
ISSB Meeting

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Project	ISSB Consultation on Agenda Priorities
Topic	Strategic direction and balance of the ISSB's activities
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This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Objective

1. This paper provides the International Sustainability Standards Board (ISSB) with the staff's analysis and recommendations on the strategic direction and balance of the ISSB's activities based on stakeholder feedback on the ISSB's Request for Information [Consultation on Agenda Priorities](#) (Request for Information). The ISSB's discussion and decisions will inform the relative level of focus and anticipated capacity demands of the ISSB's activities for the two-year period covered by its next work plan.
2. The purpose of this meeting is to seek ISSB feedback and decisions on the mix of activities and relative level of focus on those activities for the two-year period covered by the next two-year work plan.
3. This paper does not seek to set out an exhaustive scope of work for any of the ISSB's activities. At this stage, the ISSB does not need to decide on the specific work to be encompassed in each of its activities. Given the evolving landscape of sustainability-related disclosure, the ISSB may need to adjust its activities in response to developments in reporting. ISSB feedback from this meeting may inform how each

activity is depicted within the feedback statement that will be published at the conclusion of the agenda consultation.

4. The Request for Information explained that the ISSB is primarily focused on feedback that would inform the level of focus, scope and structure of new research and standard setting projects that could be added to the work plan, rather than the ISSB's other committed activities. The staff's recommendations in this paper do not suggest fundamental changes to the ISSB's activities from how they were described in the Request for Information. Instead, the staff has suggested refinements to the description of the scope of work to be included within each activity based, in part, on the feedback from the Request for Information as well as developments in the ISSB Standards and activities since the publication of the Request for Information in May 2023.
5. Finally, the relative level of focus assigned to each of the ISSB's activities, paired with the description of anticipated scope of work to be included within each activity, will provide an overall sense of the balance and resource-intensiveness of activities, including how much capacity can be devoted to new research and standard-setting. The ISSB is not being asked to decide on the number or scope of new research and standard-setting projects that could be added to the work plan at this meeting. Based on the discussion and decisions in this meeting, the staff will present an analysis and recommendations on the number and scope of new projects to be added to the work plan at a future meeting for ISSB discussion and decisions.

Summary of recommendations

6. Regarding the set of activities for the two-year period covered by the ISSB's next work plan, the staff recommends that the ISSB's activities consist of:
 - (a) beginning new research and standard-setting projects;
 - (b) foundational, or committed, activities consisting of:

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- (i) supporting the implementation of the of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*; and
 - (ii) enhancing the Sustainability Accounting Standards Board (SASB) Standards; and
- (c) core activities, which are fundamental to both new research and standard-setting as well as foundational activities, consisting of:
- (i) ensuring connectivity between the ISSB's and International Accounting Standards Board's (IASB) respective requirements;
 - (ii) ensuring interoperability of the ISSB Standards with other sustainability standards; and
 - (iii) engaging with stakeholders.
7. Regarding the relative level of focus to be placed on each of the ISSB's activities, the staff recommends that the ISSB:
- (a) place a high level of focus on the activity 'supporting the implementation of IFRS S1 and IFRS S2';
 - (b) place a slightly lower, but equal level of focus on each of the activities 'enhancing the SASB Standards' and 'beginning new research and standard setting projects' when compared to the activity 'supporting the implementation of IFRS S1 and IFRS S2';
 - (c) not specify a level of focus for the core activities of interoperability, connectivity with the IASB and stakeholder engagement as all are fundamental to and incorporated in the work encompassed in the ISSB's other activities; and

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- (d) reserve some capacity to allow flexibility in the ISSB's work to the extent there are emerging issues and to engage with and support the IASB on any of its projects or activities, as necessary.
8. The staff emphasises that these recommendations are not meant to suggest that the ISSB's activities should be viewed as distinct and separate activities, as they are all interrelated and work together to serve the ISSB's mission to establish and advance the comprehensive global baseline of sustainability-related financial disclosures that meet the information needs of investors.¹ As an example, the work related to the enhancement of the SASB Standards will directly support the application of IFRS S1 to facilitate reporting on sustainability-related matters beyond climate. Thus, the ISSB's work to enhance the SASB Standards is very closely related to the ISSB's work to support the implementation of IFRS S1 and IFRS S2. Additionally, due to the interrelated nature of all the ISSB's activities, staff recommendations on the level of focus assigned to each activity are not meant to imply that the ISSB can or should assign distinct capacity percentages to each activity.

Structure of the paper

9. The paper is structured as follows:
- (a) Background (paragraphs 10–16);
 - (b) Strategic direction and balance of the ISSB's activities:
 - (i) Supporting the implementation of IFRS S1 and IFRS S2 (paragraphs 17–23);
 - (ii) Researching targeted enhancements to the ISSB Standards (paragraphs 25–31);
 - (iii) Enhancing the SASB Standards (paragraphs 32–40);

¹ Throughout this paper, the term 'investors' has been used to refer to the 'primary users of general purpose financial reports' in accordance with the definition included in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

- (iv) Beginning new research and standard-setting projects (paragraphs 41–47);
 - (v) Core activities (paragraphs 48–71);
 - (vi) Other activities suggested by respondents (paragraph 72–77);
- (c) Questions for the ISSB (paragraph 78); and
- (d) Appendix A—Table 1 of the Request for Information.

Background

10. The Request for Information provided an overview of activities within the scope of the ISSB’s work as part of its next work plan, and stated that the ISSB’s activities would primarily consist of:
- (a) beginning new research and standard-setting projects;
 - (b) supporting the implementation of the ISSB Standards;
 - (c) researching targeted enhancements to the ISSB Standards;
 - (d) enhancing the SASB Standards;
 - (e) ensuring connectivity between the ISSB’s and IASB’s respective requirements;
 - (f) ensuring interoperability of the ISSB Standards with other sustainability standards; and
 - (g) engaging with stakeholders.
11. Paragraph 20 of the Request for Information explained that while activity (a) relates to *new research and standard setting*, activities (b)–(d) are part of the ISSB’s *foundational work*. Foundational work is described in paragraph 16 of the Request for Information as committed work and activities to build upon the foundation created by

IFRS S1 and IFRS S2. Paragraph 20 of the Request for Information further explained that all of the ISSB's activities are interrelated to some degree with the overall aim of delivering the comprehensive global baseline of sustainability-related financial disclosures and that activities (e)–(g) are at the core of all of the ISSB's activities, including new research and standard setting and the foundational body of work. Table 1 of the Request for Information, included as Appendix A to this paper, included a description of each of the ISSB's activities.

