



# Update: International Sustainability Standards Board (ISSB)

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**DIGITAL REPORTING IN EUROPE**

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# A truly global baseline of disclosures



additional  
building blocks

- can be added to meet jurisdiction-specific requirements
- can be added to meet broader multi-stakeholder needs

## ISSB Standards

- provide a comprehensive foundation of disclosures for global jurisdictional adoption
- are a common language for comparable, decision-useful disclosures
- are designed to meet investor needs across global capital markets

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## Jurisdictional progress

### Americas

Bolivia, Brazil, Canada, Chile, Costa Rica, El Salvador, Mexico, Panama

### Asia-Oceania

Australia, Bangladesh, China, Hong Kong SAR, Japan, South Korea, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Chinese Taipei, Thailand

### EMEA

EU, Ghana, Jordan, Kenya, Nigeria, Qatar, Rwanda, Switzerland, Tanzania, Türkiye, Uganda, UK, Zambia, Zimbabwe

This list is based on information available to the IFRS Foundation as of 30 April 2025. The jurisdictions listed on this slide are those that have noted publicly that they have adopted or otherwise used ISSB Standards or have announced they will do so. The IFRS Foundation is developing and will be publishing a first set of jurisdictional profiles in the coming months which will contain further information on the jurisdictions' positions.

# IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information



June 2023

IFRS S1

IFRS<sup>®</sup> Sustainability Disclosure Standard

General Requirements for Disclosure of  
Sustainability-related Financial Information



International Sustainability Standards Board

- Asks for disclosure of **material information** about **sustainability-related risks and opportunities** with the financial statements, to meet investor information needs
- Applies **TCFD architecture** whenever providing information about sustainability
- Requires **industry-specific disclosures**
- For matters other than climate (IFRS S2) refers to **sources to help companies** identify sustainability-related risks and opportunities and information
- Can be used in conjunction with **any accounting requirements (GAAP)**

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# IFRS S2: Climate-related Disclosures



June 2023

## IFRS S2

IFRS<sup>®</sup> Sustainability Disclosure Standard

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Climate-related Disclosures



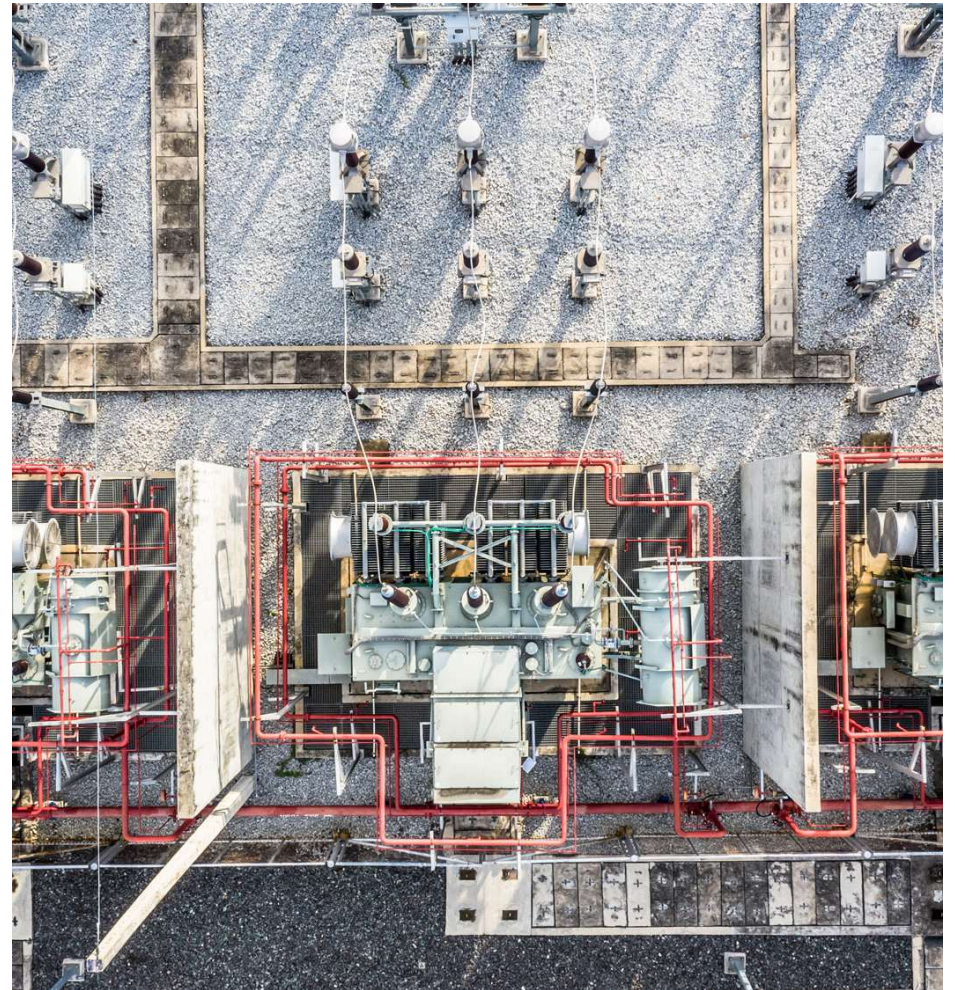
International Sustainability Standards Board

