
ISSB Standards

GFC Workshop

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Session overview

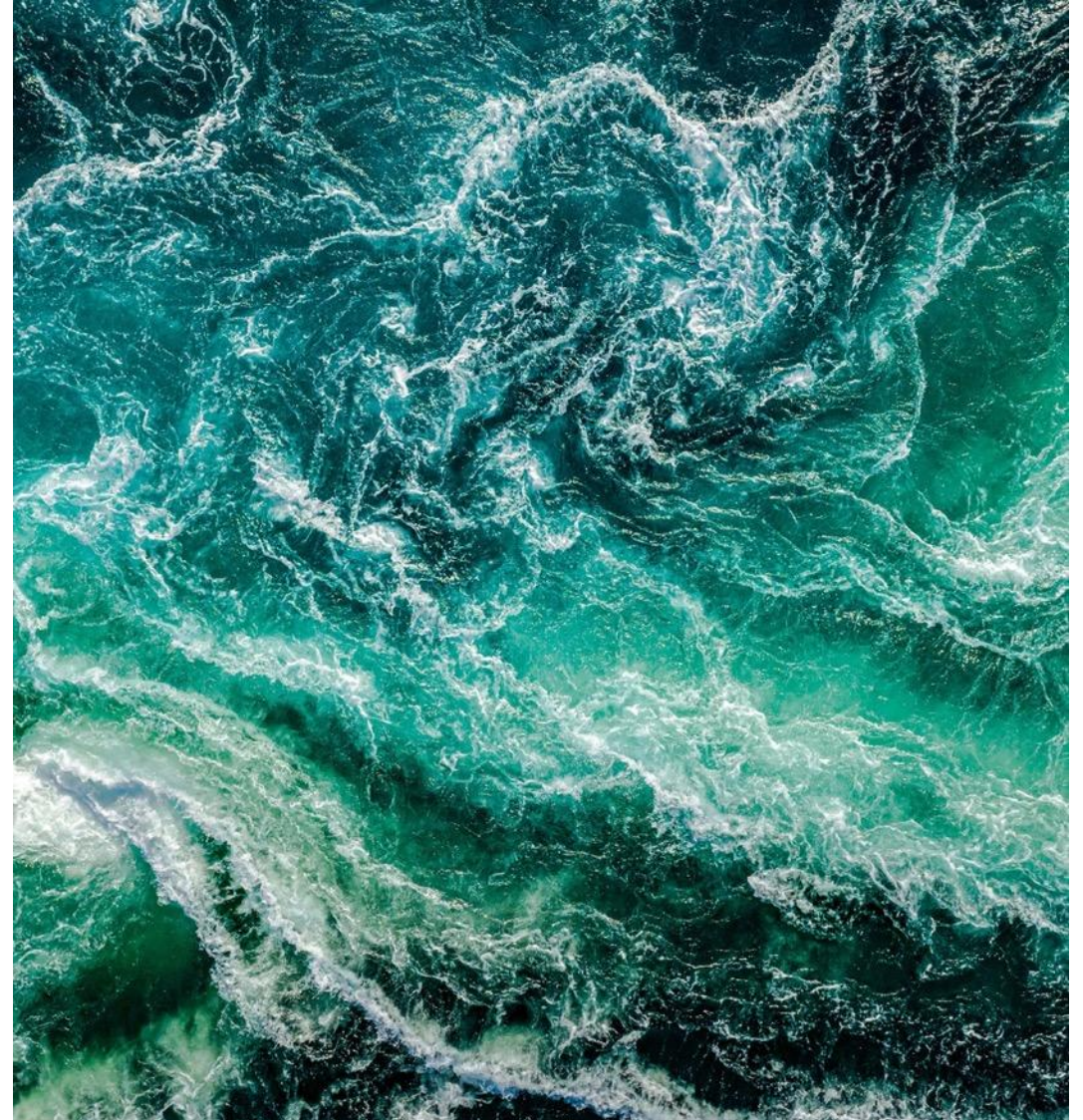
- Intro: About the ISSB & ISSB/SASB Standards
- Deep dive: Chemicals in the SASB Standards
- Looking ahead: Work plan and collaboration opportunities

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 Standards enhance investor-company dialogue



