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# ISSB Standards: better information for better decisions

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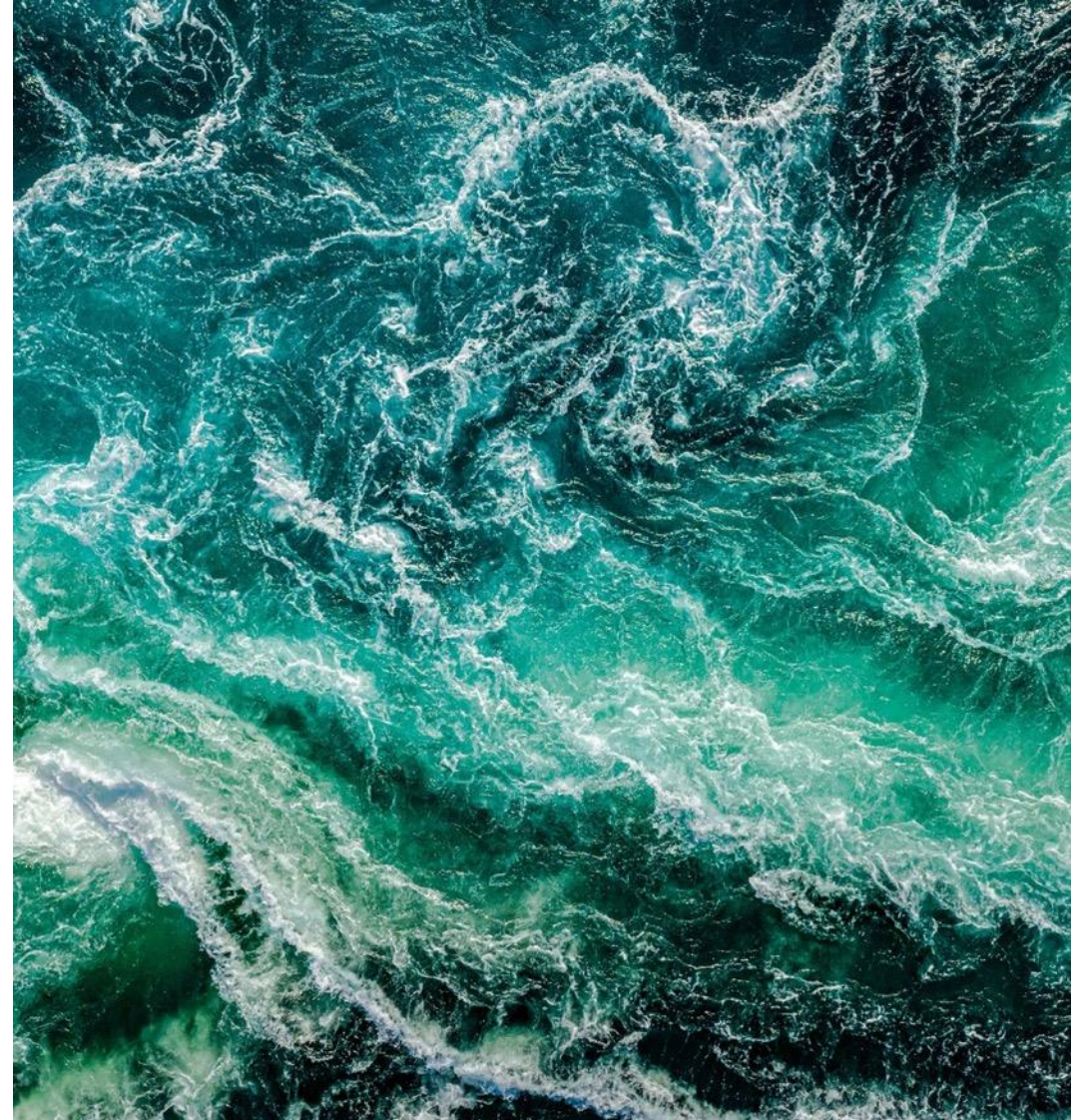
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## Strong market demand

