
IFRS Foundation Trustees meeting – Due Process Oversight Committee

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Topic **Update on ISSB technical activities**
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Purpose

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Sustainability Standards Board (ISSB) since the last update to the DPOC in March 2025. The report covers the period from March 2025 to May 2025 and addresses the following matters:
 - (a) supporting implementation of IFRS S1 and IFRS S2;
 - (b) research projects on biodiversity, ecosystems and ecosystems services and human capital;
 - (c) enhancements to the SASB Standards;
 - (d) the IFRS Sustainability Disclosure Taxonomy; and
 - (e) the engagement with the ISSB's consultative groups.
2. [Appendix A](#) provides an overview of projects on the ISSB's Work Plan and its technical priorities.
3. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the ISSB, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook* (Handbook). *No decisions are required of the DPOC—accordingly, all information in this report is for noting only.*

Due process matters in the period for noting***Supporting implementation of IFRS S1 and IFRS S2*****Development of educational materials**

4. The IFRS Foundation has published the following Educational Material during the period to support the implementation of the ISSB Standards:
 - (a) Sustainability-related risks and opportunities and the disclosure of material information—A five-part webcast series designed to help companies identify sustainability-related risks and opportunities that could reasonably be expected to affect their prospects, and identify and disclose material information about sustainability-related risks and opportunities they have identified.¹

¹ The webinar series on 'Sustainability-related risks and opportunities and the disclosure of material information' can be found at: <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1-and-ifrs-s2/webcast-series-materiality-guide/>

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- (b) ISSB Standards Preparer Readiness Training (Preparer 101)—Educational materials produced for a pilot training sessions taking place in Singapore and Malaysia in May. While not publicly available these materials were subjected to the ISSB’s regular practice for review and approval of educational materials. Further development and use of the materials are subject to ongoing discussions after the pilot training sessions.
5. The ISSB continues to engage with stakeholders, including through the Transition Implementation Group (TIG) and other forums to understand where educational material could be developed to support the implementation of IFRS S1 and IFRS S2. Material is currently in development to support stakeholders in their understanding of the requirements in IFRS S2 on:
- (a) Greenhouse Gas Emissions Disclosure requirements in IFRS S2;
 - (b) Disclosures about transition plans;
 - (c) Climate-related scenario analysis;
 - (d) Using sources of industry-based guidance; and
 - (e) E-learning course for getting started with implementing IFRS S1 and IFRS S2.

IFRS S2 Amendments (Greenhouse Gas Emissions Disclosures)

6. The ISSB continued in its work on the proposed amendments to IFRS S2 in response to application challenges identified in implementing the Standard. In November 2024 the ISSB discussed the criteria for the proposed amendments. In January 2025 the ISSB decided that the proposed amendments met the criteria for amending the ISSB Standards to:
- (a) disclose Scope 3 Category 15 greenhouse gas (GHG) emissions (i.e. GHG emissions that arise from a company’s financial investments);
 - (b) using alternative global warming potential (GWP) values;
 - (c) applying the jurisdictional relief to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions; and
 - (d) using the Global Industry Classification Standard (GICS) when disaggregating financed emissions by industry.
7. In April 2025 the ISSB published an Exposure Draft proposing targeted amendments to IFRS S2 that would provide reliefs to ease application of requirements related to the disclosure of greenhouse gas (GHG) emissions. The Exposure Draft is open for comment for 60 days, as approved by the DPOC, with the comment period closing on 27 June 2025.
8. The staff will provide an initial summary of the feedback on the Exposure Draft for the ISSB at its July 2025 meeting. The ISSB aims to finalise these amendments by the end of 2025, subject to stakeholder feedback.

Research projects on biodiversity, ecosystems and ecosystems services and human capital