Decision-useful

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



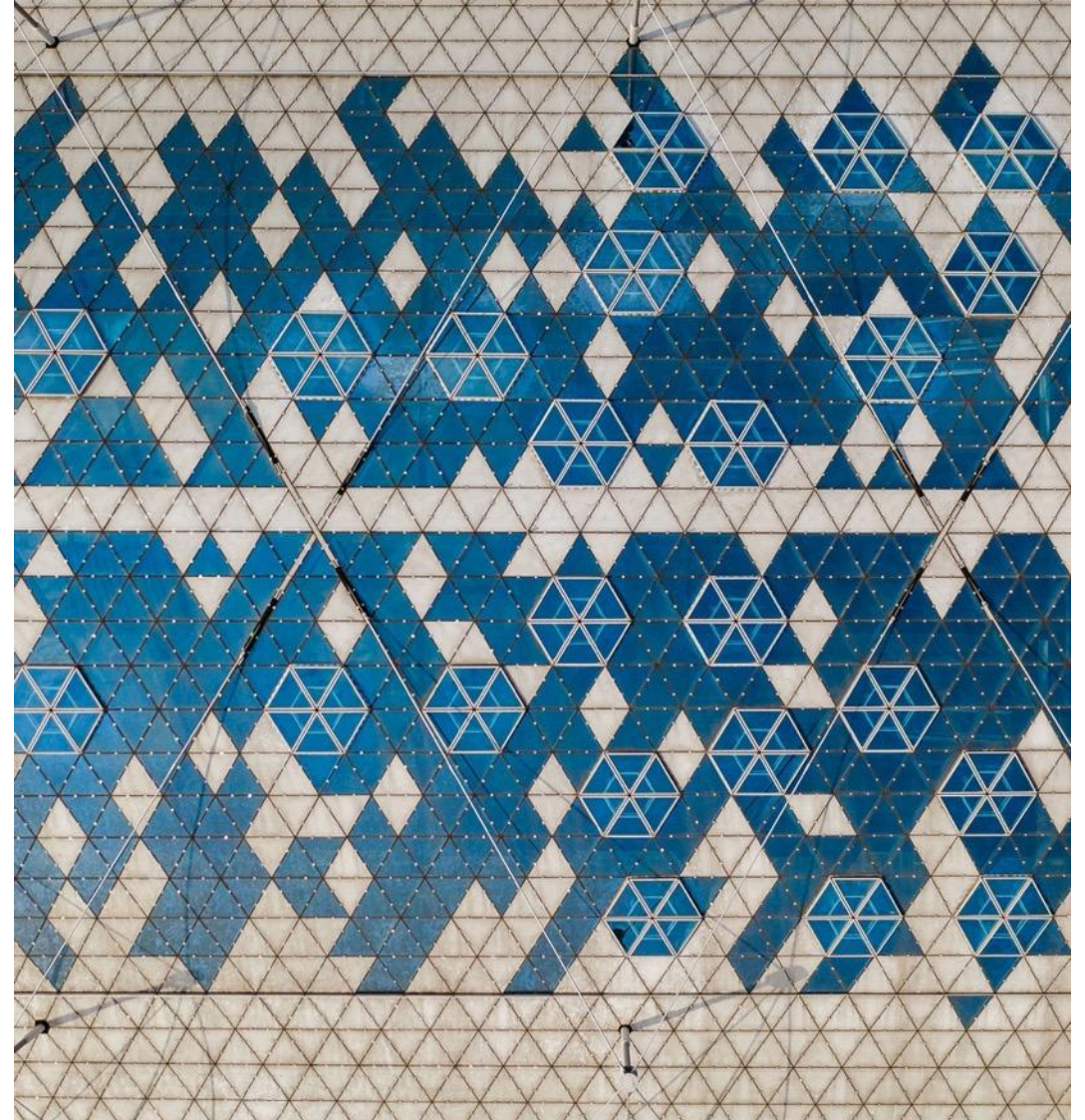
Cost-effective

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

How companies identify material sustainability information

*Information is material if omitting, misstating or obscuring it could reasonably be expected to **influence investor decisions.***

This is based on the IFRS Accounting Standards definition of 'material'



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

Jurisdictions taking steps towards ISSB Standards

35 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**

IFRS S1 and IFRS S2: the first ISSB Standards



IFRS S1 covers all sustainability-related risks and opportunities

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

Industry-based approach

- Financial effects of sustainability topics **vary by industry**
- **Investors analyse companies and portfolios by industry** and sector
- Companies can focus on reporting that more closely fits their businesses, which can improve ease and **reduce cost** of reporting



CONSUMER GOODS

- › Apparel, Accessories & Footwear
- › Appliance Manufacturing
- › Building Products & Furnishings
- › E-Commerce
- › Household & Personal Products
- › Multiline and Specialty Retailers & Distributors
- › Toys & Sporting Goods



EXTRACTIVES & MINERALS PROCESSING

- › Coal Operations
- › Construction Materials
- › Iron & Steel Producers
- › Metals & Mining
- › Oil & Gas - Exploration & Production
- › Oil & Gas - Midstream
- › Oil & Gas - Refining & Marketing
- › Oil & Gas - Services