12. The Request for Information asked stakeholders to provide feedback on the relative priority of new research and standard setting and each of the three activities included in the foundational body of work, and asked whether certain types of work should be prioritised within each activity. Paragraph 17 of the Request for Information explained, however, that the ISSB was primarily seeking feedback on the scope, content and structure of new research and standard-setting work, rather than the foundational, or committed, work as such work was already underway or would begin prior to completion of the consultation. Thus, the scope, content and structure of the foundational, or committed, work was not the focus of the Request for Information.
13. Additionally, the Request for information did not ask for feedback on the relative priority of the 'core activities' described in paragraphs 10(e)–(g). Table 1 of the Request for Information, included as Appendix A to this paper, explained that 'connectivity between the ISSB and IASB requirements, interoperability with the materials of other sustainability standard-setters and stakeholder engagement are at the core of all the ISSB's activities and fundamental to the ISSB's mission to deliver a comprehensive global baseline of sustainability-related financial disclosures to meet the needs of investors'.
14. Thus, the Request for Information did not ask respondents to comment on the priority of the core activities or the types of work the ISSB should prioritise within each core activity, as all core activities are pervasive to all of the ISSB's other activities, including new research and standard-setting.

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15. Paragraph 21 of the Request for Information explained that, as the ISSB was formed in 2021, it does not have the benefit of prior years of comparable experience on which to base estimates of the capacity requirements for its activities. The Request for Information explained that stakeholder feedback on the relative priority of its activities would inform the ISSB's future resource allocation decisions. Due to the lack of prior years of comparable experience, paired with the evolving landscape of sustainability-related financial disclosures, the relative immaturity of the ISSB Standards and the interrelated nature of the ISSB's activities, the staff cannot reasonably estimate and assign specific capacity requirement percentages to any of the ISSB's activities. Instead, the staff has made recommendations related to the relative level of focus to be assigned to each activity and described the anticipated scope of work to be included within each activity, considering the feedback on the Request for Information as well as developments in the ISSB Standards and the ISSB's activities that have occurred since the publication of the Request for Information. The staff believes this should provide the ISSB with a sufficient sense of the anticipated capacity requirements for each activity.
16. [Agenda Paper 2B for the November 2023](#) ISSB meeting and [Agenda Paper 2 for the December 2023](#) ISSB meeting provide summaries of feedback received on the strategic direction and balance of the ISSB's activities from all respondents to the Request for Information and from users of general purpose financial reports, respectively. [Agenda Paper 2B for the January 2024](#) joint meeting between the ISSB and IASB provides a summary of feedback received on the 'core activity' of connectivity between the ISSB and IASB.

Strategic direction and balance of the ISSB's activities:

Supporting the implementation of IFRS S1 and IFRS S2

17. Table 1 of the Request for Information, included as Appendix A to this paper, described the work included in this activity. Since the publication of the Request for

Information in May 2023 and the issuance of IFRS S1 and IFRS S2 in June 2023, there have been significant developments in regard to the ISSB Standards and the landscape of sustainability reporting, including:

- (a) the endorsement of the ISSB Standards by the International Organization of Securities Commissions (IOSCO) in July 2023;²
- (b) the finalisation of the European Sustainability Reporting Standards (ESRS) in July 2023;
- (c) the publication of the Proposed Taxonomy *IFRS Sustainability Disclosure Taxonomy* in July 2023 and the related consultation, which is expected to be finalised in the first half of 2024;³
- (d) the announcement of the culmination of the Financial Stability Board’s work of the Task Force on Climate-related Financial Disclosures (TCFD), including the transfer of TCFD monitoring to the ISSB from 2024 in July 2023;⁴
- (e) the formation of the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG), whose first meeting was held in November 2023;⁵
- (f) the launch of the IFRS Sustainability knowledge hub as a key component of the IFRS Foundation’s capacity building programme at COP28 in December 2023;⁶
- (g) the announcement by several jurisdictions of their intention to adopt and incorporate the ISSB Standards into their jurisdictional reporting requirements; and

² <https://www.ifrs.org/news-and-events/news/2023/07/issb-standards-endorsed-by-iosco/>

³ <https://www.ifrs.org/projects/work-plan/ifrs-sustainability-disclosure-taxonomy/#project-history>

⁴ <https://www.ifrs.org/news-and-events/news/2023/07/foundation-welcomes-tcf-responsibilities-from-2024/>

⁵ <https://www.ifrs.org/groups/tig-ifrs-s1-and-ifrs-s2/#about>

⁶ <https://www.ifrs.org/news-and-events/news/2023/12/issb-at-cop-28-knowledge-hub/>

(h) the recent publication of the *Preview of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* in February 2024.⁷

18. With these developments, the anticipated body of work within this activity will need to be updated from the description of the activity within the Request for Information.

Feedback from respondents

19. Most respondents to the Request for Information noted this activity as the highest priority for the ISSB for the coming two years to effectively establish the global baseline of sustainability reporting. This was consistent across all stakeholder types and geographies. In particular, users of general purpose financial reports emphasised this activity as a high priority, both in responding to the Request for Information and in the staff's engagement with the ISSB Investor Advisory Group, it was noted that the global baseline will not be achieved without the wide-spread consistent, comparable application of the Standards which provide information needed by investors.

In our view, as investors and users of sustainability-related disclosures, the priority for ISSB should be to ensure the integrity of the global baseline is retained. The global comparability – not just of the information presented, but the basis of preparation, frequency of reporting, and other 'ground rules' – is essential to the use-case of the disclosure frameworks from an investor's standpoint. The attainment of an endorsement from the International Organization of Securities Commissions (IOSCO) was an important step for achieving a global baseline; attention needs to focus on ensuring consistency across regional jurisdictions/markets (and preventing some markets opting out or pursuing divergent approaches). (Comment letter 415: Railpen)

⁷ <https://www.ifrs.org/news-and-events/news/2024/02/ifrs-sustainability-symposium-convenes-new-york-city/>

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20. In discussing the importance of the ISSB’s work to support the implementation of IFRS S1 and IFRS S2, respondents called for the ISSB to:
- (a) work with policymakers and regulators, companies and investors across jurisdictions worldwide to facilitate the global implementation of the Standards, including considerations of the global south, emerging economies and smaller and medium-sized entities in the ISSB’s implementation efforts;
 - (b) support the reporting of consistent and comparable information by developing further guidance or educational materials on areas such as materiality assessments, climate-related scenario analysis and financial effects of sustainability-related risks and opportunities; and
 - (c) work with other jurisdictional and voluntary sustainability standard-setters and framework providers—particularly the European Financial Reporting Advisory Group (EFRAG), the Global Reporting Initiative (GRI) and the U.S. Securities and Exchange Commission (SEC)—to support interoperability and maximize clarity and comparability of information for users of general purpose financial reports, to avoid unnecessary reporting burden and to ensure the effective establishment of the global baseline.

Staff analysis and recommendations

21. The staff agree with respondent feedback that this activity is a high priority, and thus, should have a high level of focus during the two-year period covered by the ISSB’s work plan. The ISSB’s delivery of the comprehensive global baseline of sustainability-related financial disclosures requires widespread, consistent and high-quality adoption, implementation and application of IFRS S1 and IFRS S2 by entities and jurisdictions around the world. Without this as a primary focus of the ISSB, the success of the ISSB Standards would be at stake, and thus, should not be prioritised below other activities.