- Incorporates the **TCFD recommendations**
- To meet investor information needs, IFRS S2:
  - is used in accordance with **IFRS S1**
  - requires disclosure of **material information about climate-related risks and opportunities**, including physical and transition risks
  - requires **industry-specific disclosures**, which are supported by accompanying guidance built on SASB Standards



## Supporting the global baseline through tagging

- Like the ISSB Standards, the ISSB Taxonomy is designed to be used as a global baseline and enable jurisdictions to build on that global baseline—facilitating digital comparability
- The ISSB Taxonomy:
  - Can be **directly used** by a jurisdiction that adopts the ISSB Standards
  - Can be **built on** to accommodate additional jurisdictional requirements by a jurisdiction that builds on the ISSB Standards
  - If necessary, can **support the interoperability** of the ISSB Standards with other sustainability standards—enabling common information to be identified so that investors can clearly identify the global baseline



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## Supporting IFRS S1 and IFRS S2 implementation



Develop and enhance **educational materials** that explain the core concepts underpinning IFRS S1 and IFRS S2



Convene the **Transition Implementation Group** (TIG) to discuss companies' questions related to implementing IFRS S1 and IFRS S2



Monitor the **progress of relevant standard-setters and framework providers** to assess potential implications for IFRS S1 and IFRS S2



Design and deliver comprehensive **regulatory and market capacity-building programme**



Support companies in using the **ISSB Taxonomy** to enhance efficient digital consumption and comparison of reports

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## SASB Standards Enhancements – Overview

The ISSB is enhancing an initial set of SASB Standards by refining existing disclosure requirements, addressing potential information gaps and further improving international applicability.

Our overarching aims are to understand:



Do the SASB Standards **adequately cover the sustainability-related risks and opportunities** facing preparers in the industries the ISSB has prioritised?



Would any of these disclosure topics be **difficult to apply in specific jurisdictions**?



Which of these industries and topics have **experienced the most change** in the last five years? And how do you see sustainability-related risks and opportunities evolving?

Ultimately, this will help us understand how the ISSB should enhance the SASB Standards.

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## Research projects

The ISSB is researching disclosure about risks and opportunities associated with:



### **Biodiversity, ecosystems and ecosystem services**

Might include matters related to water management, land-use management, pollution (for example, emissions into air, water and soil), resource depletion, and biodiversity risk management (for example, rehabilitation/restoration)



### **Human capital**

Relates to workers in an entity's direct operations or those in its value chain, including workforce-related human rights. Might include matters such as worker wellbeing, pay and benefits, diversity and inclusion, and working conditions in the value chain.

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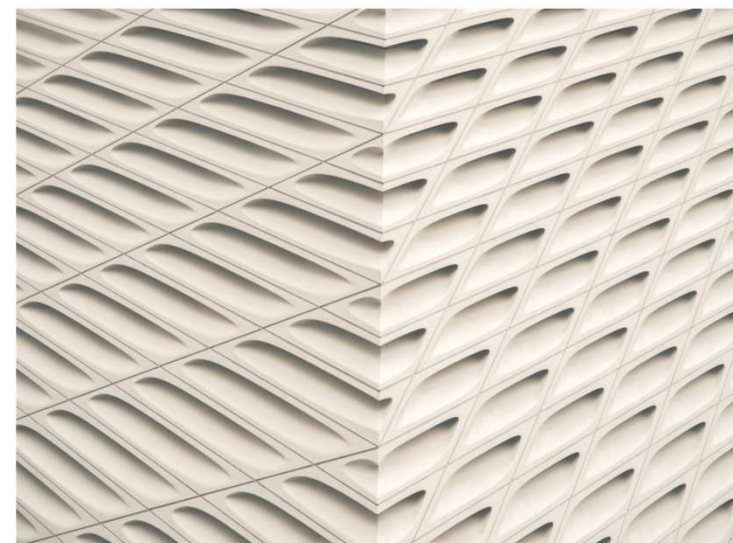
# Interoperability



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# ESRS – ISSB Standards Interoperability Guidance

- **Provides practical support** that explains how companies can efficiently comply with both sets of standards
- Illustrates the **high level of alignment** achieved between ISSB Standards and ESRS
- Describes alignment of general requirements including key concepts such as **materiality, presentation and disclosures** for sustainability topics other than climate
- Includes **detailed analysis of climate-related disclosures**
- Explains why companies will **still need to use both** sets of standards, but makes it **easier to navigate** doing so



