
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2026**
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 June 2026. The report covers the period from 1 June 2026 until 30 September 2026 and addresses the following matters:
 - (a) supporting implementation of IFRS S1 *General requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, including the:
 - (i) development of material to support application of ISSB Standards; and
 - (ii) Transition Implementation Group on IFRS S1 and IFRS S2 (TIG);
 - (b) project on Nature-related Disclosures;
 - (c) research project on Human Capital; and
 - (d) enhancing the SASB Standards.
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 2.1–2.10 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 material to support application of ISSB Standards**

4. The material to support application of ISSB Standards published in the period and its associated due process review is covered in Agenda Paper DP5C of this meeting. The ISSB continues to engage with stakeholders to understand where material should be developed to support the implementation of IFRS S1 and IFRS S2. The material [Greenhouse Gas Emissions Disclosure requirements applying IFRS S2](#) is being updated to add content related to the recent amendments to IFRS S2 *Amendments to Greenhouse Gas Emissions Disclosures*.
5. The IFRS Foundation finalised the materials of the ISSB Disclosure Training module as part of the [ISSB Training Partner Programme](#), a programme in which third-party training partners will deliver training to preparers utilising materials developed by the IFRS Foundation. The content for this module has been translated into seven languages for the training to be delivered across adopting jurisdictions.

Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)

6. The TIG was established to inform the ISSB about implementation questions that arise when entities implement IFRS S1 and IFRS S2. TIG discussions inform what, if any, action the ISSB should take to address questions submitted to the TIG.
7. During the period under review, the TIG met once on 23 July 2026. At that meeting the TIG discussed a question about the climate-related targets requirements in IFRS S2.
8. The staff provided a summary of the discussion to the ISSB at its September 2026 meeting. The timing of the next TIG meeting will be scheduled based on implementation questions submitted.

Project on Nature-related Disclosures

9. During the period, the ISSB continued work on its project related to disclosures about risks and opportunities associated with nature. Specifically, the ISSB has furthered the development of an exposure draft of a proposed IFRS Practice Statement on nature-related disclosures (Practice Statement) for consultation. When deciding to propose the form of a Practice Statement the ISSB noted that a question would be included in the exposure draft about the form, to enable the ISSB to understand stakeholder views on this matter.
10. IFRS S1 already requires an entity to provide material information about all sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, including those related to nature. The ISSB decided to propose an IFRS Practice Statement designed for application with IFRS Sustainability Disclosure Standards. The proposals in the draft IFRS Practice Statement will build on requirements in IFRS S1 and IFRS S2 to specifically address nature-related disclosures. The ISSB is drawing on the Taskforce on Nature-related Financial Disclosures (TNFD) framework, including its recommendations, metrics and additional guidance, in developing the proposed Practice Statement. When a company needs to provide information about nature-related risks and opportunities in accordance with IFRS S1, the Practice Statement would be available for use and explain how to do this. The application of an IFRS Practice Statement is not required for a company to assert compliance with IFRS Standards. Similarly, the adoption of an IFRS Practice Statement is not required for a jurisdiction to be described as an adopter of IFRS Standards. However, an entity could choose to use it and a jurisdiction could choose to require its use.¹
11. The ISSB also tentatively decided that:
 - (a) the Practice Statement would be available for application from the date of its issuance for entities applying IFRS S1 and IFRS S2; and
 - (b) an entity whose sustainability-related financial disclosures comply with all the requirements of IFRS Sustainability Disclosure Standards and all the requirements of the Practice Statement would be required to make an explicit and unreserved statement of compliance. An entity would be prohibited from stating compliance with the Practice Statement unless they comply with all the requirements of the Practice Statement and all the requirements of IFRS Sustainability Disclosure Standards.²

¹ Further information about the ISSB's decision on the form of standard-setting for nature-related disclosures is available on the [IFRS Foundation website](#).

² An entity would not be required to apply the Practice Statement to assert compliance with IFRS Sustainability Disclosure Standards.

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12. In July 2026 the ISSB reviewed the due process steps for developing the exposure draft of the proposed Practice Statement.³ The ISSB confirmed it was satisfied the ISSB had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the balloting process. The ISSB decided to set the normal 120-day comment period for the exposure draft. No ISSB member indicated an intention to dissent from publishing the exposure draft.
 13. The ISSB also discussed an analysis of the likely effects of the proposed Practice Statement, which will be summarised in the basis for conclusions accompanying the exposure draft.⁴
 14. The ISSB has completed balloting process and plans to publish the exposure draft in October 2026.