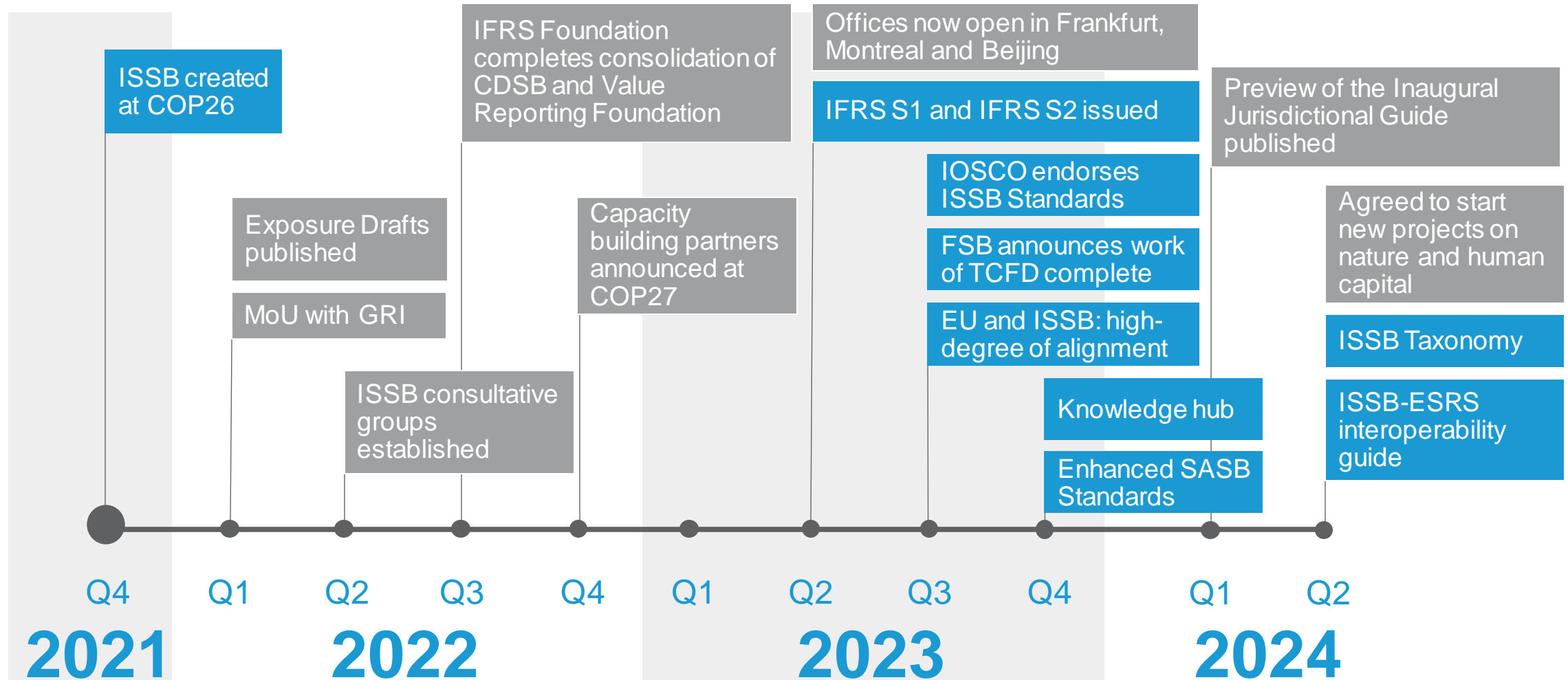
The ISSB was established as part of the IFRS Foundation because of investor, company and international policy maker (including the G20, G7, IOSCO and the Financial Stability Board) demand for:

- 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



# ISSB milestones



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## 2024 priorities

### Implementation

Support the implementation of **IFRS S1 and IFRS S2**, including through **educational activities** and advancing the IFRS Foundation's **capacity building programme** to help ensure companies, regulators and other stakeholders are well prepared to use the ISSB Standards

### Adoption

**Advance jurisdictional adoption** of the ISSB Standards through bilateral dialogue with governments and regulators to support them on their journey to requiring sustainability-related disclosures in their jurisdiction

