IFRS Sustainability

Staff paper

Agenda reference: 1

Sustainability Consultative Committee (SCC) meeting

Date **November 2026**

Topic **ISSB updates**

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This paper has been prepared for discussion at a public meeting of the Sustainability Consultative Committee (SCC). 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*.

Main developments since February 2026 – In brief

Nearly **50** jurisdictions on the journey to using ISSB Standards



Delegated Acts of revised ESRS; EFRAG consultation on ESRS for Third Country Groups (**ESRS-40a**)



ISSB passporting initiative



Companies in **13** jurisdictions using ISSB Standards for FY2025; **6** more from FY2026



First wave of reports prepared applying ISSB Standards; training programme and additional resources supporting application



Progress on **industry-based guidance**



ISSB **nature**-related disclosure proposals and research on **workforce**-related disclosures advance



ISSB **five-year** operating and financing plan

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Adoption of ISSB Standards



Status of regulatory adoption of ISSB Standards

Mandatory (decided) *Final regulatory or legal requirement*	Mandatory (to be finalised) *Intended requirements publicly communicated, but need to complete additional legislative or regulatory steps to finalise*	Use permitted and encouraged *Standards feature in the regulatory regime and jurisdictional authorities expressly encourage their use, but reporting is not required*
Australia**, Bangladesh (financial institutions)*, Brazil (financial institutions)*, Cambodia, Canada (financial institutions)*, Chile, EU, Ghana, Honduras, Hong Kong SAR, Indonesia, Japan, Jordan, Kenya, Malaysia, Maldives, Mexico, Nigeria, Oman, Pakistan, Philippines, Qatar, Rwanda, Singapore**, Sri Lanka, South Korea, Chinese Taipei, Tanzania, Thailand, Türkiye, Uganda, Zambia, Zimbabwe	Bolivia, China, Costa Rica, El Salvador, Ethiopia, Kazakhstan, Kyrgyzstan, Mongolia, Nepal, New Zealand**, Panama, Peru, Uzbekistan	Bangladesh (listed entities)* Brazil (listed entities – comply or explain)* Canada United Kingdom (listed entities – comply or explain) Switzerland (subject to finalisation)

* Bangladesh, Brazil and Canada appear in two columns because each ***requires*** sustainability reporting for *financial institutions* and expressly permits and encourages—but does not require—reporting by *listed entities*. ** Requirements are limited to ***climate-related*** risks and opportunities.

When to expect ISSB-based disclosures

Timing	Mandatory (decided)	Mandatory (to be finalised)^	Use permitted and encouraged
Earlier	Bangladesh (financial institutions)*, EU, Türkiye	---	---
From FY2025 (reports published in 2026)	Australia, Canada (financial institutions)*, Hong Kong SAR, Malaysia, Mexico, Pakistan, Singapore, Sri Lanka, Tanzania, Zambia	---	Brazil* (listed entities – comply or explain), Canada*
From FY2026	Brazil (financial institutions)*, Jordan, Maldives, Philippines, Qatar, Chinese Taipei	---	Bangladesh* (listed entities)
From FY2027	Chile, Ghana, Indonesia, Japan, Kenya, Rwanda, South Korea, Thailand	Bolivia, Kazakhstan, Kyrgyzstan, Uzbekistan	United Kingdom (listed entities – comply or explain)
From FY2028	Cambodia, Honduras, Nigeria, Oman, Uganda, Zimbabwe	China, New Zealand	---
To be determined	---	Costa Rica, El Salvador, Ethiopia, Mongolia, Nepal, Panama, Peru	Switzerland (subject to finalisation)

^ Dates based on proposed roadmap, consultation or other official statements.

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Transparency through jurisdictional profiles and snapshots

Building on the Jurisdictional Guide to provide information about:

- **jurisdictional approaches** to the 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 passporting is an option granted by jurisdictions

- ISSB passporting is an **option** granted by jurisdictional authorities **through regulation** that allows foreign issuers or local subsidiaries of foreign entities to comply with local requirements by using the **ISSB Standards as issued by the ISSB** as the basis for reporting
- ISSB passporting is a next step that builds logically from IOSCO's endorsement of ISSB Standards

ISSB passporting is a jurisdictional decision. It can operate through:

- use of **ISSB Standards as issued by the ISSB** (the ISSB 'global baseline') or
- an **ISSB global baseline + building blocks** approach, with additional 'visa' requirements to meet incremental jurisdictional needs (including policy needs)

