
Global Sustainability Reporting: Where We Are Now — and What's Next

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Frankfurt Office



EMEA Region



ISSB Board Members assigned to the Frankfurt Office



Emmanuel Faber
Chair



Sue Lloyd
Vice-Chair



Richard Barker
Member



Jenny Bofinger-Schuster
Member



Ndidi Nnoli-Edozien
Member



Veronika Pountcheva
Member



Out of 12 Board Members **6 Board Members**
assigned to the Frankfurt Office

Seat of the Chair and Vice-Chair

Responsibilities of the Frankfurt Office

Supporting the implementation of global footprint through a multi-location model to ensure proximity and market relevance across the world. The IFRS Foundation has a multi-location footprint with offices in Frankfurt, London, Montreal, Tokyo, Beijing and San Francisco.

Performing key functions supporting the ISSB Board in particular the six Members of the Board assigned to the Frankfurt Office (Emmanuel Faber, Chair - Sue Lloyd, Vice-Chair, Richard Barker, Jenny Bofinger-Schuster, Ndidi Nholi-Edozien and Veronika Pountcheva).

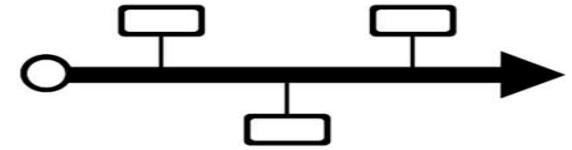
Establishing deeper cooperation with stakeholders within the EMEA region with the focus on the European Union.

Providing support in Frankfurt becoming a “sustainability hub” with the aim to drive global change by building on the global baseline of sustainability standards set by the ISSB.





2 March 2022

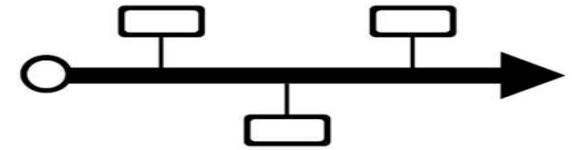


From 2022 until 2026

Memoranda of Understanding: **Seed Funding Phase 2022 - 2026**



2 March 2022



From 2022 until 2026

Where we are now?



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

Rationalising investor-focused standards and frameworks

 **INTEGRATED
REPORTING**

 **SASB
STANDARDS**

 **CDSB** Climate
Disclosure
Standards
Board

 **TCFD** TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

ISSB Standards enhance investor-company dialogue



Decision-useful

Developing globally comparable sustainability-related disclosures - that are assurable - to meet the information needs of investors



Cost-effective

Enabling companies to communicate to investors globally comparable, comprehensive information about sustainability-related risks and opportunities

A truly global baseline of disclosures



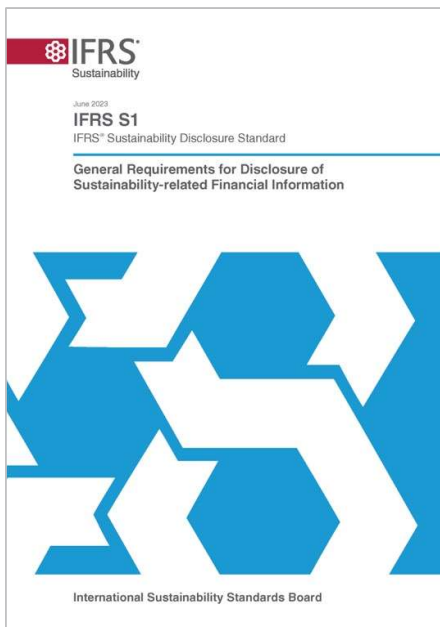
additional
building blocks

- 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

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

ISSB Industry-based Guidance: 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



Connected information



- Provide information in a connected manner, explaining connections within the related financial statements



- Disclose information about the effects of sustainability-related risks and opportunities (IFRS S1) and climate-related risks and opportunities (IFRS S2) on a company's current and anticipated financial performance, financial position and cash flows

