



<b>Project:</b>	<b>Sustainability Reporting</b>	<b>Meeting:</b>	AASB June 2025 (M221)
<b>Topic:</b>	<b>Sustainability Reporting Horizon Scanning</b>	<b>Agenda Item:</b>	9.1
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		<b>Decision-Making:</b>	N/A
		<b>Project Status:</b>	N/A

## Objective

- 1 The objective of this agenda item is to inform Board members of relevant international and domestic updates in sustainability reporting. It is intended to provide updates on developments since the last version of the paper (presented at the AASB meeting in November 2025).<sup>1</sup>
- 2 This paper is for information purposes only. It 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 5–10)
  - c) [Section 3](#): Update on Domestic Sustainability Reporting Perspectives (paragraphs 11–13)
  - d) [Section 4](#): Update on International Standard-setters (paragraphs 14–20)
  - e) [Section 5](#): Update on Jurisdictional Standard-setters (paragraphs 21–47)
  - f) [Appendix A](#): ISSB & TIG Meeting Summary Updates
  - g) [Appendix B](#): Jurisdictional Sustainability Reporting Standards Progress Tracker (Asia-Oceania)
  - h) [Appendix C](#): EU Omnibus Simplification Package

## Section 1: Glossary

- 4 The following table outlines the set of undefined abbreviations used in this paper:

Abbreviation	Definition
AASB	Australian Accounting Standards Board
CDP	Carbon Disclosure Project

<sup>1</sup> See [Agenda Paper 12.1 Sustainability Reporting Horizon Scanning](#) (November 2025).

Abbreviation	Definition
COP17	17th Conference of the Parties to the Convention on Biological Diversity
CSRD	Corporate Sustainability Reporting Directive
CS3D	Corporate Sustainability Due Diligence Directive
EC	European Commission
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRSs	European Sustainability Reporting Standards
FAQs	Frequently Asked Questions
IFRS	International Financial Reporting Standards
IFRS S1	IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
IFRS S2	IFRS S2 <i>Climate-related Disclosures</i>
IPCC	Intergovernmental Panel on Climate Change
SMEs	Small and medium-sized enterprises
TCFD	Task Force on Climate-related Financial Disclosures
XBRL	eXtensible Business Reporting Language

## Section 2: IFRS Foundation

- 5 The IFRS Foundation has published the [revised Due Process Handbook](#) (April 2026), which sets out the required steps for the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) in developing and maintaining Standards and supporting their consistent application. The *Handbook* was updated to:
  - a) reflect the creation of the ISSB;
  - b) incorporate feedback from stakeholders on the proposed revisions during the public consultation period;
  - c) clarify that the IASB and the ISSB follow the same standard-setting process;
  - d) reflect minor enhancements and clarifications; and
  - e) set out the process for making changes to the Sustainability Accounting Standards Board (SASB) Standards.
- 6 The ISSB has issued [Amendments to Greenhouse Gas Emissions Disclosures \(Amendments to IFRS S2\)](#) (December 2025), which represent targeted amendments to greenhouse gas (GHG) emissions disclosure requirements in IFRS S2. The amendments:
  - a) clarify that an entity is permitted to limit measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions as defined in IFRS S2;
  - b) permit the use of alternative classification systems—beyond the Global Industry Classification Standard—to disaggregate information about financed emissions;

- c) clarify the availability of the jurisdictional relief from using the GHG Protocol Standard, if only part of an entity is required to use a different method for measuring GHG emissions; and
- d) introduce a jurisdictional relief from using global warming potential values from the latest IPCC Assessment Report for converting GHG emissions.

The amendments are effective for annual reports beginning on or after 1 January 2027, with early application permitted.

The AASB issued [AASB S2025-1 Amendments to AASB S2 Climate-related Disclosures: Greenhouse Gas Emissions Disclosures](#) in December 2025, which incorporate equivalent amendments to those made by the ISSB to IFRS S2, with application in the Australian context.

7 The ISSB has published the following documents since October 2025:

- a) [exposure draft SASB/ED/2026/1](#) (March 2026) proposing amendments to three SASB Standards and consequential amendments to the *Industry-based Guidance on Implementing IFRS S2*. The proposed amendments cover the remaining three of the 12 SASB Standards identified by the ISSB as initial priorities for enhancement:
  - i) Agricultural Products;
  - ii) Meat, Poultry & Dairy; and
  - iii) Electric Utilities & Power Generators.

The consultation closes for comment on 24 July 2026. This item is considered in further detail in a separate Board paper for this meeting (Agenda Item 7.1);

- b) [educational material on climate resilience and climate-related scenario analysis](#) (March 2026) that explains the requirements in IFRS S2 on disclosing information about climate resilience and the use of climate-related scenario analysis, including proportionality mechanisms that enable entities to select an approach to scenario analysis that is commensurate with their circumstances. The AASB has contextualised this material for application in the Australian context, available on the [AASB S2 Knowledge Hub](#);
- c) a [Jurisdictional Readiness Assessment Guide](#) alongside an accompanying [Jurisdictional Readiness Assessment Tool](#) (February 2026), intended to support jurisdictions in assessing how prepared their markets are for the adoption or other use of ISSB Standards. The guide introduces the following three areas of readiness: ecosystem readiness, preparer readiness and support system readiness, while the tool introduces the key aspects of assessment in each of these areas; and
- d) a [Jurisdictional Rationale Guide](#) and an accompanying [Jurisdictional Rationale Tool](#) for the adoption or other use of ISSB Standards (October 2025), which is designed to help jurisdictions articulate and evaluate their reasons for adopting or otherwise using ISSB Standards and reflects on jurisdictions' experiences and their reasons for introducing ISSB Standards, such as strengthening capital markets by informing investors' capital-allocation decisions and improved cost effectiveness and efficiencies for preparers.

### *ISSB Meetings Update<sup>2</sup>*

- 8 The ISSB met six times between November 2025 and April 2026. The ISSB primarily deliberated its project on **Nature-related Disclosures** (previously known as the Biodiversity, Ecosystems and Ecosystem Services [BEES] Project) and made several key tentative decisions, including the decision to:
  - a) draw on the Taskforce on Nature-related Financial Disclosures (TNFD) framework and build on the requirements in IFRS S1 in undertaking standard-setting, and consider developing supporting educational materials (November 2025);

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2 See [Appendix A](#) for detailed ISSB meeting summaries (from November 2025 to April 2026).