ISSB Standards and European Sustainability Reporting Standards (ESRS) and ESRS-40a

- **High degree of alignment** in climate-related disclosures to provide information to investors
- ESRS simplification has led to **further efficiencies**. For example, on:
  - presentation of information (ISSB+ possible)
  - industry-based disclosures
  - anticipated financial effects
- **ESRS-40a** (applicable to global reporting for foreign entities with European operations)
  - impact focused but overlap with ISSB Standards
  - applicable to many in ISSB-reporting jurisdictions
  - proposals include ISSB+ approach to compliance

	ISSB Standards	ESRS
Use	45+ jurisdictions	EU member states (with different rules for non-EU companies with EU subsidiaries)
Materiality	Investor-based	Investor (aligned with ISSB) and information for other stakeholders

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ISSB's technical work



Current priorities

Supporting implementation of IFRS S1 and IFRS S2 remains ISSB's main area of focus

Implementation questions
- Transition Implementation Group work

Work with GHG Protocol

Education
- Supporting materials (documents and webinars)
- Training

Industry-based guidance
- Enhancing the SASB Standards

Advance the ISSB's work to build out the global baseline of sustainability-related disclosures



Nature



Covered in AP2



Workforce

Topics discussed by the Transition Implementation Group (TIG)

General requirements and key concepts

- How the Standards can be used to inform an **understanding** of specific disclosure requirements
- Identification of sustainability-related risks and consideration of **risk mitigation activities**
- Revision of **preceding period** estimated amounts
- **Comparative** information

Climate-related disclosures

- GHG emissions
  - application of the jurisdictional relief on the measurement method and use of **GWP values**
  - what emissions are included in **Scope 3** GHG emissions
  - measurement of emissions for a **group of companies**
  - **biogenic** emissions
- Climate-related **targets** (discussion at TIG meeting in July 2026)

Measuring emissions: update of the GHG Protocol

Context

- IFRS S2 requires:
  - GHG emissions to be **measured** using GHG Protocol Corporate Standard (2004)
  - use of **categories of Scope 3** set out in the Corporate Value Chain (Scope 3) Standard (2011)
- GHG Protocol **updating its suite of standards**
- IFRS Foundation and GHG Protocol **MoU focused on ensuring ongoing compatibility** in service of capital markets

Objective

- Assess whether updating IFRS S2 to reference the new GHG Protocol standards **supports investor information needs**
- Understand preparer and investor feedback on the proposed new GHG Protocol standards **in the context of application of ISSB Standards**

Collaboration

- Regular **touchpoints** between ISSB and GHG Protocol staff
- ISSB '**observer**' seat on GHG Protocol's Independent Standards Board
- ISSB option to issue a **formal statement** to GHG Protocol acknowledging that representatives of ISSB have reviewed the revisions and have no reason to believe that they are not fit for purpose

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

- Climate resilience and climate-scenario analysis
- 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

Enhancing the SASB Standards

Context

- The SASB Standards serve as an important source of guidance to help companies produce relevant and comparable disclosures when applying IFRS S1 in the absence of specific disclosure requirements in an ISSB Standard
- The SASB Standards were last comprehensively updated in 2018
- ISSB is enhancing the SASB Standards over time instead of proposing amendments to all 77 SASB Standards simultaneously

Current focus

- Feedback on two consultations:
  - targeted amendments to 12 industries from the Extractives and Minerals Processing, Food and Beverage and Infrastructure sectors
  - targeted amendments to 41 additional industries on key topics including water, energy, and workforce health and safety
- Enhancement of six SASB Standards in the Technology and Communications sector

Next steps

- ISSB discussions to address feedback on consultations include:
  - how SASB Standards work together with IFRS S1 and IFRS S2, including treatment of disclosures that appear in both, such as GHG emissions
  - whether and how proportionality mechanisms in ISSB Standards could be extended to SASB Standards
  - what criteria for inclusion of disclosure topics would best support identification of risks and opportunities

Workforce-related Disclosures

Context

- Human capital project renamed as workforce-related disclosures to better reflect the focus on risks and opportunities associated with a company's own workforce and with workers in its value chain – does not change scope
- Research shows investor interest in topics and metrics can vary by sector and jurisdiction, and links between financial outcomes and many workforce factors

Current focus

- Assess whether standard-setting is likely to result in improvements to workforce disclosures in a feasible and cost-effective way
- Consider evidence indicating, for example, deficiencies in workforce-related reporting practices, investor demand for workforce-related information, and how fragmented requirements are currently costly for companies