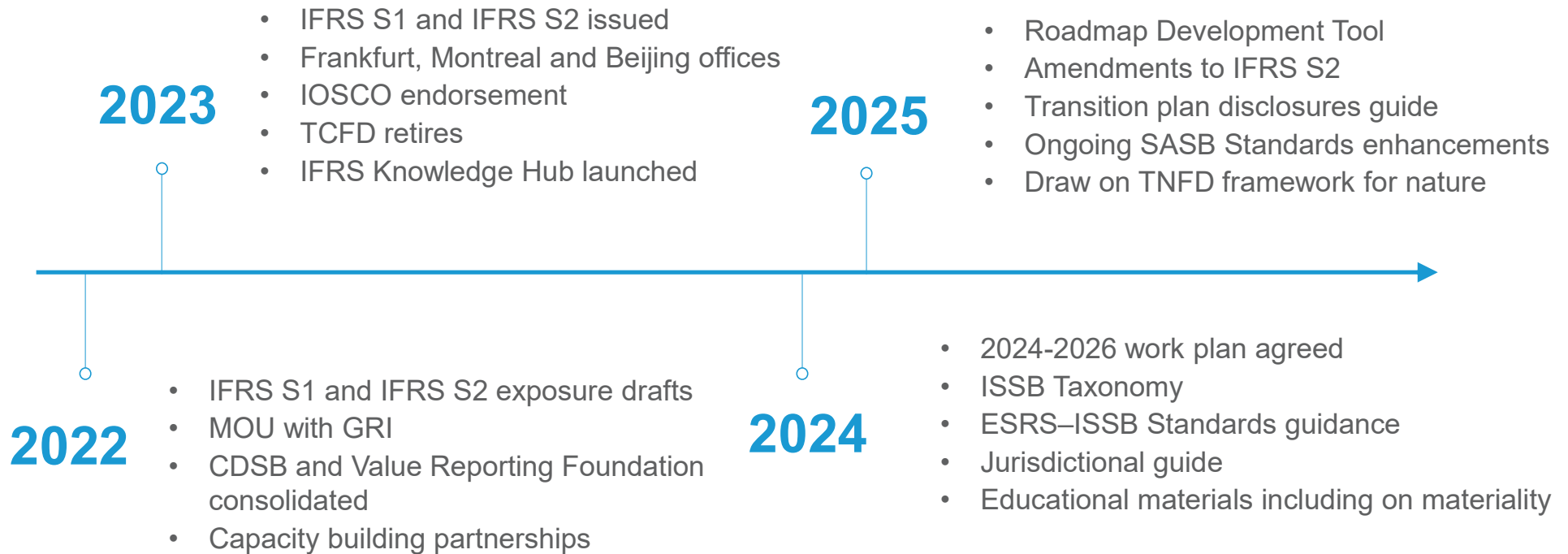


- Use consistent data and assumptions *to the extent possible*, given the accounting standards a company applies



- May include information by cross reference if specified conditions are met—possibility to cross refer to the financial statements

Milestones since ISSB established at COP26



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**

Jurisdictional progress

Americas

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

Asia-Oceania

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

EMEA

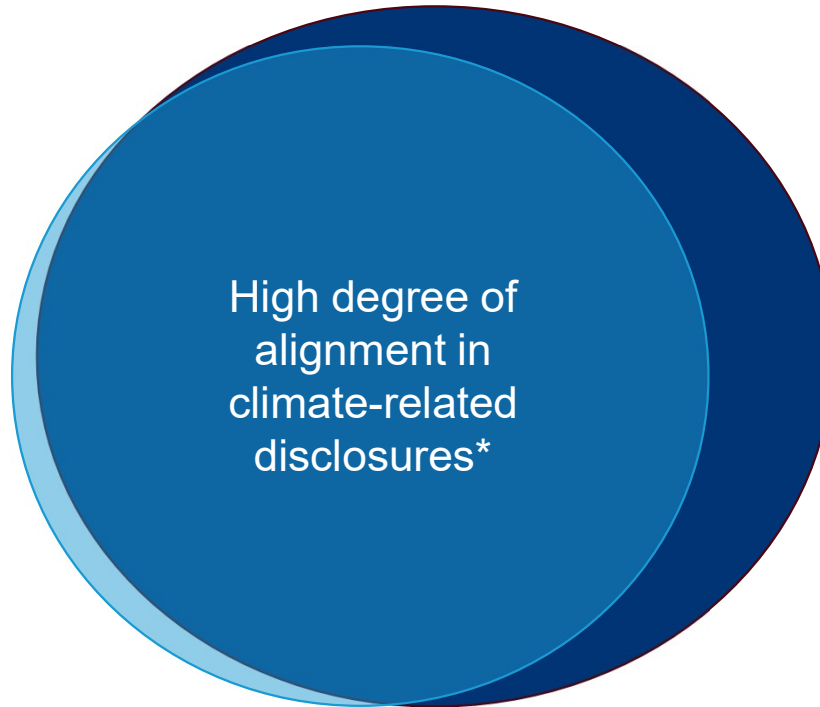
Ethiopia, EU, Ghana, Jordan, Kenya, Nigeria, Qatar, Rwanda, Switzerland, Tanzania, Türkiye, Uganda, UK, Zambia, Zimbabwe