- b) formally move the project from research to standard-setting, publish an exposure draft as the due process step, forgoing a discussion paper and to use its existing advisory bodies, consultative groups and resources instead of creating a new consultative group for the project (December 2025);
- c) cover material information on all nature-related risks and opportunities that could reasonably be expected to affect an entity's prospects and develop tailored disclosure requirements and guidance that supplement IFRS S1 and IFRS S2 (January 2026);
- d) rename the project to 'Nature-related Disclosures', include in the exposure draft the description and definition of key terms and provide additional guidance to support the application of the requirement for connected information in paragraph 21 of IFRS S1 to nature-related disclosures (February 2026);
- e) specify the application of IFRS S1 metric requirements to the disclosure of nature-related risks and opportunities, provide incremental requirements and guidance (relative to IFRS S1) on their effects on strategy and decision-making, confine consideration of cross-industry metrics to identified information areas and introduce incremental guidance and disclosure requirements relating to nature-related targets, including their breadth, location-specific disclosure and links to law or regulation (March 2026);
- f) provide incremental guidance on the relevance and disclosure of location-specific information about nature-related risks and opportunities, introduce requirements to disclose the extent of assets or activities exposed to such risks or aligned with opportunities subject to a proportionality mechanism, develop guidance and requirements on disclosures relating to engagement with Indigenous Peoples, Local Communities and other affected stakeholders in accordance with IFRS S1 and propose issuing the resulting requirements and guidance in an IFRS Practice Statement, subject to stakeholder consultation (April 2026); and
- g) provide incremental requirements for disclosures on the use of scenario analysis in identifying nature-related opportunities and assessing the effects of risks (including relevant inputs, assumptions and scope), require the use of scenario analysis to inform disclosures of resilience to nature-related risks consistent with IFRS S2, emphasise the location- and asset-specific nature of such analysis and reference the TNFD LEAP (Locate, Evaluate, Assess and Prepare) approach as potentially relevant for identifying nature-related risks and opportunities (May 2026).

#### *Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) Meetings Update<sup>3</sup>*

- 9 The TIG met two times: once in November 2025 and once in March 2026. The summaries of both meetings were subsequently presented to the ISSB in January 2026 and April 2026, respectively.
- 10 The TIG primarily discussed implementation issues raised by stakeholders regarding IFRS S1 and IFRS S2, specifically related to the measurement and disclosure of greenhouse gases. The TIG also discussed implementation questions submitted to the TIG that do not meet the submission criteria.<sup>4</sup>

### **Section 3: Update on Domestic Sustainability Reporting Perspectives**

#### ***Australian Securities and Investments Commission (ASIC)***

- 11 ASIC has outlined [key focus areas for its sustainability reporting activities](#) for the 2026–27 financial year (May 2026). The update includes a list of actions taken by ASIC to support entities' compliance with the sustainability reporting framework in Australia. These actions include:

<sup>3</sup> See [Appendix A](#) for detailed TIG meeting summaries (November 2025 and March 2026).

<sup>4</sup> The IFRS Foundation launched a [website](#) in April 2026 that sets out responses to questions submitted to the TIG that were categorised as questions that can be answered by applying the words in IFRS S1 and IFRS S2, where a specific paper on the question was not prepared for discussion by the TIG.

- a) updating its [FAQs](#) relating to the review and audit of sustainability reports in response to changes in the law and to address stakeholder questions;
- b) updating ASIC's [register of relief decisions](#) to include ASIC's decisions on individual sustainability reporting relief applications under Chapter 2M of the Corporations Act, with the updated register indicating that ASIC has granted relief on four occasions and made six in-principle decisions to refuse relief;
- c) publishing [eight e-learning modules](#) prepared in partnership with the AASB, the University of Technology Sydney and educational design agency Studio 3 Learning, designed to aid in understanding and applying the foundational concepts behind the sustainability reporting requirements in the *Corporations Act 2001*;
- d) conducting a series of [four in-person workshops](#) across Melbourne, Brisbane, Sydney and Perth, hosted jointly with the AASB, to help companies prepare for the new mandatory sustainability reporting requirements. In addition, ASIC, in coordination with the AASB, plans to deliver virtual workshops throughout June and make additional online video resources available for free public use; and
- e) publishing [preliminary observations](#) from its review of the first sustainability reports prepared under Chapter 2M of the *Corporations Act 2001* by 34 listed entities and 225 unlisted entities. These observations include:
  - i) an increase in both the quantity and quality of climate-related financial information disclosed, relative to prior voluntary disclosures, together with improved consistency and comparability; and
  - ii) identified opportunities to enhance the quality of reporting, including:
    - disclaimers that conflict with the statutory framework and objectives of Chapter 2M sustainability reporting may confuse or mislead users and are not permitted to be used;
    - 'reasonable and supportable' information available to entities to identify climate-related risks includes information about 'past events, current conditions and forecast future conditions';
    - reports should provide clear, effective and proximate disclosure of relevant judgements, assumptions and areas of measurement uncertainty;
    - the disclosure of additional climate-related information must not obscure material climate-related financial information;
    - when cross-referencing information outside the sustainability report, entities must ensure they meet disclosure requirements; and
    - in determining whether an entity has a 'climate-related target', entities should note that the definition in AASB S2 includes targets required by law or regulation, including greenhouse gas emissions targets under the Safeguard Mechanism.

***Australian Government: Department of Climate Change, Energy, the Environment and Water (DCCEEW)***

- 12 The Australian Government DCCEEW has published a [consultation on draft GHG Emissions Estimation and Reporting Guidelines for Agriculture, Fisheries and Forestry](#) (November 2025) to improve the quality and consistency of methods and calculation tools entities rely on to estimate and report emissions in the Agriculture, Fisheries and Forestry sectors. The draft guidelines consist of:
  - a) a Common Requirements Framework that outlines general rules and guidance; and
  - b) a Methodological Guidance that is designed to provide detailed methods and data sources needed for calculating emissions across different commodities, designed for technical users.

The first tranche of the consultation closed for comment on 19 December 2025, and the second tranche closed on 8 May 2026. The final guidelines are expected to be published in mid-2026 and will be updated regularly, with consultation on future updates anticipated annually (likely April–May each year).

- 13 The Australian Government DCCEEW has published [a consultation on draft National Climate Scenario Guidance](#) (November 2025). The guidance is intended to help governments, businesses, engineers and other decision-makers in reporting, assessing and managing climate scenarios, as well as designing long-term infrastructure. The draft encompasses:
- a) foundational information;
  - b) a decision framework;
  - c) key climate information for a range of possible futures; and
  - d) links to Australian climate projections datasets.

The consultation closed for comment on 19 December 2025. The final guidance is expected to be released in mid-2026.

#### **Section 4: Update on International Standard-setters**

##### ***GHG (Greenhouse Gas) Protocol***

- 14 The GHG Protocol has published a [60-day Request for Information on its Actions and Market Instruments \(AMI\) Phase 1 White Paper](#) (March 2026), which explores how entities should account for real-world impacts of their climate actions, especially those that are not included in Scope 1–3 emission inventories. The paper proposes a multi-statement reporting structure comprising:
- a) a physical GHG inventory (which is the existing approach);
  - b) a market-based inventory;
  - c) a GHG impact statement; and
  - d) non-GHG indicators.

The full draft standard for public consultation is expected to be published in 2027. The consultation has been extended from its original due date of 31 May 2026 and closes for comment on 15 June 2026.

- 15 The GHG Protocol has published a new [Land Sector and Removals Standard](#) (February 2026), which provides greenhouse gas accounting requirements and guidance designed to equip companies that own or control land, purchase or sell products produced on agricultural lands, or have other relevant land-based activities in their value chain with the methods needed to quantify, report and track land emissions and CO<sub>2</sub> removals. The standard applies to agricultural emissions and removals and to CO<sub>2</sub> removal technologies, but does not apply to forestry or non-productive land uses.

