Staff paper

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IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date	**October 2025**
Topic	**Update on ISSB technical activities**
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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 June 2025. The report covers the period from 1 June 2025 until 30 September 2025 and addresses the following matters:

   (a) supporting implementation of IFRS S1 and IFRS S2, including the:

      (i) development of educational material; and

      (ii) *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)*;

   (b) research project on biodiversity, ecosystems and ecosystems services;

   (c) research project on human capital;

   (d) enhancements to the SASB Standards;

   (e) ISSB Work Plan; and

   (f) the engagement of 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 material

4. The Educational material published in the period and its associated due process review is covered in Agenda Paper DP5C of this meeting.

5. The ISSB continues to engage with stakeholders to understand where educational material should 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 providing information about climate resilience and climate-related scenario analysis.

Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)

6. After IFRS S2 was issued in June 2023, the ISSB has undertaken various activities to support the implementation of the Standard, including the creation of the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) to publicly discuss stakeholder implementation questions. Additionally the ISSB has maintained ongoing engagement with jurisdictions as part of jurisdictional processes to adopt or otherwise use IFRS Sustainability Disclosure Standards. These activities informed the ISSB about specific matters related to the application of IFRS S2 identified during the implementation phase of the Standard that were not previously considered by the ISSB prior to the issuance of the Standard.

7. The ISSB considered these matters and decided to act on a timely basis to amend IFRS S2 to reduce uncertainty in implementing the Standard at a time when many entities are establishing systems and setting up processes to apply the requirements in IFRS S2.

8. In April 2025, the ISSB published the Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures* which sets out proposed targeted amendments to IFRS S2. These amendments were developed to support entities applying the Standard by reducing the complexity, risk of potential duplicative reporting and related costs associated with applying specific greenhouse gas emissions disclosure requirements in IFRS S2 while not significantly reducing the usefulness of information for users of general purpose financial reports.

9. The ISSB made consequential amendments to the climate-related disclosures in SASB Standards when it issued IFRS S2 to align the financed emissions metrics in SASB Standards with IFRS S2. As a consequence of proposing amendments to the IFRS S2 requirements that are related to financed emissions, the ISSB included within the IFRS S2 exposure draft the proposal to amend the relevant SASB Standards to maintain this alignment.

10. The public consultation period for the Exposure Draft closed on 27 June 2025. During the consultation period, the ISSB and staff undertook a series of outreach activities. In total, the ISSB and staff held 64 outreach meetings and engaged with 237 organisations.[1] The ISSB received 179 comment letters and survey responses to the Exposure Draft.[2]

11. In July 2025, the ISSB discussed a summary of preliminary feedback on the Exposure Draft and considered aspects of each proposed amendment for redeliberation based on that feedback.

12. In September 2025 the ISSB continued discussing the feedback on the Exposure Draft and decided to finalise the proposed amendments with some changes based on feedback from stakeholders. These changes are informed by robust stakeholder feedback and do not fundamentally change the general direction of the proposals. Accordingly, the ISSB confirmed it was satisfied that re-exposure is not necessary. The ISSB also reviewed the due process steps undertaken and confirmed it had complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin balloting the targeted amendments to IFRS S2. The due process steps for the targeted amendments and rationale for not re-exposing were set out in Agenda Paper 9F Due

[1] A summary of the outreach activities undertaken is provided in Agenda Paper 9 of the July 2025 ISSB meeting, which can be found at https://www.ifrs.org/content/dam/ifrs/meetings/2025/july/issb/ap9-preliminary-feedback-summary.pdf

[2] A summary of statistics of comment letters and survey responses received is provided in Agenda Paper 9 of the September 2025 ISSB meeting, which can be found at https://www.ifrs.org/content/dam/ifrs/meetings/2025/september/issb/ap9-cover-note.pdf

process steps from the September 2025 ISSB meeting (shared with the DPOC in advance of the meeting). The ISSB plans to issue the amendments by the end of 2025.

Research project on biodiversity, ecosystems and ecosystems services

13. The ISSB staff initiated the next phase of research on nature 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 by considering whether benefits of the improvements to financial reporting will outweigh the costs.

14. The staff presented the ISSB with its project plan and scope for the next phase of research in July 2025.

15. In September 2025, the staff synthesised findings from the initial phase of research to evaluate the necessity of potential standard-setting by identifying common investor information needs regarding nature-related risks and opportunities. The staff also began evaluating the feasibility of potential standard-setting by considering whether ISSB materials (IFRS S1, IFRS S2, SASB Standards and CDSB Framework Application Guidance) could meet those needs.

