
IFRS Sustainability Reference Group

Quarterly Meeting

December 2025

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Overview

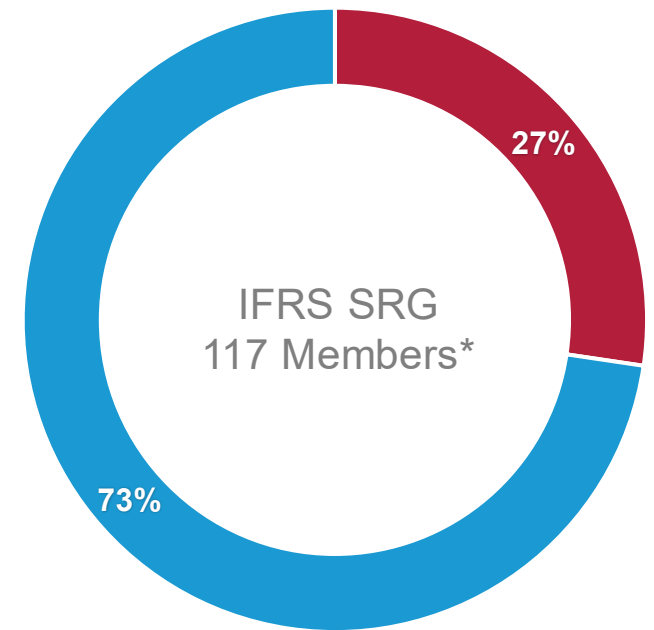
1. General updates for members
2. Jurisdictional Adoption of ISSB Standards
3. Proposed Amendments to the SASB Standards Exposure Drafts update
4. Nature-related disclosures
5. Human Capital research project
6. Q&A session

1. General updates for members



Thank you for a successful first year!

- Represent views across jurisdictions and stakeholder groups
- Provide valuable insights to the ISSB's technical agenda
- Connected our technical staff with stakeholders in their networks
- Submitted comment letters & surveys on the Exposure Drafts published this year



■ Not contacted yet ■ Contacted

**The [list of SRG members](#) has been updated on the group's webpage to reflect members' current roles and occupation*

SRG members quarterly meeting attendance

Q4 2024 - November



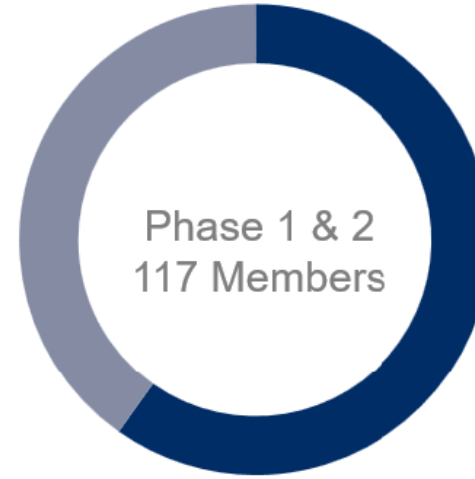
■ Yes - 77 (88%) ■ No - 11 (13%)

Q1 2025 - March



■ Yes - 79 (67.5%) ■ No - 38 (32.5%)