FINANCIALS

- › Asset Management & Custody Activities
- › Commercial Banks
- › Consumer Finance
- › Insurance
- › Investment Banking & Brokerage
- › Mortgage Finance
- › Security & Commodity Exchanges



FOOD & BEVERAGE

- › Agricultural Products
- › Alcoholic Beverages
- › Food Retailers & Distributors
- › Meat, Poultry & Dairy
- › Non-Alcoholic Beverages
- › Processed Foods
- › Restaurants
- › Tobacco



HEALTH CARE

- › Biotechnology & Pharmaceuticals
- › Drug Retailers
- › Health Care Delivery
- › Health Care Distributors
- › Managed Care
- › Medical Equipment & Supplies



INFRASTRUCTURE

- › Electric Utilities & Power Generators
- › Engineering & Construction Services
- › Gas Utilities & Distributors
- › Home Builders
- › Real Estate
- › Real Estate Services
- › Waste Management
- › Water Utilities & Services



RENEWABLE RESOURCES & ALTERNATIVE ENERGY

- › Biofuels
- › Forestry Management
- › Fuel Cells & Industrial Batteries
- › Pulp & Paper Products
- › Solar Technology & Project Developers
- › Wind Technology & Project Developers



RESOURCE TRANSFORMATION

- › Aerospace & Defense
- › Chemicals
- › Containers & Packaging
- › Electrical & Electronic Equipment
- › Industrial Machinery & Goods



SERVICES

- › Advertising & Marketing
- › Casinos & Gaming
- › Education
- › Hotels & Lodging
- › Leisure Facilities
- › Media & Entertainment
- › Professional & Commercial Services



TECHNOLOGY & COMMUNICATIONS

- › Electronic Manufacturing Services & Original Design Manufacturing
- › Hardware
- › Internet Media & Services
- › Semiconductors
- › Software & IT Services
- › Telecommunication Services



TRANSPORTATION

- › Air Freight & Logistics
- › Airlines
- › Auto Parts
- › Automobiles
- › Car Rental & Leasing
- › Cruise Lines
- › Marine Transportation
- › Rail Transportation
- › Road Transportation

Structure of the SASB Standards

- 77 Industries using SICS*
- 6 Disclosure Topics per industry (average)
- 13 Metrics per industry (average)
- 74% Quantitative metrics

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Safety	Percentage of vehicle models rated by NCAP with an overall 5-star safety rating, by region	Quantitative	Percentage (%)	TR-AU-250a.1
	(1) Number of safety-related defect complaints, (2) percentage investigated	Quantitative	Number, Percentage (%)	TR-AU-250a.2
	Number of vehicles recalled ¹	Quantitative	Number	TR-AU-250a.3

TR-AU-250a.1. Percentage of vehicle models rated by NCAP with an overall 5-star safety rating, by region

1 The entity shall disclose the percentage of its vehicle models rated by a New Car Assessment Program (NCAP) with an overall 5-star safety rating, by geographical region.

1.1 The percentage shall be calculated as the number of its vehicle models rated by an NCAP with an overall 5-star rating divided by the total number of its vehicle models rated by an NCAP.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of vehicles manufactured	Quantitative	Number	TR-AU-000.A
Number of vehicles sold	Quantitative	Number	TR-AU-000.B

Disclosure topics and corresponding metrics

Technical protocols with detailed guidance

Activity metrics to normalise disclosure

*SICS: Sustainable Industry Classification System, which contains 77 industries separated into 11 sectors

