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# ISSB update for Joint CMAC-GPF Meeting

Agenda paper 1b

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18 June 2026

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## Strong market demand

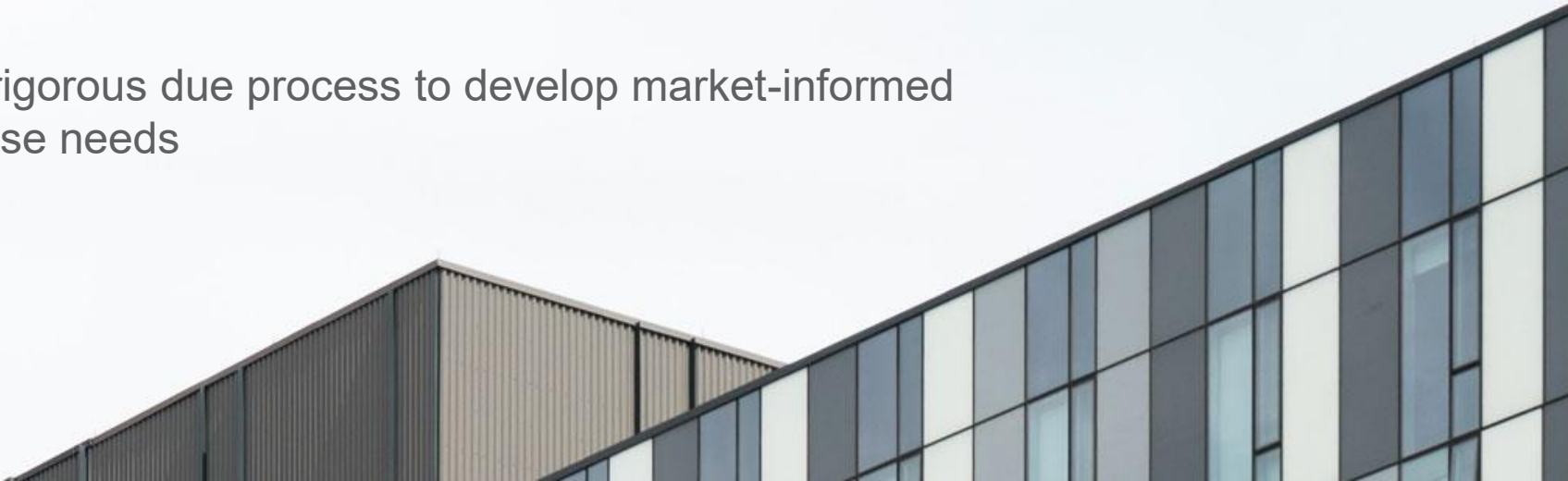
The ISSB was established as part of the IFRS Foundation because of investor, company and international policy maker (including the G20, G7, IOSCO and Financial Stability Board) demand for:

**decision-useful,  
comparable information**

**ending the ‘alphabet  
soup’ of voluntary  
initiatives**

**an efficient reporting  
landscape**

The ISSB has a transparent, rigorous due process to develop market-informed Standards that respond to these needs



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# Rationalising investor-focused standards and frameworks



## ISSB Standards: IFRS S1 and IFRS S2



IFRS S1 covers all **sustainability-related risks and opportunities** in the value chain over the short, medium and long term

IFRS S2 provides more detailed requirements on risks and opportunities related to **climate**

Both Standards:

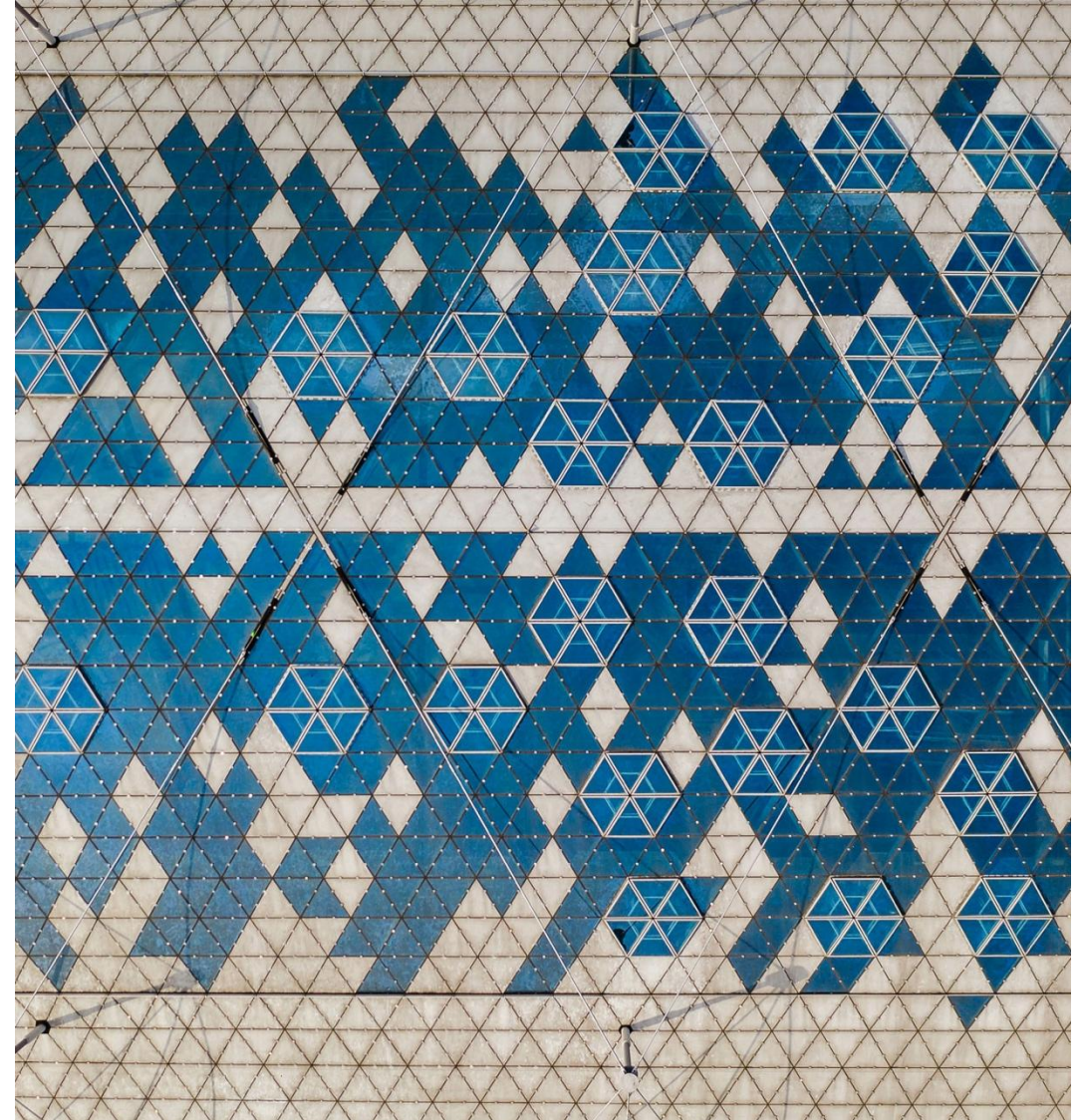
- Require disclosure of information **material** to investors and capital markets
- Incorporate **TCFD** recommendations
- Require **cross-industry and industry-specific** information
- Offer **guidance from SASB Standards** for industry-specific disclosure

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# Materiality

*Information is material if omitting, misstating or obscuring it could reasonably be expected to **influence investor decisions.***

This is based on the IFRS Accounting Standards definition of 'material'



## Jurisdictions taking steps towards ISSB Standards

**Over 40 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**

# When to expect ISSB-based disclosures by jurisdictional effective dates

2025  
reporting year

Australia, Bangladesh, EU, Hong Kong SAR\*, Malaysia, Mexico, Pakistan, Singapore, Sri Lanka, Tanzania, Türkiye (2024) and Zambia

2026

Brazil\*, Chile, Jordan\*, Philippines, Qatar, Chinese Taipei and Zimbabwe

2027

Ghana, Indonesia, Kenya, Rwanda and Thailand

2028 or later

Honduras, Mongolia\*, Nigeria\*, Oman\*, Peru and Uganda

To be  
determined

Bolivia, Canada, China, Costa Rica, El Salvador, Ethiopia, Japan, Kyrgyzstan, Nepal, Panama, South Korea, Switzerland, United Kingdom\*, Uzbekistan