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22. In light of developments since the publication of the Request for Information and issuance of the inaugural ISSB Standards, the staff foresees this activity including (this list is not meant to be exhaustive):
- (a) engaging with the ISSB’s stakeholders via various mechanisms (for example, the TIG, Jurisdictional Working Group, and various advisory and consultative bodies) to better understand challenges and emerging issues related to the global implementation and application of the ISSB Standards which may result in the ISSB determining that further guidance or materials are needed;
 - (b) developing and strengthening educational materials to further build a common understanding of the core concepts that underpin the ISSB Standards and to assist preparers, auditors, investors and regulators in the application and implementation of the Standards. For example, the ISSB has issued or has discussed the need to issue educational materials on topics including:
 - (i) using the SASB Standards to meet the requirements in IFRS S1;
 - (ii) nature and social aspects of climate-related risks and opportunities;
 - (iii) interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards; and
 - (iv) the concept of ‘materiality’ in the context of ISSB Standards;
 - (c) supporting preparers, regulators and jurisdictions in their journey to adopt ISSB Standards, including through supporting the application of the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB standards*, which is expected to be finalised in the first half of 2024;
 - (d) supporting the IFRS Foundation’s comprehensive capacity building programme;

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- (e) supporting preparers of sustainability-related information under the TCFD recommendations with their potential transition to reporting under ISSB Standards, which encompass and build upon the TCFD's recommendations;
 - (f) assessing whether IFRS S1 or IFRS S2 require improvement or enhancement, which may arise from, among other mechanisms, a post implementation review⁸ which could begin as soon as 24 months following the implementation of IFRS S1 and IFRS S2;
 - (g) monitoring the evolution of relevant standard setters and framework providers to assess potential implications on ISSB Standards, including, among others, the IASB, ESRS, GRI Standards, U.S. SEC, Transition Plan Taskforce (TPT), Glasgow Financial Alliance for Net Zero (GFANZ) and the Greenhouse Gas Protocol; and
 - (h) continuing the monitoring and enhancement of digital disclosure under the ISSB Standards, by supporting stakeholders' use of the *IFRS Sustainability Disclosure Taxonomy* to aid in the digital reporting and consumption of sustainability-related information within disclosures prepared in accordance with ISSB Standards and in other reporting (for example, reporting under the SASB Standards or within the CDP questionnaire).
23. The staff also notes that, as discussed further in paragraphs 36–40, because IFRS S1 relies on the SASB Standards as a primary source of guidance to report on sustainability-related matters beyond climate, work to maintain and enhance the SASB Standards is viewed by many ISSB stakeholders, including users of general purpose financial reports, as an important aspect of supporting the implementation and adoption of IFRS S1. Thus, work to maintain and enhance the SASB Standards is also a component of the work that should be undertaken by the ISSB in support of implementing IFRS S1 and IFRS S2.

⁸ The objective of a post-implementation review is to assess whether the effects of applying the new requirements on users of sustainability-related financial reporting, preparers, auditors and regulators are as intended when the ISSB developed those new requirements.

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24. The staff believes the activities outlined in paragraph 22 will require a substantial amount of the ISSB’s capacity. This is the case particularly, considering the important link between this activity and the ISSB’s work to enhance the SASB Standards. The staff recommends the ISSB assign a high level of focus to this activity as part of its next two-year work plan.

Researching targeted enhancements to the ISSB Standards

25. Table 1 of the Request for Information, included as Appendix A to this paper, described the work anticipated in this activity. Since the publication of the Request for Information in May 2023, the ISSB clarified the scope of this activity and published educational materials on how an entity might apply some requirements in IFRS S2 to disclose information about some nature and social aspects of climate-related risks and opportunities.⁹
26. At its July 2023 meeting, the ISSB clarified the scope of this activity as being focused on developing educational materials on how to consider nature and social aspects of climate-related risks and opportunities when applying the requirements in IFRS S2, rather than researching potential amendments or updates to the ISSB Standards for perceived ‘missing’ requirements. Thus, with the publication of the educational materials in December 2023, the work that was anticipated in this activity has largely been completed.

Feedback from respondents

27. Of the respondents who specified the priority of this activity, most ranked it as a lower priority (third or fourth priority), while some ranked it as a higher priority (first or second priority).
28. Of the respondents that ranked this activity as a lower priority, most viewed this activity as research that could result in amendments to IFRS S1 and IFRS S2 and

⁹ See [Educational Material: Nature and social aspects of climate-related risks and opportunities](#).

stated it would be premature to amend the recently published Standards. May respondents suggested that, before considering enhancements to existing ISSB Standards, the ISSB should first allow time for jurisdictions and entities to adopt, implement and apply the Standards.

The ISSB need to be careful not to be tinkering and changing the standards on a frequent basis. This will help to ensure credibility with companies looking to report against the standards and jurisdictions that will be seeking to embed these standards into their reporting requirements. They will both want some consistency to know what they are endorsing or reporting against. The strength of the existing standards, particularly S1, is that it is a framework which should accommodate and be adaptable to appropriate developments. Changing the standards so soon after they have been approved will do little to instil confidence in the longevity of the standards. (Comment Letter 340: The Investment Association [UK])

29. Respondents were supportive of the ISSB providing guidance on the disclosure of nature and social aspects of climate-related risks and opportunities, specifically materials related to disclosure about the ‘just transition’ to a lower-carbon economy.

Staff analysis and recommendations

30. As described in paragraph 26, following the clarification of the scope of this activity and the publication of the related educational materials, the work anticipated in this activity has been substantially completed. Thus, the staff is recommending that this activity be removed as a specific category of the ISSB’s activities. Through the activity ‘supporting the implementation of IFRS S1 and IFRS S2’ the ISSB will monitor questions arising in the application of the Standards and will continue to assess whether further educational materials, or potential improvements or amendments to the ISSB Standards are required through our engagement with stakeholders, the work of the TIG, the PIR process, among others. Thus, this activity

does not need to be a distinct and separate activity, but instead, the staff recommend that this be included in the activity related to the ongoing support for implementation of the ISSB Standards.

31. The staff believes the ISSB should consider the feedback in paragraph 28 related to allowing time for the ISSB Standards to be adopted and implemented before proposing new requirements/amendments, so as to not impose undue cost on preparers when assessing how to best address stakeholder needs related to the application of the standards. It will be important for the ISSB to balance responsiveness and the risk of causing disruption, particularly as many entities are embarking on implementation of the Standards.

Enhancing the SASB Standards

32. Table 1 of the Request for Information, included as Appendix A to this paper, described the work anticipated in this activity. As explained therein, the ISSB inherited the SASB Standards and its industry-based research and standard-setting work when the Value Reporting Foundation (VRF) was consolidated into the IFRS Foundation. Following the publication of the Request for Information in May 2023, the ISSB published amendments to the SASB Standards to enhance their international applicability in December 2023. Additionally, the ISSB published educational materials on the use of SASB Standards to disclose under IFRS S1 (the SASB educational materials).¹⁰ The ISSB has not yet advanced any legacy SASB projects that were inherited; however, this work is important to support the application of IFRS S1 for topics beyond climate and to ensure the SASB Standards are fit for use by a global audience.

¹⁰ See [Educational material: Using the SASB Standards to meet the requirements in IFRS S1](#).