Chemicals SASB Standard



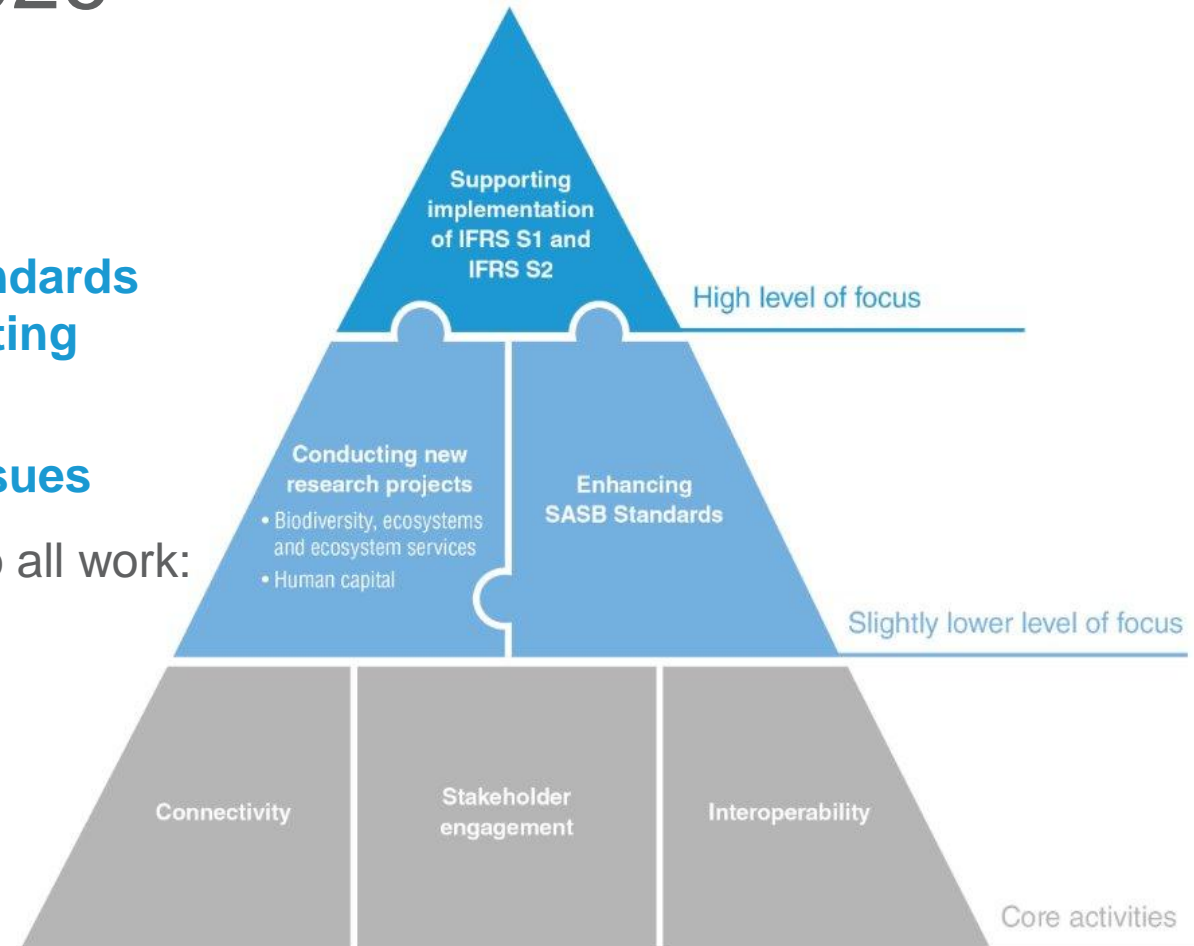
- Designed for companies that transform feedstocks into basic, agricultural and specialty chemicals
- Disclosure topics include:
 - Water management
 - Hazardous waste management
 - Community relations
 - Product design for use-phase efficiency
 - Safety & environmental stewardship
- Sample metric: RT-CH-410a.1 *Revenue from products designed for use-phase resource efficiency*
- Project on [single-use plastics](#) inherited by the ISSB following consolidation of SASB Foundation; will be considered in future enhancements

Chemicals in other SASB Standards – examples

Industry	Disclosure topic	Sample metric(s)
Multiline & Specialty Retailers & Distributors	Product sourcing, packaging & marketing	<ul style="list-style-type: none"> • Discussion of processes to assess and manage risks or hazards associated with chemicals in products • Discussion of strategies to reduce the environmental impact of packaging
Household & Personal Products	Product environmental health & safety performance	<ul style="list-style-type: none"> • Revenue from products that contain substances of high concern • Discussion of process to identify and manage emerging materials and chemicals of concern
Agricultural Products	Water management	<ul style="list-style-type: none"> • Description of water management risks and discussion of strategies and practices to mitigate those risks • Number of incidents of non-compliance associated with water quality permits, standards and regulations
Semiconductors	Waste management	<ul style="list-style-type: none"> • (1) Amount of hazardous waste from manufacturing, (2) percentage recycled

ISSB work plan 2024 – 2026

- High level of focus on **supporting implementation of IFRS S1 and IFRS S2**
- Next, equal focus on **enhancing SASB Standards** and **beginning research and standard-setting projects** on nature and human capital
- Reserved capacity to **address emerging issues**
- Furthermore, three activities **fundamental** to all work:
 1. interoperability with other standard-setting initiatives
 2. connectivity with IASB
 3. stakeholder engagement



How to engage with the ISSB

- Visit [ifrs.org](https://www.ifrs.org) to:
 - Access the [Standards and supporting materials](#)
 - Listen to the [monthly podcast](#)
 - Respond to live consultations, e.g. Provide input during the [public comment period](#) for the exposure drafts of enhanced SASB Standards (targeted for launch in Q2 2025)
- Observe [ISSB meetings](#)
- Provide input regarding [next set of industries](#) to prioritise in phase II
- [Sign up for updates](#) regarding our current research projects

Thank You!



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