



Project:	Sustainability Reporting	Meeting:	March 2025 (M211)
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		Decision-Making:	N/A
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Objective

- 1 The objective of this paper is to inform Board members of relevant international and domestic updates in sustainability reporting. It is intended to provide updates on developments since the Board’s meeting in November 2024.¹
- 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) [Section 1](#): Glossary (paragraph 4)
 - (b) [Section 2](#): IFRS Foundation (paragraphs 5–6)
 - (c) [Section 3](#): Update on Other International Standard-setters (paragraphs 7–16)
 - (d) [Section 4](#): Update on Domestic Sustainability Reporting Perspectives (paragraphs 17–25)
 - (e) [Appendix](#): Jurisdictional Sustainability Reporting Standards Progress Tracker (Asia-Oceania)

Section 1: Glossary

- 4 The following table outlines the main abbreviations used in this paper:

Abbreviation	Definition
AASB	Australian Accounting Standards Board
APS	Australian Public Service
ASIC	Australian Securities & Investments Commission
ASRSs	Australian Sustainability Reporting Standards
CSDSs	Canadian Sustainability Disclosure Standards
CSSB	Canadian Sustainability Standards Board
DCCEEW	Department of Climate Change, Energy, the Environment and Water

¹ See [Agenda Paper 12.1 Update on international and jurisdictional perspectives](#) (November 2024).

Abbreviation	Definition
EFRAG	European Financial Reporting Advisory Group
ESRSs	European Sustainability Reporting Standards
GHG	Greenhouse Gas
GICS	Global Industry Classification Standard
GPFRs	General Purpose Financial Reports
GRI	Global Reporting Initiative
GSSB	Global Sustainability Standards Board
GWP	Global Warming Potential
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
XBRL	eXtensible Business Reporting Language
XRB	External Reporting Board (New Zealand)

Section 2: IFRS Foundation

- 5 The IFRS Foundation Trustees published [Exposure Draft Proposed Amendments to the IFRS Foundation Due Process Handbook](#), which proposes targeted enhancements and clarifications to the Due Process Handbook since its last update in 2020, including the creation of the ISSB in 2021 and its subsequent standard-setting processes. The proposed amendments do not represent fundamental changes to the Foundation’s due process. This exposure draft was published on 19 December 2024 and is open for comment until 28 March 2025.
- 6 The IFRS Foundation also published the following updates:
- (a) [Progress on Corporate Climate-related Disclosures—2024 Report](#) (November 2024), which presents progress on corporate climate-related disclosures. The report continues the work of the Financial Stability Board’s TCFD to record the progress of companies reporting on its 11 recommended disclosures. The main findings include:
 - (i) 82% of 3,814 public companies disclosed information in line with at least one of the 11 TCFD recommendations as companies around the world turn their attention to climate-related disclosures; and
 - (ii) with less than 3% of companies reporting in accordance with all 11 TCFD recommended disclosures, few companies provide disclosures covering climate-related governance, strategy, risk management or metrics and targets.
 - (b) [Updates to the Sustainability Accounting Standards Board \(SASB\) Standards Taxonomy](#) (October 2024) to reflect the following amendments:
 - (i) consequential amendments made in connection with IFRS S2 *Climate-related Disclosures*; and
 - (ii) amendments to enhance the international applicability of the SASB standards.