Feedback from respondents

33. Respondents who specified the priority of this activity were split, with a small majority ranking the activity as a lower priority (third or fourth priority) and the rest ranking the activity as a higher priority (first or second priority). Users of general purpose financial reporting, in particular, supported continued enhancement of the SASB Standards, with most emphasising the relevance of the industry-based approach and the importance of industry-based disclosures to facilitate users' analysis of comparable disclosures within a particular sector or industry.

Disclosure requirements at the (sub)industry level (rather than similar disclosure requirements across all sectors) is key to ensure that disclosures are decision-useful for investors. We welcome the existing reference in IFRS S1 to SASB (sub)industry metrics, as it will allow investors to get material information and ease compliance for issuers. (Comment letter 125: Morningstar)

34. Many respondents also noted that the ISSB's work to enhance the SASB Standards will interact with its work support the implementation of IFRS S1 and IFRS S2 as well as any new research and standard-setting. Such respondents acknowledged that enhancements to the SASB Standards could help entities apply IFRS S1 to other sustainability-related risk and opportunities, beyond climate, while new ISSB Standards are being developed, and would be critical in supporting new research and standard-setting projects.

Recognizing the substantial demand for a complete set of ISSB standards, there is an imperative need to promptly embark on the development of new standards. However, in the short term, SASB standards could partly substitute in this regard and also contribute to the support for implementing ISSB standards [...] In the absence of a complete set of ISSB standards for comprehensive sustainability reporting, SASB standards hold significant value in establishing infrastructure for identifying material sustainability issues within

companies and generating relevant information. [...] SASB standards deal with a diverse range of topics (themes), including environmental aspects such as greenhouse gas emissions, energy and fuel management, water and waste management, and biodiversity. These topics collectively form part of the SASB sustainability universe, enabling comprehensive coverage. (Comment letter 292: Korea Sustainability Standards Board/Korea Accounting Institute)

Enhancing the SASB standards will be critical in supporting new research and standard-setting projects on human capital, human rights and [biodiversity, ecosystems and ecosystem services]. The SASB standards could bolster their current framework and provide investors with more information needed to address human capital, human rights and [biodiversity, ecosystems and ecosystem services] issues. (Comment letter 260: National Employment Savings Trust [NEST])

35. Additionally, a few respondents noted the importance of the work to enhance the SASB Standards in the context of other sustainability standards-setters', including EFRAG and GRI, work on sector-based disclosures.

We note that EFRAG is currently developing its sector-specific European Sustainability Reporting Standards to complement the sector-agnostic ones recently adopted by the European Commission. As the industry-specific SASB Standards can play a role in supporting EFRAG's work, we recommend a close degree of cooperation between the ISSB and EFRAG to achieve the maximum degree of interoperability at the sector level. (Comment letter 288: Norges Bank Investment Management)

Staff analysis and recommendations

36. IFRS S1 references the SASB Standards as a source of guidance that entities are required to consider when identifying sustainability-related risks and opportunities

(beyond climate, which is addressed in IFRS S2) and determining the information to disclose about those risks and opportunities. The SASB educational materials state:

The SASB Standards can be a useful source of guidance in applying IFRS S1 because they:

- are designed to provide investors, creditors and other lenders with information that is decision-useful and comparable with peers;
- are tailored to specific industries, allowing companies to quickly access guidance that is relevant to their business activities; and
- provide guidance on sustainability-related topics beyond climate, including human capital and nature.

37. As IFRS S1 relies on the SASB Standards as a primary source of guidance to report on sustainability-related matters beyond climate, the staff believe that the ongoing maintenance and enhancement of the SASB Standards is essential to ensure that the SASB Standards continue to be relevant and fit for use by a global audience. Further, given the importance of interoperability and the ISSB's role to establish a global baseline of sustainability-related financial disclosures as well as the need to consider the interoperability of the ISSB Standards with that of others to support the efficiency of sustainability reporting, it is important that the ISSB also seek opportunities to coordinate with the industry- and sector-based work of other jurisdictional and voluntary sustainability-standard setters and framework providers, most specifically the GRI and EFRAG.

38. The staff foresees this activity including the following (this list is not meant to be exhaustive):

- (a) pursuing opportunities to establish or enhance interoperability of the ISSB's industry-based materials (including the SASB Standards and industry-based

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- guidance of IFRS S2) with those of other relevant standard setters, including the sector-based work of GRI and EFRAG;
- (b) advancing legacy research and standard-setting projects inherited from the SASB Standards Board, with a potential initial focus on late-stage projects where recommended changes were published at the time of the VRF's consolidation into the IFRS Foundation; and
 - (c) engaging with stakeholders and considering feedback from, amongst other mechanisms, recent public consultations (including relevant feedback from the Request for Information, the exposure draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*, the exposure draft *IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information* and the exposure draft *IFRS S2: Climate-related disclosures*) to assess potential enhancements to specific industries or topics across multiple industries within the SASB Standards.
39. Further, the staff believes this activity will directly interact with and support the ISSB's activities related to supporting the implementation of IFRS S1 and IFRS S2 by providing an efficient and effective way to strengthen the global baseline through the use of the SASB Standards as a primary resource for reporting on topics beyond climate when applying IFRS S1. This activity also will directly interact with new projects added to the next two year work plan by, for example, informing relevant industry-specific considerations in relation to biodiversity, ecosystems and ecosystems services, human capital, and human rights, pending ISSB decisions on which projects to add to the work plan. Disclosures included in SASB Standards could potentially be incorporated and built upon in the ISSB's new research and standard-setting work.
40. The staff therefore recommends that the ISSB assign a slightly lower level of focus on 'enhancing the SASB Standards' when compared to 'supporting the implementation

of IFRS S1 and IFRS S2,' while also acknowledging the significant amount of interaction between the two activities.

Beginning new research and standard-setting projects

41. Appendix A of the Request for Information included descriptions of four proposed research projects:
- (a) three research projects on sustainability-related risks and opportunities associated with the topics of:
 - (i) biodiversity, ecosystems and ecosystem services (BEES);
 - (ii) human capital; and
 - (iii) human rights; and
 - (b) one research project on integration in reporting to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 and IFRS S2.
42. As it relates to the strategic direction and balance of the ISSB's activities, the Request for Information sought to understand the relative level of priority respondents assigned to beginning new research and standard-setting projects compared to each of the three foundational activities. Comments on the relative priority and scope of the proposed projects that were detailed in Appendix A to the Request for Information, as well as other projects proposed by users, will be considered in connection with the staff's analysis and recommendations on new projects to be added to the work plan, which will be presented to the ISSB at a future meeting.

Feedback from respondents

43. Respondents who ranked this activity were nearly evenly split with half ranking the activity as a higher priority (first or second priority) and half ranking the activity as a lower priority (third or fourth priority).
44. Those respondents who ranked the activity as a higher priority stated it was important for the ISSB to develop future standards on a range of sustainability-related matters beyond climate change to achieve the global baseline of sustainability-related financial disclosures, with some respondents referencing the European Union's Corporate Sustainability Reporting Directive (CSRD) and ESRS as covering many sustainability-related matters.