This list is based on information available to the IFRS Foundation as of end of March 2026. 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.



ISSB Standards

Additional requirements (eg financed emissions)



ESRS

Additional requirements for stakeholders interested in impacts (that do not create risks or opportunities for a company’s prospects) and information that if missing or obscured is not reasonably expected to affect investor decisions

High degree of alignment in disclosures to provide decision-useful information for investors on risk management and how dependencies and impacts create risks and opportunities for a company’s financial position and prospects

* IFRS Foundation and EFRAG have published interoperability guidance material: <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/esrs-issb-standards-interoperability-guidance.pdf>

How we improved interoperability

Both the ISSB and the European Commission and EFRAG **made changes to their standards to improve interoperability** – for example:

- **aligned definition** of CO2 equivalent (consistent with the GHG Protocol)
- **aligned wording** for ‘anticipated financial effects’

Reciprocal references in both ISSB Standards and ESRS:

- ISSB Standards refer to ESRS as a **source of guidance** to identify what information to disclose for matters other than climate, to the extent it meets investor information needs
- ESRS refer to **IFRS industry-based guidance** – including the SASB Standards - to help companies complement disclosures prepared based on the topical ESRS

ISSB Standards and ESRS

Objective of ISSB engagement with European Commission and EFRAG

- Support EU-based companies, and non-EU companies subject to CSRD/ESRS requirements, efficiently comply with both ESRS and ISSB Standards
- Remove need for Interoperability Guide previously published by the IFRS Foundation and EFRAG further simplifying the landscape

Targeted outcome – a company could provide a **single report** that meets both sets of requirements

Current technical focus

- Two targeted changes to ESRS:
 - state that **information disclosed for an investor audience is clearly identified** from information disclosed for other stakeholders (**'non-obscuring'**)
 - allow **less prescriptive approach to presenting material sustainability-related information** so easier to meet requirements in both ESRS and ISSB Standards
- List small number of areas requiring specific consideration for companies when applying ESRS and reporting in compliance with ISSB Standards¹

What is next

- Consultation by European Commission on revised ESRS (expected from mid-April to mid-May)
- European Commission and EFRAG finalise work to incorporate simplified ESRS into European Union legislation (expected by mid-2026)

¹ Including, for example, that companies provide entity-specific information as required by ESRS in a way that meets requirements in ISSB Standards

What's next?



Current priorities

Adoption

Advance jurisdictional use of ISSB Standards through bilateral dialogue with governments and regulators to support them on their journey

Advance market adoption of ISSB Standards by companies choosing to use the Standards to communicate to investors

Implementation

Continue to **support the implementation of IFRS S1 and IFRS S2**, including through **educational activities** and the **capacity building programme** to help prepare companies, regulators and other stakeholders to use ISSB Standards

Ongoing work to **enhance the SASB Standards** as an essential resource for applying IFRS S1

