
ISSB Update—Q&A with ISSB leadership

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Presenters



Sue Lloyd
ISSB Vice-Chair

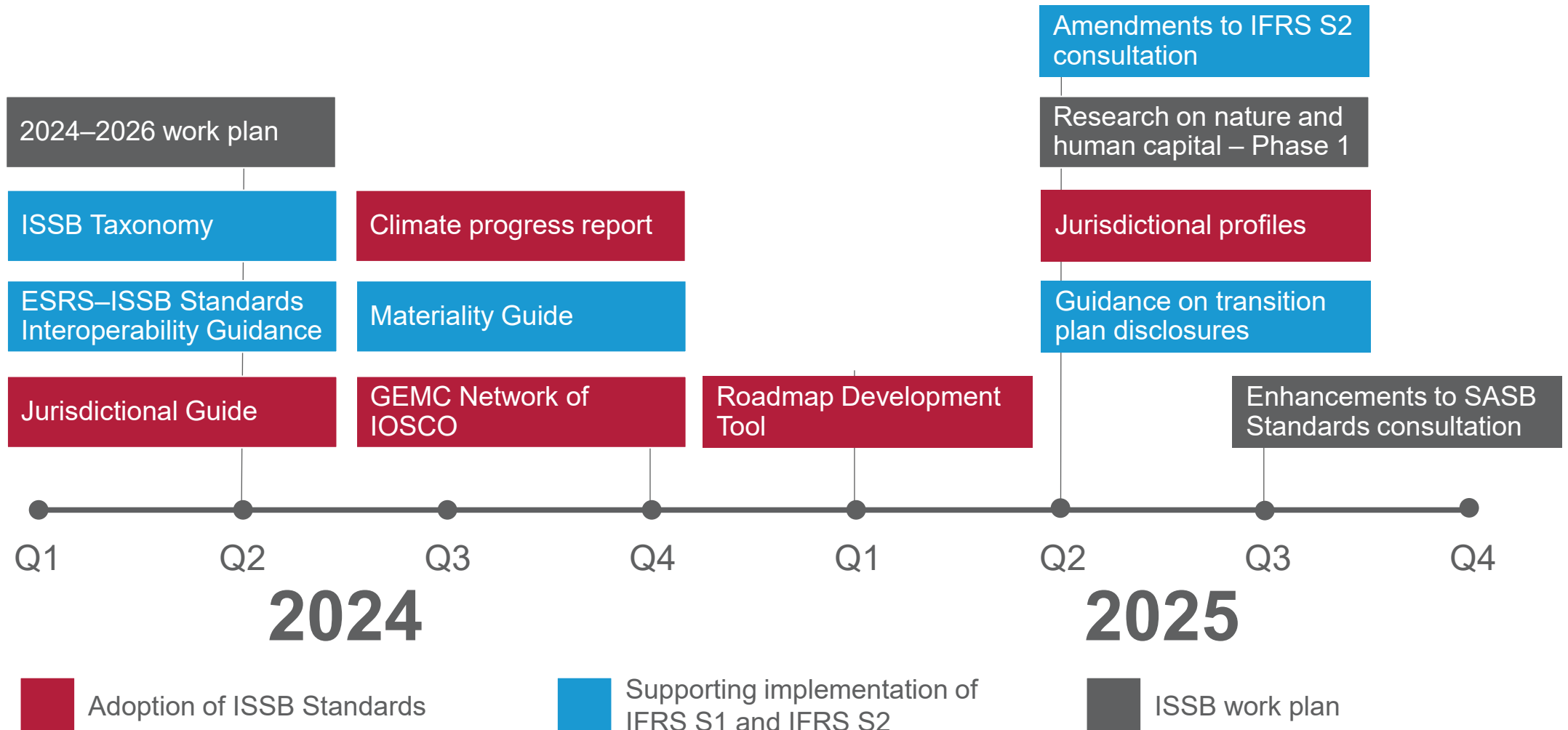


Bryan Esterly
ISSB Executive
Technical Director

- 1 Milestones since WSS Conference 2024
- 2 Adoption of ISSB Standards
- 3 ISSB technical work

Questions and Answers Session

Some recent ISSB milestones



Find out more in breakout sessions



Breakout 3—**SASB Standards**

- Overview of the proposals to enhance the SASB Standards for nine industries that the ISSB decided to prioritise



Breakout 4—**ISSB's research projects**

- Insights about the ISSB's research on biodiversity, ecosystems and ecosystem services and human capital



Breakout 5—**Disclosures about climate-related transition plans**

- Disclosure requirements in IFRS S2 related to an entity's climate-related transition and guidance made available by the IFRS Foundation to help entities applying these requirements



Early bird breakout 1—**Connecting financial statements and sustainability-related financial disclosures**



Early bird breakout 3—**Adoption status of ISSB Standards**

Adoption of ISSB Standards



Jurisdictions taking steps towards ISSB Standards

37 jurisdictions have already decided to use or are taking steps to introduce ISSB Standards in their legal or regulatory frameworks.

Together, these jurisdictions account for:

~60%

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

40%+

of **global market capitalisation**

~60%

of **global greenhouse gas emissions**

Profiles and snapshots provide transparency on progress



Clear market demand for clarity on jurisdictional approaches



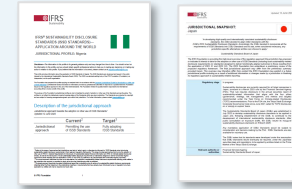
Investors and other capital market participants benefit from greater understanding of the degree of alignment of jurisdictional approaches to ISSB Standards and entities required to report



Regulators benefit from greater understanding of the decisions of those jurisdictions that have already adopted ISSB Standards



Preparers benefit from enhanced understanding of jurisdictional landscape and how to leverage ISSB Standards as a global passport to meet different jurisdictional requirements




Jurisdictional profiles and snapshots

Describe **jurisdictional approaches to adoption or other use of ISSB Standards**, including the regulatory stage, entities subject to the requirements and when they will become effective