To achieve global standards and comparable reporting globally as soon as possible, we recommend for the ISSB to work on (further) globally relevant topics, also taking the list of topics covered by the Corporate Sustainability Reporting Directive (CSRD) into account, which is why we deem it important to prioritize the launch of new research and standard-setting projects. (Comment letter 119: Allianz Group)

45. Those respondents who ranked the activity as a lower priority acknowledged the importance of the activity, but noted the ISSB's initial focus should be on the successful global adoption and implementation of IFRS S1 and IFRS S2, with some noting that IFRS S1 already requires entities to disclose material information about all sustainability-related risks and opportunities. Respondents also noted that the ISSB should allow sufficient time for entities to adopt and implement those Standards before issuing new requirements.

Additive activities to expand the scope of the ISSB Standards, such as beginning new research and standard setting projects, appear premature given the global uptake of the existing standards is not a certainty. Failure to achieve widespread jurisdictional adoption will result in the continuation of a global patchwork of sustainability disclosures.

With respect to the proposal to begin new standard setting projects, we note that issuers would already be required to disclose key information related to the topics cited in the proposed ISSB Work Plan if those topics are deemed material to the company through S1. Additionally, established frameworks exist that companies can use to disclose risks and opportunities related to these proposed topics. While future standard setting efforts could help to compile the most decision-useful aspects of these existing frameworks, such activities should not be considered a priority of the ISSB in the near term. (Comment letter 82: Boston Trust Walden)

Staff analysis and recommendations

46. While the staff, at this time, is not making recommendations on the number or scope of projects to be added to the work plan, the staff does recommend that the ISSB prioritise beginning new research and standard-setting projects in order to be responsive to feedback that the ISSB develop future standards on topics beyond climate change in order to achieve the global baseline of sustainability-related financial disclosures. The staff also acknowledges the feedback, especially from investors, that notes that the successful implementation of IFRS S1 and IFRS S2 is critical to the establishment of the global baseline, such that beginning new research and standard-setting projects, especially topic-based standard-setting, may be a slightly lower priority for the ISSB's next work plan. Regardless of the priority specified in their responses, respondents generally agreed that beginning new research and standard-setting projects was important for the ISSB.
47. The staff recommend that the ISSB assign a slightly lower level of focus to 'beginning new research and standard-setting projects' when compared to 'supporting the implementation of IFRS S1 and IFRS S2.' The staff would recommend this activity be assigned the same level of focus as the activity 'enhancing the SASB Standards' as both activities are intended to build upon and extend the requirements of IFRS S1, albeit in different ways. The activity 'enhancing the SASB Standards' is,

in part, intended to ensure that the SASB Standards, as required materials to consider when applying IFRS S1, continue to be relevant and fit for use in preparing sustainability-related disclosures on topics beyond climate while future ISSB Standards are being developed. The activity ‘beginning new research and standard-setting projects’ intends to pursue research on sustainability-related matters and, as appropriate, pursue standard-setting to develop new ISSB Standards on topics beyond climate. Further, as noted in paragraph 39, the staff expects that the ISSB’s work on the SASB Standards will also interact with its work on new research and standard-setting projects.

Core activities

48. As stated in paragraph 14, the Request for Information did not ask respondents to comment on the priority of the ISSB’s core activities or the types of work the ISSB should prioritise within each core activity. However, many respondents commented on at least one of the core activities. Paragraphs 49–71 present the feedback and staff recommendations related to the core activities.

Interoperability

49. Table 1 of the Request for Information, included as Appendix A to this paper, explained that ensuring interoperability of the ISSB Standards with other sustainability standards is a fundamental activity to facilitate the delivery of the global baseline of sustainability-related disclosures that support interoperability with other jurisdictional and voluntary initiatives on sustainability-related disclosures.

Feedback from respondents

50. Many respondents to the Request for Information emphasised the importance of the ISSB working collaboratively with and considering the materials of other jurisdictional and voluntary sustainability standard-setters and framework providers, both as part of supporting the implementation of IFRS S1 and IFRS S2 and pursuing new research and standard-setting. In particular, respondents emphasised the

importance of working closely with and considering the materials of EFRAG, GRI, and the U.S. SEC.

51. Some respondents called for the ISSB to publish materials to help preparers and users better understand and navigate the relationships and any differences between ISSB Standards and the ESRS and GRI Standards. Respondents noted such guidance would support the establishment of the global baseline and enable the ISSB's building-blocks approach.

Staff analysis and recommendations

52. The Request for Information explained that ISSB was established to develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs that builds on market-led initiatives in a way that, in turn, enables others to build efficiently and effectively upon the ISSB's 'global baseline.' This 'building-blocks approach' would allow jurisdictions to meet their corporate reporting needs by adopting the ISSB's global baseline and adding additional disclosure requirements if necessary. Thus, interoperability is an embedded consideration for all of the ISSB's current and future work.
53. Interoperability is embedded in the ISSB's work to support the implementation of IFRS S1 and IFRS S2 described in paragraph 22. For example, the ISSB frequently engages with stakeholders, including other standard setters and framework providers via its Jurisdictional Working Group, whose membership includes, among others, EFRAG and the U.S. SEC; as well as through other mechanisms, including the ISSB's Memorandum of Understanding with GRI. The ISSB is also monitoring the developments in other sustainability related standards and frameworks which might have implications on the ISSB Standards, including, for example, the ESRS, GRI Standards, U.S. SEC, TPT, GFANZ and GHG Protocol.
54. Interoperability is also considered in the ISSB's work to enhance the SASB Standards. For example, the ISSB will seek opportunities to coordinate with GRI and EFRAG as they develop and enhance their respective sector-based standards to

facilitate interoperability with the SASB Standards and any future industry-based requirements contained in the ISSB Standards. The staff believes it will be important for the ISSB to consider interoperability, including the potential to align the timing of sector-based standard-setting work with that of other standard setters, when determining the plan of work for enhancing the SASB Standards.

55. Finally, interoperability will also be considered in the ISSB's new research and standard setting. Appendix A to the Request for Information included descriptions of four proposed projects which could be added to the work plan. Within each description, the ISSB referenced the materials of the ISSB and other standard setters and framework providers which could be utilised and built upon in the ISSB's research and potential future standard-setting. Additionally, at its February 2024 meeting, the ISSB tentatively decided to amend the criterion on how a potential project would relate to other projects in the work plan to make it explicit that the ISSB will consider the work of other relevant standard-setters, such that this consideration will be evident when assessing the priority of potential projects that could be added to the ISSB's next work plan. Thus, consideration of the work of other sustainability standard-setters will be essential as the ISSB advances research and potential future standard-setting.
56. As interoperability is fundamental to all of the ISSB's work, the staff recommends that interoperability continue to be described a core consideration and 'core activity', similar to how it was described in the Request for Information.
57. A further paper discussing how interoperability can continue to inform the ISSB's work will be discussed by the ISSB at a future meeting.

Connectivity

58. The Request for Information described connectivity between the ISSB's and IASB's respective requirements as a fundamental activity to facilitate the delivery of a coherent and comprehensive system of general purpose financial reporting that includes sustainability-related financial disclosures and financial statements.