Next steps

- Undertake further research (for example, how a company's business model influences the relevance of workforce-related risks and opportunities, as well as the role geography plays)
- Decide whether to move to standard-setting (could be in form of a Practice Statement as for nature)

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Looking ahead



Agenda Consultations

ISSB Agenda Consultation concurrent with IASB Agenda Consultation

Objective

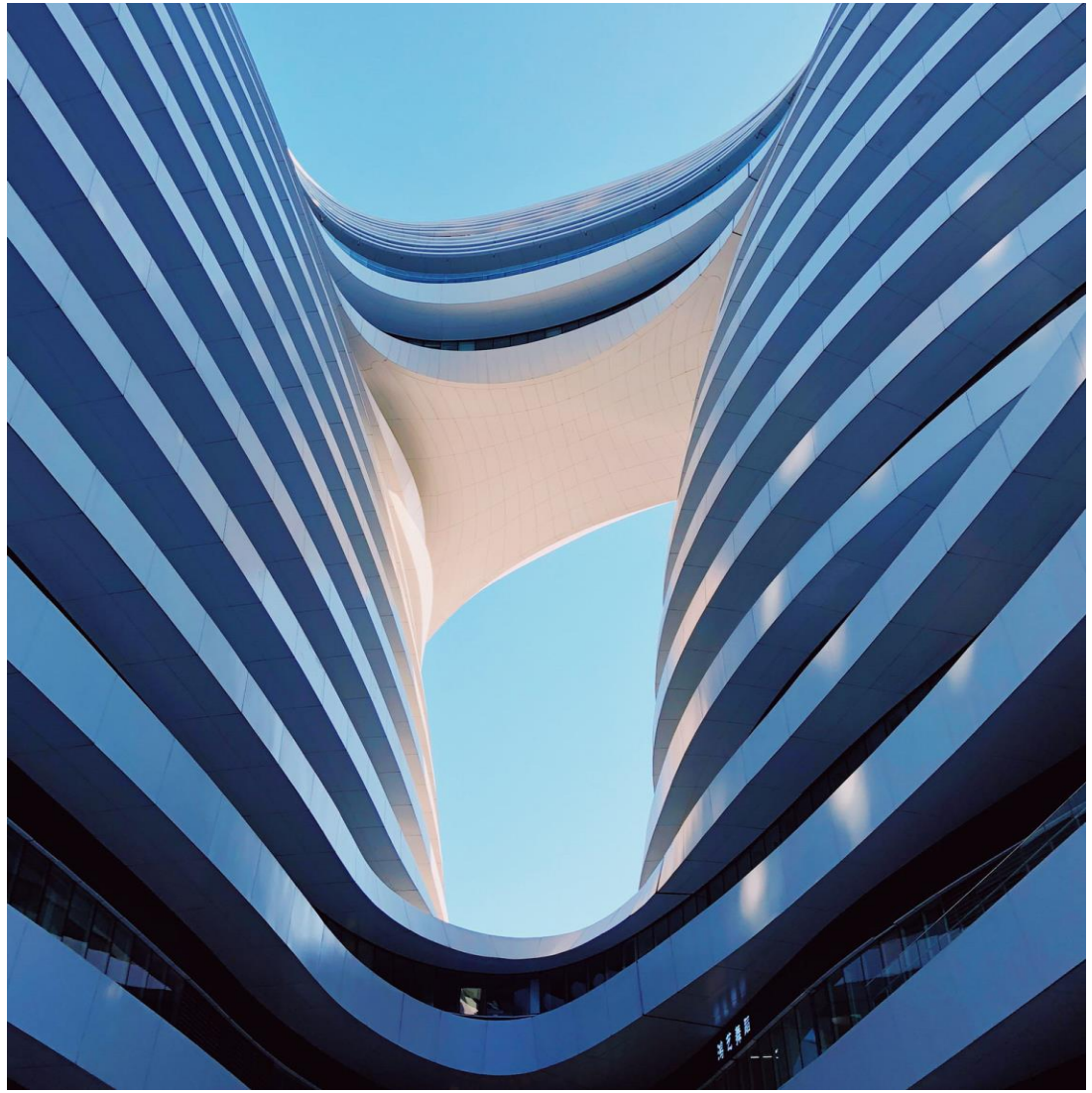
- Consult stakeholders to determine technical strategy and work plans of both the IASB and the ISSB

Benefits

- Easier for stakeholders to consider each board's work plan together
- Enables holistic feedback on separate and combined priorities