First batch: **17 profiles and 16 snapshots**

Build on [Jurisdictional Guide](#) from May 2024

Support regulators, investors and preparers in **having access to information about jurisdictional approaches and steps being taken by jurisdictions in their adoption journeys**

|  | Updated 12 June 2025 |
|--|---|
| <h2>JURISDICTIONAL SNAPSHOT:</h2> <h3>Japan</h3> | |
| <p>In developing high-quality and internationally consistent sustainability disclosure practices, the ISSB decided to allow SSBs flexibility with the ISSB's IFRS Sustainability Standards. Accordingly, the ISSB decided to incorporate all the requirements of IFRS Standards into SSBs' standards, and as a result well-aligned necessary, any jurisdiction-specific alternatives entities can choose to apply.</p> | |
| <p>Sustainability Standards Board of Japan</p> <p>The IFPS Foundation is providing the high-level overview of the regulatory approach the jurisdictions has proposed or taken. It intends to take the role of the ISSB, which will develop the sustainability-related disclosures requirements (or standards) designed to deliver formalized aligned outcomes from those resulting from the application of IFRS 1-9. The Japanese Foundation has undertaken a preliminary review of the proposed regulatory regime. The final jurisdictional approach may differ from the preliminary summary provided herein. This overview may therefore either confirm the IFPS Foundation may publish in a future jurisdictional profile including as a result of additional information or changes made by a jurisdiction in finalizing its regulatory approach to sustainability-related reporting.</p> | |
| <p>Regulatory stage</p> | <p>In progress.</p> |
| | <p>Sustainability disclosures are currently required by all listed companies in Japan, pursuant to a March 2021 rule set by the Financial Services Agency (FSA). That rule requires companies to submit the annual securities report of sustainability-related information to the FSA along with the four pillars (governance, strategy, risk management, and metrics and targets) recommended under the Task Force on Climate-related Disclosures (TCFD)' recommendations. Prior to the FSA rule, the Tokyo Stock Exchange Corporate Governance Code since June 2011 called for TCFD disclosures on a 'comply or explain basis'.</p> |
| | <p>The Sustainability Standards Board of Japan (SSBJ) was established in July 2022 to develop sustainability disclosure standards to be applied in Japan and, following establishment of the SSBJ, to contribute to the development of international sustainability disclosure standards. After public consultation on exposure drafts, the SSBJ issued its inaugural sustainability disclosure standards on 1 March 2025.</p> |
| | <p>Any mandatory application of SSBs' Standards would be subject to approval and becoming binding if the SSBJ Standards are also available for voluntary use.</p> |
| | <p>The SSBJ notes that its standards were developed under the assumption that SSBs' Standards would be required under the Japanese securities laws and regulations, to be applied by entities listed on the Prime Market of the Tokyo Stock Exchange.</p> |
| <p>Relevant authority or authorities</p> | <p>Financial Services Agency Sustainability Standards Board of Japan</p> |

Jurisdictional profiles: 17

Americas

Brazil
Chile
Mexico

Asia-Oceania

Australia
Bangladesh
Chinese Taipei
Hong Kong SAR
Malaysia
Pakistan
Sri Lanka

EMEA

Ghana
Jordan
Kenya
Nigeria
Tanzania
Türkiye
Zambia



- 14 target full adoption of ISSB Standards
- 2 target adopting climate requirements in ISSB Standards
- 1 partially incorporates ISSB Standards

Jurisdictional snapshots: 16

Americas

Bolivia
Canada
Costa Rica
El Salvador

Asia-Oceania

China
Indonesia
Japan
Philippines
Singapore
South Korea
Thailand

EMEA

Rwanda
Switzerland
Uganda
UK
Zimbabwe



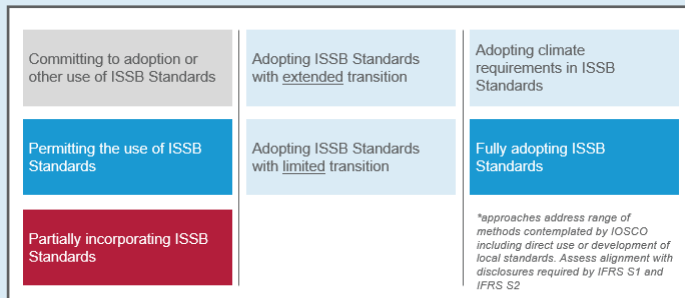
- 12 have proposed standards that are fully aligned with ISSB Standards or designed to deliver functionally aligned outcomes
- 3 have proposed to incorporate significant portion of ISSB Standards
- 1 considering permitting use of ISSB Standards

Key information within the jurisdictional profiles



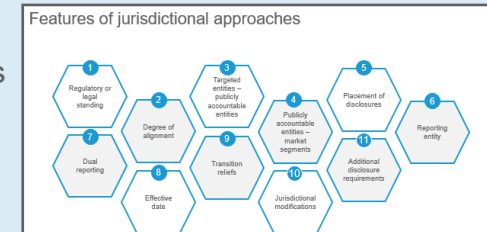
1 Jurisdictional approaches

- The profiles describe the jurisdictional approaches to adoption or other use of ISSB Standards, in line with the 7 articulated in the **Jurisdictional Guide**
- They include information about each jurisdiction's stated target and current status of its sustainability-related disclosure requirements



2 Provide details on Features

- regulatory approach
- relevant authority or authorities
- reporting entity (who)
- effective date
- requirements
- focus and scope of sustainability-related risks and opportunities
- timing, location and reporting entity
- any extension of transition reliefs
- any jurisdictional modifications
- any additional disclosure requirements



Jurisdictional approaches: target and current status

- Jurisdictional profiles provide a description of the jurisdiction's stated target and current status of its sustainability-related disclosure requirements
- Stated target and current status are **based on the seven descriptions** in Section 3.4 of the **Jurisdictional Guide**, ranging from permitting the use of ISSB Standards to fully adopting



‘Target’ Approach



- Stated target that a jurisdiction **aims to achieve** for sustainability-related disclosure requirements
- Target could reflect the (i) **final milestone** in the jurisdictional roadmap or (ii) **the requirements that have already been introduced by law or regulation**, but application by entities is required at a future date

‘Current’ Approach



- Provides the **most up-to-date status** of a jurisdiction's sustainability-related disclosure requirements, including the adoption or other use of the ISSB Standards, that entities are **required or permitted to apply at the time the jurisdictional profile is published** – i.e. what is in effect today
- Profiles will be updated as their ‘current status’ changes

Adoption-related content and tools – already available



Jurisdictional Guide

- Released May 2024
- Provides **key content to help jurisdictions design and plan their journeys towards the adoption** or other use of ISSB Standards
- Sets out the **features considered when describing jurisdictional approaches** towards adoption or other use of ISSB Standards
- **Market feedback** to be collected to inform any future review (for 2027)



Roadmap Tool and Templates

- Released March 2025
- **Web-based Roadmap tool** designed to support jurisdictions navigate the considerations and decision points and develop a **n Adoption Roadmap**
- **Interactive templates** for each of the 7 jurisdictional approaches for a jurisdiction to assess how its decisions and corresponding outcomes combine