Q2 2025 - June



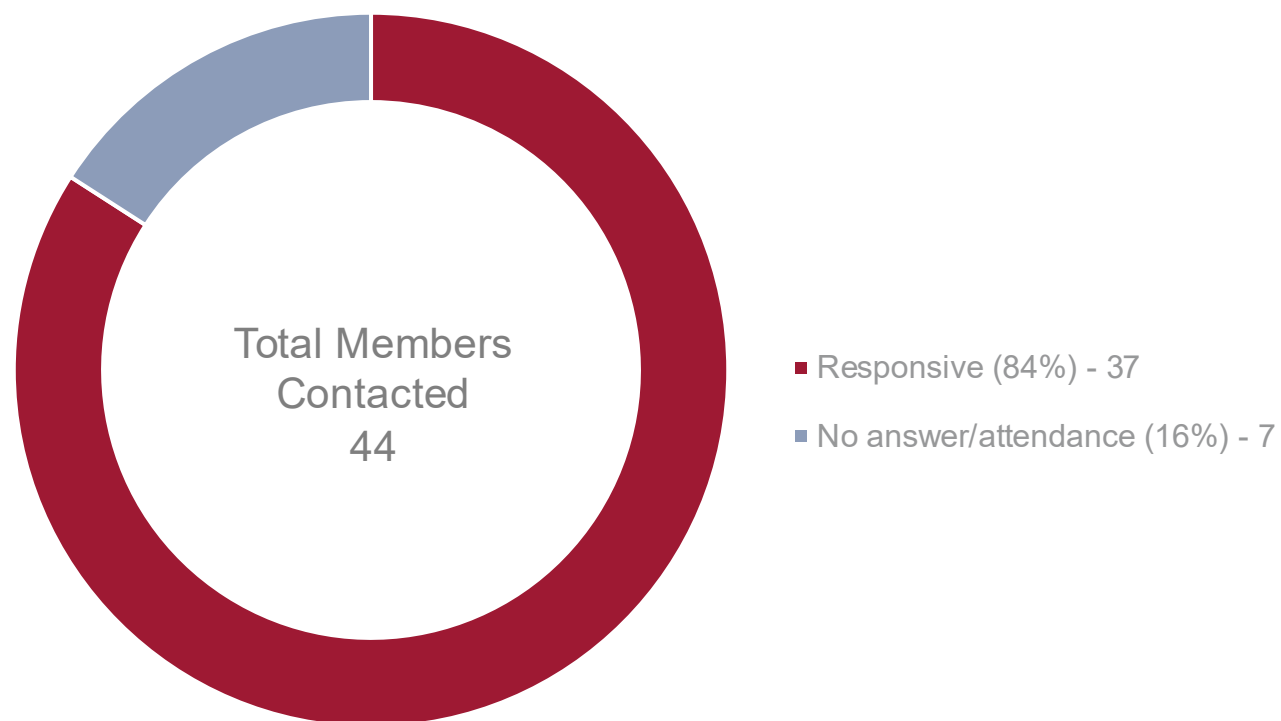
■ Yes - 70 (59.8%) ■ No - 47 (40.2%)

Q3 2025 - September



■ Yes - 71 (60.7%) ■ No - 46 (39.3%)

SRG members contacted in Q4 2025



Topics Covered*

SASB Standards Exposure Drafts – Coal Operations, Construction Materials, Iron & Steel Products, Metals & Mining, Oil & Gas and Processed Foods

SASB Standards – Electric Utilities, Food & Beverages and general enhancements conversations.

Roundtable to provide feedback on the Metals & Mining SASB Standard – Australia

In person events

**Not an exhaustive list*

Membership responsibilities

1. The diverse membership enables representation across jurisdictions, stakeholder groups and industries.
2. Members are expected to have professional competence and practical preparer/user or related experience of sustainability disclosures and/or general purpose financial reports.
3. Members are expected to actively contribute to the objectives of the SRG.
 - Attendance to quarterly meetings
 - Responsiveness to requests for member input

2. Jurisdictional Adoption of ISSB Standards



Jurisdictions taking steps towards ISSB Standards

39 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**

Jurisdictional progress

Americas

Bolivia, Brazil, Canada, Chile, Costa Rica, El Salvador, Mexico, Panama

Asia-Oceania

Australia, Bangladesh, China, Hong Kong SAR, Indonesia, Japan, South Korea, Kyrgyzstan, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Chinese Taipei, Thailand, Uzbekistan

EMEA

EU, Ghana, Jordan, Kenya, Nigeria, Qatar, Rwanda, Switzerland, Tanzania, Türkiye, Uganda, UK, Zambia, Zimbabwe

