <ul data-bbox="124 878 785 1128" style="list-style-type: none"> • finding qualified staff or consultants; • staff education and training; • setting up new processes and information-gathering systems; • designing and implementing new internal controls; • integrating sustainability reporting into internal controls; and • integrating new sustainability-related data collection processes and current data collection processes for general purpose financial reporting. 	<ul data-bbox="810 423 1471 1964" style="list-style-type: none"> (i) To what extent have entities established processes to report internally and update senior management and the board systematically on sustainability-related matters? (ii) To what extent (and at what frequency) do entities report externally on sustainability-related matters? (iii) If entities report externally, do they do so in: <ul data-bbox="865 636 1471 784" style="list-style-type: none"> (1) general purpose financial reports; (2) stand-alone sustainability reports outside general purpose financial reports; or (3) other reporting channels? (iv) Has entities' previous reporting been focused on meeting the needs of investors or on broad stakeholder information needs? (v) To what extent do entities' internal or external reports include material information on sustainability-related risks and opportunities that could reasonably be expected to affect their prospects (see matter for consideration (a) above)? (vi) What formal processes do entities have in place to support the external reporting referenced in (ii)? Consider: <ul data-bbox="865 1072 1471 1406" style="list-style-type: none"> (1) use of specialist reporting professionals; (2) integration with financial reporting; (3) data collection and analysis; (4) dedicated review processes and controls; (5) internal audit; (6) oversight by senior management and the board; (7) audit or risk committees; and (8) other processes. (vii) How long have the reporting activities and processes in (i)–(vi) been in place? (viii) To what extent have entities developed internal capacity building programmes? (ix) What capacity building activities (such as training or technical assistance programmes) have already been carried out to strengthen preparer readiness for sustainability reporting? What capacity building needs remain? (x) How much do the answers to (i)–(ix) differ by sustainability-related dimension or category (see Appendix B)? (xi) How much do the answers to (i)–(ix) differ by key aspects of entities' profiles—for example, by: <ul data-bbox="865 1845 1471 1964" style="list-style-type: none"> (1) entity size; (2) sector; or (3) geographical reach of operations?

Assessment approach

To support this assessment, a jurisdiction might find it helpful to **survey entities** about their experience in identifying, assessing and managing sustainability-related risks and opportunities, and their maturity in sustainability reporting, including ISSB Standards (see also assessment area E—Disclosure requirements familiarity and reporting practices). The responses will give a jurisdiction a strong baseline understanding of preparers' own perceptions of their capabilities, experience and maturity—both in responding to sustainability-related risks and opportunities and in reporting on them.

Depending on the jurisdiction's rationale for the adoption or other use of ISSB Standards, some jurisdictions might choose to extend the coverage of their survey beyond PAEs. The previous table of matters for consideration and suggested questions might be helpful in developing the survey.

Potential assessment outcomes

Potential decisions

Preparedness can vary significantly by jurisdiction and can influence decisions on matters such as the timing, compliance basis and scope of application of sustainability-related financial disclosure requirements. If at least some preparers already have access to the necessary skills and specialist capacity, or are more experienced in sustainability reporting, it might be possible to introduce mandatory reporting for those preparers sooner.

Potential actions

Depending on the findings from this assessment, follow-up actions could include:

- **supporting preparers in identifying and disclosing material information** to ensure that those entities with some experience of sustainability reporting (including entities using standards or frameworks designed to meet the needs of a broader set of stakeholders) are well prepared to assess and disclose information about sustainability-related risks and opportunities that could reasonably be expected to affect entity prospects;
- **providing targeted support for reporting entities with less experience**, with a particular emphasis on the critical skillsets, capacities and processes required to identify sustainability-related risks and opportunities and to implement high-quality sustainability-related financial disclosures; and
- **building or leveraging strategic partnerships with appropriate support system providers to accelerate capacity building**, which could involve working with development partners to deliver targeted support (see assessment area F—Support system).