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# ISSB work relevant to EU Omnibus

As the EU works to simplify the European Sustainability Reporting Standards (ESRS) there are opportunities to enhance interoperability between ESRS and ISSB Standards

## 1. Sector standards

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Ensure cost-effective, industry-specific disclosures by **using the globally established SASB Standards directly within ESRS** including the SIC classification system for simplicity and comparability

## 3. Reduction in CSRD data points

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**Streamline climate reporting** by enabling EU companies to **use IFRS S2 as a starting point** and add any essential incremental disclosure requirements from ESRS for CSRD compliance

## 2. Transition plan disclosures

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Leverage the **ISSB educational material as the baseline** for EU guidance, as a practical and useful tool for companies disclosing their transition plans

## 4. Digital reporting

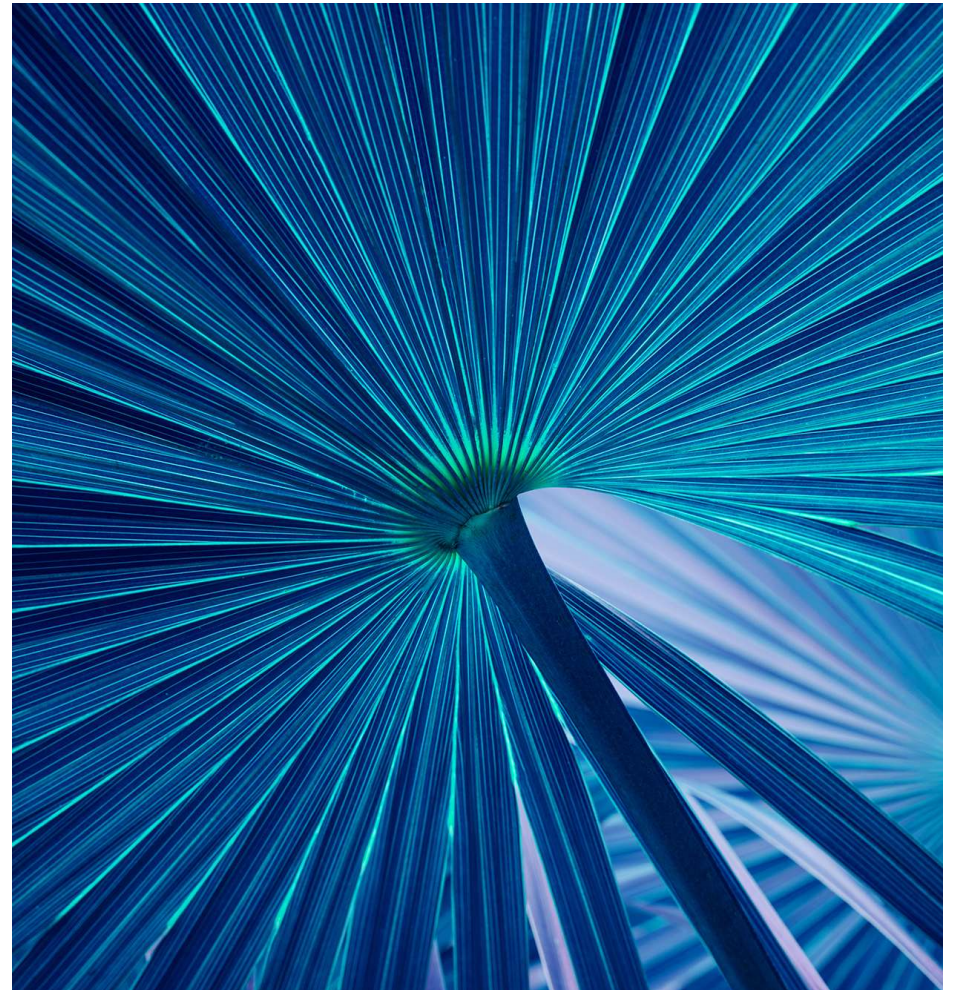
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**Ensure alignment between ISSB and EU Digital Reporting Taxonomies** and timely EU implementation

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## IFRS Foundation and the Global Reporting Initiative

- Committed to **jointly identify and align common disclosures** that address information needs under the distinct scopes and purposes of respective standards for both thematic and sector-based standard-setting
- Interoperability work starting with **GRI 101 Biodiversity** and ISSB's project on biodiversity, ecosystems and ecosystem Services
- GRI has established a **sector program** to develop standards for 40 sectors; to date, GRI has released four sector standards
- The ISSB's work to enhance the **77 industry-based SASB Standards** will support interoperability with GRI's sector work







Thanks for your attention

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