##### ***Global Reporting Initiative (GRI) and Global Sustainability Standards Board (GSSB)***

- 16 The GRI has issued a joint statement alongside the IFRS Foundation, [“Facilitating efficient reporting when using the GRI and ISSB Standards”](#) (May 2026), which articulates how the standards set by the GRI’s GSSB and those set by the ISSB can be used together by reporting entities and information users. It is intended for entities that choose or are mandated to apply this set of standards to meet the needs of investors and other stakeholders.
- 17 The GRI has published:
- a) [three exposure drafts](#) in June 2026, designed to strengthen the reporting and the management of pollution. The three Topic Standard exposure drafts include [Air Pollution](#), [Soil Pollution](#) and [Critical Incidents](#). The exposure drafts close for comment on 8 June 2026; and

- b) [published](#) four exposure drafts in December 2025 as part of its review of all labour-related disclosures (December 2025). The four Topic Standard exposure drafts focus on workers' rights and protection and comprise [Workers in Business Relationships \(GRI 414\)](#), [Forced Labor \(GRI 409\)](#), [Child Labor \(GRI 408\)](#) and [Freedom of Association and Collective Bargaining \(GRI 407\)](#), marking the GRI's final phase of gathering feedback on its full set of revised labour-related Standards. The exposure drafts closed for comment on 9 March 2026.

#### ***International Public Sector Accounting Standards Board (IPSASB)***

- 18 The IPSASB has issued its [inaugural sustainability reporting standard](#) (January 2026), [IPSASB SRS 1 Climate-related Disclosures](#), the first public sector standard to help governments and public sector entities report climate-related risks and opportunities clearly and consistently. IPSASB SRS 1 is aligned with IFRS S2 and applies to an entity's general purpose financial reports for annual reporting periods beginning on or after 1 January 2028, with earlier adoption permitted.

#### ***Taskforce on Nature-related Financial Disclosures (TNFD)***

- 19 The TNFD has published:
- a) a [discussion paper explaining how state of nature measurement is currently incorporated into the TNFD framework, GRI Standards and Science Based Targets Network target setting guidance](#) (May 2026). The feedback received on the discussion paper will inform the Taskforce's decisions on the state of nature in TNFD's metrics architecture and associated guidance, to be published later in 2026. The consultation closes for comment on 4 June 2026;
  - b) a [consultation on draft guidance for the alternative fuels sector](#) (February 2026). The guidance is intended to help an organisation in the alternative fuels sector understand how to apply the TNFD's LEAP (Locate, Evaluate, Assess and Prepare) approach. The TNFD is expected to issue the final sector guidance in June 2026, following a review of all feedback received. The consultation closed for comments on 13 May 2026;
  - c) a [consultation on draft guidance for the Technology and Communications sector](#) (January 2026). The guidance is intended to help organisations with business models or value chains in the relevant sector assess nature-related dependencies, impacts, risks and opportunities using LEAP. The TNFD is expected to issue the final sector guidance in June 2026, following a review of all feedback received. The consultation closed for comments on 10 April 2026;
  - d) [guidance on nature in transition plans](#) (November 2025), which outlines how nature can be integrated into transition plans and breaks down the process of aligning to the goals and targets of the Kunming-Montreal Global Biodiversity Framework into a coherent set of forward-looking strategies, actions and accountability mechanisms, built into the organisation's main business strategy. The guidance outlines:
    - i) what transition plans are, and what incorporating nature into transition plans entails;
    - ii) how an organisation can incorporate nature into its transition plan;
    - iii) how information about nature transition plans can be disclosed; and
    - iv) areas of future work that can support organisations building nature into their transition plans.
  - e) an [interoperability mapping](#) (October 2025) between the Recommendations of the TNFD and the CDP's 2025 corporate questionnaire to support market participants, including corporates, financial institutions and investors, in understanding how CDP's annual disclosure questionnaire can enable TNFD-aligned reporting. A key finding of the mapping is that companies disclosing through CDP in 2025 can report on a substantial proportion of the TNFD's 14 recommended disclosures and core global metrics.
- 20 The TNFD has [announced that it is due to complete all ongoing technical work, including additional sector guidance, by Q3 2026](#) (November 2025). It will pause the commencement of any further

technical guidance and focus additional technical efforts on supporting the ISSB’s work programme. Subject to the outcome of the ISSB’s standard-setting process on nature-related issues (likely in 2027), the TNFD would then conclude its technical work programme. In the meantime, as the ISSB undertakes its standard-setting work, the TNFD will continue to raise global market awareness and build capabilities on nature-related issues through capacity-building materials.

## Section 5: Update on Jurisdictional Standard-setters<sup>5,6</sup>

### *Jurisdictions with issued sustainability reporting standards or finalised implementation roadmaps*

#### **China**

- 21 The Chinese Ministry of Finance of the People’s Republic of China, alongside nine other ministries, has issued [Sustainability Disclosure Standards for Business Enterprises No. 1 – Climate \(Trial\)](#) (December 2025), which is generally aligned with IFRS S2 and in accordance with the Sustainability Disclosure Standards for Business Enterprise – Basic Standard (Basic Standard), which was published in December 2024 for voluntary application. The Chinese Sustainability Disclosures Standards are available for voluntary application until the scope and timeline are formally determined.
- 22 The Chinese Ministry of Finance of the People’s Republic of China has issued [Sustainable Information Assurance Standards No. 6101 – Basic Standards \(Trial\)](#) (January 2026), which is designed to enable independent third parties to provide assurance on sustainability information and is based on the International Standard on Assurance Engagements (ISSA) 5000 *General Requirements for Assurance Engagements on Sustainability Information*. The voluntary adoption of the standard is permitted before the scope and timeline for reporting are finalised.

#### **Japan**

- 23 Following its consultation in December 2025, the Japanese Financial Services Agency has [finalised legislative amendments](#) (February 2026) to the Cabinet Office Order on Disclosure of Corporate Affairs and the Guideline for the Disclosure of Corporate Affairs, etc., to introduce mandatory sustainability reporting aligned with the ISSB Standards. Under the finalised framework, the SSBJ sustainability disclosure standards are the “generally accepted standards for the preparation and disclosure of sustainability information” in Japan. Consistent with the consultation proposals, the new requirements will apply on a phased basis to the following entities listed on the Tokyo Stock Exchange Prime Market:
  - a) entities with an average market capitalisation of 3 trillion yen or more will have to report for fiscal years ending on or after 31 March 2027; and
  - b) entities with an average market capitalisation of at least 1 trillion yen but less than 3 trillion yen will have to report for fiscal years ending on or after 31 March 2028.
- 24 The Sustainability Standards Board of Japan (SSBJ) has [published](#) the latest edition of its [Comparison of ISSB Standards and SSBJ Standards](#) (March 2026), which documents the degree of alignment between the SSBJ Standards and ISSB Standards, as well as a [Table of Concordance between ISSB Standards and SSBJ Standards](#), which illustrates whether and if so where each paragraph in ISSB Standards is incorporated in SSBJ Standards. The updates reflect the changes made in *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)* issued by the ISSB in December

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5 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 [Appendix A](#).

6 The remainder of the paper presents updates for each section and relevant jurisdictions, organised alphabetically.

2025, as well as the corresponding changes made in *Amendments to Greenhouse Gas Emissions Disclosures* issued by the SSBJ in March 2026.