Assessment area E—Disclosure requirements familiarity and reporting practices

Focus of the assessment

This assessment area is designed to help a jurisdiction to build a more comprehensive picture of the status of sustainability reporting in the jurisdiction, down to the level of individual disclosure requirements and items. This assessment area examines:

- **entities' familiarity with ISSB Standards or other relevant frameworks for sustainability reporting.** These standards and frameworks include:
 - the IFRS Accounting Standards;
 - the TCFD recommendations;
 - the frameworks authored by sustainability reporting organisations consolidated into the Foundation and referenced as sources of guidance in ISSB Standards—that is, those of the SASB, IIRC and CDSB;
 - the CDP questionnaires; and
 - other third-party sustainability reporting sources of guidance—for example, the GRI Standards and ESRS.
- **entities' current sustainability reporting practices and the disclosure of information as required by ISSB Standards.**

This assessment area is designed to complement the assessment of preparers' readiness in relation to sustainability reporting practices in general, outlined in assessment area D—Maturity, skills and specialist capacity. Entities that are familiar with other relevant frameworks might have processes and data capabilities in place that can provide a foundation for the disclosure of financially material information about sustainability-related risks and opportunities.⁸ Comprehensive analysis in this area will provide a jurisdiction with more detailed, objective insight into the incremental effort and investment required to support high-quality sustainability-related financial disclosures in accordance with ISSB Standards.

⁸ Due to the broader scope of these frameworks, entities also need to ensure that they have the understanding and capabilities to identify and disclose material information about sustainability-related risks and opportunities that could reasonably be expected to affect their prospects to inform the decision-making of investors, in accordance with ISSB Standards.

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess entities' familiarity with ISSB Standards or other relevant frameworks for sustainability reporting.</p> <p>NOTE: The <i>Effects Analysis</i> states that IFRS S1 and IFRS S2 are likely to be implemented initially by entities that already voluntarily disclose sustainability-related information or comply with other mandatory reporting requirements. The <i>Effects Analysis</i> goes on to say that entities that apply IFRS Accounting Standards might also be in a good position to implement IFRS S1 and IFRS S2 because these entities have previously supported a globally comparable reporting system with an investor focus.</p> <p>If entities already apply IFRS Accounting Standards for financial reporting, they will be familiar with the key conceptual foundations of ISSB Standards. For example, IFRS S1 uses definitions and requirements that are consistent with the <i>Conceptual Framework for Financial Reporting</i>, IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. Such entities will also be familiar with the Foundation's standard-setting process, governance and activities, and might have started to become familiar with ISSB Standards.</p> <p>NOTE: Entities' experience using other sustainability standards can also be helpful. The <i>Jurisdictional Guide</i> states that 'if a jurisdiction has introduced regulatory requirements or set guidance based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Sustainability Accounting Standards Board (SASB) Standards or the Integrated Reporting Framework, and these reporting frameworks and standards are widely used by entities that will be subject to the sustainability reporting regulation, the transition to ISSB Standards may be easier because important elements of these reporting frameworks and standards are built into ISSB Standards.' The guide adds that the transition to ISSB Standards might also be easier in jurisdictions where the GRI Standards are widely used (paragraphs 43–44).</p> <p>NOTE: The Foundation's 2024 report Progress on Corporate Climate-related Disclosures (Progress Report 2024) found that in the fiscal year 2023 82% of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures, and 44% of companies disclosed information in line with at least five of the recommended disclosures. Some entities might also be familiar with the voluntary sustainability-related reporting frameworks consolidated into the Foundation and referenced as sources of guidance in ISSB Standards (see paragraphs 55 and 58 of IFRS S1).</p> <p>NOTE: The <i>Progress Report 2024</i> also found that '[b]etween October 2023 and March 2024, more than 1,000 companies referenced ISSB Standards in their reports. In Africa and Asia-Oceania, approximately half of the 554 companies that referenced ISSB Standards mentioned their current or future alignment in reporting with the sustainability-related disclosure requirements in ISSB Standards.'</p>	<p>(i) To what extent are entities familiar with ISSB Standards?</p> <p>(ii) To what extent do entities report in line with other sustainability-related reporting frameworks, such as:</p> <ol style="list-style-type: none"> (1) the TCFD recommendations; (2) the SASB Standards;⁹ (3) the IR Framework; (4) the CDSB Standards; (5) the CDP questionnaires; (6) the GRI Standards; (7) ESRS; or (8) others? <p>(iii) Were reporting practices developed in response to:</p> <ol style="list-style-type: none"> (1) domestic disclosure requirements; (2) requirements with extra-territorial effect; or (3) voluntary reporting? <p>(iv) How much do the answers to (i)–(iii) differ by key aspects of entities' profiles—for example, by:</p> <ol style="list-style-type: none"> (1) entity size; (2) sector; or (3) geographical reach of operations?
<i>continued ...</i>	