16. In October 2025, the staff expects to continue its assessment of feasibility by evaluating whether other standards and frameworks could provide a feasible approach to meeting common investor information needs identified. In particular, the staff will consider the Taskforce on Nature-related Financial Disclosures (TNFD) framework. The ISSB will be presented with initial recommendations on potential next steps for the research project.

Research project on human capital

17. The ISSB continued work on its research project related to risks and opportunities associated with human capital. In May 2025, the staff set out its design and approach for the next phase of research, which focuses on enabling the ISSB to assess whether standard-setting is likely to result in improvements to human capital-related disclosure that will outweigh the costs.

18. In July 2025, the staff presented plans to develop an analytical approach that will:

    (a) help the ISSB better synthesise, analyse, organise and prioritise its findings from the previous phase of research; and

    (b) enable the staff to present the ISSB with more structured recommendations that focus on areas of work associated with clearly defined needs and pragmatic solutions.

19. Such a structured approach is important, as human capital is a broad topic encompassing a range of different subject matters, each of which is characterised by different levels of maturity in understanding, practice and company disclosure. At the same time, human capital represents a set of resources and relationships on which every entity relies in different ways.

20. The staff expects to present the ISSB with a more detailed look at its analytical approach in October 2025, with synthesised findings to follow later in Q4. The synthesis will begin to answer key questions about the necessity and feasibility of developing ISSB requirements for disclosure of information

about particular human capital-related matters or the need for educational materials, building on the foundation established by IFRS S1.

Enhancements to the SASB Standards

21. In July 2025 the ISSB published the Exposure Draft *Proposed amendments to the SASB Standards* (SASB Exposure Draft) to provide timely support to entities in applying IFRS S1 and IFRS S2 as part of its 2024–2026 work plan.

22. The SASB Standards serve as a source of guidance for entities applying IFRS S1. IFRS S1 does not require entities to apply the SASB Standards. However, the SASB Standards help entities develop decision-useful and comparable disclosures in the absence of specific IFRS Sustainability Disclosure Standards.

23. The SASB Exposure Draft sets out proposed amendments to the following nine SASB Standards that have been prioritised by the ISSB for comprehensive review (priority industries):

    (a) the Coal Operations SASB Standard;

    (b) the Construction Materials SASB Standard;

    (c) the Iron & Steel SASB Standard;

    (d) the Metals & Mining SASB Standard;

    (e) the Oil & Gas – Exploration & Production SASB Standard;

    (f) the Oil & Gas – Midstream SASB Standard;

    (g) the Oil & Gas – Refining & Marketing SASB Standard;

    (h) the Oil & Gas – Services SASB Standard; and

    (i) the Processed Foods SASB Standard.

24. The SASB Exposure Draft also sets out proposed targeted amendments to other SASB Standards beyond the priority industries to maintain consistent disclosures on common topics among industries, where appropriate.

25. Forty-one additional industries would be affected by the proposed targeted amendments. A full list of the SASB Standards and metrics that would be affected by the proposed targeted amendments can be found in Appendix A to the accompanying Basis for Conclusions.

26. In a separate exposure draft, the ISSB is also consulting on a related question of whether to make consequential amendments to the Industry-based Guidance on Implementing IFRS S2 (IFRS S2 industry-based guidance) when the ISSB finalises amendments to the SASB Standards. The consequential amendments would be to maintain consistency between the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance.

27. In June 2025 the ISSB decided to ratify the SASB Exposure Draft, to set a 150-day comment period for the SASB exposure draft and to confirm it is satisfied the ISSB has complied with the applicable due process steps required to publish the SASB Exposure Draft. The ISSB also reviewed the due process steps undertaken and confirmed it had complied with the applicable due process

requirements to begin balloting the exposure draft of consequential amendments to the IFRS S2 industry-based guidance.

28. Consistent with the due process applicable to IFRS Sustainability Disclosure Standards, all comment letters and responses on the proposed amendments will be posted on the IFRS Foundation's website. Further information about the due process used to develop the Exposure Draft can be found in Agenda Paper 6A *Ratification of proposed amendments to the SASB Standards* and Agenda Paper 6B *Due process steps and permission to ballot amendments to the Industry-based Guidance on Implementing IFRS S2* from the June 2025 ISSB meeting.

29. Following the publication of the Exposure Draft, the ISSB published the educational material on using sources of industry-based guidance in July 2025 (see the Appendix of DP5C).

30. The Exposure Draft is open for comment for 150 days with the comment period closing on 30 November 2025. The Exposure Draft and accompanying Basis for Conclusions are available in English, Japanese and French. The ISSB decided to set a 150-day comment period after taking into account stakeholder comments received prior to the public meeting of the ISSB in June 2025 requesting a longer comment period than the 120 days recommended by staff, for reasons including the size and different aspects of the Standards covered by the exposure draft and the time needed to develop translations.