9. The ISSB is currently working on two research projects as part of its two-year work plan:
 - (a) Biodiversity, ecosystems and ecosystems services (BEES); and
 - (b) Human Capital.
10. During the initial research stage, staff undertook detailed research of the current disclosures on the research topics and are engaging with key stakeholders to further inform the research. This has included:
 - (a) engaging with investors to understand their interest in BEES and Human Capital;
 - (b) assessing the effects of BEES and human capital-related risks and opportunities on entities' prospects;
 - (c) considering existing disclosure standards and frameworks on BEES and Human Capital, including by conducting a jurisdictional survey via the Sustainability Standards Advisory Forum to inform the ISSB's understanding of any existing requirements in jurisdictions that could inform the ISSB's future work;
 - (d) analysing current reporting practice across both research topics to further understand the current state of disclosure; and
 - (e) considering opportunities for connectivity by assessing IFRS Accounting Standards that may result in the presentation or disclosure of information relating to BEES and Human Capital.
11. During the period the staff has engaged the ISSB across both topics as it advances its research. The ISSB was provided with:
 - (a) a summary of findings from the first phase for both of its research project on risks and opportunities associated with biodiversity, ecosystems, and ecosystem services and human capital; and
 - (b) an overview of the design and approach for the next phase of the research projects on risks and opportunities associated with biodiversity, ecosystems and ecosystem services and human capital.
12. The ISSB staff has initiated the next phase of work, which focuses on:
 - (a) synthesising findings from the initial phase of research;
 - (b) potential synergies with other components of the work plan, including enhancements to SASB Standards; and
 - (c) developing recommendations to the ISSB regarding the potential for standard-setting in both topics by considering whether benefits of the improvements to financial reporting will outweigh the costs.

Enhancements to the SASB Standards

13. An Exposure Draft of proposed amendments is being prepared for a set of SASB Standards that the ISSB has prioritised as a part of its 2024–2026 work plan. This project is important to support the application of IFRS S1 and IFRS S2 because of the important role the SASB Standards have in relation to IFRS S1 and IFRS S2. The ISSB decided in July 2024 to start developing an exposure draft of enhancements to:
- (a) all eight SASB Standards in the Extractives & Minerals Processing sector²;
 - (b) the Electric Utilities & Power Generators SASB Standard in the Infrastructure sector; and
 - (c) three SASB Standards in the Food & Beverage sector—subject to assessing whether the ISSB and its stakeholders have the capacity to do so (the ISSB noted that it would be ‘highly desirable’ that these three industries be included in the initial phase of work); and
 - (d) to consider making targeted amendments to other SASB Standards to ensure that measurement of common topics remains consistent among industries, where appropriate; and
14. The Exposure Draft presents the first important opportunity for the IFRS Foundation stakeholders to fully engage in a consultation on the SASB Standards. Feedback will be solicited to help ensure international applicability.
15. The ISSB also decided to research:
- (a) priorities for the second phase of the project; and
 - (b) how to enhance the Sustainable Industry Classification System® (SICS).
16. In March 2025 the ISSB received an update on the project activities performed by the staff, including discussions between staff and the SASB Standards Board Advisers on the approach to developing proposed amendments, including:
- (a) how proposed amendments to the SASB Standards could best support application of IFRS S1 and IFRS S2;
 - (b) whether the ISSB should publish additional guidance regarding the use of SASB Standards as a source of guidance for applying IFRS S1;
 - (c) questions that the ISSB could ask its stakeholders in the Invitation to Comment for the Exposure Draft, including whether to change the description of the SASB Standards to ‘ISSB Industry-based Guidance’ (or similar) when a complete Standard has been subject to consultation (in the manner proposed for the nine prioritised Standards in the forthcoming Exposure Draft);
 - (d) connections to the ISSB’s research projects, including stakeholder feedback on the human capital- and BEES-related content in the SASB Standards as part of the SASB enhancement project; and

² These industries include the following: Coal Operations, Construction Materials, Iron & Steel Producers, Metals & Mining, Oil & Gas – Exploration & Production, Oil & Gas – Midstream, Oil & Gas – Refining & Marketing, and Oil & Gas – Services.

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- (e) the approach to interoperability with other standards and frameworks.
17. In May 2025 the ISSB received an update on the project activities performed by the staff, including a preview of the structure of the forthcoming Exposure Draft. The ISSB was informed that:
- (a) the Exposure Draft will seek input on a variety of topics including:
 - (i) amendments to nine prioritised SASB Standards; and
 - (ii) amendments to metrics and disclosures covering six topics that appear in 41 other SASB Standards to align metrics with those proposed to be amended for the nine prioritised SASB Standards.
 - (b) consistent with the ISSB's previous commitment to maintaining alignment between the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance, any amendments to the climate-related content in the SASB Standards would be reflected in the IFRS S2 industry-based guidance (subject to stakeholder feedback);
 - (c) staff is preparing an online survey for soliciting comments in an inclusive manner (in addition to the standard invitation for comment letters), which allows stakeholders to select the SASB Standard(s) they are interested in providing comments on and therefore avoid presenting them with unrelated questions;
 - (d) an exposure draft of proposed amendments to a further three SASB Standards will be prepared later in 2025;
 - (e) additional research is also being conducted into which industries or topics should be prioritised in a second phase of work during the ISSB's two-year work plan, including specific enhancements that could be made to SICS; and
 - (f) the staff is considering the location, format, and content in the education material on the role of the SASB Standards.
18. The staff continues to work with the ISSB's SASB Standards Board Advisors to develop the Exposure Draft, which will then be subject to ratification by the ISSB in accordance with the established due process. Issuance of the Exposure Draft continues to be targeted for July 2025.