⁹ The Foundation provides monthly updates on entities reporting in line with SASB Standards, which jurisdictions can use to support their assessment of current reporting practice.

Matters for consideration	Suggested questions
<p data-bbox="124 427 778 517">(b) Assess entities' current sustainability reporting practices and the extent to which they disclose information required by ISSB Standards.</p> <p data-bbox="124 539 778 618">NOTE: See Appendix A for a summary of a sample of general disclosures included in IFRS S1 and IFRS S2, and Appendix B for the SASB General Issue Categories.</p>	<ul style="list-style-type: none"> <li data-bbox="810 421 1469 539">(i) To what extent do entities disclose information on all climate-related risks and opportunities or wider sustainability-related risks and opportunities in accordance with the disclosure requirements in IFRS S1 and IFRS S2 (see Appendix A)? <li data-bbox="810 551 1469 607">(ii) To what extent do entities assert compliance with ISSB Standards or the climate-related requirements in ISSB Standards? <li data-bbox="810 618 1469 741">(iii) To what extent have entities referenced ISSB Standards directly in their sustainability-related financial disclosures—either by applying ISSB Standards or by noting an intention to apply ISSB Standards in the future? <li data-bbox="810 752 1469 808">(iv) How much do answers to (i)–(iii) differ by sustainability-related dimension or category (see Appendix B)? <li data-bbox="810 819 1469 1021">(v) How much do answers to (i)–(iii) differ by key aspects of an entities' profile—for example, by: <ul style="list-style-type: none"> <li data-bbox="863 898 1018 931">(1) entity size; <li data-bbox="863 943 1018 976">(2) sector; or <li data-bbox="863 987 1241 1021">(3) geographical reach of operations?

Assessment approach

To support this assessment, a jurisdiction might find it helpful:

- to carry out a **preparer survey** to understand entities' familiarity and reporting practices, combined with any survey carried out in respect of assessment area D—Maturity, skills and specialist capacity.
- to carry out a detailed **desktop analysis of the content of public disclosures** by (a representative sample of) entities in the jurisdiction. The analysis might help a jurisdiction build an understanding of the extent to which entities already disclose information required by ISSB Standards.

Potential assessment outcomes

Potential decisions

The insights from this assessment could be particularly helpful in supporting decisions on matters such as the **scope and phasing-in of requirements** (for different cohorts of preparers), the **timing of disclosure requirements** and the extension of **transition reliefs**. If particular groups of preparers are more familiar with the ISSB Standards or other sustainability reporting sources of guidance, it might be possible to introduce mandatory reporting sooner.