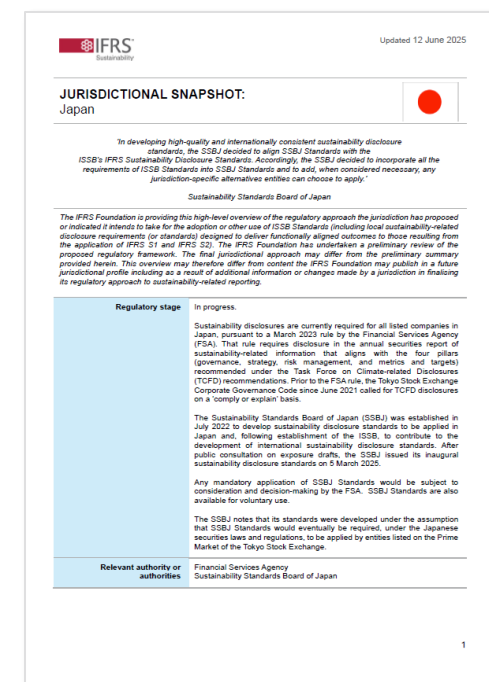
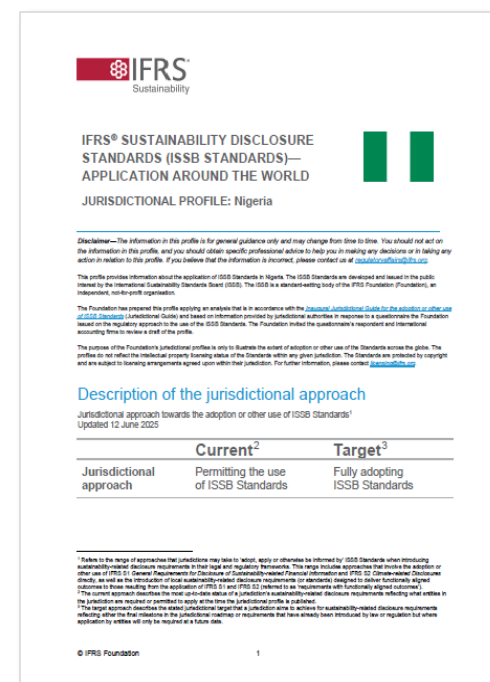
This list is based on information available to the IFRS Foundation as of 31 October 2025. The jurisdictions listed on this slide are those that have noted publicly that they have adopted or otherwise used ISSB Standards or have announced they will do so.

Profiles and snapshots provide transparency on progress

Jurisdictional profiles and snapshots

Building on the May 2024 [Jurisdictional Guide](#) to provide information for stakeholders about:

- **jurisdictional approaches** to adoption or other use of ISSB Standards, including the extent of application, entities subject to the requirements and the effective date
- **status of jurisdictions** in their adoption journeys



ISSB Standards as a global passport

Why it matters

- address emerging cross-border issues
- lower costs for companies
- reduce friction in reporting system

Passporting

Jurisdictions accept reports prepared in accordance with the ISSB Standards, while accommodating jurisdiction-specific conditions as needed

How we are helping

Expansion of Jurisdictional Adopters Working Group to facilitate multilateral discussion on global passporting arrangements

Jurisdictional Rationale Guide and Tool

Support jurisdictions in **assessing the case for adoption or other use of ISSB Standards** and understand the benefits of ISSB Standards commonly cited by jurisdictions:



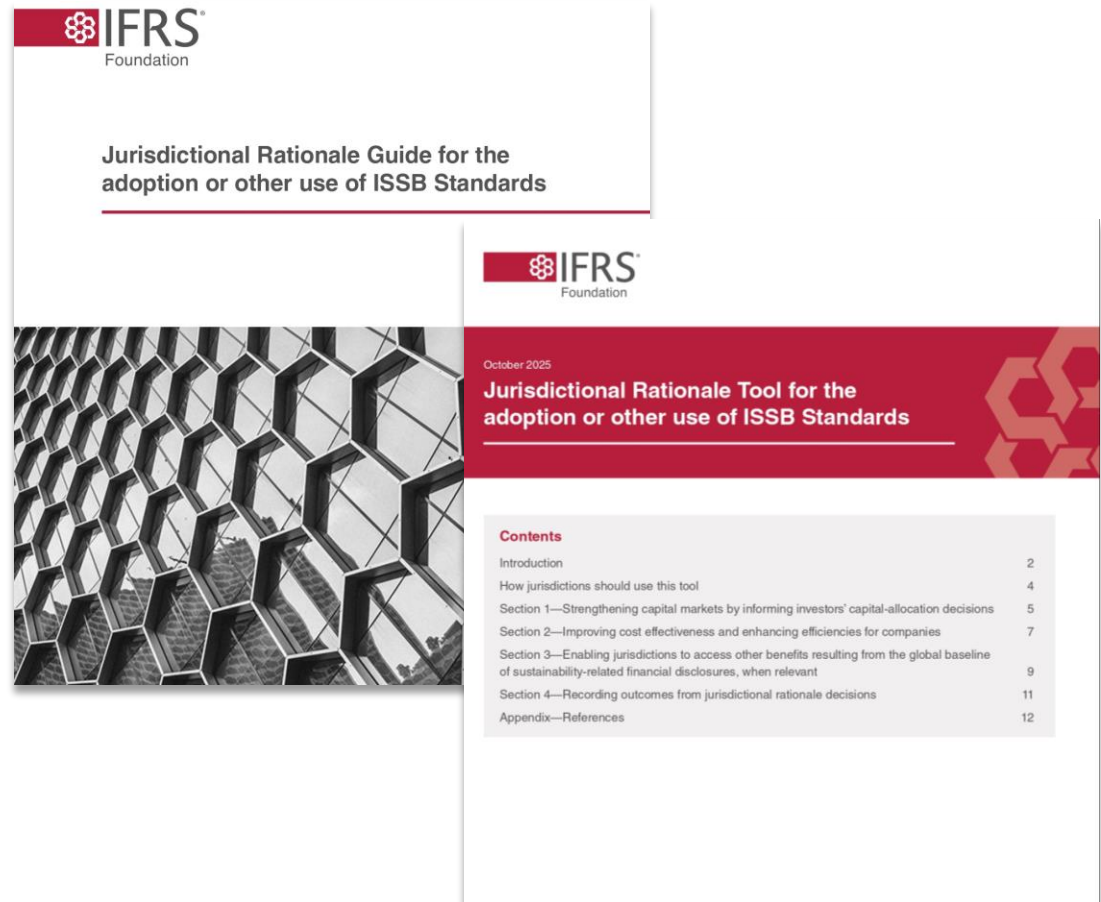
strengthening capital markets by informing investors' capital-allocation decision



enabling jurisdictions to leverage the global baseline of sustainability-related financial disclosures, when relevant



improving cost effectiveness and enhancing efficiencies for companies



3. Proposed amendments to the SASB Standards: Consultation update



Feedback on the Exposure Drafts as of 1 December

Responses received on
SASB ED

220

Number of external
attendees engaged
during the consultation

1500*

- Staff will provide the ISSB a preliminary summary of feedback in Q1 2026
- Redeliberations to follow in subsequent ISSB meetings

**Approximate number*

Next exposure draft: remaining priority industries

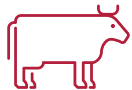
- The ISSB is preparing **another exposure draft** of proposed amendments to three further industries prioritised by the ISSB:



Electric Utilities & Power Generators



Agricultural Products



Meat, Poultry & Dairy

- The ISSB expects to publish this exposure draft **in early 2026**.
-

‘Phase 2’ of SASB enhancements project

In early 2026, the technical staff will approach the ISSB with recommendations regarding the next phase of the project to enhance the SASB Standards, including which sectors to prioritise

Criteria (discussed in June and July 2024):

- Importance to investors
 - *Industry size, risk exposure, investor feedback*
- Deficiencies in current disclosure
 - *Volume of stakeholder feedback*
 - *Disclosure analysis results*
- Interaction with research projects
 - *Prevalence of BEES/human capital metrics/topics*
- Whether sectors are being prioritised by other standard-setters

Potential sectors:

- **Consumer Goods**
Apparel, retail, e-commerce
- **Financials**
Asset management, banking, insurance
- **Health Care**
Biotech & pharma, medical devices
- **Resource Transformation**
Chemicals, electronics, aerospace
- **Technology & Communications**
Software, hardware, semiconductors