Adoption-related content and tools – coming soon



Jurisdictional rationale for adoption

- Materials to support **jurisdiction's adoption considerations on strengthening capital markets and supporting cost effectiveness**
- Materials draw on jurisdictional evidence and international organisation's feedback
- Supporting Tool to help jurisdictions navigate considerations and decision points
- **Expected release in Q4 2025**



Roadmap Tool and Templates

- A guide to help jurisdictions **assess critical readiness elements** across **preparer and ecosystem readiness** that inform **suitable pace and scope of adoption**
- Includes a Tool supporting jurisdiction assess readiness and navigate key considerations and decision points
- **Expected release in Q4 2025**

Supporting implementation of IFRS S1 and IFRS S2



Supporting IFRS S1 and IFRS S2 implementation



Develop and enhance **educational materials** that explain the core concepts underpinning IFRS S1 and IFRS S2



Convene the **Transition Implementation Group** (TIG) to discuss companies' questions related to implementing IFRS S1 and IFRS S2



Monitor the **progress of relevant standard-setters and framework providers** to assess potential implications for IFRS S1 and IFRS S2



Design and deliver comprehensive **regulatory and market capacity-building programme**



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

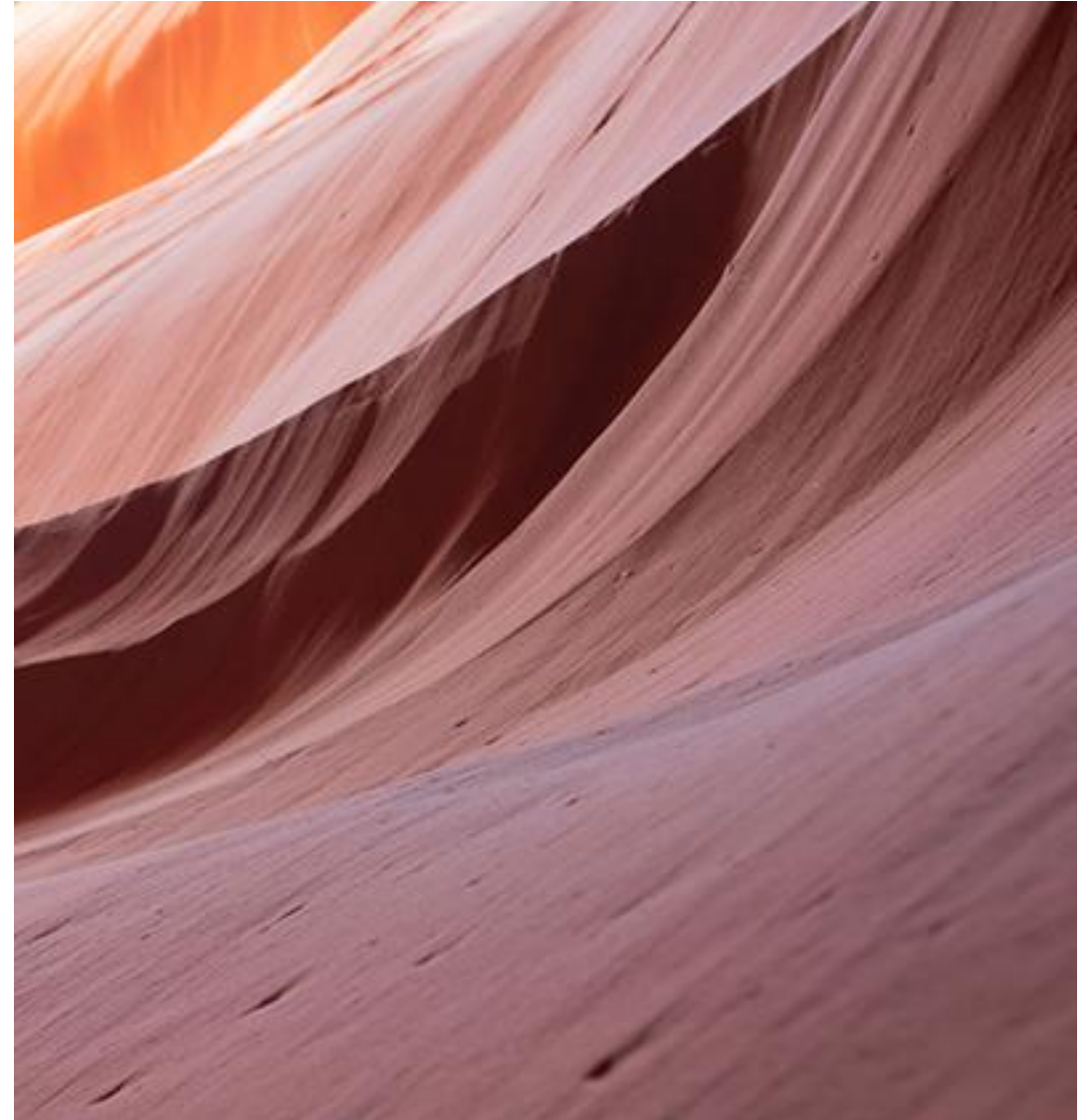


Issue **targeted amendments to IFRS S2** to provide **reliefs for GHG emissions disclosures** in response to application challenges

Recent educational material

- Sustainability-related risks and opportunities and the disclosure of [material information](#)
- Explanation of [proportionality mechanisms](#)
- How to apply IFRS S1 when reporting [only climate-related disclosures](#) in accordance with IFRS S2
- [Greenhouse Gas Emissions Disclosure requirements](#) applying IFRS S2 Climate-related Disclosures
- Disclosures about [transition plans](#)
- Using ISSB [industry-based guidance](#)
- Disclosing information about [anticipated financial effects](#)

[Register for email alerts](#) on ifrs.org to find out when new materials are published.



Guide to help identify and disclose material information

The Guide can help companies to:

- identify sustainability-related risks and opportunities that could reasonably be expected to affect their prospects
- identify and disclose material information about sustainability-related risks and opportunities they have identified

Sustainability-related risks and opportunities and the disclosure of material information

Educational material



Proportionality mechanisms

Two webcasts accompanied by a factsheet about the two proportionality mechanisms in ISSB Standards

- 1 Use all **reasonable and supportable information** that is available at the reporting date without undue cost or effort
- 2 Use an approach that is commensurate to the **skills, capabilities and resources** that are available to the entity

January 2025

Factsheet Series—Proportionality Digest
Proportionality mechanisms help companies with different levels of capabilities and preparedness to apply the ISSB Standards

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and *IFRS S2 Climate-related Disclosures* include proportionality mechanisms to support all companies in all jurisdictions to apply the ISSB Standards, including small and medium-sized companies in developing markets.