31. The ISSB and staff are engaging with stakeholders on the Exposure Draft. Engagement with stakeholders on the Exposure Draft has included roundtables and bilateral meetings with a variety of stakeholders, including jurisdictional authorities, preparers, and investors.

32. The ISSB intends to publish an exposure draft of proposed amendments to three additional prioritised industries by the end of 2025 or early 2026 (the Agricultural Products SASB Standard, the Meat, Poultry & Dairy SASB Standard and the Electric Utilities & Power Generators SASB Standard).

ISSB Work Plan

33. In July 2025 the ISSB met to discuss the timeline for its next agenda consultation. Subject to the IASB agreeing with the timeline, the ISSB decided:

    (a) to begin an agenda consultation process in late 2026; and

    (b) to issue a request for information on its agenda in 2027, at the same time the IASB issues its request for information on its agenda.

34. The ISSB will further discuss its next agenda consultation.

Consultative Groups

35. 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.

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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.	Final amendments	Q4 2025	The ISSB staff is drafting the final amendments to IFRS S2, including the ISSB's final decisions which will be formally balloted. As a consequence of amending IFRS S2 requirements that are related to financed emissions, the ISSB proposes amending the relevant SASB Standards to maintain this alignment.	Exposure Draft
Biodiversity, ecosystems and ecosystems services	To explore the necessity and feasibility of developing ISSB requirements and/or educational materials related to nature, taking into account investors' information needs and the likely costs for entities of preparing such information.	Decide project direction	Q4 2025	Complete next phase of research with the objective of determining necessity and feasibility of standard-setting	Request for Information published May 2023
Human Capital	To explore the necessity and feasibility of developing ISSB requirements and/or educational materials related to Human Capital, taking into account investors' information needs and the likely costs for entities of preparing such information.	Decide project direction	Q4 2025	The ISSB is finalising the analytical approach to use in synthesising its research findings.	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.	Analysis of stakeholder feedback on the Exposure Draft (first nine prioritised industries and	Q4 2025/ H1 2026	The Exposure Draft *Proposed amendments to the SASB Standards* and the Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2* are currently open for comment. The ISSB is currently developing exposure drafts of proposed amendments for the remaining set of	Exposure Drafts published July 2025 (first nine priority industries and targeted amendments)

		targeted amendments) Exposure Drafts (remaining 3 prioritised industries)		three out of the of 12 SASB Standards as part of an initial phase of prioritised SASB enhancements.	

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)	The JWG met in July 2025 to receive an update from the ISSB on ongoing work to support jurisdictional regulators and advance jurisdictional adoption (including working with implementation partners, developing a policy rationale).
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.	The SSAF met in September 2025 and discussed: • update on educational material supporting the implementation of IFRS S1 and IFRS S2; • overview of the educational material 'Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2' • update on Exposure Draft *Proposed amendments to the SASB Standards*; and • update on the ISSB's work with the GHG Protocol.
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	The Council will continue in its current role until August 2026 when its future will be reviewed by the Trustees of the IFRS Foundation with	No IRCC meetings in period.

Name	Purpose	Composition	Oversight	Meetings in period
		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.	advice from the IASB and ISSB.	
IFRS Sustainability Reference Group (SRG)	The purpose of the SRG is to provide technical input to ISSB members and staff for research and standard-setting projects. Most of the engagement the ISSB or ISSB staff have 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 to a quarterly webcast meeting to share an update on the ISSB's activities.	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 primary role of the SRG is for members to be consulted individually or in small groups to provide technical input rather than this group being convened 'as a whole'. Over the review period, the SRG has met two times to receive updates from the ISSB and staff. The meeting recordings and materials can be found on the SRG webpage. Meeting Dates: June 2025 September 2025 In June a human capital-specific roundtable was organised with SRG members. Bilateral meetings related to research projects and SASB enhancement were also organised with SRG members during the period.
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	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 met an official meeting in June 2025 in New York City. In July 2025 an additional IIAG meeting was convened to brief members on the EU omnibus consultation.

Name	Purpose	Composition	Oversight	Meetings in period
	encouraging use of the Standards to communicate performance to investors on sustainability-related issues which impact enterprise value.			
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 ITCG met in July 2025 and discussed the following topics: • digital financial reporting work plan update; • XBRL's Open Information Model (OIM) Taxonomy; • AI & XBRL: How to leverage XBRL with AI for ESG reporting; • Architecture guide; • text elements review (General Improvements); and annual review of structured digital reporting—Financial Reporting Council (FRC).