



Project:	Sustainability Reporting	Meeting:	November 2024 (M210)
Topic:	Update on international and jurisdictional perspectives	Agenda Item:	12.1
		Date:	22 October 2024
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		Decision-Making:	-
		Project Status:	-

Objective

- 1 The objective of this paper is to inform Board members of relevant international and jurisdictional developments in sustainability reporting.
- 2 This paper is for information purposes only and does not ask the Board to make any decisions.

Structure

- 3 This paper is structured as follows:
 - (a) Background (paragraph 4)
 - (b) IFRS Foundation (paragraphs 5-10)
 - (c) Global Reporting Initiative (paragraphs 11-14)
 - (d) Taskforce on Nature-related Financial Disclosures (paragraph 15)
 - (e) Taskforce on Inequality and Social-related Financial Disclosures (paragraphs 16-17)
 - (f) Update on selected jurisdictional sustainability reporting perspectives (paragraphs 18-25)
 - (g) Question to Board members

Background

- 4 The Board is provided with an overview of international and jurisdictional developments on sustainability-related reporting at meetings. This paper provides an update on developments since the Board's meeting in September 2024.¹

IFRS Foundation

- 5 The IFRS Foundation published voluntary application guidance for preparers seeking to apply

¹ See September 2024 [Agenda Paper 10.1 Sustainability Reporting: Update on International Jurisdictional Perspectives](#).

IFRS S1 and IFRS S2 in advance of, or in the absence of, jurisdictional regulation.²

- 6 The World Bank Group and IFRS Foundation announced a commitment to expand the coverage of their existing partnership to the adoption of sustainability standards in emerging markets and developing economies.³

September 2024 International Sustainability Standards (ISSB) meeting⁴

- 7 The ISSB discussed:
- (a) its work plan;
 - (b) the content in the SASB Standards that is applicable to the risks and opportunities associated with biodiversity, ecosystems and ecosystem services, and human capital; and
 - (c) the SASB Standards prioritised for amendment as part of its 2024–2026 work plan.
- No decision was made at this meeting.

September 2024 Transition Implementation Group meeting⁵

- 8 The Transition Implementation Group discussed:
- (a) reporting on other questions submitted;
 - (b) identification of sustainability-related risks and consideration of risk mitigation activities;
 - (c) application of the jurisdictional relief to part of a reporting entity;
 - (d) Scope 3 Category 15 GHG emissions related to financial activities and asset classes that are not explicitly referenced in IFRS S2;
 - (e) use of GWP values from the latest IPCC assessment when a jurisdictional authority mandates the use of a different GWP value.

IFRS Foundation Trustees—Due Process Oversight Committee (DPOC) September 2024⁶

- 9 The DPOC reviewed the proposed membership of the IFRS Sustainability Reference Group (SRG). The ISSB recently approved the initial set of members following an initial call for members in February 2024. Further details on the IFRS SRG can be [found here](#).

October 2024 Sustainability Standards Advisory Forum (SSAF) meeting⁷

- 10 The SSAF discussed:
- (a) educational material;
 - (b) jurisdictional survey to inform ISSB research projects;
 - (c) agenda planning;
 - (d) embedding interoperability into the ISSB’s ongoing work – research projects; and
 - (e) enhancements to the SASB Standards.

Global Reporting Initiative (GRI)

² See [Voluntarily applying ISSB Standards—A guide for preparers](#) (September 2024).

³ See [World Bank Group and IFRS Foundation announce commitment to further partnership towards adoption of ISSB Standards in EMDEs](#).

⁴ See [ISSB Update September 2024](#).

⁵ See [September 2024 Transition Implementation Group on IFRS S1 and IFRS S2 agenda and meeting papers](#).

⁶ See [September 2024 Due Process Oversight Committee meeting summary](#).

⁷ See [September 2024 Sustainability Standards Advisory Forum meeting agenda and papers](#).

- 11 The GRI and the World Benchmarking Alliance (WBA) published an analysis on the role of corporate reporting in social sustainability outcomes. The publication the use of the GRI Standards and companies' social performance, as measured by WBA's Core Social Indicators (CSIs). The research indicates that adherence to globally recognised reporting standards can be linked to improved social sustainability outcomes. The findings include:
- (a) there is evidence that companies that publish a sustainability report with a GRI Content Index achieve significantly better results in CSIs, scoring at least 47% higher than other companies in WBA's Social Benchmark;
 - (b) organisations that report in accordance with the GRI Standards consistently outperform those that only reference to the GRI Standards; and
 - (c) companies with the highest CSI scores correlate with those that follow the GRI Standards for reporting.⁸
- 12 The GRI and the International Foundation for Valuing Impacts (IFVI) have signed a Memorandum of Understanding aimed at making sustainability data as accessible, actionable and comparable as financial data. The two organisations agreed to collaborate on building market uptake of each other's methodologies, promote each other's research, offer joint stakeholder engagement, align their fundraising activities, and collaborate on capacity-building initiatives.⁹