3. Nature-related disclosures



Investor nature-related information needs

Clear evidence of investor interest and effects on entity prospects

Information on:

- Governance and oversight
- Strategy – including information on current and anticipated financial effects and information about **nature transition plans**
- Risk management – including use of scenarios for risk identification
- Metrics and targets – including quantitative information on topics like **water, land use changes (such as deforestation), biodiversity loss and pollution**

Information that is:

- **Location-specific**
- Relevant across the value chain
- Contextual
- Covering the **climate-nature nexus**
- Industry-specific covering Food & Beverage, Consumer Goods, Extractives & Minerals Processing, Renewable Resources, Infrastructure and Transportation
- Based on **standardised terminology**

IFRS S1 + SASB Standards address many of these information needs, but incremental disclosure requirements are needed for nature-specific contexts. The TNFD framework **covers many of these areas**

Nature-related disclosures



Incremental disclosure requirements

ISSB will introduce incremental disclosure requirements on nature-related risks and opportunities not already covered by explicit requirements in IFRS S1 and IFRS S2



Educational material

Subsequently, ISSB will develop educational materials that explain how to apply the requirements in ISSB Standards in the context of providing material nature-specific information

Drawing on TNFD framework where relevant to meet investor information needs

ISSB to draw on TNFD

- Delivers efficiencies, reduces fragmentation and enables ISSB to build on leading practice
- Drawing where relevant to meet investor information needs in both standard setting and educational materials
- Utilising TNFD recommendations, metrics and additional guidance
- Includes TNFD's 'Locate, Evaluate, Assess, Prepare' or 'LEAP' approach
- TNFD addresses nature across all nature topics – a non-siloed approach
- 700+ companies globally already committed to using TNFD

TNFD will complete its technical work currently in progress by Q3 2026 as it supports the ISSB's work



Nature-related content exists throughout the SASB Standards

Nature-related topics in the SASB Standards

- Air quality
- Water & wastewater management
- Waste & hazardous materials management
- Ecological impacts
- Product quality & safety
- Product design & lifecycle management
- Supply chain management
- Materials sourcing & efficiency
- Physical impacts of climate change
- Business model resilience
- Management of the legal & regulatory environment
- Critical incident risk management

39%

of all SASB metrics are nature-related*

84%

of industries have at least 1 nature-related metric*

* GHG Emissions and Energy Management topics are omitted

Incremental nature-related disclosure requirements

- Incremental requirements that are not already reflected in explicit requirements in IFRS S1 and IFRS S2
- ISSB to discuss approach and scope to standard-setting in coming months
- Standard-setting comes in many forms
- Could be a mix of application guidance or amendments to existing ISSB Standards, industry-based guidance, additional sources of guidance or a new standard
- Balance new requirements, including when deciding effective date, with focus on supporting implementation of IFRS S1 and IFRS S2



Targeting an Exposure Draft by COP17 in October 2026

3. Human Capital research project



Human Capital-related risks and opportunities - Findings of Phase 1

Investors	Effects on prospects	Disclosures	Other standards and frameworks
<p>Interest</p> <ul style="list-style-type: none">mainly driven by risk management and/or return enhancementvaries between an entity's own workforce and the workers in its value chainin topics / metrics can vary by sector and/or jurisdiction	<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>)	<ul style="list-style-type: none">Most companies disclose some human capital-related information, but completeness, consistency and comparability are limited	<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

Human Capital-related risks and opportunities – Phase two objectives

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 disclosure in a **feasible and cost-effective** way

Synthesise phase one 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

Careful consideration of pace of change in requirements as climate reporting is established

6. Q&A



Next SRG quarterly meeting Q1 2026

- **Option 1**

- 17 March at 5 PM PT / 8 PM ET
- 18 March at 9 AM CST / 10 AM JST /
12 PM AET

- **Option 2**

- 18 March at 9 AM ET / 11 AM BRT / 3
PM CET / 4 PM SAST

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