Research project on Human Capital

15. During the period, the ISSB continued work on its research project related to disclosures about workforce-related risks and opportunities.
16. In September 2026 the ISSB received an update on the Human Capital research project, to consider the staff's assessment of progress against the considerations for establishing a standard-setting project (paragraph 5.4 of the Due Process Handbook), and to consider proposed activities to advance the project. In this meeting, the ISSB decided to change the title of the project to 'Workforce-related Disclosures' to better reflect the project's scope.
17. The staff reported that the research has demonstrated clear deficiencies in workforce-related reporting and strong investor demand for such information, while identifying areas requiring further research. The staff proposed a focused next phase of research across five workstreams:
 - (a) workforce-related terms and definitions;
 - (b) investors' precise information needs for specific topics (including AI);
 - (c) the relationship between business model and workforce-related risks and opportunities;
 - (d) jurisdictional context; and
 - (e) emerging disclosure applying IFRS S1.
18. The staff will share research findings periodically over the coming months, beginning with findings on the workforce-related terms and definitions already in use. When the staff determines that sufficient information has been gathered they will ask the ISSB to decide on next steps on the project including whether it should be moved to the standard-setting agenda.

Enhancing the SASB Standards

19. During the period, the ISSB continued work on Enhancing the SASB Standards. The SASB Standards serve as a source of guidance for entities applying IFRS S1. IFRS S1 does not require entities to

³ The applicable due process steps and permission to ballot the exposure draft of the proposed IFRS Practice Statement on nature-related disclosures are discussed in [Agenda Paper 3A](#) of the July 2026 ISSB meeting. Appendix A of the paper provides details on engagement and research activities, including on engagement with ISSB consultative groups and other consulted groups as per paragraph 6.7(a) of the *Due Process Handbook*. Appendix C of the paper outlines the due process steps considered in developing the Exposure Draft.

⁴ An overview of the likely effects of the proposed IFRS Practice Statement is discussed in [Agenda Paper 3B](#) of the July 2026 ISSB meeting.

apply the SASB Standards. However, the SASB Standards help entities develop decision-useful and comparable disclosures in the absence of specific ISSB Standards. This project also includes work on the *Industry-based Guidance on Implementing IFRS S2* (IFRS S2 Industry-based Guidance), which includes the climate-related content in the SASB Standards.

Enhancing the SASB Standards—Phase 1

20. The ISSB is continuing its work on Phase 1 of its project to enhance the SASB Standards. As previously reported, the ISSB has proposed amendments to the 12 prioritised SASB Standards through two exposure drafts published in [July 2025](#) and [March 2026](#). The comment period for the March 2026 exposure draft closed on 24 July 2026 and the ISSB received 157 comment letters and survey responses. The ISSB expects to discuss a summary of stakeholder feedback at an upcoming meeting.

Enhancing the SASB Standards—Phase 2

21. In July 2026, the ISSB discussed the next phase of the project on Enhancing the SASB Standards and decided to enhance the six SASB Standards in the Technology & Communications sector of the Sustainable Industry Classification System (SICS).

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
Nature-related Disclosures	The standard-setting phase of the project will involve developing disclosure requirements to respond to the needs of investors for information on nature-related risks and opportunities. These requirements will supplement the requirements in IFRS and IFRS S2, to be applied to nature-related risks and opportunities.	Exposure Draft	Q4 2026	Developing the exposure draft of the Practice Statement to meet common investor information needs on nature-related risks and opportunities to supplement existing requirements in IFRS S1 and IFRS S2.	Request for Information published May 2023
Human Capital	To explore the necessity and feasibility of developing ISSB requirements and/or other materials related to Human Capital, taking into account investors' information needs and the likely costs for entities of preparing such information.	Decide project direction	H1 2027	Continuing analysis on research findings and considering proposed activities to advance the project.	Request for Information published May 2023
Enhancing 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.	Redeliberation on the Exposure Draft (Phase 1) Analysis of stakeholder feedback on the Exposure Draft (Phase 1—continued)	H2 2026	Redeliberation on the July 2025 Exposure Draft <i>Proposed Amendments to the SASB Standards</i> and the Exposure Draft <i>Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2</i> . Reviewing comment letter feedback on the March 2026 Exposure Draft <i>Proposed Amendments to the SASB Standards and IFRS S2 Industry-based</i> .	Exposure Draft published March 2026 (Phase 1—continued)