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

### Future work plan

Advance the ISSB's work to **build out the global baseline of sustainability-related disclosures** following feedback to the recent consultation on the ISSB's future agenda

# Making ISSB Standards the global baseline



## ISSB

provide comprehensive global baseline through Standards



## IOSCO

endorses ISSB Standards, recommending adoption



## Audit standard-setters

enhance and develop assurance standards



## Jurisdictions

require by adopting the Standards



## Market participants

voluntarily opt to apply the Standards

## Jurisdictional journey: adopting ISSB Standards

Americas	Asia/Oceania	EMEA
Bolivia	Australia	Kenya
Brazil	Bangladesh	Nigeria
Canada	Chinese Taipei	Türkiye
Costa Rica	Hong Kong	UK
	Japan	
	Malaysia	
	Pakistan	
	Philippines	
	Singapore	
	South Korea	
	Sri Lanka	

A list of ongoing and completed jurisdiction consultations on sustainability-related disclosures is available:

[ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdiction-consultations-on-sustainability-related-disclosures](https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdiction-consultations-on-sustainability-related-disclosures)



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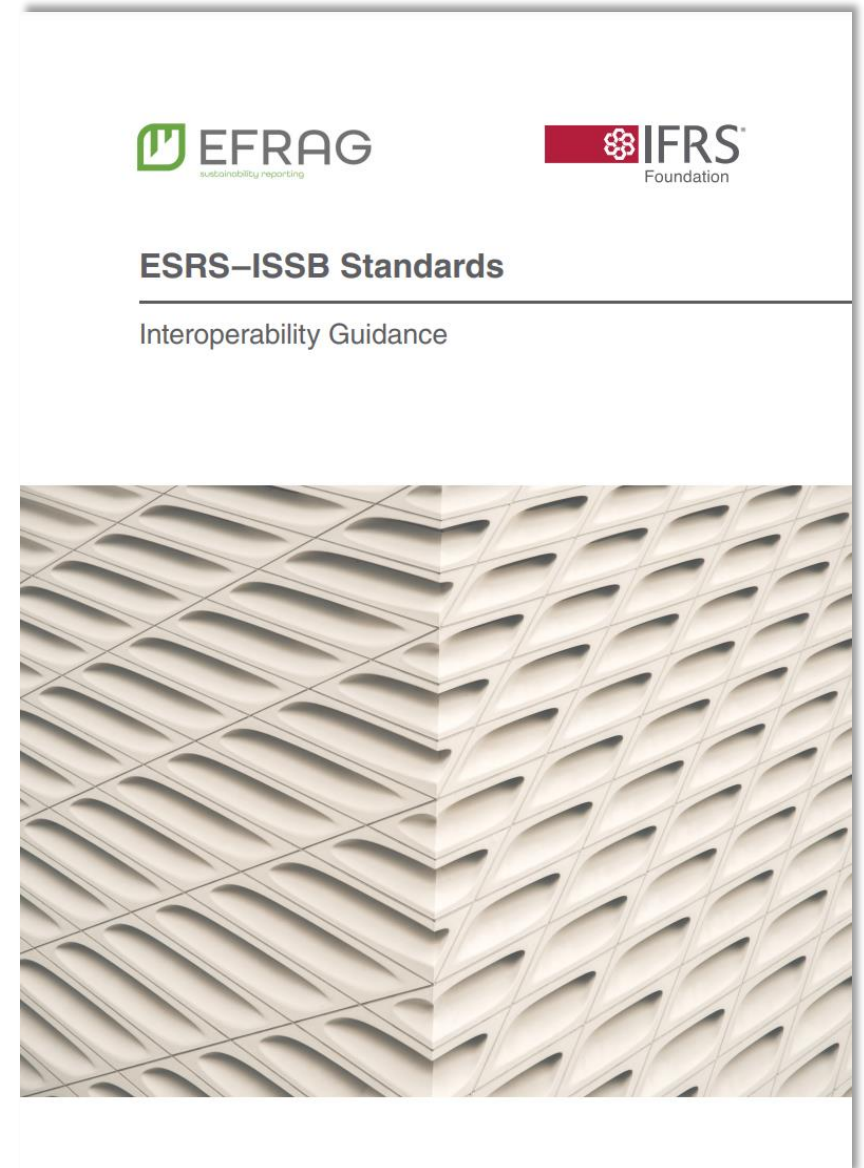
# ESRS – ISSB Standards Interoperability Guidance