### **Korea**

- 25 The Korean Sustainability Standards Board has [issued the first set of Korean Sustainability Disclosures Standards](#) (February 2026) comprising KSSB 1 *General Requirements* and KSSB 2 *Climate-related Disclosures* (based on IFRS S1 and IFRS S2, respectively). The two standards were developed on the premise that they will be used within a mandatory disclosure framework. The Financial Services Commission has since published a [consultation on a draft roadmap to introduce mandatory sustainability reporting](#) (February 2026) based on KSSB 1 and KSSB 2. The draft roadmap sets out the proposed phased application for entities listed on the Korea Composite Stock Price Index (KOSPI) based on consolidated total assets:
- a) KOSPI-listed entities with consolidated total assets of KRW 30 trillion or more would be required to report in accordance with KSSB 1 and KSSB 2 for fiscal years beginning on or after 1 January 2027; and
  - b) KOSPI-listed entities with consolidated total assets of KRW 10 trillion or more would be required to report for fiscal years beginning on or after 1 January 2028.
- 26 In addition, the draft roadmap provides that:
- a) the regime would adopt a climate-first approach, with mandatory reporting initially focused on climate-related disclosures and disclosures outside climate-related matters remaining optional;
  - b) in the first year of application, subsidiaries contributing less than 10% of a group's consolidated total assets would be exempt from sustainability reporting;
  - c) small companies in the value chain (as defined under Korean law) would be exempt from disclosure requirements;
  - d) Scope 3 greenhouse gas emissions disclosures would only be required from fiscal years beginning on or after 1 January 2030; and
  - e) assurance of sustainability information would be voluntary during the implementation phase.
- The consultation closed for comment on 31 March 2026.

### **Philippines**

- 27 The Securities and Exchange Commission of the Philippines has formally adopted the [inaugural set of Philippine Financial Reporting Standards on Sustainability Disclosures](#) (December 2025) for sustainability disclosures by publicly listed companies and large non-listed entities, following its [consultation](#) in July 2025. The Standards comprise [PFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [PFRS S2 Climate-related Disclosures](#), which correspond to IFRS S1 and IFRS S2, respectively (approved by the Philippine Financial and Sustainability Reporting Standards Council in March 2024). A phased-in approach has been introduced, with mandatory adoption commencing for Tier 1 entities in 2026. Moreover, entities in each tier (Tier 1, Tier 2 and Tier 3) are required to obtain limited assurance on Scope 1 and Scope 2 GHG emissions from an independent assurance practitioner two years after PFRS S1 and PFRS S2 become effective for them.

### **Thailand**

- 28 The Securities and Exchange Commission of Thailand has [finalised its sustainability reporting requirements](#) for companies listed on the Stock Exchange of Thailand (SET) (December 2025), following its consultation in September 2025 on the adoption of ISSB Standards. The finalised reporting requirements outline that listed companies are to apply IFRS S1 and IFRS S2, with a

climate-first reporting approach to be implemented in initial phases, focusing on disclosures of Scope 1 and Scope 2 GHG emissions, accompanied by standardised and reliable assurance. A phased-in approach will be followed, with the effective timeline beginning in 2027 for SET50 entities. In addition, transition relief measures will be provided.

### **United Kingdom (UK)**

- 29 The UK government has issued the [final UK Sustainability Reporting Standards](#) (February 2026), comprising [UK SRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [UK SRS S2 Climate-related Disclosures](#). The standards are based on IFRS S1 and IFRS S2, with [minor amendments specific to the UK context](#), including modifying the requirement that entities “shall refer to and consider the applicability of” the SASB Standards and the *Industry-based Guidance on Implementing IFRS S2* (which are based on the SASB Standards) to “may refer to and consider”. The two standards are currently available for voluntary use.
- 30 The UK Financial Conduct Authority has published a [consultation proposing mandatory sustainability reporting for UK-listed companies](#) in line with the UK SRS 1 and UK SRS 2 (January 2026). The proposals involve amending existing listing rules, aligned with the recommendations of the TCFD, and would see mandatory reporting against UK SRS 1 and UK SRS 2, as well as Scope 3 emissions on a ‘comply or explain’ basis. The consultation closed for comment on 20 March 2026. The government will consult separately on any plans to introduce requirements for private entities to report under UK SRS.

### **Jurisdictions undertaking consultations on proposed sustainability reporting standards or implementation roadmaps**

#### **Bangladesh**

- 31 The Financial Reporting Council of Bangladesh has issued a [pre-publication notice for the adoption of IFRS S1 and IFRS S2 as published by the ISSB](#) (April 2026). In Bangladesh, scheduled banks and finance companies are already required to provide sustainability-related financial information in accordance with IFRS S1 and IFRS S2. Under the notice, these requirements would be extended to entities whose securities are traded in a public market. The consultation closed for comment on 15 May 2026.

#### **Indonesia**

- 32 The Indonesian Financial Services Authority has published a [consultation on a regulation to implement sustainable finance for financial sector business actors, issuers and public companies](#) (February 2026). The regulation would require certain companies to prepare a sustainability report in accordance with sustainability disclosure standards aligned with IFRS S1 and IFRS S2: PSPK 1 *General Requirements for Disclosure of Sustainability-related Financial Information* and PSPK 2 *Climate-related Disclosures* (which were published by the Institute of Indonesian Chartered Accountants in July 2025) and prepare sustainability transition plans. The proposal would introduce mandatory reporting on a phased basis from 1 January 2027 onwards. Independent third-party assurance of the sustainability report would also be required. The consultation closed for comment on 13 March 2026.

#### **Nepal**

- 33 The Accounting Standards Board of Nepal has published [two exposure drafts](#) (April 2026): [draft] [NFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information](#) and [draft] [NFRS S2: Climate-related Disclosures](#). The consultation requests suggestions, feedback and comments on the standards. [Draft] NFRS S1 and [draft] NFRS S2 are fully aligned with the global baseline standards (IFRS S1 and IFRS S2) developed by the ISSB. The consultation closes for comment on 6 June 2026.