Potential actions

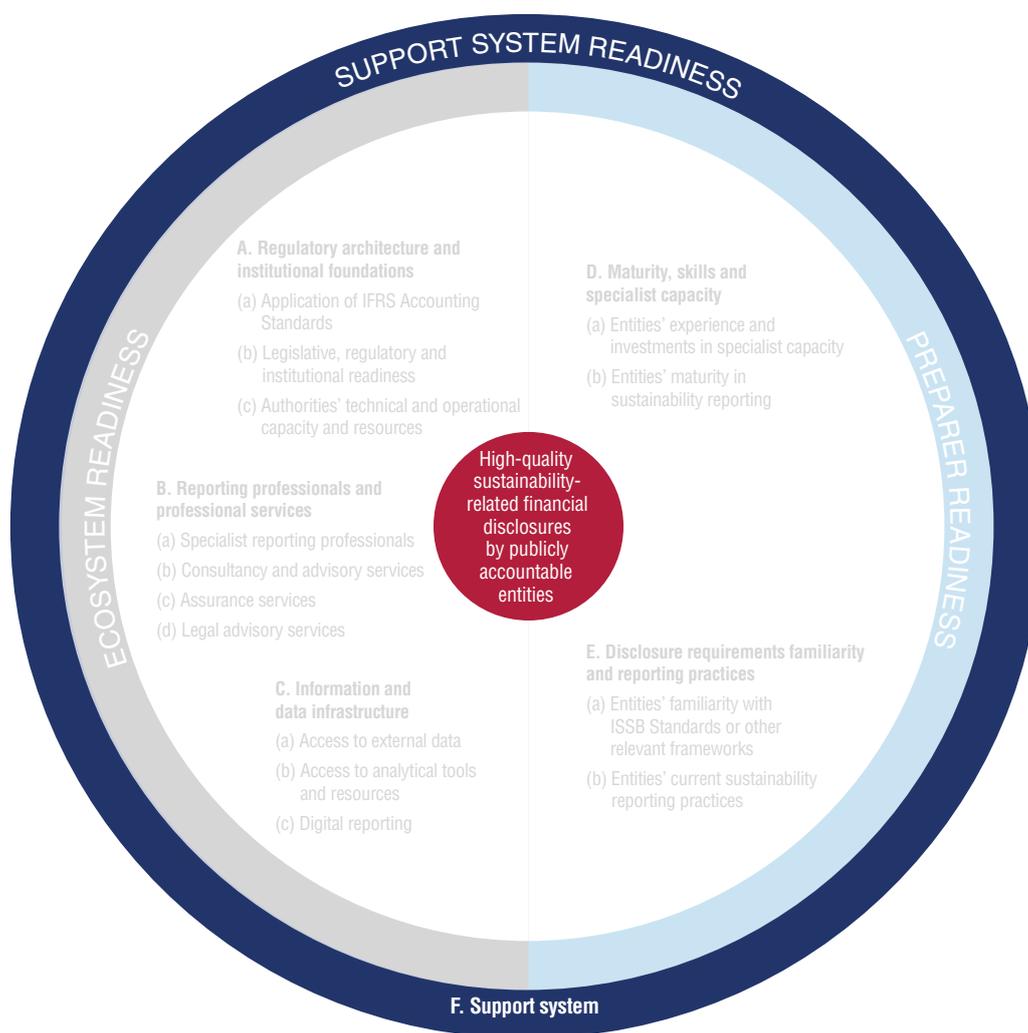
Depending on the findings from this assessment, follow-up actions could include:

- **delivering targeted capacity building for preparers**, focused on the more challenging disclosures with which preparers are less familiar and have less experience. Such capacity building might be directed at those groups of reporting entities that have been identified as having less familiarity with ISSB Standards and less experience in disclosing sustainability-related financial information required by ISSB Standards.
- **developing or signposting guidance, tools and resources**, particularly for the more challenging sustainability-related financial disclosures. Such guidance, tools and resources might, for example, include content in the IFRS Sustainability knowledge hub.
- **building or leveraging strategic partnerships with support system providers** to accelerate capacity building. These partnerships could, for example, involve working with development partners to deliver targeted capacity building or working with suitable professional services and technical partners to assist preparers in the key requirement areas identified as needing most support (see assessment area F—Support system).