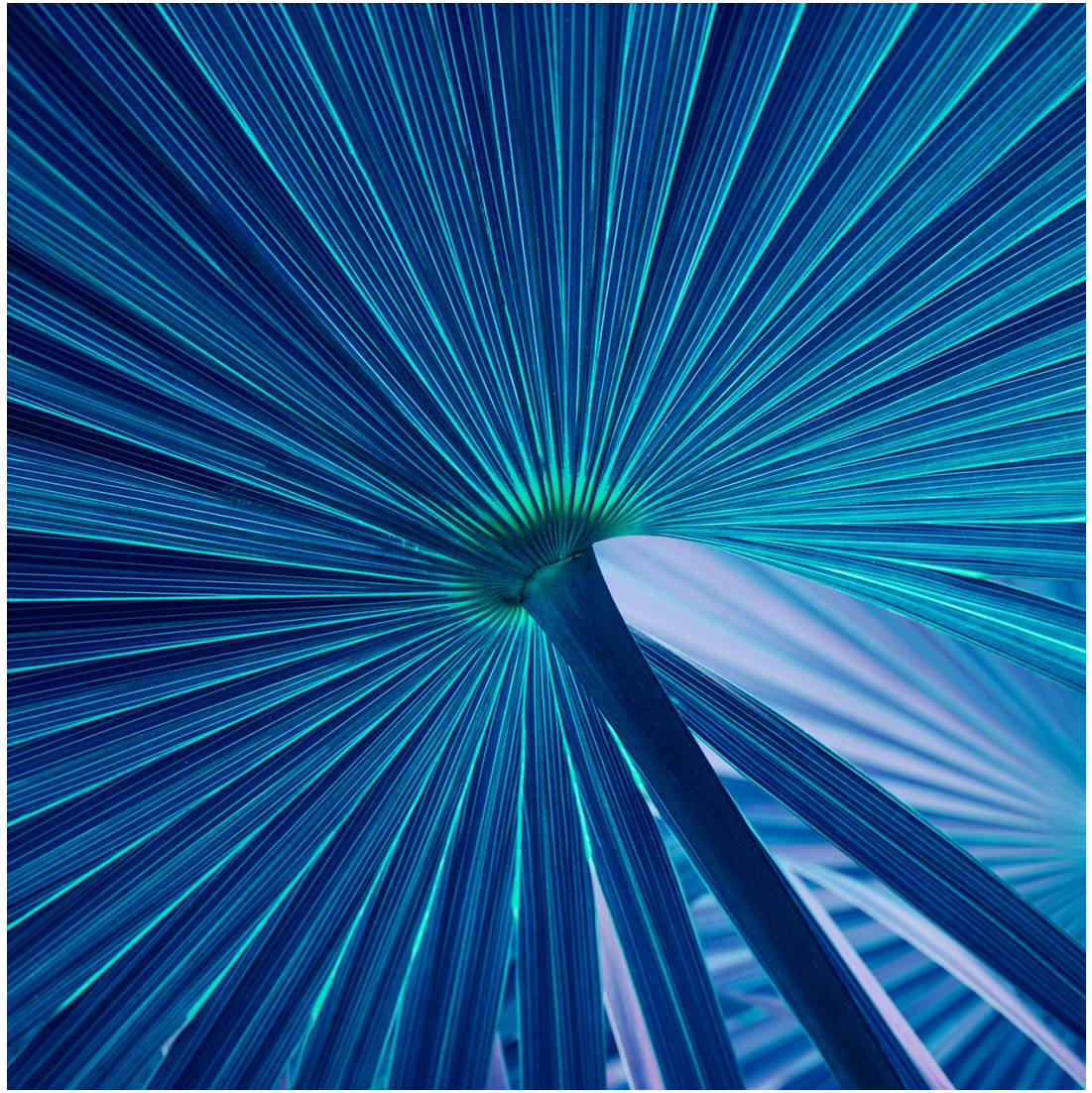
Next milestone

- Work to start in late 2026 with stakeholder consultation in **2027**



ISSB seat moving to Geneva

- Following approval of a five-year operating and financing plan for the ISSB, the Trustees of the IFRS Foundation announced the establishment of an ISSB office in Geneva, Switzerland, which will serve as the seat of the Board
- Geneva chosen due to its role as major international hub for sustainable finance and multilateral cooperation
- New office to open mid-2027
- Decision enhances the ISSB's multi-location model



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