Feedback from respondents

59. Some respondents provided feedback on connectivity, including how the ISSB and IASB might work together. Respondents also commented on connectivity in the context of a potential project on integration in reporting. Feedback on connectivity in the context of a potential project on integration is not included in this agenda paper, as it will be considered at a future ISSB meeting where the ISSB decides whether to add a project on integration in reporting to its work plan, and the scope of such project.
60. All respondents who commented on connectivity, whether in the context of how the ISSB and IASB might work together on a project on integration in reporting or otherwise, indicated connectivity as an important consideration and activity for the ISSB and IASB.
61. Respondents suggested the ISSB further support connectivity by collaborating with the IASB on:
- (a) IASB projects which might consider sustainability-related matters in the financial statements (for example, the IASB's current and potential projects on climate-related risks in the financial statements, intangible assets and pollutant pricing mechanisms);
 - (b) developing further educational materials, guidance and clarifications on key topics including:
 - (i) connected information;
 - (ii) current and anticipated financial effects of sustainability-related risks and opportunities;
 - (iii) reporting climate-related risks in the financial statements;
 - (iv) explaining to users of general purpose financial reports the role of financial statements in providing information about sustainability-related risk and opportunities; and

- (v) ensuring a consistent approach is applied to the application of materiality judgments under both the ISSB and IASB Standards.
62. Of the respondents who commented on this activity, some also advocated for the development of a conceptual framework that would set out the fundamental principles that would underpin the work of the ISSB, or of both boards.

Staff analysis and recommendations

63. The feedback on the Request for Information makes clear that connectivity between the ISSB and IASB is an important activity and consideration as the ISSB advances its work.
64. The staff agree that the ISSB should continue work in a way that supports connectivity. Connectivity underpins every aspect of the ISSB's work including, for example, being conscious of the use of terminology relative to that used by the IASB and the application of relevant concepts from the IFRS Accounting Standards. The staff also agree that as part of working in a connected manner, the ISSB should continue to engage with the IASB, to the extent necessary, on IASB projects which consider reporting sustainability-related matters in the financial statements, which could include those projects identified in paragraph 61(a). Additionally, as part of the ISSB's activities to support the implementation of IFRS S1 and IFRS S2, the ISSB should consider the connectivity-related activities identified in paragraph 61(b).
65. The staff also agrees, that as part of pursuing new research and standard-setting projects, the ISSB should consider interactions with the work of the IASB. For example, there may be interactions between an ISSB project exploring the sustainability-related risks and opportunities associated with the topic of human capital and the IASB's project on intangible assets. Indeed, at its February 2024 meeting, the ISSB tentatively decided to amend the criterion on how a potential project would relate to other projects in the work plan to make it explicit that the ISSB will consider the work of other relevant standard-setters, which could include the IASB, such that this consideration will be evident when assessing the priority of

potential projects that could be added to the ISSB's next work plan. Further, consideration of connectivity with the IASB will be essential to the research and potential future standard-setting of the ISSB, regardless of the form of such future standards.

66. In regard to the feedback described in paragraph 62 in which respondents commented on the development of a conceptual framework, the staff believes that a larger scale 'conceptual framework' project, whether pursued solely by the ISSB or in combination with the IASB, should not be pursued in the next work plan. The staff notes that IFRS S1 already sets out the conceptual foundations of the ISSB Standards. Further, there is significant stakeholder demand for the ISSB to continue expand the global baseline of sustainability-related financial disclosures to address a range of sustainability-related matters beyond climate. It is the staff's view that the benefits of such a project would not outweigh the costs, as such a project would require a significant amount of ISSB time and resources and would hinder the pace at which the ISSB can advance new research and standard-setting. The staff therefore recommend the ISSB consider this feedback as part of its work to support the implementation of IFRS S1 and IFRS S2, and work to build a common understanding of the conceptual foundations and other core concepts that underpin the ISSB Standards amongst its stakeholders, as contemplated in paragraph 22(b).
67. In consideration of the feedback on the Request for Information and of the work contemplated in the ISSB's other activities, the staff does not think it is necessary to make substantive changes to the connectivity activity, as it was described in the Request for Information, and would recommend that connectivity continue to be a core consideration and 'core activity' that is fundamental to all of the ISSB's activities. While the staff does not recommend assigning a specific level of focus to this activity, the staff does recommend that the ISSB reserve some capacity to engage with and support the IASB on its projects and activities, as necessary.

Stakeholder engagement

68. Table 1 of the Request for Information, included as Appendix A to this paper, described engaging with stakeholders as a fundamental activity to promote the global use of the Standards and obtain input for the development of high-quality sustainability-related reporting requirements.

Feedback from respondents

69. A few respondents commented on the ISSB's activity of engaging with stakeholders to emphasise the importance of this activity. These respondents encouraged the ISSB to engage with a diverse range of stakeholders and jurisdictions, including emerging economies, as it progresses all of its activities and potential projects.

Staff analysis and recommendations

70. The staff agree that engaging with a broad range of stakeholders from various backgrounds and regions is essential to all of the ISSB's activities, and indeed, is at the core of all of the ISSB's work.
71. As stakeholder engagement is fundamental to all of the ISSB's work, the staff recommends that engaging with stakeholders continue to be described a core consideration and 'core activity', similar to how it was described in the Request for Information.

Other activities suggested by respondents

72. The Request for Information asked whether respondents believed the ISSB should include any other activities within the scope of its work. Most respondents commented on one or more of the ISSB's core activities or suggested additional research or standard-setting projects that could be added to the ISSB's work plan. Comments on core activities were considered in the staff's analysis and recommendations related to the core activities presented in paragraphs 49–71. Comments on additional research or standard-setting projects that could be added to

the ISSB's work plan will be considered in the staff's analysis of and recommendations on new projects to be added to the ISSB's work plan, which will be discussed by the ISSB at a future meeting.

73. The remaining responses primarily focused on suggestions that the ISSB should devote resources to more clearly articulate and define its longer-term strategic vision for the future of the ISSB Standards, beyond the next two-year work plan, including clarifying:
- (a) the sustainability-related topics a 'full suite' of ISSB Standards would encompass;
 - (b) the timeline for future ISSB Standards;
 - (c) the role of industry-based disclosures, including the SASB Standards, in the ISSB Standards; and
 - (d) the plans for the IFRS Foundation's inherited resources, including the SASB Standards, the CDSB Framework application guidance, and the Integrated Reporting Framework.
74. As it relates to clarifications on the 'full suite' of ISSB Standards and a related timeline, the staff notes that the ISSB was established to provide disclosures to meet the information needs of investors and with a mandate of 'climate first, but not climate only.' The intention is, thus, to ensure that the full suite of standards meet such needs with the sustainability-related matters prioritised over time, as informed by consultations such as that currently being redeliberated. Thus, the staff believes that it would be premature for the ISSB to commit more specifically to sustainability-related matters that could be addressed by its future standard-setting at this stage and before research on any sustainability-related matters beyond climate has commenced.
75. As it relates to clarifications on the role of industry-based disclosures, the staff notes that since the formation of the ISSB, the IFRS Foundation and the ISSB have been informed consistently that industry-specific information is a necessary component of

decision-useful sustainability-related disclosures to meet investors' information needs. This is reflected in the requirements of IFRS S1, which forms the basis of the global baseline and includes a requirement that industry-specific disclosures be provided. It is thus expected that industry-specific disclosures will be considered in all of the ISSB's research and standard-setting activities. Further, the staff believes that the recommendations related to the 'enhancing the SASB Standards' should clarify the ISSB's commitment to industry-based disclosures.