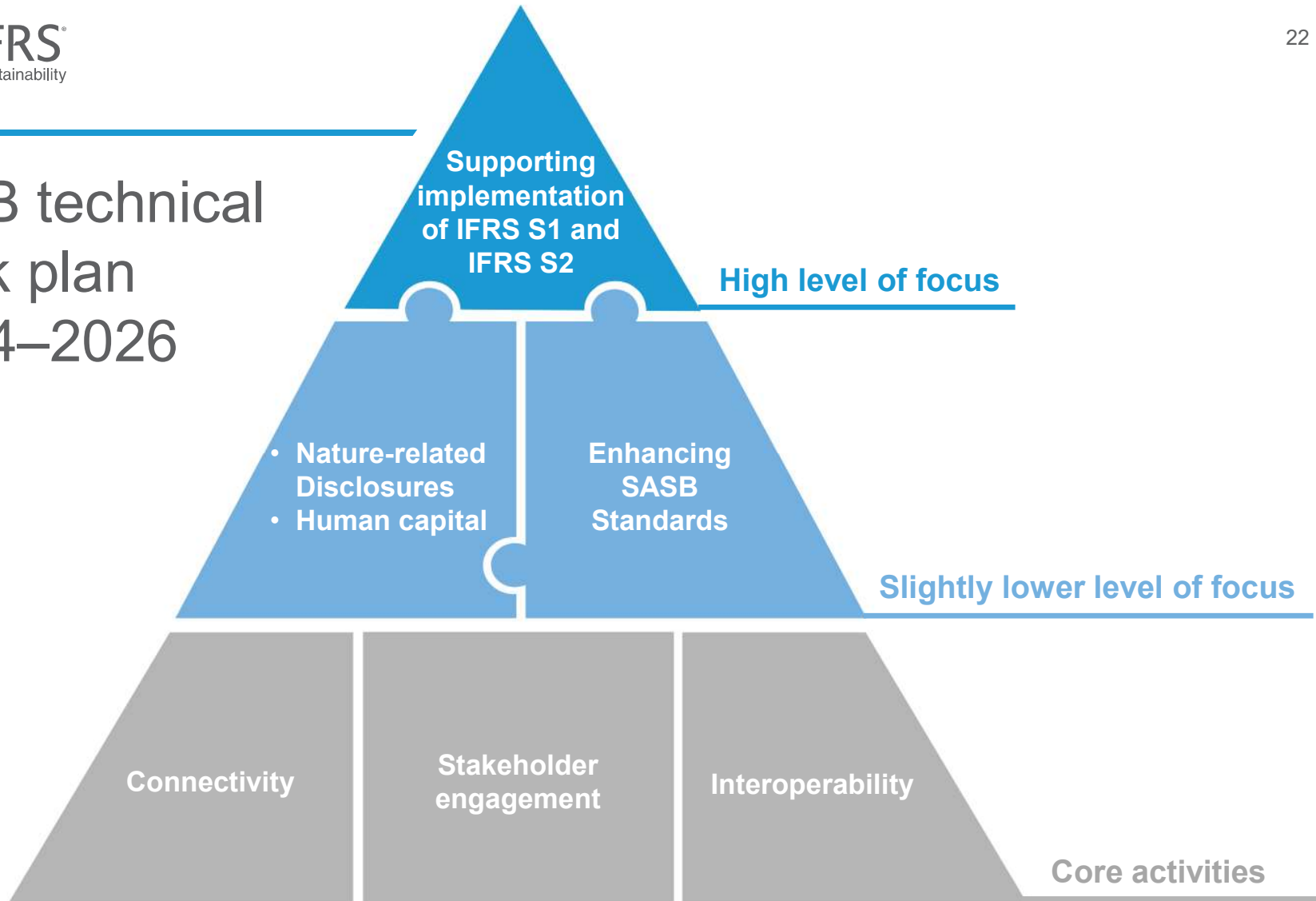
Standard setting

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

Incremental disclosure requirements on **nature-related risks and opportunities** not already covered by explicit requirements in IFRS S1 and IFRS S2

Research project on **human capital-related** disclosures

ISSB technical work plan 2024–2026



Supporting implementation



Educational materials that explain core concepts in IFRS S1 and IFRS S2



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



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



Regulatory and market capacity-building programme



Support use of the **ISSB Taxonomy** to enhance digital consumption and comparison of reports