\* Jurisdictions that explicitly permit and have special guidelines for the use of ISSB Standards before regulatory action is completed

# Regulatory passporting provisions for ISSB Standards

## What

- A regulatory provision that allows foreign private issuers (FPIs) or local subsidiaries of foreign entities to comply with local requirements by **reporting in accordance with ISSB Standards as issued by the ISSB**

## Why

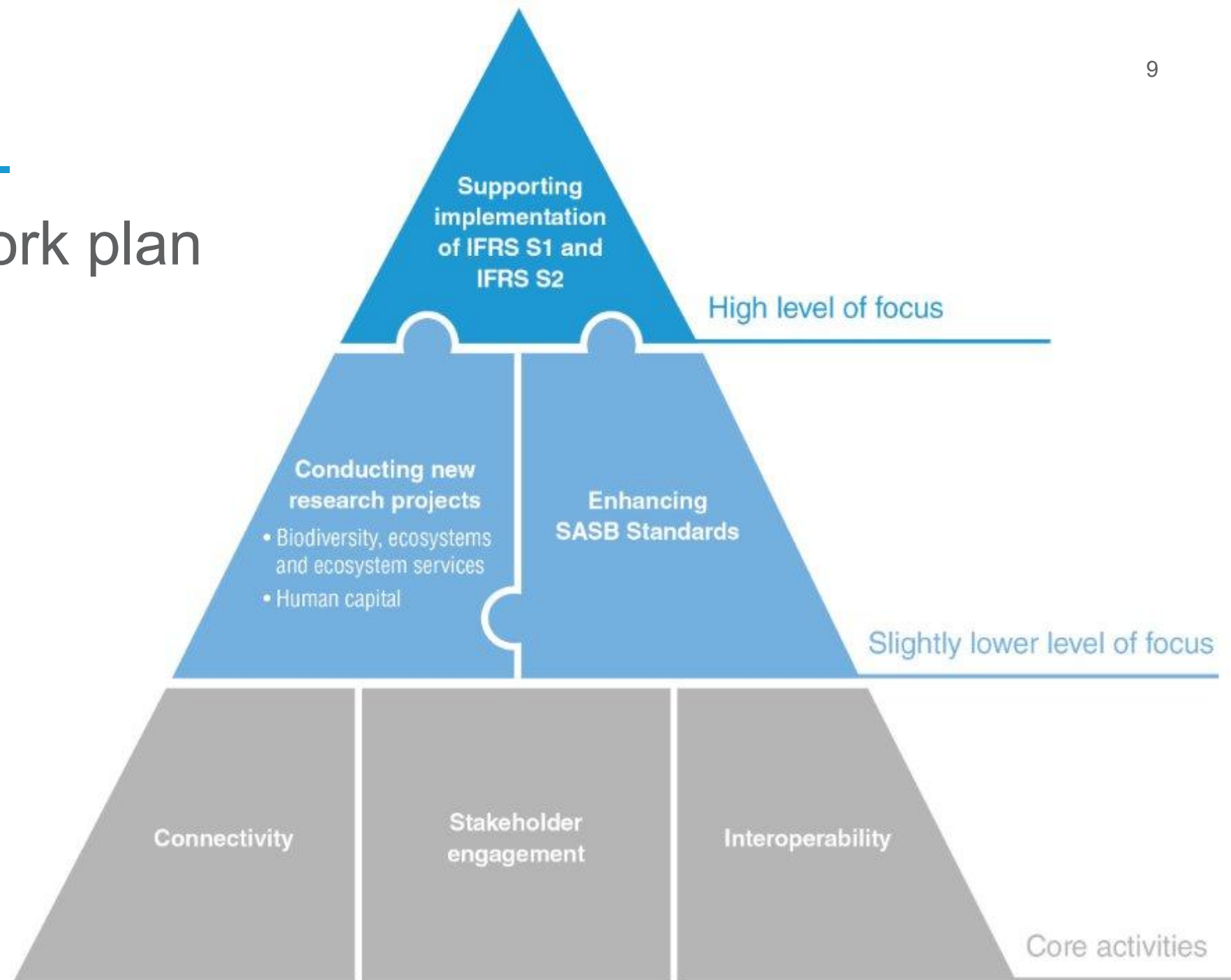
- **Prevent** fragmentation
- **Mitigate** against emerging cross-border issues
- **Improve** efficiency for multinational entities
- **Accelerate** global voluntary application of ISSB Standards
- **Reduce** cost of international capital flows