Support system readiness

Gaps might be identified through the assessment of preparer and ecosystem readiness. If so, a jurisdiction will need to consider how the support system of development partners, accountancy bodies and other groups can be mobilised to assist preparers, regulators and the wider ecosystem to build the capacity needed to enable high-quality sustainability-related financial disclosures. This consideration is the focus of the support system readiness domain of assessment area F—Support system (see Figure 5). This section elaborates on this assessment area.

Figure 5—Support system readiness assessment area



Assessment area F—Support system

Focus of the assessment

This assessment area is designed to help a jurisdiction determine its current and anticipated access to support from development partners, accountancy bodies and others to build capacity and create an effective sustainability reporting ecosystem. This assessment area helps jurisdictions consider the extent to which relevant authorities, professional services firms and data and analytics service providers—as well as preparers themselves—have access to the resources and support they need.

A jurisdiction should consider:

- **regulators**, including whether authorities have access to the knowledge, tools and support mechanisms necessary to design, supervise and enforce sustainability-related financial disclosure requirements effectively and efficiently. The focus of this aspect is whether a jurisdiction is already leveraging such support to fill gaps identified in assessment area A—Regulatory architecture and institutional foundations, or is well positioned to do so based on arrangements, partnerships or funding streams.
- **professional services**, including the extent to which assurance providers, consultants and legal advisors can access the knowledge, training and institutional support they need to effectively assist entities in delivering high-quality sustainability-related financial disclosures. The focus of this aspect is whether a jurisdiction is already leveraging such support to fill capability gaps identified in assessment area B—Reporting professionals and professional services, or is well positioned to do so through programmes, accreditation systems or partnerships.
- **information and data infrastructure systems**, including the extent to which a jurisdiction—including preparers, regulators and professional services firms—can access the knowledge, tools and institutional support required to develop and maintain high-quality information infrastructure for disclosures made in accordance with ISSB Standards. The focus of this aspect is whether a jurisdiction is already leveraging such support to fill gaps identified in assessment area C—Information and data infrastructure (for example, data availability, analytical capacity and digital reporting platforms), or is well positioned to do so through programmes, partnerships or funding mechanisms.
- **preparers**, including whether entities can access the technical guidance, training and professional services necessary to produce high-quality sustainability-related financial disclosures. The focus of this aspect is whether a jurisdiction can leverage available support to fill gaps identified in assessment areas D—Maturity, skills and specialist capacity and E—Disclosure requirements familiarity and reporting practices, or is well positioned to do so based on its capabilities, programmes and partnerships.

Assessment—Considerations and questions

Matters for consideration	Suggested questions
<p>(a) Assess the jurisdiction's access to support for regulators.</p> <p>NOTE: If jurisdictions identify gaps in assessment area A—Regulatory architecture and institutional foundations, jurisdictions might find it useful to assess the extent to which they are leveraging available knowledge, tools and support mechanisms to fill these gaps or are otherwise well positioned to do so through arrangements, partnerships or funding streams.</p>	<p>(i) What advisory services, technical guidance and capacity building initiatives—such as engagement with ISSB activities and multilateral programmes—are available to the designated regulatory authority (or inter-agency task force) to strengthen supervision and enforcement capacity?</p> <p>(ii) To what extent is the jurisdiction leveraging programmes, funding arrangements, partnerships and integration into global or regional peer-learning networks (for example, IOSCO's Growth and Emerging Markets Committee) to provide effective support to regulators?</p> <p>(iii) What barriers—such as limited budgets, insufficient staff resources or restricted access to multilateral programmes—impede regulators' access to support? What opportunities exist to improve or expand available mechanisms?</p>
<p>(b) Assess the jurisdiction's access to support for professional services.</p> <p>NOTE: If jurisdictions identify gaps in assessment area B—Reporting professionals and professional services, they might consider the extent to which assurance providers, consultants and legal advisors have access to the knowledge, training and institutional support necessary to assist preparers effectively or are otherwise well positioned to do so through programmes, accreditation systems or partnerships.</p>	<p>(i) What guidance, training and capacity building support—including resources from international bodies and development partners—is available to accountants, assurance providers and other professional service providers to fill capability gaps in sustainability reporting and assurance?</p> <p>(ii) How effectively are professional organisation partnerships, regional initiatives and development programmes being leveraged to strengthen reporting and assurance capabilities?</p> <p>(iii) What constraints—such as gaps in education, limited access to guidance or insufficient professional development programmes—limit professional services providers' access to support? What opportunities exist to enhance or expand these resources?</p>
<i>continued ...</i>	