Why do ISSB Standards include proportionality mechanisms?

Proportionality mechanisms address key challenges which companies might face related to:

- resource constraints,
- data availability, and
- specialist availability.

These mechanisms are not available for all requirements, they help companies to apply specific requirements in the ISSB Standards that they might otherwise find challenging to apply.

Proportionality mechanisms support companies in:

- Providing disclosures for specific requirements where there might be a high level of judgment or uncertainty.
- Applying the specific requirements in a way that is proportionate to a company's circumstances.

The proportionality mechanisms do not exempt companies from providing disclosures nor introduce additional disclosure requirements.

What are the two proportionality mechanisms?

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

This mechanism clarifies the information that a company is required to use in the preparation of its sustainability-related financial disclosures. In circumstances when this mechanism applies, it establishes parameters for:


- the type of information to consider ('reasonable and supportable information that is available at the reporting date'); and
- the effort required to obtain such information ('without undue cost or effort').

A company will need to assess what constitutes undue cost or effort in obtaining information.

→ Commensurate with the skills, capabilities and resources that are available to the company

This mechanism helps a company to apply specific requirements in a way that is proportionate to its circumstances. This mechanism is applied in two ways to specific requirements such that a company is:

- required to use an approach that is commensurate with its circumstances, including the skills, capabilities and resources available to it in meeting a requirement, and/or
- permitted to adjust the information to be provided when meeting a specific disclosure requirement if the company does not have the skills, capabilities or resources to provide particular information.



Reporting only climate-related disclosures

- Requirements in IFRS S1 that are applicable when a company discloses information on only climate-related risks and opportunities in accordance with IFRS S2
- The educational material reflects the intended approach to disclosing information on only climate-related risks and opportunities that is permitted by ISSB Standards

January 2025

Educational material

Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2

Introduction

In June 2023, the International Sustainability Standards Board (ISSB) issued its inaugural Standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The ISSB is committed to supporting the implementation of these Standards. This educational material was developed by ISSB staff in keeping with that commitment.

Objective of the educational material

This educational material will help preparers understand which requirements in IFRS S1 are applicable when a company discloses information on only climate-related risks and opportunities in accordance with IFRS S2. The educational material reflects the intended approach to disclosing information on only climate-related risks and opportunities that is permitted by ISSB Standards.

A climate-first approach

In response to concerns about data availability and preparers' readiness, the ISSB decided to provide transition reliefs in IFRS S1 and IFRS S2. A company is required to apply IFRS S1 and IFRS S2 together but paragraph E5 of IFRS S1 allows a company, in its first year of applying ISSB Standards, to disclose information on only its climate-related risks and opportunities (in accordance with IFRS S2)—the so-called 'climate-first' approach:

In the first annual reporting period in which an entity applies [IFRS S1], the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2) and consequently apply the requirements in [IFRS S1] only insofar as they relate to the disclosure of information on climate-related risks and opportunities. If an entity uses this transition relief, it shall disclose that fact.

Applying a climate-first approach

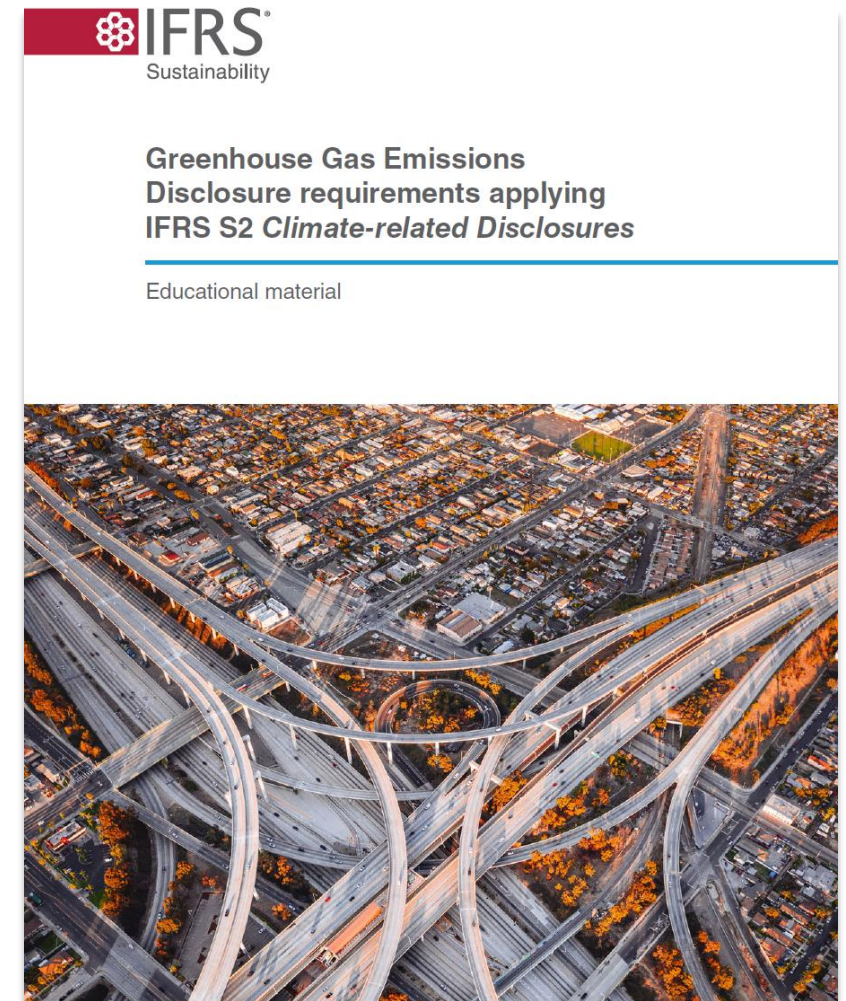
This transition relief temporarily narrows the scope of reporting in accordance with IFRS S1 from the provision of information about all sustainability-related risks and opportunities that could reasonably be expected to affect a company's prospects to the provision of information about only climate-related risks and opportunities. It does not otherwise alter the requirements of IFRS S1. Companies choosing to apply this transition relief are required to apply the requirements of IFRS S1 insofar as they relate to disclosing information about climate-related risks and opportunities in accordance with IFRS S2.