76. As it relates the ISSB's inherited resources, the staff notes that IFRS S1 relies on the SASB Standards as a primary source of guidance to report on sustainability-related matters beyond climate and that the ISSB encourages the use of SASB Standards.¹¹ Additionally, ISSB and IASB encourage the use of the Integrated Reporting Framework.¹² Exactly how the ISSB will utilise the inherited resources of the SASB Standards, CDSB Framework application guidance, and the Integrated Reporting Framework in its future work will become apparent as the ISSB progresses its work. The staff believes that the description of the activity 'enhancing the SASB Standards' should provide more clarity on plans related to the SASB Standards. It is also expected that as the ISSB undertakes research or standard-setting work on new sustainability-related matters, it will consider these existing materials and utilise them as relevant and appropriate. The staff will consider this feedback as it makes recommendations on the scope of the projects to be added to the work plan at a future meeting.
77. Overall, the staff believe that the feedback statement that will be published at the conclusion of the agenda consultation will be largely responsive to this feedback and will provide the ISSB with an opportunity to provide clarity on the ISSB's approach to its future work. Therefore, the staff does not recommend the ISSB devote specific resources to more clearly articulate and define its longer-term strategic vision for the future of the ISSB Standards, beyond the next two-year work plan.

¹¹ <https://www.ifrs.org/news-and-events/news/2022/03/issb-communicates-plans-to-build-on-sasbs-industry-based-standards/>

¹² <https://www.ifrs.org/news-and-events/news/2022/05/integrated-reporting-articulating-a-future-path/>

Questions for the ISSB

78. The staff presents the following questions for the ISSB.

Questions for the ISSB

1. Does the ISSB have any comments or questions on the feedback discussed in this paper?
2. Does the ISSB agree with the staff recommendations:
 - a. on the set of activities to be included in the ISSB's next work plan summarised in paragraph 6; and
 - b. on the relative level of priority to be placed on each of the ISSB's activities, as summarised in paragraph 7?

Appendix A—Table 1 of the Request for Information

A1. This appendix presents Table 1, which described each of the ISSB’s activities, as it appeared in the Request for Information. Within this agenda paper, the staff has recommended some changes to the ISSB’s set of activities and the anticipated body of work to be encompassed in each activity, which are not reflected in Table 1. The staff wish to emphasise that the description of the body of work encompassed in each activity, both within the Request for Information and the feedback statement to be published at the conclusion of the agenda consultation, is not intended to be exhaustive and that types of work included in each activity may change over time.

Table 1—The ISSB’s activities

Activity	Objective	Description of the activity
Beginning new research and standard-setting projects	Research sustainability-related topics and, if appropriate, develop new sustainability-related disclosure requirements	<p>In this Request for Information, the ISSB is asking for stakeholder feedback on a proposed list of new research and standard-setting projects to be considered for inclusion in the ISSB work plan. The feedback provided will inform the ultimate scope and priority of projects added to the ISSB’s new work plan.</p> <p>See the remainder of this Request for Information for a description of the ISSB’s process (see paragraphs 27–38), and criteria used (see paragraphs 23–26), to identify and prioritise the proposed list of new research and standard-setting projects. Also see Appendix A for a description of the proposed projects.</p>
Supporting the implementation of ISSB Standards	Help stakeholders obtain a common understanding of ISSB Standards and enable the delivery of the comprehensive global baseline of	<p>To support the foundation created by IFRS S1 and IFRS S2, and to enable the delivery of the comprehensive global baseline of sustainability-related disclosures, the ISSB will undertake activities to directly support the implementation of ISSB Standards.</p> <p>In particular, the ISSB will:</p> <ul style="list-style-type: none"> (a) develop or strengthen guidance and materials to explain the core concepts that underpin the ISSB Standards and to assist in addressing any challenges

Activity	Objective	Description of the activity
	sustainability-related disclosures	<p>identified for preparers, auditors, investors and regulators. These materials will complement and supplement any materials that are included in or published with IFRS S1 and IFRS S2;</p> <p>(b) establish processes to support the application of the Standards, including the establishment of a transition implementation group;</p> <p>(c) engage with partners among jurisdictions worldwide, including emerging economies, to deliver education and build awareness to support the provision of high-quality disclosures under the ISSB Standards; and</p> <p>(d) publish an exposure draft of the [Proposed Taxonomy] IFRS Sustainability Disclosure Taxonomy and supporting guidance to facilitate the effective and efficient digital consumption and exchange of reports prepared in accordance with the ISSB Standards</p>
Researching targeted enhancements to the ISSB Standards	Support the enhancement of disclosures under ISSB Standards	<p>In addition to the activities to support the implementation of the ISSB Standards, the ISSB will continue research and consultation to assess the ISSB Standards for areas of targeted enhancement.^a In particular, this work could enhance the application of IFRS S2 by providing guidance for the disclosure of climate-adjacent risks and opportunities related to nature and the ‘just transition’ to a lower-carbon economy.^b This work is fundamental to the application of IFRS S2 because it enables a holistic approach to climate-related disclosures and responds to the fast-changing climate-</p>

^a After issuing a new ISSB Standard, the ISSB stands ready to act if evidence indicates a need for improvement to sustainability-related financial reporting. This evidence may arise from, among other mechanisms, a post-implementation review (PIR). The objective of a PIR is to assess whether the effects of applying the new requirements on users of sustainability-related financial reporting, preparers, auditors and regulators are as intended when the ISSB developed those new requirements. The earliest a PIR would start is after the new requirements have been implemented for at least 24 months. Given this timeframe, a PIR for IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* or IFRS S2 *Climate-related Disclosures* is not in the scope of the ISSB’s activities for its next two-year workplan.

^b While there is no universally accepted definition of just transition, the International Labour Organization (see https://www.ilo.org/global/topics/green-jobs/WCMS_824102/lang--en/index.htm) defines the just transition as ‘greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind’. Recently, the concept of just transition has been increasingly referred to when speaking of climate change and to ensure the whole of society—all communities, all workers, all social groups—are brought along in the pivot to a net-zero future. The concept is, therefore, widely used to advocate for social justice and equity in climate action (UNDP, 2022, see <https://www.undp.org/publications/how-just-transition-can-help-deliver-paris-agreement>).