Matters for consideration	Suggested questions
<p data-bbox="124 427 778 483">(c) Assess the jurisdiction's access to support for information and data infrastructure.</p> <p data-bbox="124 506 778 685">NOTE: If jurisdictions identify gaps in assessment area C—Information and data infrastructure (for example, data availability, analytical capacity and digital reporting platforms), they might consider the extent to which they are leveraging—or are well positioned to leverage—support from international or regional initiatives, technical partners, NGOs and professional development programmes, or through programmes, partnerships or funding mechanisms.</p>	<ul style="list-style-type: none"> <li data-bbox="817 418 1469 595">(i) What capacity building support is available to build and develop high-quality information infrastructure—including the capabilities of entities, regulators and professional service providers—for collecting, analysing and reporting data and other information for sustainability-related financial disclosures? <li data-bbox="817 607 1469 719">(ii) To what extent are programmes, partnerships, funding arrangements and connections with global data or analytical service providers being leveraged to strengthen the jurisdiction's information infrastructure? <li data-bbox="817 730 1469 887">(iii) What barriers—such as limited resources, staff or access to technical support—affect the development of information infrastructure? What opportunities exist to expand or improve long-term capacity building for the jurisdiction's information infrastructure?
<p data-bbox="124 900 778 934">(d) Assess the jurisdiction's access to support for preparers.</p> <p data-bbox="124 965 778 1144">NOTE: If jurisdictions identify gaps in assessment area D—Maturity, skills and specialist capacity and assessment area E—Disclosure requirements familiarity and reporting practices, they could find it useful to assess the extent to which they have support arrangements in place to fill these gaps or are well positioned to do so by leveraging capabilities, programmes and partnerships in the support system.</p>	<ul style="list-style-type: none"> <li data-bbox="817 891 1469 1014">(i) Do preparers have access to guidance, training or advisory support that is specifically targeted at board and senior management oversight of sustainability-related risks and opportunities? <li data-bbox="817 1025 1469 1171">(ii) Do support system actors (for example, professional bodies, development partners or stock exchanges) provide resources that help preparers integrate sustainability-related financial disclosures into existing corporate governance and risk management activities? <li data-bbox="817 1182 1469 1305">(iii) What training, technical guidance and capacity building support is available to entities to close gaps in skills, requirements familiarity and specialist capacity identified in prior assessments? <li data-bbox="817 1317 1469 1406">(iv) To what extent is the jurisdiction leveraging programmes, partnerships and ecosystem arrangements to provide effective support to entities? <li data-bbox="817 1417 1469 1538">(v) What barriers—such as regulatory, technical or resource constraints—limit entities' access to support? What opportunities exist to create or expand programmes, partnerships or resources to strengthen readiness?

Assessment approach

To support this assessment, a jurisdiction might find it helpful to adopt an approach based on **mapping the sustainability reporting landscape**. This may involve gathering insights through engagement with preparers, authorities, professional services firms and data and analytics providers. This process establishes a foundation for evaluating readiness to access support systems. Information from these surveys and engagements helps a jurisdiction map stakeholders' familiarity with support initiatives, opportunities and access to partner resources.