Title	Staff summary
ISSB Update January 2025	<p>The ISSB decided to propose the following targeted amendments to IFRS S2 to facilitate relief, clarification, and simplification, primarily for the disclosures on GHG emissions, including to:</p> <ul style="list-style-type: none"> (i) permit entities to exclude Scope 3 Category 15 GHG emissions related to derivatives, facilitated emissions and insurance-associated emissions from the disclosure of GHG emissions; (ii) extend the jurisdictional relief to permit the use of Global Warming Potential (GWP) values required by a jurisdictional authority or exchange on which it is listed instead of the GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) assessment, clarifying that the jurisdictional relief can apply to an entity in whole or in part; and (iii) allow entities to apply a classification system that is useful to users of general purpose financial reports (GPFRs) rather than the Global Industry Classification Standard (GICS), as originally prescribed. <p>An exposure draft is expected to be issued in Q2 of 2025 for public consultation and comment.</p> <p>The ISSB also discussed its research projects on biodiversity, ecosystems and ecosystem services (BEES) and human capital.</p>
ISSB Update December 2024	<p>The ISSB discussed its research project on human capital and research and feedback on the 12 SASB Standards prioritised for enhancement.</p>
ISSB Update November 2024	<p>The ISSB agreed upon criteria for evaluating potential amendments to IFRS S1 or IFRS S2. The amendments include:</p> <ul style="list-style-type: none"> (i) there is a demonstrated need to amend IFRS S1 or IFRS S2 to address implementation challenges or concerns, including matters that highlight a risk of diversity in practice; (ii) the amendments would not result in significant loss of useful information provided to users relative to that which would be provided to preparers without the potential amendment; and (iii) the amendments would not unduly disrupt ongoing implementation processes by entities or jurisdictions. This includes amendments that would reduce the interoperability and connectivity of the standards with other sustainability-related standards (such as GRI standards or ESRs) and IFRS Accounting Standards.
ISSB Update October 2024	<p>The ISSB discussed survey feedback on jurisdictional requirements related to BEES and human capital, and the location of disclosures if an entity applies the revised IFRS Practice Statement 1 in preparing management commentary.</p>

Section 3: Update on Other International Standard-setters²

GSSB and GRI

- 7 At its [January 2025 meeting](#), the GSSB approved the three Sector Standard Exposure Drafts on Banking, Capital Markets, and Insurance for consultation without dissent. The public comment period for the Exposure Drafts is planned to occur between March–May of 2025.
- 8 The GRI and EFRAG have published the [GRI-ESRS Interoperability Index](#) (November 2024), which reiterates the high level of alignment between the two sets of standards and indicates a streamlined transition process for GRI reporters to report in line with the European Sustainability Reporting Standards (ESRS). The GRI and EFRAG are also engaged in efforts to align XBRL taxonomy efforts as part of their continuing Memorandum of Understanding.

Taskforce on Nature-related Financial Disclosures (TNFD)

- 9 The TNFD has released draft sector guidance³ for the following sectors:
 - (a) [fishing](#);
 - (b) [marine transportation & cruise lines](#); and
 - (c) [water utilities & services](#).

The public consultation ends on 4 April 2024.

- 10 The TNFD also released the following discussion papers:
 - (a) a [roadmap for upgrading market access to decision-useful nature-related data](#) (October 2024) which outlines a draft roadmap for enhancing market access to high-quality nature-related data (public consultation ended 17 January 2025); and
 - (b) [draft guidance on nature transition plans](#) (January 2025) which sets out draft guidance on nature transition planning for corporates and financial institutions developing and disclosing a transition plan (public consultation ended 1 February 2025).

Canada

- 11 The CSSB has published the first set of Canadian Sustainability Disclosure Standards (CSDSs) (December 2024), which were founded upon IFRS S1 and IFRS S2. The two standards, CSDS 1 *General Requirements for Disclosure of Sustainability-related Financial Information* and CSDS 2 *Climate-related Disclosures*, both include respective transitional reliefs. CSDS 1 and CSDS 2 and their accompanying Bases for Conclusions are now part of the [CPA Canada Handbook – Sustainability](#). The two standards are voluntary unless otherwise mandated.