Using this transition relief gives a company time to prepare to report on all sustainability-related risks and opportunities that could reasonably be expected to affect its prospects. Taking this approach, a company can become more familiar with the language and concepts in IFRS S1 and IFRS S2 and better understand its value chain, while focusing on providing information about climate-related risks and

GHG emissions disclosure requirements

A series of questions and answers, including questions about:

- the context and reasoning underlying GHG emissions-related requirements in IFRS S2
- the use of the GHG Protocol Standards
- specific aspects of the GHG emissions-related requirements



IFRS guidance on transition plan disclosures

- Address **fragmentation** of disclosures about transition plans, building on disclosure-specific material developed by Transition Plan Taskforce
- Provide **guidance** to enable entities to provide high-quality information about their climate-related transition when applying IFRS S2
- Support the **ISSB global baseline and its implementation**
- Enable **jurisdictions** adopting or otherwise using ISSB Standards to utilise this guidance document to support the provision of high-quality, comparable information in accordance with IFRS S2
- **Building block approach** – jurisdictions can complement with additional information
- **Complement** materials provided by jurisdictions and others that establish requirements or recommendations to establish transition plans and the content of such plans

Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2

Guidance document



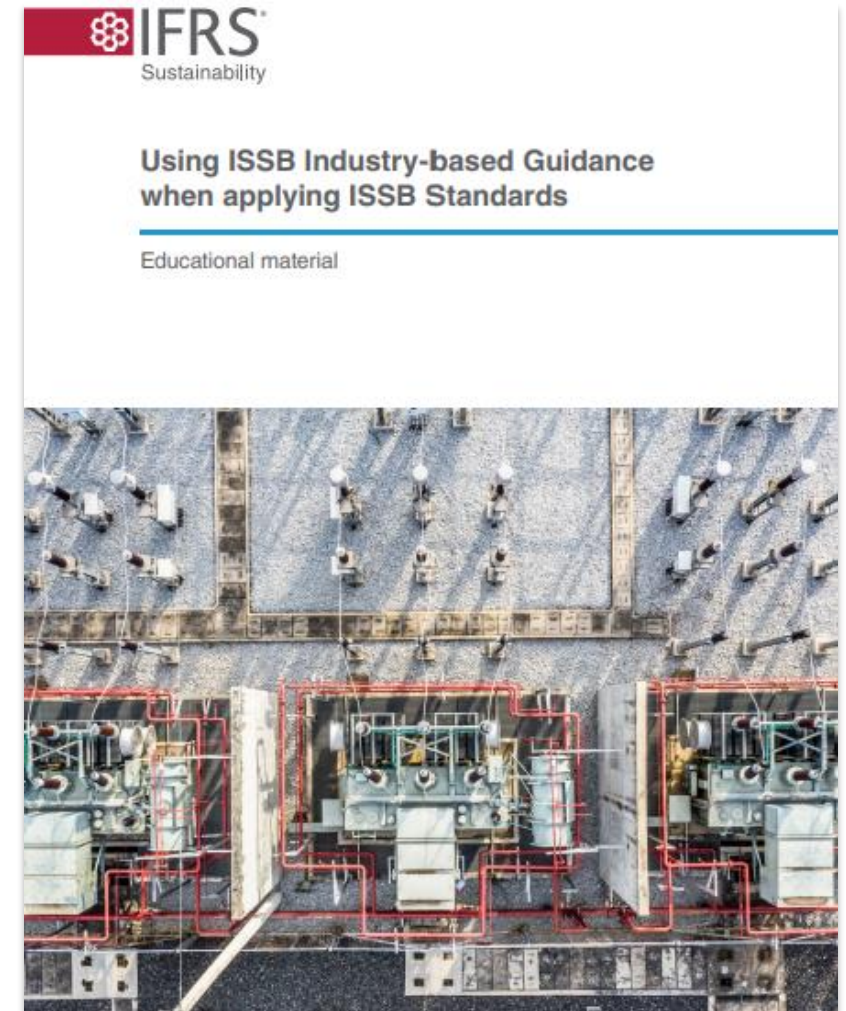
Using ISSB Industry-based Guidance

The material explains:

- the requirement that an entity ‘**shall refer to and consider the applicability of**’ the ISSB industry-based guidance to identify
 - sustainability-related risks and opportunities
 - information to disclose about sustainability-related risks and opportunities
- **disclosure requirements** that can relate to how an entity has used the ISSB industry-based guidance and other considerations about the use of the guidance

ISSB industry-based guidance

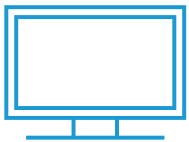
Term used to refer to the SASB Standards and the *Industry-based Guidance on Implementing IFRS S2*



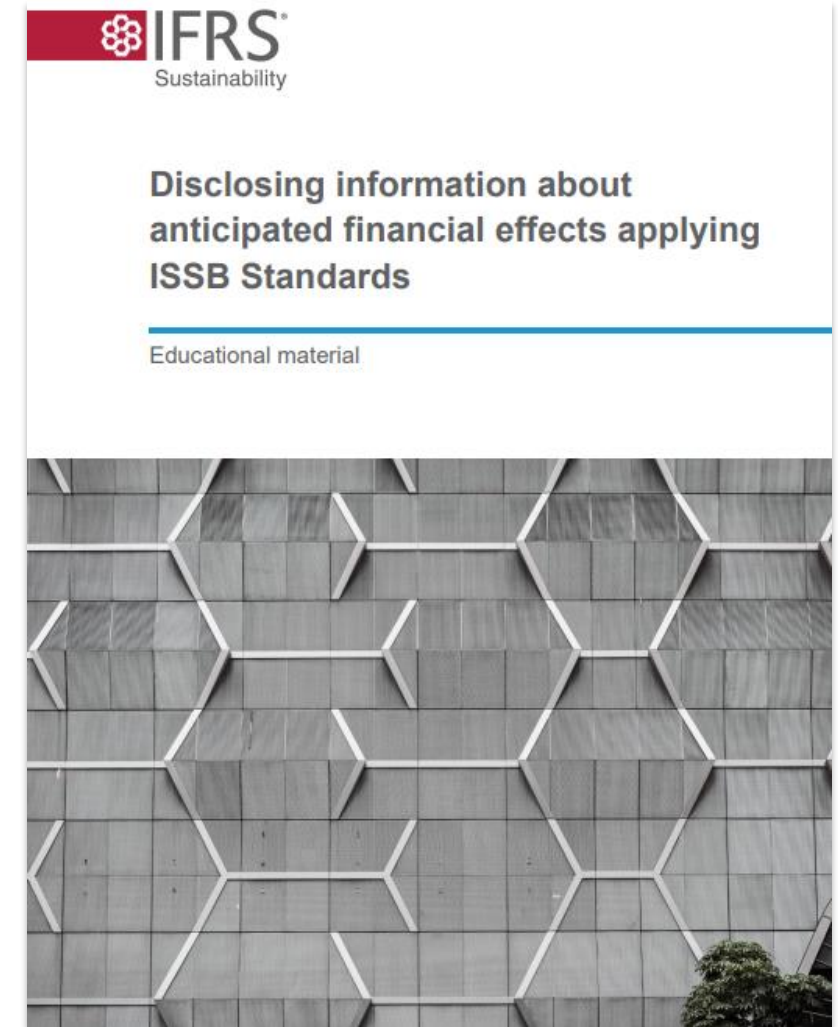
Anticipated financial effects

Focus on:

- requirements in ISSB Standards on disclosures about **current and anticipated financial effects** of sustainability-related risks and opportunities
- **mechanisms** in ISSB Standards that help companies prepare disclosures about anticipated financial effects
- **illustrations** of disclosure of information about anticipated financial effects



The document follows two [webcasts](#) on current and anticipated financial effects release in May 2024



Targeted amendments to IFRS S2



Why has the ISSB proposed amendments to IFRS S2?

Application challenges

Supporting IFRS S1 and IFRS S2 implementation is the ISSB's highest priority

- **The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)** was established to support implementation
- **Application challenges were identified** through the TIG and ISSB's other engagement activities

Amendment criteria for application challenges

Application challenges were referred to the ISSB

Amendments are considered if:

- there is **demonstrated need** for amendment
- they would not result in significant **loss of useful information**
- they would not **unduly disrupt** implementation and adoption of the Standards

Proposed amendments to IFRS S2

The ISSB agreed:

- the proposed amendments **met the criteria**
- to act on a **timely basis** to propose the amendments

The proposed amendments:

- are **targeted**
- respond to **market needs** identified during implementation
- are not focused on reducing what is required to be disclosed

What disclosure requirements do the proposed amendments relate to?

1

Measurement and disclosure of Scope 3 Category 15 GHG emissions

2

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

3

Jurisdictional relief from using the GHG Protocol Corporate Standard*

4

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

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

Targeted amendments to IFRS S2 – Next steps

- Comment period closed on 27 June 2025
- July 2025 ISSB meeting – discussion of preliminary feedback
- September 2025 ISSB meeting – discussion of comprehensive feedback and refinements to the proposals
- Targeting completion of final amendments before end of 2025



Interoperability of ISSB Standards with other standards



GRI equivalence agreement

- **GSSB has granted equivalence** for companies that report using both GRI 102 and IFRS S2
- These companies can use the equivalent IFRS S2 disclosures for **Scope 1, Scope 2 and Scope 3 GHG emissions** to meet GRI 102 requirements
- **Equivalence is one-way**: IFRS S2 can be used to satisfy GRI 102 on GHG emissions reporting



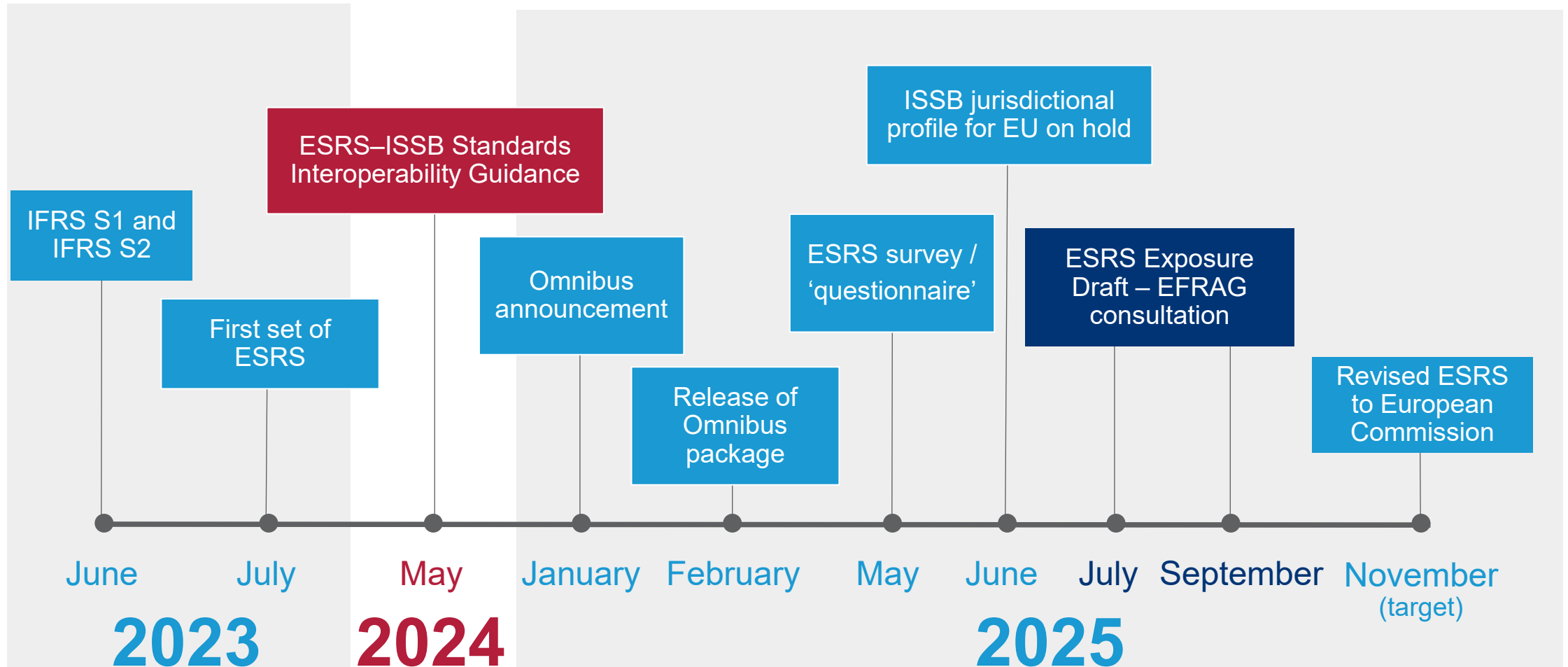
GRI 102 and IFRS S2: Statement on reporting on both standards and equivalence for IFRS S2 on GHG Emissions Disclosures