## **Other jurisdictional developments**

### **European Union (EU)**

- 34 The European Commission has published a [draft delegated act](#) (May 2026) proposing changes to the ESRs that were submitted by EFRAG and initially issued through a delegated act published in the EU Official Journal in December 2025. The adoption of the delegated act is planned for Q2 of 2026. The amended ESRs would apply to all entities subject to sustainability reporting requirements under the CSRD for financial years beginning on or after 1 January 2027. For the 2026 financial year, entities within the scope of the existing sustainability reporting regime may apply the amended version of the ESRs. The comment period for the draft delegated act closes on 3 June 2026.
- 35 The European Commission has launched a [consultation on a draft voluntary sustainability reporting standard for value-chain entities with fewer than 1,000 employees](#) (May 2026). The proposed standard is intended to provide a proportionate framework for voluntary sustainability reporting and to limit the information that entities subject to the CSRD may request from entities in the value chain that are protected by the “value chain cap”. The voluntary standard would apply from the 2027 financial year to sustainability reporting by entities within the value chains of entities subject to mandatory sustainability reporting, and from the date of its entry into force to entities that, on their balance sheet dates, do not exceed an average of 1,000 employees during the preceding financial year and choose to report on sustainability on a voluntary basis. The consultation closes on 3 June 2026.
- 36 EFRAG has submitted its [sustainability reporting work programme for 2026](#) (April 2026) to the European Commission. The priority areas included in the programme include:
- a) development of N-ESRS (sustainability reporting standards for non-EU undertakings, based on the simplified ESRs);
  - b) continued education and capacity building (especially for SMEs);
  - c) implementation support mechanisms for ESRs;
  - d) digitalisation (including enhancements of digital reporting infrastructure for ESRs XBRL taxonomy and the Excel list of ESRs requirements) and development of the interactive ESRs Knowledge Hub; and
  - e) international interoperability (with IFRS/SASB, GRI and the GHG Protocol).
- 37 The European Commission has published [draft Commission Delegated Regulations proposing targeted amendments to the EU Taxonomy Climate and Environmental Delegated Acts](#) (March 2026), aimed at refining selected technical screening criteria for assessing substantial contribution and compliance with the ‘Do No Significant Harm’ (DNSH) requirements. The amendments are intended to reflect technological and policy developments and improve usability, without materially changing greenhouse gas emissions thresholds or criteria for activities with a high risk of greenhouse gas emissions. The consultation closed for comment on 14 April 2026.
- 38 The ESMA has published an [updated timeline](#) (January 2026) setting out the final, revised application dates for key EU sustainability reporting frameworks, including the Sustainable Finance Disclosure Regulation, EU Taxonomy Regulation, Corporate Sustainability Reporting Directive, Benchmarks Regulation, European Green Bond Regulation and the ESG Ratings Regulation. The new timeline also reflects the start dates and associated postponements arising from the finalised EU Omnibus simplification proposals.
- 39 EFRAG has published [three supporting guides to support SMEs](#) (entities with fewer than 250 employees) with their sustainability reporting under the Voluntary Sustainability Reporting Standard for SMEs (VSME) (December 2025). The supporting guides cover:

- a) [practices, policies and future initiatives](#) for transitioning towards a more sustainable economy;
  - b) [greenhouse gas reduction targets and climate transition](#); and
  - c) [severe negative human rights incidents](#).
- 40 EFRAG has launched the [ESRS Knowledge Hub](#) (December 2025), an interactive online platform designed to help companies and other stakeholders navigate the ESRs and sustainability reporting materials developed by EFRAG. The Knowledge Hub includes the adopted 2023 versions of the ESRs, as well as the draft simplified ESRs submitted to the EC in November 2025, alongside the VSME Standard, implementation guidance and supporting documents.
- 41 The European Commission has proposed a set of [amendments to the Sustainable Finance Disclosure Regulation](#) (November 2025), the EU's transparency framework for financial products integrating environmental or social aims for financial market participants and financial advisors. The changes are designed to address current shortcomings, making the rules simpler, more efficient and better aligned with market realities. The proposal will be submitted to the European Parliament and the Council of the European Union for their deliberation.

### **Hong Kong**

- 42 The Hong Kong Accounting and Financial Reporting Council has published a [consultation on the proposed regulatory framework for sustainability assurance in Hong Kong](#) (December 2025). The proposed framework is informed by a rigorous and consultative process involving analysis of jurisdictions that have or are currently in the process of implementing mandatory sustainability or climate assurance requirements (Australia, the EU, Malaysia, New Zealand and Singapore), assessing Hong Kong's state of readiness and incorporating perspectives from 27 key stakeholder organisations. The main proposals in the consultation are that:
- a) all entities subject to mandatory reporting under the Hong Kong Financial Reporting Standards Sustainability Disclosure Standards (HKSDS) will be required to obtain independent sustainability assurance; and
  - b) assurance would be phased in on a limited-assurance basis, covering Scope 1 and Scope 2 greenhouse gas emissions disclosures from the third financial year of mandatory HKSDS reporting, and extending to all remaining mandatory HKSDS disclosures from the fifth financial year of mandatory reporting.

The consultation closed for comment on 30 March 2026.

### **New Zealand**

- 43 The New Zealand Financial Markets Authority (FMA) has published its [2026 Climate-related Disclosures Insight Report](#) (May 2026), covering observations from its review of 62 climate statements from the second year of disclosures under New Zealand's climate-related disclosure regime. The reviews identified clearer report structures, an uplift in greenhouse gas emission disclosures and improved articulation of governance and risk management processes. The report also highlights where further progress is needed, particularly in the identification, assessment and disclosure of climate-related physical risks and their anticipated impacts.
- 44 The NZ External Reporting Board (XRB) has issued [new standards on sustainability assurance, ethics and independence](#) (March 2026):
- a) the New Zealand equivalent of International Standard on Sustainability Assurance (ISSA) 5000 *General Requirements for Sustainability Assurance Engagements*: [ISSA \(NZ\) 5000 General Requirements for Sustainability Assurance Engagements](#); and

- b) International Ethics Standards for Sustainability Assurance (including International Independence Standards) (New Zealand) within a reissued [PES 1](#) (the Code).

The standards apply to periods beginning on or after 15 December 2026. Meanwhile, the temporary standard NZ SAE 1 *Assurance of Greenhouse Gas Disclosures* and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements* are revoked but will continue to apply for accounting periods that begin before 15 December 2026.

- 45 The NZ XRB's Sustainability Reporting Board voted to [extend the adoption provisions](#) (November 2025), allowing entities an additional two reporting periods of relief before mandatory Scope 3 GHG emissions disclosure and assurance, and anticipated financial impacts, apply. The NZ Auditing and Assurance Standards Board voted to replicate the impact of the extension for scope 3 GHG emissions assurance in the assurance standard (November 2025). Consequently, the following two amending standards have been issued:
- a) [Amendments to Adoption of Aotearoa New Zealand Climate Standards 2025](#), which amends NZ CS 2 *Adoption of Aotearoa New Zealand Climate Standards*; and
- b) [Amendment to Assurance Engagements over Greenhouse Gas Emissions Disclosures 2025](#), which amends New Zealand Standard on Assurance Engagements 1 (NZ SAE 1) *Assurance Engagements over Greenhouse Gas Emissions Disclosures*.
- 46 The New Zealand FMA has finalised its [exemptions notice](#) (April 2026), allowing certain foreign climate reporting entities to lodge their home jurisdiction climate or sustainability reports (provided they meet specified conditions) on New Zealand's Climate-related Disclosures Register. The notice only initially specifies Australia as an approved jurisdiction and AASB S2 as an approved foreign climate reporting standard. The FMA intends to add, over time, other suitable countries as approved jurisdictions and their foreign climate reporting standards.
- 47 The New Zealand Ministry of Business, Innovation & Employment has announced [changes to the New Zealand climate-related disclosures \(CRD\) regime](#) (October 2025). The changes include:
- a) increasing the mandatory climate reporting threshold for listed companies from a \$60 million market capitalisation to \$1 billion;
- b) no longer requiring smaller businesses to report on their climate risks; and
- c) removing managed investment scheme (MIS) managers.

As a result of these changes, the number of CRD reporting entities will decrease from around 164 to 76, with 66 listed companies and 22 MIS managers exiting the regime. The changes, including updated liability settings, have been formally introduced in legislation via the [Financial Markets Conduct Amendment Bill](#), which is currently undergoing a second reading and is expected to be passed in 2026.