European Union (EU)

- 12 EFRAG has published:
 - (a) an [addendum to EFRAG IG 3 “ESRS Datapoints”](#) (December 2024), which forms part of non-authoritative implementation guidance on the ESRSs; and
 - (b) additional non-authoritative technical explanations intended to assist in implementing the ESRSs. The latest set of explanations is contained in the [Compilation of Explanations – December 2024](#).
- 13 EFRAG has issued a [Voluntary Sustainability Reporting Standard for non-listed SMEs](#) (December 2024). It is targeted at non-listed micro-, small- and medium-sized entities that do not

2 A jurisdictional sustainability reporting standards progress tracker summarising progress towards the adoption or other use of ISSB Standards (IFRS S1 and IFRS S2) in Asia-Oceania jurisdictions can be found in the [Appendix](#).

3 The TNFD sector guidance intends to support the assessment, management, and disclosure of nature-related issues. The final guidance for other sectors can be accessed on the TNFD website [here](#).

fall within the scope of the Corporate Sustainability Reporting Directive (CSRD) and aims to help such entities:

- (a) provide information that will help satisfy the data needs of large undertakings requesting sustainability information from their suppliers;
- (b) provide information that will help satisfy data needs from banks and investors, therefore helping undertakings in their access to finance;
- (c) improve the management of the sustainability issues they face, i.e. environmental and social challenges such as pollution, workforce health and safety; and
- (d) contribute to a more sustainable and inclusive economy.

New Zealand (NZ)

- 14 The XRB has published a document on [differential climate-related reporting](#) (December 2024) which provides:
- (a) information on the XRB's plan to consult on Aotearoa New Zealand Climate Standards (NZ CS), focusing on the topic of differential climate-related reporting; and
 - (b) context to readers of the Ministry of Business, Innovation and Employment (MBIE)'s discussion document [Adjustments to the climate-related disclosures regime](#).
- 15 The XRB approved and issued [amendments to NZ CS 2 and NZ SAE 1](#) (November 2024). The amendments in NZ CS 2 relate to the disclosure and assurance of Scope 3 greenhouse gas emissions and anticipated financial impacts disclosures. The amendments to NZ SAE 1 are regarding the assurance of Scope 3 greenhouse gas emissions to reflect amendments in NZ CS 2. The two Standards both have an application date of 1 January 2024.

United Kingdom (UK)

- 16 The UK Sustainability Disclosures Technical Advisory Committee (TAC) has recommended the endorsement of IFRS S1 and IFRS S2 for domestic use in its final recommendations to the UK government. The [Technical assessment and endorsement of recommendations](#) (December 2024) details the TAC's assessment of the two standards and includes the recommendation to make minor amendments to IFRS S1 and IFRS S2. It ultimately concludes that the creation of UK Sustainability would support long-term public good in the UK.

Section 4: Update on Domestic Sustainability Reporting Perspectives

Commonwealth Treasury

- 17 The Commonwealth Treasury has published the Exposure draft bill [Miscellaneous amendments to Treasury Portfolio Laws Autumn 2025](#) (January 2025). The public comment period on the Exposure draft bill ended on 31 January 2025.
- 18 The proposal consists of various changes aimed at maintaining and improving the quality of existing Treasury portfolio legislation, including proposals aimed at clarifying and extending the limited immunity provisions in section 1707D of the *Corporations Act 2001*.

ASIC

- 19 ASIC released [Consultation Paper 380 Sustainability reporting](#) and the accompanying draft regulatory guide [Regulatory Guide 000 Sustainability reporting](#) in November 2024 (the public comment period ended on 19 December 2024).
- 20 The consultation paper and draft guide cover several topics relating to the content and preparation of sustainability reports under Chapter 2M of the *Corporations Act 2001*. The final version is expected to be issued in Q1 2025.