Enhance the **SASB Standards**

Nature-related disclosures



Incremental disclosure requirements

ISSB will introduce incremental disclosure requirements on nature-related risks and opportunities not already covered by explicit requirements in IFRS S1 and IFRS S2



Educational material

Subsequently, ISSB will develop educational materials that explain how to apply the requirements in ISSB Standards in the context of providing material nature-specific information

Drawing on TNFD framework where relevant to meet investor information needs

Nature-related disclosures

Approach

- Incremental requirements that are not already reflected in explicit requirements in IFRS S1 and IFRS S2
- Carefully considering how to introduce disclosures in a way that is sensitive to the implementation efforts already underway
- Draw on Taskforce on Nature-related Financial Disclosures (TNFD) framework when relevant for investors

Current focus

- Clarity of **what nature-related risks and opportunities are**
- **Understanding** of when information is financially material
- Any **particular information** that is needed

Next milestone

- Exposure Draft by COP17 in October 2026

Human Capital-related disclosures

Approach

- Research shows:
 - investor interest in topics and metrics can vary by sector and jurisdiction
 - links between financial outcomes and many human capital factors
- Majority of other standards and frameworks aligned with IFRS S1 but provide additional detail on human capital topics, primarily in an entity's direct operations

Current focus

- 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:
 - **necessity**: whether there is a clear need for improved disclosure to investors
 - **feasibility**: whether there is likely to be a practical and efficient approach to developing disclosure requirements

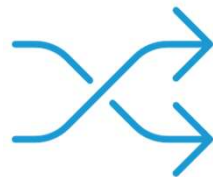
Next milestone

- Decide project direction (for example, whether to move from research to standard-setting phase)
- Consider technical analysis, resourcing and market appetite for additional disclosures on this matter

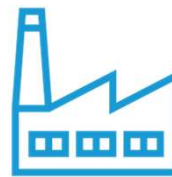
Why enhance the SASB Standards?



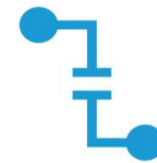
Support
implementation of
IFRS S1 and IFRS S2



Inform ISSB's
work on nature
and human
capital-related
disclosures



Reflect important
market changes
in industries



Improve efficiency for
preparers

Enhancing the SASB Standards

Background

SASB Standards are 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

Last comprehensively updated in 2018

In 2023 the ISSB made narrow-scope amendments to the SASB Standards to enhance their international applicability

Approach

Enhancing the SASB Standards **over time** instead of proposing amendments to all 77 SASB Standards simultaneously

Technical project but also **important for building global support**

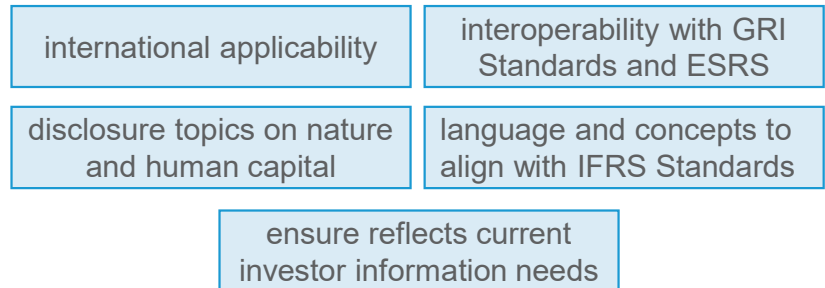
Prioritise some SASB Standards within **three sectors**:

- extractives and minerals processing
- infrastructure
- food and beverage

Status

Analysis of comments on exposure draft of proposed amendments for **nine priority SASB Standards** – consultation closed on 30 November 2025; 238 letters comment letters and survey responses received

Exposure draft of proposed enhancements for **three further SASB Standards**; open for comment until 24 July 2026



Knowledge Hub

Supporting application of ISSB Standards

FAQs, guides and resources curated by the IFRS Foundation and third-party organisations

Includes four self-paced e-learning modules to dive deeper into ISSB Standards



Visit [ifrs.org](https://www.ifrs.org) to find out more

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