**Question 1 to the Board (for discussion):**

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

## Appendix A: ISSB & TIG Meeting Summary Updates

A.1 The table below provides a high-level overview of recent ISSB meetings for November 2025, December 2025, January 2026, February 2026, March 2026 and April 2026:

Meeting	Staff summary
<a href="#">ISSB Update November 2025</a>	<p>The ISSB discussed its project on <i>Biodiversity, Ecosystems and Ecosystem Services (BEES)</i> and decided to:</p> <ul style="list-style-type: none"> <li>a) draw on the TNFD framework to meet primary users' common information needs about nature-related risks and opportunities, and to build on the requirements in IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>;</li> <li>b) undertake standard-setting to introduce incremental disclosure requirements about nature-related risks and opportunities not reflected in explicit requirements in IFRS S1 and IFRS S2 <i>Climate-related Disclosures</i>; and</li> <li>c) consider developing educational materials to support the application of the requirements in IFRS Sustainability Disclosure Standards in the context of providing nature-specific information subsequent to standard-setting.</li> </ul> <p>The ISSB aims to have an Exposure Draft of incremental disclosure requirements ready by the Convention on Biological Diversity COP17 in October 2026.</p>
<a href="#">ISSB Update December 2025</a>	<p>The ISSB further discussed its project on <i>BEES</i> following the meeting in November 2025, including the required due process considerations, criteria, and steps for moving the project from research to standard-setting in the ISSB's work plan, and decided to:</p> <ul style="list-style-type: none"> <li>a) move the project from research to standard-setting in its work plan;</li> <li>b) publish an exposure draft as the next due process step, forgoing a discussion paper; and</li> <li>c) to use its existing advisory bodies, consultative groups and resources instead of creating a new consultative group for the project.</li> </ul> <p>The ISSB also received an update on its <i>Human Capital</i> project, focusing on the necessity and feasibility of standard-setting. The ISSB was not asked to make any decisions on this item.</p>
<a href="#">ISSB Update January 2026</a>	<p>The ISSB discussed the objective and scope of its standard-setting project on <i>BEES</i>. The ISSB agreed with the decision to proceed with standard-setting on the basis that it would:</p> <ul style="list-style-type: none"> <li>a) cover material information on all nature-related risks and opportunities that could reasonably be expected to affect an entity's prospects instead of limiting the scope; and</li> <li>b) assume that entities are applying IFRS S1 and IFRS S2, and result in disclosure requirements or guidance on nature-related risks and opportunities to supplement those requirements.</li> </ul> <p>The ISSB also received an <b>update on the November 2025 TIG meeting</b>. The ISSB was not asked to make any decisions on this item.</p>
<a href="#">ISSB Update February 2026</a>	<p>The ISSB discussed the following two projects:</p> <p><b>Nature-related Disclosures</b></p> <p>The ISSB discussed its project on <i>Biodiversity, Ecosystems and Ecosystem Services (BEES)</i>, including the terms and concepts essential to clarifying the scope of standard-setting and the title of the standard-setting project. The ISSB tentatively decided to:</p> <ul style="list-style-type: none"> <li>(a) change the project title to 'Nature-related Disclosures'; and</li> <li>(b) include in the exposure draft the description and definition of key terms such as 'nature-related risks', 'nature-related opportunities', 'nature', 'ecosystems' and 'ecosystem services', among others.</li> </ul> <p>The ISSB also tentatively decided to:</p> <ul style="list-style-type: none"> <li>(a) provide additional guidance to support the application of the requirement for connected information in paragraph 21 of IFRS S1 to nature-related disclosures—in particular, to</li> </ul>

Meeting	Staff summary
	<p>information about connections, trade-offs and co-benefits between climate-related and nature-related risks and opportunities; and</p> <p>(b) focus this guidance on information about the effects of climate–nature connections on an entity’s strategy and risk management that the entity would need to provide to meet the requirements in paragraphs 28 and 43 of IFRS S1.</p> <p><b>Enhancing the SASB Standards</b></p> <p>The ISSB discussed stakeholder feedback on its Exposure Draft <a href="#">Proposed Amendments to the SASB Standards</a> (July 2025) and the next steps for the project, including an <a href="#">exposure draft of proposed amendments to three SASB Standards</a>, subsequently issued on 26 March 2026, for remaining three of the 12 SASB Standards identified by the ISSB as initial priorities for enhancement (i.e. <i>Agricultural Products, the Meat, Poultry &amp; Dairy and the Electric Utilities &amp; Power Generators</i>) and proposed consequential amendments to <i>the Industry-based Guidance on Implementing IFRS S2</i> (IFRS S2 industry-based guidance).<sup>7</sup> The ISSB also tentatively decided to:</p> <p>(a) continue executing the project on <i>Enhancing the SASB Standards</i> as set out in the ISSB’s 2024–2026 work plan; and</p> <p>(b) respond to strategic stakeholder feedback separately from the project.</p>
<p><a href="#">ISSB Update March 2026</a></p>	<p>The ISSB discussed the following two projects:</p> <p><b>Nature-related Disclosures</b></p> <p>The ISSB discussed its project on Nature-related Disclosures (formerly known as Biodiversity, Ecosystems and Ecosystem Services [BEES]) and tentatively decided to:</p> <p>(a) specify that, in disclosing metrics on nature-related and opportunities, an entity is required to apply paragraphs 57 and 58(a-c) of IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>; and</p> <p>(b) to consider what cross-industry metrics, if any, to require an entity to disclose within the identified information areas for this project, but to do no further work on cross-industry metrics beyond those areas.</p> <p>The ISSB also tentatively decided to:</p> <p>(a) provide incremental requirements and guidance (relative to the general requirements and guidance in IFRS S1) for disclosing information on the effects of nature-related risks and opportunities on an entity’s strategy and decision-making; and</p> <p>(b) use illustrative drafting of the incremental requirements and guidance as a basis for the development of proposals in the exposure draft.</p> <p>Lastly, the ISSB tentatively decided to:</p> <p>(a) to provide incremental guidance on:</p> <p>(i) the breadth of what nature-related targets could relate to (for example, land, freshwater and ocean use change and pollution reduction); and</p> <p>(ii) the disclosure of location-specific information associated with nature-related targets and their objectives; and</p> <p>(b) to set out an incremental requirement for an entity to disclose whether and how a nature-related target has been informed by law or regulation.</p> <p><b>Enhancing the SASB Standards</b></p>

7 The IFRS Foundation has since published its Exposure Draft [Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance](#), which proposes amendments to three prioritised SASB Standards, as well as an accompanying [Basis for Conclusions on Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance](#), which proposes consequential amendments to the *Industry-based Guidance on Implementing IFRS S2* (March 2026). The two Exposure Drafts have a 120-day comment period and will close for comment on 24 July 2026.