- **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



# Key takeaways: Interoperability guidance

- A company can prepare its IFRS S2 disclosures in a way that **enables all these disclosures to be used as part of compliance** with ESRS climate-related requirements
- To achieve this, some disclosures need to be prepared in **a particular way** – the guidance explains how
- Section 4.2 sets out the **additional** climate-related disclosure requirements in ESRS
- ESRS covers **'impact materiality'** in addition to 'financial materiality' (the latter is aligned between ISSB Standards and ESRS)
- To comply with ISSB Standards, companies cannot **'obscure'** sustainability-related financial disclosures with additional information

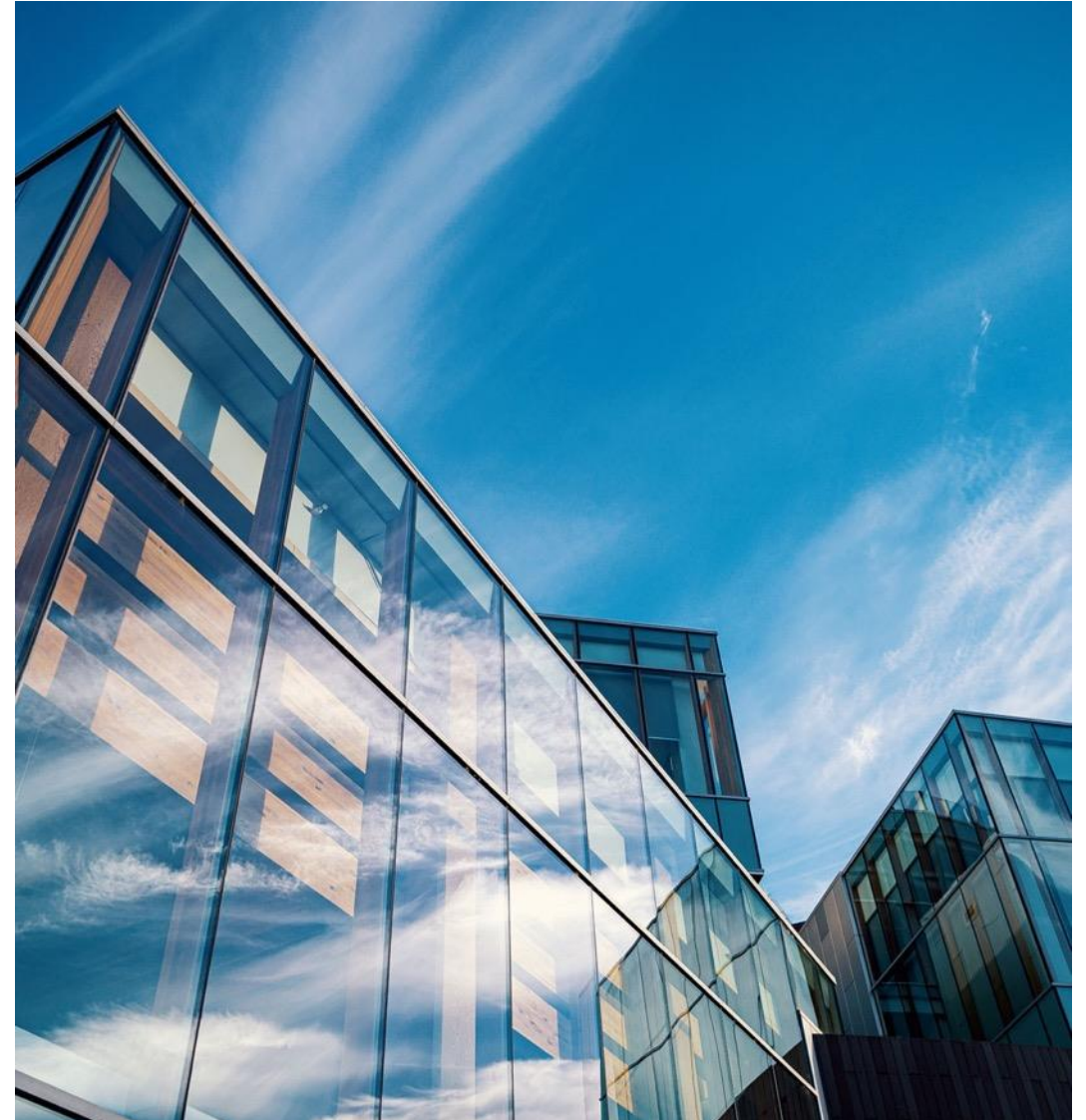




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# ISSB two-year work plan

- Highest level of focus on **supporting implementation of IFRS S1 and IFRS S2**
- Next, equal focus on **enhancing SASB Standards** and **beginning new research and standard-setting projects**
- Some capacity reserved for flexibility to **address emerging issues** and **engage with IASB** on its projects/activities when needed