Development of the IFRS Sustainability Disclosure Taxonomy

19. The ISSB issued the IFRS Sustainability Disclosure Taxonomy on 30 April 2024. The staff and the ISSB continue to engage with stakeholders including with jurisdictions in support of the implementation of the IFRS Sustainability Disclosure Taxonomy and are engaging the International Taxonomy Consultative Group to further understand implementation challenges to identify specific areas the ISSB can provide further support.

Consultative Groups

20. The ISSB has engaged its consultative groups throughout the period. Details of the work of the individual consultative groups and details of the meetings during the period are provided in [Appendix B](#).

Appendix A—Overview of projects on the Work Plan and ISSB technical priorities

Project	Objective	Next due process step	Date	Current activity	Last due process document
Amendments to the Disclosure of Greenhouse Gas Emissions (Amendments to IFRS S2)	To support the implementation of IFRS S2, publish Exposure Draft with proposed targeted amendments to IFRS S2 to simplify some requirements for greenhouse gas emission disclosures.	Analysis of stakeholder feedback on the Exposure Draft	H2 2025	The Exposure Draft on Amendments to the Disclosure of Greenhouse Gas Emissions (Amendments to IFRS S2) is currently open for comment.	Exposure Draft for the proposed amendments to IFRS S2 published April 2025
Biodiversity, ecosystems and ecosystems services	To explore the feasibility and necessity of developing ISSB requirements related to Biodiversity, ecosystems and ecosystems services, taking into account investors' information needs and the likely costs for entities of preparing such information.	Planning next phase of research	June 2025	The ISSB staff is currently developing the design and approach for the next phase of the research projects on risks and opportunities associated with biodiversity, ecosystems and ecosystem services (BEES) in the coming months.	Request for Information published May 2023
Human Capital	To explore the feasibility and necessity of developing ISSB requirements related to Human Capital, taking into account investors' information needs and the likely costs for entities of preparing such information.	Planning next phase of research	June 2025	The ISSB staff is currently developing the design and approach for the next phase of the research projects on risks and opportunities associated with human capital in the coming months.	Request for Information published May 2023
Enhancements to the SASB Standards	As part of its 2024–2026 work plan, the ISSB will enhance the SASB Standards with the objective of promptly supporting the high-quality implementation of IFRS S1 and IFRS S2.	Exposure Drafts	July 2025	The ISSB is currently advancing to develop an exposure draft of proposed amendments to a set of 12 SASB Standards as part of an initial phase of prioritised SASB enhancements.	Request for Information published May 2023

Appendix B—Consultative Group Activities

Name	Purpose	Composition	Oversight	Meetings in period
Jurisdictional Working Group (JWG)	Consisting of jurisdictional representatives and representatives from the IFRS Foundation has established dialogue for enhanced compatibility between the ISSB's exposure drafts and ongoing jurisdictional initiatives on sustainability disclosures.	Chinese Ministry of Finance, the European Commission, the European Financial Reporting Advisory Group, the Japanese Financial Services Authority, the Sustainability Standards Board of Japan, the United Kingdom Financial Conduct Authority and the United Kingdom Financial Reporting Council. See the JWG member list .	ISSB Chair and Vice Chair(s)	No JWG meetings in period.
Sustainability Standards Advisory Forum (SSAF)	To provide an advisory forum where members can constructively contribute towards the achievement of the ISSB's goal of developing standards that provide a comprehensive global baseline of sustainability-related reporting that is interoperable with jurisdictional standards on sustainability reporting ensuring two-way engagement between the ISSB and jurisdictions as sustainability-related reporting requirements are developing.	12-16 jurisdictional and/or regional bodies. See the SSAF member list .	Members of the SSAF are selected by the Trustees of the IFRS Foundation, following a call for candidates.	<p>The SSAF met in February 2024 and discussed:</p> <ul style="list-style-type: none"> Proposed amendments to the IFRS <i>Due Process Handbook</i>; Overview of the educational material 'Sustainability-related risks and opportunity and the disclosure of material information' Update on educational material supporting the implementation of IFRS S1 and IFRS S2; Project update on enhancing to SASB Standards; The ISSB's research projects on biodiversity, ecosystems, and ecosystem services (BEES) and human capital. <p>The SSAF met in May 2024 and discussed:</p> <ol style="list-style-type: none"> Update on educational material supporting the implementation of IFRS S1 and IFRS S2; Overview of the proposed amendments and outreach plan—Amendments to Greenhouse Gas Emissions Disclosures; BEES: <ul style="list-style-type: none"> phase 1 research—summary of findings; and research design and approach—next phase; <ul style="list-style-type: none"> Human capital;