Meeting	Staff summary
	<p>The ISSB also discussed stakeholder feedback from its July 2025 Exposure Drafts <a href="#">Proposed Amendments to the SASB Standards</a> and <a href="#">Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2</a>.</p> <p>The ISSB was not asked to make any decisions on this item.</p>
<a href="#">ISSB Update April 2026</a>	<p>The ISSB discussed its project on <b>Nature-related Disclosures</b>, which is at the standard-setting phase.</p> <p><i>Location-specific information about nature-related risks and opportunities</i></p> <p>The ISSB tentatively decided to:</p> <ul style="list-style-type: none"> <li>a) provide incremental guidance to explain how the location of an entity’s assets and business activities can be relevant to identifying nature-related risks and opportunities that could reasonably be expected to affect its prospects over the short, medium and long term;</li> <li>b) provide incremental guidance on disclosing location-specific information about nature-related risks and opportunities across core content areas;</li> <li>c) require an entity to disclose the amount and percentage of assets or business activities (1) vulnerable to the nature-related risks it has identified and (2) aligned with the nature-related opportunities it has identified; and</li> <li>d) introduce a proportionality mechanism for the disclosure specified in c) requiring an entity to use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.</li> </ul> <p><i>Information on engagement with Indigenous Peoples, Local Communities and affected stakeholders in the context of nature-related risks and opportunities</i></p> <p>The ISSB tentatively decided to:</p> <ul style="list-style-type: none"> <li>a) provide guidance on applying IFRS S1 (and relevant SASB metrics referenced by IFRS S1) to disclose material information on how interactions and engagement with Indigenous Peoples, Local Communities and affected stakeholders can give rise to, or help address, nature-related risks and opportunities affecting an entity’s prospects (covering categories of stakeholders comprising Indigenous Peoples, Local Communities and affected stakeholders, described using the Taskforce on Nature-related Financial Disclosures framework);</li> <li>b) require an entity to identify the types of stakeholders and communities included within the scope of its disclosures, if information about interactions, including engagement, with them in the context of nature is material in its circumstances; and</li> <li>c) consider the findings of the nature-related disclosures project as part of its work on enhancing the SASB Standards.</li> </ul> <p><i>Form of standard-setting</i></p> <p>The ISSB tentatively decided to:</p> <ul style="list-style-type: none"> <li>a) propose requirements and guidance for nature-related disclosures in the form of an IFRS Practice Statement; and</li> <li>b) invite stakeholders to comment on the proposed form of an IFRS Practice Statement, with reference to alternative forms, by including a specific question in the exposure draft.</li> </ul> <p>The ISSB also received an <b>update on the March 2026 TIG meeting</b>. The ISSB was not asked to make any decisions on this item.</p>
<a href="#">ISSB Update May 2026</a>	<p>The ISSB discussed the following two projects:</p> <p><b>Nature-related Disclosures</b></p> <p><i>Information about the use of nature-related scenario analysis</i></p> <p>The ISSB discussed the inclusion of requirements incremental relative to those in IFRS S1 and tentatively decided to:</p>

Meeting	Staff summary
	<p>a) not provide incremental requirements or guidance on disclosing information about the use of scenario analysis to inform an entity’s identification of nature-related risks;</p> <p>b) provide an incremental requirement for an entity to disclose information about whether and how the entity uses scenario analysis to inform its identification of nature-related opportunities;</p> <p>c) provide an incremental requirement for an entity to disclose information about whether and how the entity uses scenario analysis to inform its assessment of the nature, likelihood and magnitude of the effects of nature-related risks, including information about the inputs used, key assumptions used in scenario analysis and the part of the entity to which the scenario analysis applies;</p> <p>d) require an entity to use nature-related scenario analysis to provide information about the entity’s resilience to nature-related risks, proposing requirements consistent with those in IFRS S2 (including proportionality mechanisms); and</p> <p>e) emphasise that the assessment in the context of nature-related changes, developments and uncertainties would be more location- and asset-specific than the assessment described in IFRS S2.</p> <p><i>Identification of nature-related risks and opportunities</i></p> <p>The ISSB tentatively decided to note in the proposed IFRS Practice Statement that the Taskforce on Nature-related Financial Disclosures (TNFD) <i>Guidance on identification and assessment of nature-related issues: The LEAP approach</i> might be relevant in providing nature-related disclosures in accordance with the objective of IFRS S1. The Practice Statement would specify the applicable version of the TNFD LEAP approach.</p> <p><b>Enhancing the SASB Standards—Phase 1</b></p> <p>The ISSB discussed stakeholder feedback on the Exposure Draft <i>Proposed Amendments to the SASB Standards</i>, focusing on the proposed amendments to:</p> <p>a) the SASB Standards in the Extractives &amp; Mineral Processing sector; and</p> <p>b) the <i>Processed Foods</i> SASB Standard.</p> <p>The ISSB was not asked to make any decisions on this item.</p>

A.2 The table below provides a high-level overview of recent TIG meetings for November 2025 and March 2026:

Meeting	Staff summary
<a href="#">TIG Update November 2025</a>	<p>The TIG discussed the following three items related to implementation issues raised by stakeholders related to IFRS S1 and IFRS S2:</p> <p>a) implementation questions submitted to the TIG that do not meet the submission criteria. Overall, TIG members agreed with the staff responses to those implementation questions—developed in reference to the requirements in IFRS S1 and IFRS S2—and shared additional observations they considered potentially helpful for entities when applying IFRS Sustainability Disclosure Standards;</p> <p>b) the measurement and disclosure of GHG emissions in circumstances where the reporting entity is a consolidated accounting group, and there are transactions between entities within the group. In addition to sharing practical observations and comments on the application of this issue, TIG members agreed with the staff analysis that, if an entity’s related financial statements are those of a group, the sustainability-related financial disclosures prepared under ISSB Standards must reflect the group as a single economic entity (i.e., GHG emissions attributable to intercompany transactions that do not exist from the group’s perspective are not included in the measurement of the group’s GHG emissions);</p> <p>c) whether the requirement to measure and disclose Scope 3 GHG emissions is limited to emissions captured by the 15 categories listed in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). TIG members agreed with</p>

Meeting	Staff summary
	<p>the staff view that IFRS S2 could reasonably be read as requiring entities to include Scope 3 emissions within the 15 categories, but not necessarily emissions beyond those categories. However, members also emphasised that an entity must disclose material information about its climate-related risks and opportunities and noted that where an entity has set a Scope 3 target that encompasses emissions beyond the 15 categories, IFRS S2 contains requirements to disclose information about climate-related targets and performance against them. The TIG members also highlighted the importance of maintaining the understandability of disclosures and transparency.</p> <p>A summary of the November 2025 TIG meeting was presented to the ISSB at its January 2026 meeting.</p>
<a href="#">TIG Update March 2026</a>	<p>The TIG discussed an implementation issue raised by stakeholders regarding IFRS S1 and IFRS S2 regarding the requirements related to greenhouse gas (GHG) emissions in IFRS S2 and whether biogenic emissions are required to be included in an entity’s measurement and disclosure of absolute gross Scope 1, Scope 2 and Scope 3 GHG emissions generated during the reporting period.</p> <p>TIG members also received an update on implementation questions submitted to the TIG that do not meet the TIG submission criteria.</p> <p>A summary of the March 2026 TIG meeting was presented to the ISSB at its April 2026 meeting.</p>

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

B.1 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](#) and [IFRS Foundation June 2025 jurisdictional profiles](#), with information updated to reflect new developments.