JOINTLY PUBLISHED ON 26 JUNE 2025

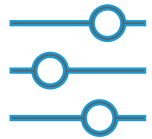
To be able to provide **equivalent IFRS S2 GHG emission disclosures**, companies reporting in accordance with or with reference to the GRI Standards will have to:

- measure their GHG emissions in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* and
- include a reference to the location where the information for each of the disclosures can be found as per the *Publish a GRI content index requirement in GRI 1: Foundation 2021*

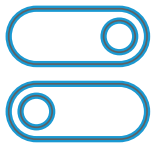
EU Omnibus package timeline



EU Omnibus: opportunities for efficient reporting



- **Most effective way** to ensure efficient reporting is to enable companies to use the **ISSB Standards as a starting point** and ‘top up’ with specific impact disclosures to achieve compliance with the CSRD/ESRS



- **In the absence of equivalence** or alternative compliance, a company will need to **navigate between two sets of standards** to comply with both sets
- Less efficient solution

Proposed changes to ESRS

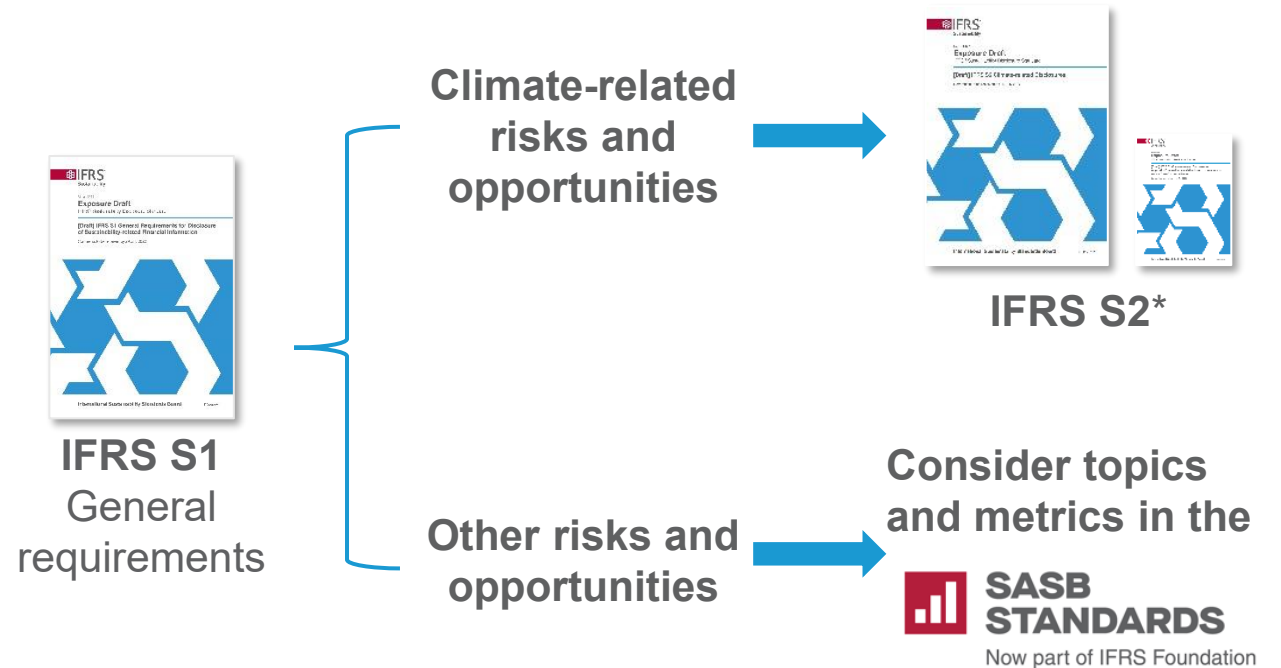
- Some positive aspects for further efficiencies (for example, on industry-based disclosures)
- Some proposals pose a significant risk to interoperability (for example, on anticipated financial effects)
- Overall significant change affecting the ESRS–ISSB Standards Interoperability Guidance

ISSB work plan – standard setting projects



Role of the SASB Standards in the ISSB Standards

- Source of guidance in IFRS S1 for sustainability-related disclosures beyond climate
- Companies **refer to and consider** the SASB Standards when:
 - identifying sustainability-related risks and opportunities
 - identifying information to disclose about those risks and opportunities
- A company may decide that the disclosure topics and associated metrics in the SASB Standards are not applicable depending on its circumstances

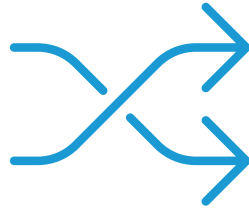


**Note: IFRS S2 is accompanied by industry-based guidance derived from the SASB Standards*

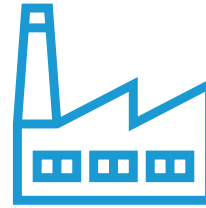
Why enhance the SASB Standards?



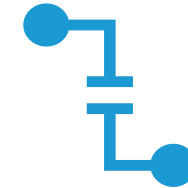
Support the
implementation of
IFRS S1 and IFRS S2



Support the work
of the research
projects



Reflect important
market changes
in industries



Consider opportunities
for interoperability and
improve efficiency for
preparers

Enhancing the SASB Standards: workstreams

Phase I – initial priority industries



Extractives & Minerals Processing sector

Oil & Gas* – Exploration & Production; Midstream;
Refining & Marketing; Services
Metals & Mining
Construction Materials
Iron & Steel Producers
Coal Operations



Infrastructure sector

Electric Utilities & Power Generators



Food & Beverage sector

Processed Foods*
Agricultural Products
Meat, Poultry & Dairy

Targeted amendments

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

Phase II priorities

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

ISSB seeks comments on two exposure drafts

The ISSB is currently seeking input from a broad range of stakeholders, including current users of the SASB Standards and those that are newer to them. The comment period closes on **30 November 2025**.