## How

- Jurisdictional decision – supported with **multilateral alignment** via Jurisdictional Adopters Working Group
- **Transparent** comparison from the jurisdictional profiles
- Encouragement from **investors** and **preparers**



# Technical work plan to 2026



# What are SASB Standards?

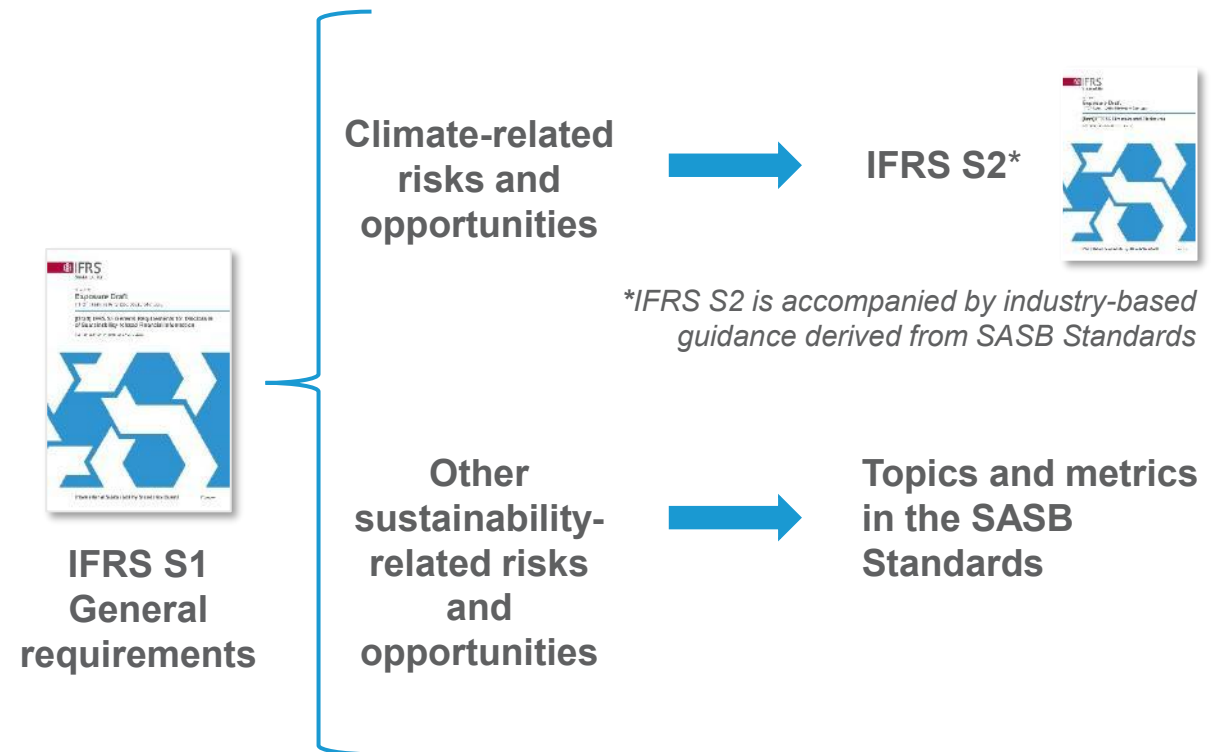
- 77 industry-specific disclosure Standards
- Important source of guidance for companies applying ISSB Standards
- Help identify the sustainability-related risks and opportunities most relevant to a company's prospects for a typical company in an industry
- Developed through transparent, market-informed due process
- Used by over 4,000 companies in over 80 jurisdictions
- Result in more comparable information for investors and other providers of capital





# Role of the SASB Standards in the ISSB Standards

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



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# Phased approach to the project

## Phase 1

- Amendments to 12 industries from the Extractives & Minerals Processing, Food & Beverage and Infrastructure sectors
- Targeted amendments to 41 additional industries on key topics including water, energy, and workforce health and safety
- ISSB consulted on 9 industries and targeted amendments in 2025 and is now discussing feedback
- **ISSB currently consulting on 3 remaining industries until July 2026**

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## Phase 2

- Researching next stage of work, including which sectors, industries and/or topics to prioritise
- Incorporating feedback on challenges faced by stakeholders during Phase 1
- ISSB to discuss later this year

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# What do the proposed amendments achieve?