A well-functioning support system **connects preparers and the jurisdictional ecosystem** with a diverse network of partners—for example, IOSCO, multilateral development banks, development agencies, accountancy bodies and other technical partners—that can provide financial and technical assistance, capacity building and opportunities for peer learning and exchange. Mapping the sustainability reporting landscape can assist jurisdictions in:

- matching jurisdictional needs with potential resources;
- identifying relationships that can be readily leveraged; and
- recognising barriers to accessing new resources or partnerships.

By linking preparer and ecosystem mapping with access to technical, training and advisory resources, this approach supports readiness assessments for preparer and ecosystem actors and informs broader roadmap design for high-quality implementation of requirements in accordance with ISSB Standards.

Potential assessment outcomes

Potential decisions

The insights from this assessment could be particularly helpful in determining the extent to which development partners and other support system partners—financial, technical and advisory—are already being leveraged or can be mobilised to strengthen the sustainability reporting ecosystem. If there is strong, well-coordinated access, jurisdictions might be able to accelerate the adoption and implementation of ISSB Standards, align roadmaps with multilateral initiatives and arrange funding for translation, training or infrastructure costs. If engagement with the support system is more limited—whether due to gaps in expertise, funding or peer-learning opportunities—a jurisdiction might decide to phase in sustainability reporting requirements, focusing first on priority capacity gaps and introducing support in stages accordingly.

Potential actions

Depending on the findings from this assessment, follow-up actions could include:

- **creating new partnerships**—by forging structured collaborations with development partners, accountancy bodies and others to mobilise coordinated support and aligning assistance with the jurisdiction's phased adoption of ISSB Standards;
- **lowering barriers to support**—by identifying and mitigating obstacles (such as lack of funding, expertise or access to peer-learning networks) that hinder effective use of support programmes and ensuring that support is accessible for entities, regulators, professional service providers and information infrastructure developers; and
- **building sustainable capacity programmes**—by developing and implementing targeted capacity building initiatives (such as training, technical guidance and advisory services) that use multi-stakeholder platforms or regional hubs to strengthen capabilities in order to accelerate adoption and ensure that local implementation insights inform support and standard-setting.

Appendix A—Sample of general disclosures required by IFRS S1 and IFRS S2 that can indicate preparer readiness

To build an objective evidence base that describes preparers' readiness at the level of individual disclosure items, assessment area E—Disclosure requirements familiarity and reporting practices recommends that jurisdictions carry out a desktop analysis of the extent to which entities already disclose information required by ISSB Standards. To support this analysis, a jurisdiction might assess the extent to which preparers disclose information about the four core content areas in [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [IFRS S2 Climate-related Disclosures](#)—governance, strategy, risk management, and metrics and targets.

Note: This appendix does not contain a comprehensive list of the requirements in IFRS S1 and IFRS S2, and it should not be used as a checklist to determine alignment with ISSB Standards. The list provides a sample of disclosures drawing from the core content in IFRS S1 and IFRS S2 that can be helpful in indicating entities' preparedness at a general level. A more comprehensive analysis would also consider specific provisions of the ISSB Standards associated with the disclosures.

Governance

- The governance body(ies) or individual(s) responsible for oversight of sustainability-related or climate-related risks and opportunities (see paragraph 27(a) of IFRS S1 and paragraph 6(a) of IFRS S2).
- Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related or climate-related risks and opportunities (see paragraph 27(b) of IFRS S1 and paragraph 6(b) of IFRS S2).