- Furthermore, three activities **fundamental** to all work:
  1. interoperability with other standard-setting initiatives
  2. connectivity with IASB
  3. stakeholder engagement



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## New projects

The ISSB has **finalised the decisions** for its next two-year work plan and will start **two new research projects**:



### Biodiversity, ecosystems and ecosystem services

- Growing interest among investors for improved disclosure on this topic
- Build from pre-existing initiatives such as SASB Standards, CDSB guidance and TNFD



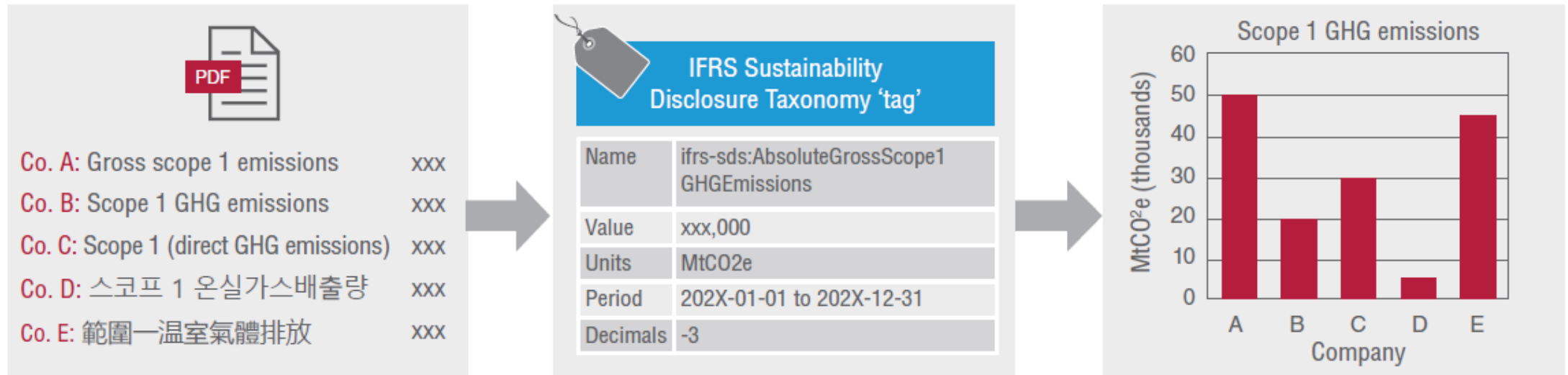
### Human capital

- Impacts companies of all sizes and types
- Opportunity to address a lack of consistent, comparable disclosures

*The ISSB expects to publish its Feedback Statement in June 2024, setting out its two-year work plan.*

# Supporting investors' use of ISSB disclosures in a digital format

The ISSB Taxonomy provides the common elements (or 'tags') needed to make sustainability-related financial disclosures computer-readable