Align the language and concepts in the SASB Standards with ISSB Standards



Improve international applicability of topics and metrics



Improve interoperability with other standards while ensuring continued focus on investor needs



Maintain alignment between climate-related content in the SASB Standards and the *Industry-based Guidance on Implementing IFRS S2*

## Now open: Consultation on three SASB Standards

The proposed amendments:

- cover three SASB Standards prioritised by the ISSB for enhancement:



Agricultural Products



Meat, Poultry & Dairy



Electric Utilities & Power Generators

- include corresponding amendments to the IFRS S2 Industry-based Guidance
- are consistent with the ISSB's July 2025 Exposure Draft of proposed amendments to the SASB Standards

To participate:



1. Access the [Exposure Draft](#) and [Basis for Conclusions](#)



2. Submit your comments using the online survey before **24 July 2026**



Respondents may also submit a comment letter by sending an email to [commentletters@ifrs.org](mailto:commentletters@ifrs.org).

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# 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**

# Proposed form of standard setting on nature

## Why a Practice Statement?

- Advances nature-related disclosures by **giving ISSB nature-related disclosure requirements visibility** and prominence
- **Minimises disruption** to the substantial implementation effort underway on IFRS S1 and IFRS S2
- Enables developments in nature-related disclosures and **the architecture of ISSB Standards to be considered in due course**
- **Keeps the door open to an ISSB Standard at a later stage**, subject to public consultation

The ISSB tentatively decided that the exposure draft will:

- propose addressing nature-related disclosures in the form of an **IFRS Practice Statement**
- invite stakeholders to comment on the form of standard-setting

Read ISSB's  
press release



A Practice Statement has a **full effect of an IFRS Standard** if applied and provides a **pathway to an ISSB Standard** in the future

# Human capital research project

## Phase one findings

### INVESTOR INTEREST

- Mainly driven by **risk** management and/or **return** enhancement
- Varies between an **entity's own workforce** and the **workers in its value chain**
- Interest in topics and metrics can **vary by sector** and **jurisdiction**

### EFFECTS ON PROSPECTS

- **Strong links** between financial outcomes and many human capital factors (for example, employee satisfaction, retention, development and working conditions)

### CURRENT DISCLOSURES

- Most companies disclose some human capital-related information, but **completeness, consistency** and **comparability** is limited

### OTHER STANDARDS AND FRAMEWORKS

- Majority **aligned with IFRS S1** but provide **additional detail** on human capital topics, primarily in an entity's direct operations.

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# Human capital research project

## Phase two objectives: analysing implications



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:



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.

# Educational materials available at IFRS.org

## Applying ISSB Standards

- Sustainability-related risks and opportunities and the disclosure of [material information](#)
- Explanation of [proportionality mechanisms](#)
- Disclosing information about [anticipated financial effects](#)
- Using the [SASB Standards to meet the requirements in IFRS S1](#)
- Using ISSB [industry-based guidance](#)
- Interoperability guidance: [ISSB Standards and ESRS](#)
- How to apply the [Integrated Reporting Framework with IFRS S1 and IFRS S2](#)

## Climate-related disclosures

- How to apply IFRS S1 when reporting [only climate-related disclosures](#) in accordance with IFRS S2
- [Nature and social aspects](#) of climate-related risks and opportunities
- Disclosures about [transition plans](#)
- [Greenhouse Gas Emissions Disclosure requirements](#) applying IFRS S2 Climate-related Disclosures
- Comparison of [IFRS S2 with the TCFD recommendations](#)

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# Investor support for ISSB Standards

## Global Asset Owner Forum<sup>1</sup>:

“...are encouraging **all portfolio companies** to align their disclosures with ISSB Standards... we hope that the jurisdictional implementation of ISSB Standards will stay as faithful as possible to the global baseline.”

## CalSTRS:

“The ISSB Standards establish a global baseline of sustainability-related disclosures, **essential for evaluating a company’s** sustainability-related risks and opportunities and facilitating informed decision-making by investors.”