Commonwealth Department of Finance

- 21 The Commonwealth Department of Finance updated the [Commonwealth Climate Disclosure Requirements \(CCD Requirements\)](#) (November 2024), which requires Commonwealth entities and companies to disclose their climate-related risks and opportunities. The CCD Requirements are based on AASB S2, with specific tailoring to account for the differences in funding structure, objectives and functions of Commonwealth entities and Commonwealth companies, and the legislative regulatory and policy environments under which they operate.
- 22 The CCD requirements vary depending on the stream and tranche the specific entity belongs to. The implementation of the CCD Requirements will be phased in over the four tranches (Tranches 0, 1, 2 and 3), divided according to entity type, size and profile as part of phased implementation over a period of 5 years.⁴ The requirements for climate disclosures in Years 2 and 3 (FY25-26 and FY26-27, respectively) are currently under development.⁵
- 23 The Commonwealth Government also published:
- (a) the [Pilot Outcomes Factsheet](#), outlining the results of its evaluation of its pilot activity for all Departments of the Commonwealth Government to commence reporting on a limited range of climate risks management activities in their 2023-24 annual reports; and
 - (b) [guidance materials](#) on governance, skills and capability assessment, and materiality.

New South Wales Government

- 24 NSW Government:
- (a) introduced a phased approach to gradually introduce mandatory climate-related financial disclosures, effective with 29 selected entities in Phase 1 for the 2024-25 financial year. Details for Phases 2 and 3 will be available in the coming months; and
 - (b) published [TPG24-33 Reporting framework for first year climate-related financial disclosures](#) (October 2024), which sets out the minimum content requirements for the first year of mandatory climate-related financial disclosures for an entity.
- 25 TPG24-33 does not require entities within scope to fully align with the ASRS. Rather, it outlines a series of phased reporting obligations that are informed by AASB S2.

Question 1 to the Board (for discussion):

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

4 The Streams include: (a) Stream 1: companies that are required to prepare a sustainability report under Section 292A of the *Corporations Act 2001*; and (b) Stream 2: all non-corporate Commonwealth entities (NCEs), corporate Commonwealth entities (CCEs), and Commonwealth companies that are not required to prepare a sustainability report under Section 292A of the *Corporations Act 2001*. The first reporting period for entities in each of the four tranches are: (a) Tranche 0: Financial Year (FY) 23-24; (b) Tranche 1: FY24-25 and onwards; (c) Tranche 2: FY25-26 and onwards; and (d) Tranche 3: FY26-27 and onwards.

5 The indicative Year 2 and 3 requirements have been made available [here](#).

Appendix: Jurisdictional Sustainability Reporting Standards Progress Tracker (Asia-Oceania)

A1. The following table provides a high-level overview of the current state of jurisdictional progress towards the adoption or other use of ISSB Standards (IFRS S1 and IFRS S2) across select Asia-Oceania jurisdictions. The table is based on the [ISSB November 2024 report on Jurisdictional progress towards the adoption or other use of ISSB Standards](#), with information updated to reflect new developments.

Jurisdiction	Scope/Approach	Jurisdictional Progress ⁶	Earliest Reporting Effective Date
Bangladesh	All sustainability-related risks and opportunities	Finalised	2025
China	All sustainability-related risks and opportunities	In progress	To be determined
Chinese Taipei	All sustainability-related risks and opportunities	Finalised	2026
Hong Kong SAR*	All sustainability-related risks and opportunities	Finalised	2025
Japan	All sustainability-related risks and opportunities	In progress	To be determined
Malaysia*	Climate-first	Finalised	2025
Pakistan	All sustainability-related risks and opportunities	In progress	2025
Philippines	All sustainability-related risks and opportunities	In progress	2025
Singapore	Climate-first	Finalised	2025
South Korea	Climate-first	In progress	To be determined
Sri Lanka	All sustainability-related risks and opportunities	Finalised	2024 (voluntary), 2025 (mandatory)

* denotes which jurisdictions have been updated by AASB staff to reflect new developments since the last update to the Board.

6 'Finalised' jurisdictional progress indicates that the jurisdiction has finalised decisions on adoption or other use of ISSB Standards, whereas 'in progress' jurisdictional progress indicates that the jurisdiction is currently making progress to adopt or otherwise use ISSB Standards.