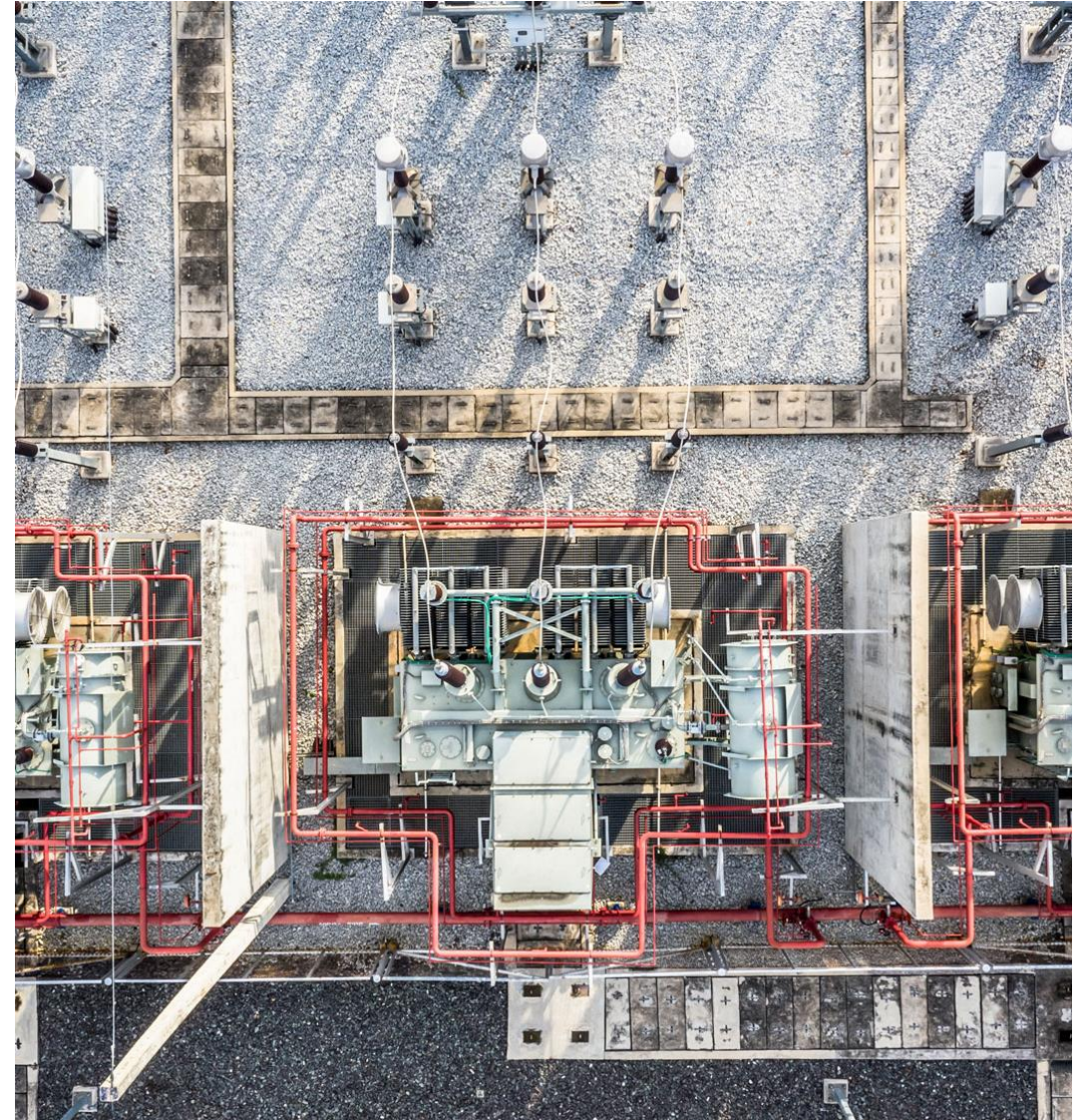


The ISSB Taxonomy reflects the requirements and accompanying materials of the ISSB Standards. **It does not introduce any new requirement.**