Global Sustainability Standards Board (GSSB)¹⁰

- 13 The GSSB met in September 2024:
- (a) approved the draft summary of the GSSB meeting held on 20 June 2024; and
 - (b) received updates on:
 - (i) the review of the Sector Program to date; and
 - (ii) the Sector Standard Project for Financial Services.
- 14 The GSSB met in October 2024:
- (a) approved the draft summary of the GSSB meeting held on 12 September 2024; and
 - (b) discussed:
 - (i) the research project on digitalisation, data protection, cybersecurity, artificial intelligence, and privacy;
 - (ii) GRI Topic Standard Project for Economic Impact - Paper discussion; and
 - (iii) GRI Topic Standard Project for Climate update on feedback.

TNFD¹¹

- 15 The TNFD has expressed support for the use of cross-reference tables for TNFD-aligned recommended disclosures.

Taskforce on Inequality and Social-related Financial Disclosures (TISFD)

- 16 The TISFD was launched in September 2024, which will develop a global framework for companies and financial institutions to include more effective disclosures about impacts,

⁸ See the [press release](#) on the GRI website.

⁹ See the [press release](#) on the GRI website.

¹⁰ See [2024 GSSB meetings](#) webpage.

¹¹ See the [press release](#) on the TNFD website.

dependencies, risks, and opportunities related to social issues, including inequality, within their public reports. The TISFD aims to provide a market-usable framework aligned with international standards on business conduct and integrated with reporting standards.¹²

- 17 The TISFD published a summary of the responses received on its proposed scope, mandate, governance structure, and materiality approach. Respondents to the consultation called on the TISFD to collaborate with the ISSB’s human capital standard-setting project and other standard-setting entities rather than create a separate framework.¹³

Update on Selected Jurisdictional Sustainability Reporting Perspectives

European Union (EU)¹⁴

- 18 The European Commission decided to provide EFRAG with up to €3,240,000 to finance the implementation of the pilot project for “Embarking companies and stakeholders into the European sustainability reporting journey” and the adoption of the work programme for 2024.

Hong Kong¹⁵

- 19 The Hong Kong Institute of Certified Public Accountants (HKICPA) has published two exposure drafts (EDs) for sustainability reporting standards that are aligned with IFRS S1 and IFRS S2.

Malaysia¹⁶

- 20 The Securities Commission (SC) of Malaysia has published the *National Sustainability Reporting Framework* (NSRF), which addresses using IFRS S1 and IFRS S2 as issued by the ISSB as the baseline for sustainability reporting in Malaysia.

Singapore¹⁷

- 21 The Institute of Singapore Chartered Accountants (ISCA) has published an illustrative sustainability report based on the ISSB and GRI Standards. This follows the announcement by the Singapore Exchange Regulation (SGX RegCo) to enhance its sustainability reporting regime by incorporating the latest international standards.

Pakistan¹⁸

- 22 The Securities and Exchange Commission of Pakistan (SECP) is publicly consulting on a staged adoption approach for the implementation of ISSB standards. The SECP proposes that companies be required to apply the standards in a phased manner based on criteria in relation to total assets, turnover, and number of employees. The first phase would start from annual reporting periods beginning on or after 1 January 2025. The second and third phases would start from January 2026 and 2027, respectively. The SECP also proposes a requirement to obtain assurance on sustainability reporting from the company’s auditor from the second year of the required reporting.

¹² See the [announcement of the TISFD's launch](#).

¹³ See the [summary report](#).

¹⁴ See the [decision](#) on the EC website.

¹⁵ See the [press release](#) on the HKICPA website.

¹⁶ See the [press release](#) and the [NSRF](#) on the SC Malaysia website.

¹⁷ See the [report](#) on the ISCA website.

¹⁸ See the [public consultation](#) on the SECP website

Mexico¹⁹

- 23 The Mexican Banking and Securities Commission is consulting on whether to amend the general provisions applicable to securities issuers to require the inclusion of sustainability information according to ISSB standards in their submissions.

Botswana²⁰

- 24 The Botswana Stock Exchange (BSE) has published Sustainability Disclosure Guidance intended for voluntary disclosures by locally listed companies. The guidance is informed by IFRS S1, the GRI standards, and the draft European Sustainability Reporting Standards (ESRS) published in 2022.

Pan African Federation of Accountants (PAFA)²¹

- 25 The PAFA has announced the establishment of a Centre of Excellence (CoE) for Sustainability in advance of adoption and implementation of the ISSB standards in Africa.

Questions to Board members

Q1: Do Board members have any questions about the information provided in this paper?

¹⁹ See the Spanish language summary of the regulatory proposal [here](#).

²⁰ See the [guidance](#) on the BSE website..

²¹ See the [press release](#) on the PAFA website.