Activity	Objective	Description of the activity
		<p>related risk and opportunity landscape and emerging investors’ needs. Research and consultation activities included in this work will aim to:</p> <ul style="list-style-type: none"> (a) identify risks and opportunities at the nexus of climate and nature (for example, those related to water and deforestation), as well as those closely associated with socioeconomic aspects, such as the just transition to a lower-carbon economy; and (b) explore location-, value chain- and industry-based aspects of climate-adjacent risks and opportunities and associated metrics, and of climate-related strategies and transition plans.
<p>Enhancing the SASB Standards</p>	<p>Support the enhancement and maintenance of SASB Standards</p>	<p>In August 2022, the consolidation of the IFRS Foundation and the Value Reporting Foundation (VRF) was completed. The IFRS Foundation now governs the VRF’s resources, which include the SASB Standards.^c The industry-specific SASB Standards play an important role in both IFRS S1, as materials an entity shall refer to when identifying sustainability-related risks and opportunities and associated disclosures,^d and IFRS S2, as the foundation for the industry-based guidance included in IFRS S2.^e</p> <p>ISSB activities related to the enhancement and maintenance of the SASB Standards will support disclosures on a range of sustainability- related subject matters relevant to investors—beyond climate-related matters—on the application of IFRS S1. These activities will also support the implementation of</p>

^c See Press Release: IFRS Foundation completes consolidation with Value Reporting Foundation (VRF) (<https://www.ifrs.org/news-and-events/news/2022/08/ifrs-foundation-completes-consolidation-with-value-reporting-foundation/>).

^d At its February 2023 meeting, the ISSB decided that IFRS S1 requires consideration of SASB Standards to identify sustainability-related risks and opportunities and to prepare related disclosures. See paragraph 16 and Table 2 in the February 2023 Agenda Paper 3C & 4B on Due process and permission to ballot (<https://www.ifrs.org/content/dam/ifrs/meetings/2023/february/issb/ap3c-4b-due-process-and-permission-to-ballot.pdf>).

^e At its February 2023 meeting, the ISSB decided that (i) IFRS S2 require entities to provide industry-specific disclosures; and (ii) the content that was exposed as Appendix B in the [draft] IFRS S2 be classified as examples that shall be referred to and considered by entities in providing their industry-specific disclosures, while stating its intention to make those materials mandatory in the future, subject to further consultation. See paragraph 16 and Table 2 in the February 2023 Agenda Paper 3C & 4B on Due process and permission to ballot (<https://www.ifrs.org/content/dam/ifrs/meetings/2023/february/issb/ap3c-4b-due-process-and-permission-to-ballot.pdf>).

Activity	Objective	Description of the activity
		<p>the ISSB Standards by providing a source of industry-specific disclosures that are designed to be proportionate for entities that provide decision-useful information for investors across a range of sustainability-related risks and opportunities. The ISSB will embed the industry-based approach used by the SASB into its standard-setting process.</p> <p>The ISSB activities related to the SASB Standards include:</p> <ul style="list-style-type: none"> (a) enhancing the international applicability of the SASB Standards, including the publication of updated, internationally applicable SASB Standards; (b) advancing the industry-based research and standard-setting work inherited from the SASB, with an initial focus on projects in which recommended changes to the SASB Standards had been published prior to the IFRS Foundation gaining responsibility for the SASB Standards;^f and (c) maintaining the SASB Standards through research, consultation, outreach and revisions to the SASB Standards. <p>Any proposed updates or amendments to the SASB Standards resulting from this work will be subject to consultation in accordance with the IFRS Foundation’s due process.</p>
<p>As discussed in paragraph 20 and demonstrated in Diagram 3, connectivity between the ISSB and IASB requirements, interoperability with the materials of other sustainability standard setters, and stakeholder engagement are at the core of all the ISSB’s activities and fundamental to the ISSB’s mission to deliver a comprehensive global baseline of sustainability-related disclosures to meet the needs of investors.</p>		
<p>Ensuring connectivity between the ISSB’s and IASB’s</p>	<p>Facilitate the delivery of a coherent and comprehensive system of general purpose financial</p>	<p>The ISSB and the IASB, together with their technical staff, coordinate their work and establish processes to enable connected reporting, ensuring that the IASB’s and ISSB’s respective requirements are compatible and avoid potential inconsistencies and conflicts. Connectivity with the IASB is essential to all of the ISSB’s current and future work.</p>

^f See the SASB projects webpage for detail of research and standard-setting projects that were active at the time of the IFRS Foundation’s consolidation of the VRF (see <https://www.ifrs.org/projects/sasb-standards-projects/>).

Activity	Objective	Description of the activity
respective requirements	reporting that includes sustainability-related financial information and financial statements.	<p>The collaboration between the IASB and the ISSB could take various forms. In many cases this would involve the sharing of knowledge and materials. For example, IFRS S1 includes general requirements that have been derived in many cases from requirements in IFRS Accounting Standards, and the ISSB uses the same definition of materiality as the IASB. In some cases this could involve joint work to ensure their respective requirements are compatible and complementary (for example, ensuring IFRS S2 requirements are compatible and complementary with the output of the IASB’s project on climate-related risks in the financial statements).^g</p> <p>In the same vein, the ISSB could also work with the IASB on other projects or activities that have sustainability-related considerations to ensure the cohesiveness of the ISSB and IASB’s respective work (for example, sustainability-related considerations of the IASB’s pipeline projects on intangible assets and pollutant pricing mechanisms).^h</p>
Ensuring interoperability of the ISSB Standards with other sustainability standards	Facilitate the delivery of the global baseline of sustainability-related disclosures that support interoperability with other jurisdictional and voluntary initiatives on sustainability-related disclosures	<p>The mission of the ISSB is to deliver a comprehensive global baseline of sustainability-related disclosures to meet the needs of investors. ISSB Standards are designed to facilitate a building-blocks approach. The building-blocks approach would allow jurisdictions to meet their corporate reporting needs by adopting the ISSB Standards and adding disclosure requirements if necessary. Thus, interoperability is a consideration for all of the ISSB’s current and future work, including future research and standard-setting projects.</p> <p>The ISSB works with other sustainability standard-setters and framework providers (both jurisdictional and voluntary) to ensure the ISSB Standards can be effectively implemented and applied by entities in a way that is interoperable with other sustainability reporting standards, in order to minimise reporting burdens, costs and complexity. The ISSB will continue this work through engagement with stakeholders,</p>

^g See the IASB’s climate-related risks in the financial statements project page: <https://www.ifrs.org/projects/work-plan/climate-related-risks-in-the-financial-statements/>.

^h See the IASB’s summary of pipeline projects: <https://www.ifrs.org/projects/pipeline-projects/>.

Activity	Objective	Description of the activity
		<p>sustainability standard-setters and framework providers (including the Global Reporting Initiative (GRI)), including via its Jurisdictional Working Group and the Sustainability Standards Advisory Forum.</p> <p>Upon the publication of IFRS S1 and IFRS S2, the ISSB intends to undertake activities to support those using IFRS S1 and IFRS S2 and to provide guidance on how the two Standards can be effectively implemented and applied by entities in a way that is connected to and interoperable with other financial and sustainability reporting standards.</p>
Engaging with stakeholders	Promote the global use of the Standards and obtain input for the development of high-quality sustainability-related reporting requirements.	The ISSB engages with stakeholders from various backgrounds and regions, including the ISSB’s advisory bodies and consultative groups, external events and conferences, project outreach and the ISSB Symposium. The ISSB also develops materials for meetings with stakeholders, and stakeholder content on the IFRS website.