Jurisdiction	Scope/Approach	Jurisdictional Progress <sup>8</sup>	Effective from...
Bangladesh	All sustainability-related risks and opportunities	Finalised	2024
China*	All sustainability-related risks and opportunities	Finalised	TBC
Chinese Taipei	All sustainability-related risks and opportunities	Finalised	2026
Hong Kong SAR	Climate-first	Finalised	New Climate Requirements: 2025 HKFRS: 2025 (voluntary), 2028 (mandatory)
Indonesia	All sustainability-related risks and opportunities	Finalised	2027
Japan <sup>9</sup>	All sustainability-related risks and opportunities	Finalised	To be determined
Malaysia	Climate-first	Finalised	2025
Nepal*	All sustainability-related risks and opportunities	In progress	TBC
Pakistan	All sustainability-related risks and opportunities	Finalised	2025
Philippines*	All sustainability-related risks and opportunities	Finalised	2026
Singapore	Climate-first	Finalised	2025

8 “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.

9 The SSBJ has published a [Comparison of ISSB Standards and SSBJ Standards](#) (March 2026), which documents the degree of alignment between SSBJ Standards and ISSB Standards, as well as a [Table of Concordance between ISSB Standards and SSBJ Standards](#) (March 2026), which illustrates whether and if so where each paragraph in ISSB Standards is incorporated in SSBJ Standards.

Jurisdiction	Scope/Approach	Jurisdictional Progress <sup>8</sup>	Effective from...
South Korea	Climate-first	In progress	To be determined
Sri Lanka	All sustainability-related risks and opportunities	Finalised	2024 (voluntary), 2025 (mandatory)
Thailand*	Climate-first	Finalised	2027

\* denotes which jurisdictions have been added or updated by AASB staff to reflect new developments since the last update to the Board in November 2025.

## Appendix C: EU Omnibus Simplification Package

C.1 The primary goals of the EU Omnibus Simplification proposals are:

- a) to exclude roughly 80% of firms from the scope of the European Union’s Corporate Sustainability Reporting Directive and delay reporting deadlines for firms covered by both the CSRD and the European Union’s CS3D; and
- b) to reduce administrative burdens for all companies by 25% and for small- and medium-sized businesses by 35%.

C.2 The table below summarises key developments and new updates relating to the EU Omnibus Simplification Package since the previous version of this paper (presented at the AASB meeting in November 2025).<sup>10</sup>

Date	Details
11 November 2025	<p>The Commission Delegated Regulation, which extends transitional reliefs for entities already applying ESRs and is based on the ‘quick fix’ amendments decided by the EC on 11 July 2025, is <a href="#">published</a> in the EU Official Journal.</p> <p>The delegated regulation came into effect on 13 November 2025.</p>
13 November 2025	<p>The European Parliament <a href="#">votes in favour</a> of a negotiating position on simplified sustainability reporting and due diligence duties. The position proposes that the CSRD apply to entities with 1,750 employees and a turnover of €450 million, and that the CS3D apply to entities with 5,000 employees and a turnover of €1.5 billion. The position also proposes the development of voluntary sector-specific guidelines and a revised set of ESRs.</p>
3 December 2025	<p>EFRAG <a href="#">submits its technical advice</a> to the EC on the draft simplified ESRs, which introduce substantial flexibility, relief, and phasing-in, as well as reducing the mandatory data points by 61%. Furthermore, practical considerations and proportionality mechanisms have been incorporated into all reporting steps, with materiality assessments simplified to help entities provide clearer and more concise disclosures of user-relevant information.</p> <p>The key changes reflected in the new set of simplified ESRs include, among others:</p> <ol style="list-style-type: none"> <li>a) a 61% reduction of datapoints that are required if material, deletion of all voluntary disclosures;</li> <li>b) principles-based standards for narrative disclosure, particularly for policies, actions and targets, flexibility on how to present the information, greater focus on how sustainability matters are managed;</li> <li>c) substantial reliefs, proportionality mechanisms and ad hoc phasing-in for challenging disclosures; and</li> <li>d) enhanced interoperability with the ISSB Standards: common disclosures preserved where possible, enhancement thanks to fair presentation, revised GHG boundary and provisions for anticipated financial effects.</li> </ol> <p>EFRAG notes that, as some reliefs in the simplified set of ESRs extend beyond those in the ISSB Standards, entities should exercise caution in preparing disclosures using the ESRs if they seek to comply with the ISSB Standards.</p> <p>The European Commission will now prepare the Delegated Act revising the first set of ESRs based on EFRAG’s technical advice.</p>
9 December 2025	<p>EU Parliament and member state negotiators <a href="#">reach a provisional deal</a> to update EU rules on sustainability reporting and due diligence requirements for companies. Under the informal agreement, only companies with more than 1,000 employees and an annual turnover greater than €450 million will be required to report on their sustainability (under the CSRD), and only those with</p>

10 See Appendix B of [Agenda Paper 12.1 Sustainability Reporting Horizon Scanning](#) (November 2025) for prior updates.

Date	Details
	<p>more than 5,000 employees and an annual turnover higher than over €1.5 billion to carry out due diligence on their adverse impacts (under the CS3D).</p> <p>Co-legislators also agree on further simplification of the reporting requirements (which are anticipated to be more quantitative in nature), while sector-specific reporting would become voluntary. The deal further ensures that smaller companies with under 1,000 employees are allowed to refuse reporting information beyond what is set out in the voluntary standards.</p> <p>The Legal Affairs Committee will vote on the provisional agreement on 11 December 2025.</p>
<p><b>16 December 2025</b></p>	<p>The EU Parliament approves a <a href="#">provisional agreement</a> between members of the EU Parliament and EU governments on updated sustainability reporting and due diligence rules for entities, marking the finalisation of the omnibus proposals that were published in February 2025.</p> <p>Under these rules, with fewer than 1,000 employees will not be required to provide information to their larger business partners beyond what is included in the VSME Standard.</p> <p>The updated rules will see mandated sustainability reporting only applying to:</p> <ul style="list-style-type: none"> <li>• EU companies employing on average over 1,000 employees and with a net annual turnover of over €450 million; and</li> <li>• non-EU companies with net turnover in the EU of over €450 million and to their subsidiaries and branches generating turnover higher than €200 million in the EU.</li> </ul> <p>Further, mandatory due diligence reporting rules will only apply to:</p> <ul style="list-style-type: none"> <li>• EU and non-EU corporations with more than 5,000 employees and a net annual turnover of over €1.5 billion.</li> </ul> <p>The due diligence directive will only apply from 26 July 2029 for all businesses within its scope.</p>
<p><b>23 December 2025</b></p>	<p>EFRAG announces the <a href="#">publication</a> of the Basis for Conclusions alongside four other accompanying documents aimed at supporting stakeholders' understanding of the draft simplified ESRS.</p> <p>The publications include:</p> <ol style="list-style-type: none"> <li>a) <a href="#">Basis for Conclusions</a></li> <li>b) <a href="#">Cost–benefit analysis</a></li> <li>c) <a href="#">Logs of amendments for the 12 standards and for Annex II (Aggregated acronyms and glossary of terms)</a></li> <li>d) <a href="#">Comparative table of texts (Set 1 / ED / Technical Advice) for the 12 standards and for Annex II (Aggregated acronyms and glossary of terms)</a></li> <li>e) <a href="#">Explanatory note on Article 29b and its Annex</a></li> </ol>
<p><b>26 February 2026</b></p>	<p>Following the Council of the European Union's <a href="#">approval</a> to the Omnibus I simplification package, amending the CSRD and the CS3D on 24 February 2026, the final omnibus directive is <a href="#">published</a> in the EU Official Journal.</p> <p>The directive enters into force on the twentieth day following its publication in the Official Journal.</p>