Strategy

- The sustainability-related risks and opportunities or climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraph 30(a) of IFRS S1 and paragraph 9(a) of IFRS S2).
- The current and anticipated effects of sustainability-related risks and opportunities or climate-related risks and opportunities on the entity's business model and value chain (see paragraph 32 of IFRS S1 and paragraph 13 of IFRS S2).
- The effects of sustainability-related risks and opportunities or climate-related risks and opportunities on the entity's strategy and decision-making (see paragraph 33 of IFRS S1 and paragraph 14 of IFRS S2).
- The effects of sustainability-related risks and opportunities or climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (see paragraph 34(a) of IFRS S1 and paragraph 15(a) of IFRS S2).
- The effects of sustainability-related risks and opportunities or climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities or climate-related risks and opportunities are included in the entity's financial planning (see paragraph 34(b) of IFRS S1 and paragraph 15(b) of IFRS S2).
- The entity's capacity to adjust to the uncertainties arising from sustainability-related risks or the resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into account the entity's identified climate-related risks and opportunities (see paragraph 41 of IFRS S1 and paragraph 22 of IFRS S2).

Risk management

- The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities or climate-related risks and opportunities (see paragraph 44(a)–(b) of IFRS S1 and paragraph 25(a)–(b) of IFRS S2).
- The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities or climate-related risks and opportunities are integrated into and inform the entity's overall risk management process (see paragraph 44(c) of IFRS S1 and paragraph 25(c) of IFRS S2).

Metrics and targets

- The metrics the entity uses to measure and monitor sustainability-related risks and opportunities (see paragraph 46(b) of IFRS S1).
- The entity's absolute greenhouse gas emissions, classified as Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (see paragraph 29(a) of IFRS S2).
- Information about the entity's vulnerabilities to climate-related transition risks (see paragraph 29(b) of IFRS S2).
- Information about the entity's vulnerabilities to climate-related physical risks (see paragraph 29(c) of IFRS S2).
- Information about the entity's exposure to climate-related opportunities (see paragraph 29(d) of IFRS S2).
- The entity's capital deployment (see paragraph 29(e) of IFRS S2).
- The entity's internal carbon prices (see paragraph 29(f) of IFRS S2).
- The relationship between executive remuneration and climate-related considerations (see paragraph 29(g) of IFRS S2).
- Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 28(b) of IFRS S2).
- The quantitative and qualitative sustainability-related targets or climate-related targets the entity has set, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities (see paragraph 51 of IFRS S1 and paragraph 28(c) of IFRS S2).

Appendix B—Sustainability-related dimensions and categories in SASB Standards

SASB Standards are referenced as a source of guidance in ISSB Standards. IFRS S1 states (paragraphs 55 and 58) that an entity ‘shall refer to and consider the applicability of the disclosure topics’ and the ‘metrics associated with the disclosure topics’ in SASB Standards:

- to identify sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects; and
- to identify information that is relevant to the decision-making of users of general purpose financial reports and faithfully represents a given sustainability-related risk or opportunity (see paragraphs 54–59 of IFRS S1).

The disclosure topics in the SASB Standards are organised by industry, with five sustainability dimensions that cut across industries. These five sustainability dimensions are further defined by a subset of General Issue Categories (GICs) that can be applied to all industries. A jurisdiction can use these categories to identify and differentiate the degree of preparer readiness across various sustainability-related dimensions or categories.

Table B1—Sustainability-related financial disclosure categories in SASB Standards

Dimension	SASB General Issue Category
Environment	GHG Emissions
	Air Quality
	Energy Management
	Water & Wastewater Management
	Waste & Hazardous Materials Management
	Ecological Impacts
Social Capital	Human Rights & Community Relations
	Customer Privacy
	Data Security
	Access & Affordability
	Product Quality & Safety
	Customer Welfare
	Selling Practices & Product Labelling
Human Capital	Employee Health & Safety
	Employee Engagement, Diversity & Inclusion
	Labor Practices
<i>continued ...</i>	

Dimension	SASB General Issue Category
Business Model and Innovation	Product Design & Lifecycle Management
	Business Model Resilience
	Supply Chain Management
	Materials Sourcing & Efficiency
	Physical Impacts of Climate Change
Leadership and Governance	Business Ethics
	Management of the Legal & Regulatory Environment
	Critical Incident Risk Management
	Systemic Risk Management
	Competitive Behavior

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