## Norges Bank Investment Management:

“We **encourage the use and jurisdictional adoption** of the ISSB Standards as a global baseline.”

## CPP Investments:

“We **encourage companies** to report in alignment with ISSB Standards”

<sup>1</sup> Forum members include Australia (Hesta), Japan (GPIF), the Netherlands (APG), Norway (NBIM), Singapore (Temasek), and the US (CalSTRS and CalPERS), among others.

# ISSB in investment guidelines and voting policies



## BlackRock

Standardized disclosure of sustainability-related data supports investors in making informed decisions. **The International Sustainability Standards Board (ISSB) standards, IFRS S1 and IFRS S2, represent one such approach to standardization that we find useful in our analysis.**

Source: BlackRock Investment Stewardship Global Principles for Benchmark Policies Effective as of January 2026.  
<https://www.blackrock.com/corporate/literature/publication/blackrock-investment-stewardship-benchmark-global-principles.pdf>



## Vanguard

To guide their presentation of information in a way that is consistent, comparable, and decision-useful, **companies should also adhere to broadly accepted industry-specific investor-aligned reporting frameworks, such as those promulgated by the International Sustainability Standards Board.** Companies should also disclose both historical data and forward-looking information so that the market has context for what companies have done, what they plan to do, and how their governance practices enable successful decision-making.

Sources: Vanguard Capital Management Global Proxy Voting Policy Effective January 2026, Vanguard Portfolio Management Global Proxy Voting Policy Effective January 2026.  
<https://corporate.vanguard.com/content/dam/corp/about-our-funds/pdf/vpm/vpm-proxy-voting-policy.pdf>

# ISSB in investment guidelines and voting policies



## Capital Group

We encourage disclosure of material ESG risks and opportunities faced by portfolio companies and recognize the compliance and operational burdens that companies face in navigating different reporting regimes. As such, as a baseline, **we welcome and encourage disclosure aligned to the ISSB Standards**, subject to a company's judgment on which elements of the standards are material to its business.

Source: ESG Policy Statement 2026  
<https://www.capitalgroup.com/advisor/pdf/shareholder/ITGEOT-001-643701.pdf>



## Neuberger

We recognize that reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and the International Sustainability Standards Board (ISSB), which includes the Sustainability Accounting Standards Board (SASB), is mandatory in many jurisdictions and **encourage companies where it is not mandatory to look to those frameworks** to assist them in disclosing their approach to managing financially material risks.

Source: Governance and Proxy Voting Guidelines 2025 <https://www.nb.com/what-we-do/reporting-policies-and-disclosures?tab=policies>



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**CONFERENCE**

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# IFRS Foundation Conference

29–30 June 2026

London & online



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# IFRS Sustainability Alliance Membership Benefits



## Learn

Monthly events: policy briefings, technical & academic guest presentations, etc

Discounts on FSA Credential and IFRS conferences

Member newsletter

Member portal resource hub



## Connect

Knowledge Sharing Groups:

1. Sustainable Investing
2. Integrated Reporting and Integrated Thinking Group
3. EMEA Corporate Reporting Best Practices
4. North America Corporate Reporting Best Practices
5. APAC Corporate Reporting Best Practices

Networking events at key conferences (Climate Weeks, PRI-In-Person, etc. )

Members-only LinkedIn Group



## Promote

Use of IFRS Sustainability Alliance logo in member communications

Listing on public IFRS Sustainability Alliance webpage



## Integrate

SASB Standards Licensing content to support effective ESG integration into investment process

Access to SASB Standards Navigator tool, which hosts the SASB Materiality Map

Option to add IFRS S1 and IFRS S2 to Licensing resources

Resources available firm-wide, email [sustainability\\_alliance@ifrs.org](mailto:sustainability_alliance@ifrs.org) to become an Alliance member.

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# Stay ahead through leadership, learning & community

Learn more at [www.ifrs.org](http://www.ifrs.org)



## The FSA Credential

Enhance your ability to integrate sustainability considerations into financial analysis and prepare to lead on disclosure. Demonstrate your expertise through two exams.



## IFRS Sustainability Alliance

Prepare to meet the future of sustainability disclosure and its integration into investment processes via education, knowledge sharing and peer networking.



## Licensing

Benefit from integrating ISSB and SASB Standards into your commercial offerings. Access the Standards in a convenient, updated format.

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