Exposure Draft of Proposed Amendments to the SASB Standards

- Proposed amendments to nine SASB Standards—all eight industries in the Extractives sector and the Processed Foods industry
- Proposed ‘targeted amendments’ to topics that occur frequently throughout the SASB Standards (for example, water management), and would impact 41 industries



Exposure Draft of Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2

- Proposal to align the IFRS S2 industry-based guidance with the climate-related content in the SASB Standards

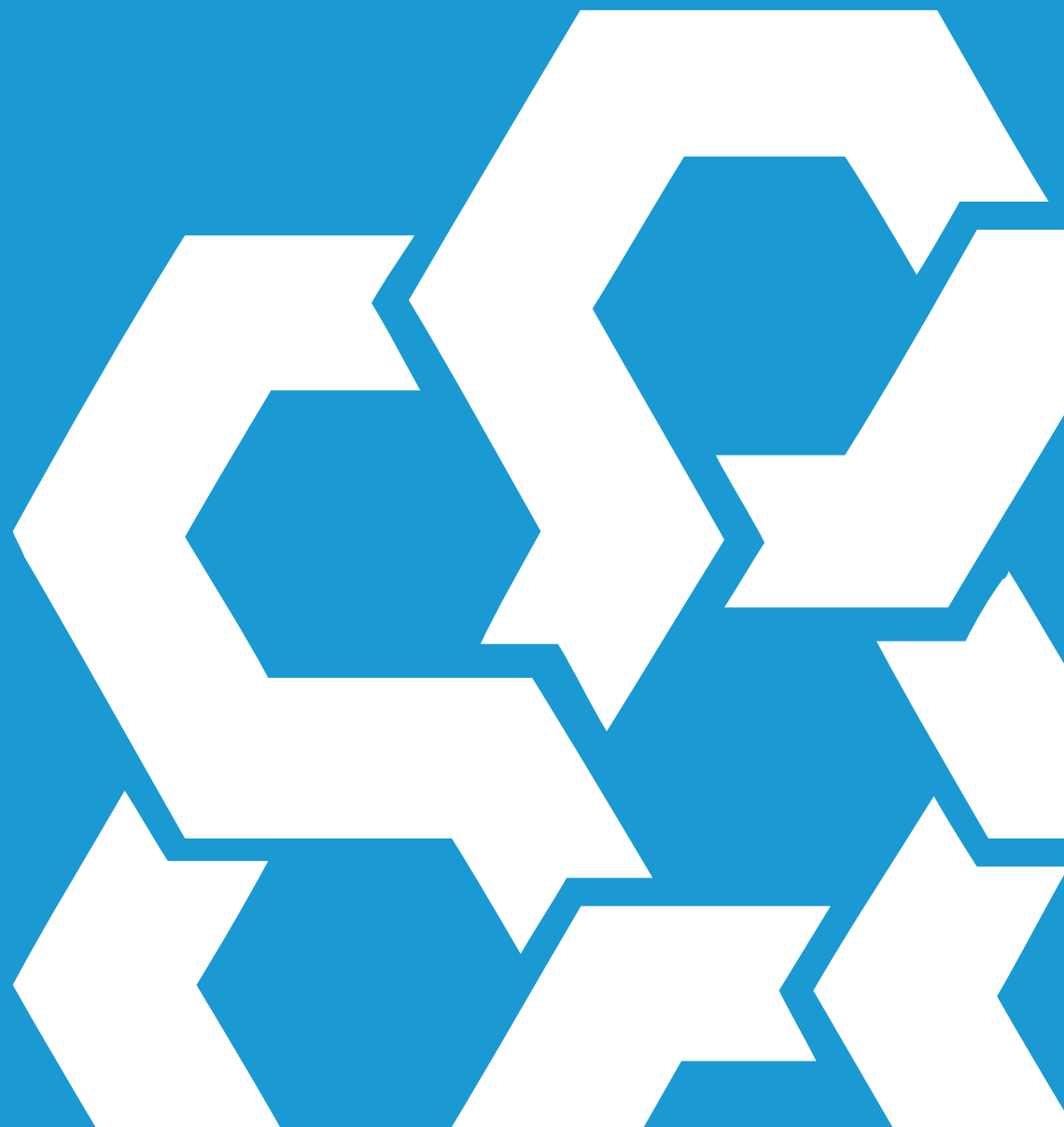
Proposed amendments to the *Industry-based Guidance on Implementing IFRS S2*

- **ISSB decision:** publish an [exposure draft](#) that proposes making consequential amendments to the IFRS S2 industry-based guidance when the ISSB finalises amendments to the SASB Standards
- **Continue to maintain alignment** between the IFRS S2 industry-based guidance and related content in SASB Standards

The amendments:

- Support the implementation of IFRS S2 and its high-quality application
- Improve international applicability
- Improve interoperability
- Reflect the evolution of climate-related risks and opportunities in different industries

ISSB work plan - research projects



Research projects

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



Biodiversity, ecosystems and ecosystem services

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



Human capital

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

Research projects – Findings of Phase 1

Nature-related risks and opportunities

| | |
|---------------------------------------|--|
| Investors | <ul style="list-style-type: none">• Interest in nature-related information is strong. The use of information is nascent but rapidly developing |
| Disclosures | <ul style="list-style-type: none">• Companies already disclose nature-related information, but consistency and comparability are poor• Variation among sectors and industries |
| Effects on prospects | <ul style="list-style-type: none">• Evidence on effects of nature-related risks and opportunities on a company's prospects |
| Other standards and frameworks | <ul style="list-style-type: none">• TNFD, EFRAG, GRI - Similar to IFRS S1 and SASB Standards, with variation concentrated in the areas of strategy and metrics and targets* |

* IFRS Foundation and TNFD have signed a Memorandum of Understanding signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB

Research projects – Findings of Phase 1



Human capital-related risks and opportunities

| | |
|---------------------------------------|--|
| Investors | <ul style="list-style-type: none"> • Interest mainly driven by risk management and/or return enhancement • Interest varies considerably between an entity's own workforce and the workers in its value chain • Seek human capital-related disclosure from all companies, but interest in particular topics/metrics can vary by sector and/or jurisdiction |
| Disclosures | <ul style="list-style-type: none"> • Most companies disclose some human capital-related information, but completeness, consistency and comparability are limited |
| Effects on prospects | <ul style="list-style-type: none"> • Strong links exist between financial outcomes and many human capital factors <i>(for example, employee satisfaction, retention, development and working conditions)</i> |
| Other standards and frameworks | <ul style="list-style-type: none"> • Majority of disclosures aligned with IFRS S1, but provide additional detail on human capital topics, primarily in an entity's direct operations |

Research projects – Objectives of Phase 2

Phase 1 Building the foundation

2024 Q3-2025 Q2 - Collecting the dots

Phase 2 Analysing the implications

2025 Q2 Onwards - Connecting the dots



Assess **whether standard-setting is likely to result in improvements** to human capital and nature-related disclosure in a **feasible and cost-effective** way



Synthesise Phase 1 findings across two dimensions:

1. **Necessity**: whether there is a clear need for improved disclosure to investors
2. **Feasibility**: whether there is likely to be a practical and efficient approach to developing disclosure requirements

Q&A



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