# 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

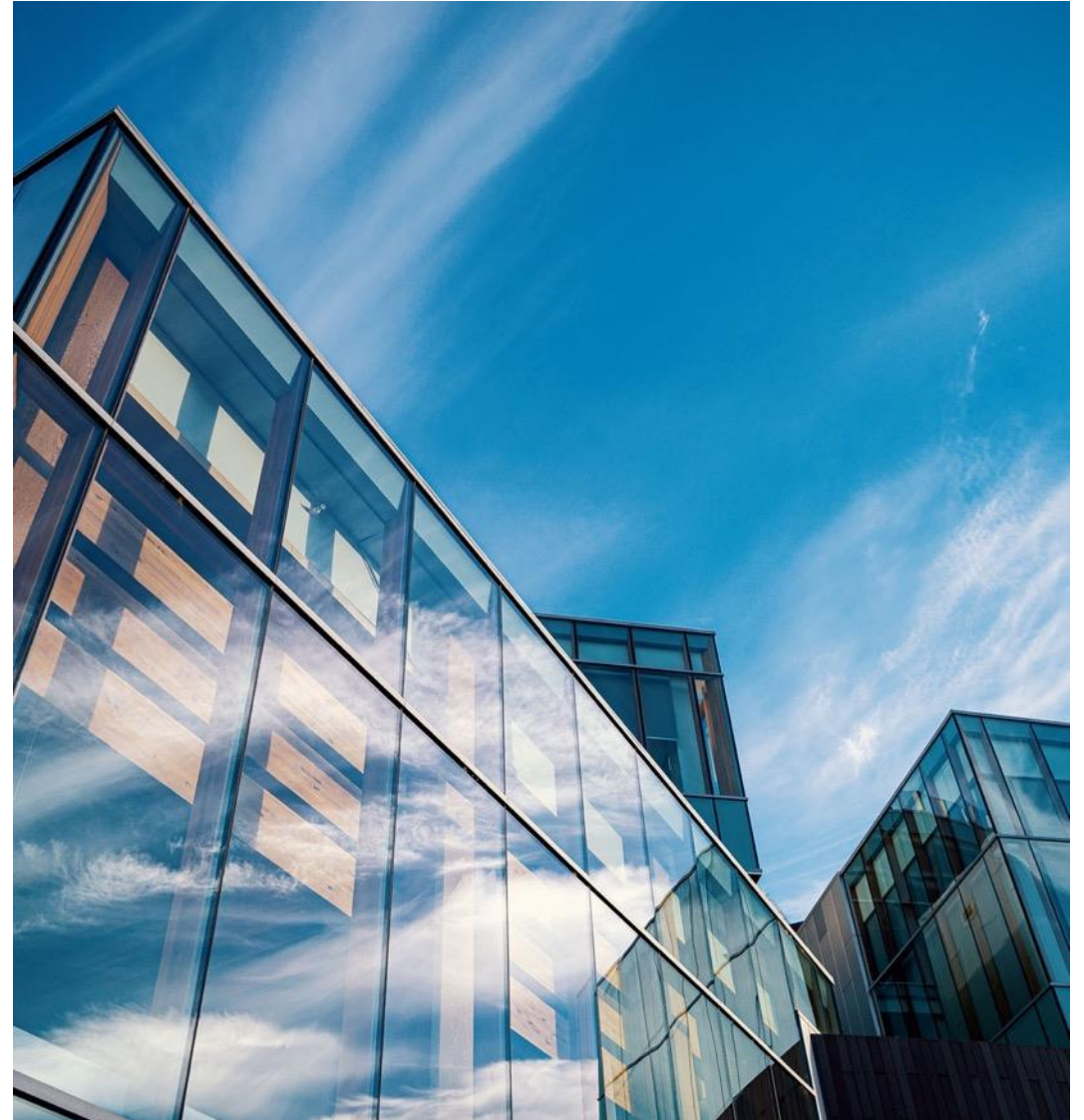




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# Supporting holistic digital financial reporting

- The Taxonomy can be used together with other taxonomies used for tagging companies' financial statements
  - Consistent taxonomy design in the **IFRS Sustainability Disclosure Taxonomy** and the **IFRS Accounting Taxonomy**
  - Can also be used effectively with other taxonomies reflecting other GAAP
- Enables investors to efficiently search, extract and compare both accounting and sustainability-related financial disclosures





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