Name	Purpose	Composition	Oversight	Meetings in period
				<ul style="list-style-type: none"> ○ phase 1 research—summary of findings; and 3. research design and approach—next phase; • Update on project activities and approach—enhancing the SASB Standards; and • Call for nomination for the membership of SSAF.
Sustainability Consultative Committee (SCC)	To identify, inform and advise the ISSB on priority sustainability matters and related technical protocols, as well as significant interdependencies between sustainability matters.	The SCC is Chaired by the ISSB Vice-Chair, 4 permanent multilateral member organisations (IMF, OECD, UN and World Bank) and up to 9 additional expert members. Additional expert members may be drawn from organisations with relevant expertise, or appointed as individual experts without organisational association. See the SCC member list .	The permanent multilaterals and SCC Chair presents the recommendations to the IFRS Foundation Trustees, who then have final approval of the composition.	No SCC meetings in period.
Integrated Reporting and Connectivity Council (IRCC)	To provide advice on how reporting required by the IASB and the ISSB should be integrated and on how principles and concepts from the Integrated Reporting Framework should be considered in relevant projects by the IASB and the ISSB.	Members of the Council are the: a) current members of the Integrated Reporting Council of the Value Reporting Foundation; b) members of the VRF and CDSB Boards who meet the criteria; and c) individuals whose expertise is deemed of high standing and who meet the criteria. IR Ambassadors who meet the criteria will also be invited to join the Council. Members will act in their personal capacity. See the IRCC member list .	The Council will continue in this role for two years. At the expiry of two years the need for the separate Council will be reviewed by the Trustees of the IFRS Foundation.	The Integrated Reporting and Connectivity Council is due to meet on 29 May 2025.
IFRS Sustainability Reference Group (SRG)	<p>The purpose of the SRG is to provide technical input to ISSB members and staff for research and standard-setting projects.</p> <p>Most of the engagement the ISSB or ISSB staff has with the SRG is undertaken virtually on an ad-hoc basis through bilateral meetings or through meetings with a small group of SRG members selected based on the topic for discussion. The full membership of the SRG is invited</p>	The SRG is a diverse group of subject matter experts in matters of sustainability and general purpose financial reports and disclosure. See the SRG member list .	Oversight of composition and effectiveness will be provided by the DPOC.	The SRG met as a group in March 2025 where the ISSB and staff provided an overview of the ISSB's current work on proposed amendments to IFRS S2, its research projects and the enhancements to the SASB Standards. Further meetings with individual members have taken place to solicit feedback on projects such as the SASB Standards Enhancements project, consistent with the purpose of the group.

Name	Purpose	Composition	Oversight	Meetings in period
	to a quarterly webcast meeting to share an update on the ISSB's activities.			
ISSB Investor Advisory Group (IIAG)	To provide strategic guidance on the development of IFRS Sustainability Disclosure Standards, helping to ensure that the investor perspective is articulated clearly and is considered in the ISSB standard-setting process. The IIAG also helps achieve widespread adoption and use of IFRS Sustainability Disclosure Standards by encouraging use of the Standards to communicate performance to investors on sustainability-related issues which impact enterprise value.	A group of leading asset owners and asset managers across markets who are committed to improving the quality and comparability of sustainability-related disclosure to investors. See the IIAG member list .	Oversight of composition and effectiveness will be provided by the DPOC.	The IIAG has not met during the period and will next meet in June 2025.
IFRS Taxonomy Consultative Group (ITCG)	An expert consultative group that advises the International Accounting Standards Board (IASB) and ISSB on their respective digital taxonomies and related activities.	The ITCG will comprises a maximum of 20 members with XBRL technical expertise, taxonomy content domain expertise and skills and practical knowledge on taxonomy interest groups. See ITCG member list .	Co-chaired by an IASB member and ISSB member	The ITGC met in March 2025 and discussed: <ul style="list-style-type: none"> • Consultation on digitalised requirements for sustainability and financial disclosures [ESMA Presentation]; • Digital financial reporting work plan update; and • Text Elements Review.