July – October 2026

International insights: Sustainability reporting

This report brings together recent developments from international standard-setters and jurisdictions relating to sustainability reporting, including the key issues and trends we're keeping an eye on.
It is structured as follows:

Section 1: IFRS Foundation and the International Sustainability Standards Board

Section 2: What's happening across international standard-setting

Section 3: Jurisdictional developments

Please note: This report provides a snapshot as of 30 October. International standard-setting and regulatory developments can move quickly, so some matters may have progressed since the information was prepared.

Section 1: IFRS Foundation and the ISSB

A. ISSB technical work and implementation

ISSB advances work on workforce-related disclosures

The ISSB is advancing its workforce-related disclosures research and proposes renaming the project from "Human Capital" to "Workforce-related Disclosures". Further work will explore investor information needs, workforce-related terminology, business model impacts, jurisdictional considerations, and emerging disclosures under IFRS S1. This could enable the ISSB to move directly to an exposure draft if it decides to pursue standard setting. ISSB staff expect to start sharing their research findings in the coming months.

TIG supports using judgement and materiality to identify climate-related targets

The Transition Implementation Group discussed the meaning of "climate-related targets" in IFRS S2 at its July meeting . It clarified that climate-related targets under IFRS S2 are not limited to greenhouse gas emissions targets or formally approved goals. Entities should use judgement and materiality to determine which targets are relevant for disclosure, with members suggesting a two-step process of identifying targets and then assessing their materiality.

The ISSB is consulting on nature-related disclosures

The ISSB released its draft IFRS Practice Statement on nature-related disclosures and basis for conclusions during October's UN Biodiversity Conference (COP 17) in Yerevan, Armenia. The proposed Practice Statement is intended to support high-quality nature-related disclosures and the application of IFRS S1 and IFRS S2, without changing the requirements of those standards or creating additional compliance obligations.

The ISSB has published FAQs on the proposed Practice Statement for nature-related disclosures

Nature-related Disclosures — Frequently Asked Questions on form of standard-setting includes questions such as "What is an IFRS Practice Statement?" and "Why did the ISSB decide to propose an IFRS Practice Statement rather than a new ISSB Standard, or amendments to existing ISSB Standards?"

B. ISSB strategy and institutional developments

IFRS Foundation secures funding for the ISSB through to 2031

In August, the IFRS Foundation Trustees announced a five-year operating and financing plan for the IASB and the ISSB, alongside plans to open an ISSB office in Geneva, Switzerland during 2027 to serve as the seat of the ISSB and to support the ISSB's multi-location model. Funding has been secured for the ISSB to deliver its priorities through to 2031. As adoption of ISSB Standards matures, the ISSB will move to a more durable, long-term funding model.

Trustees propose reducing the size of the IASB and ISSB

The IFRS Foundation Trustees have published an Exposure Draft proposing targeted amendments to the IFRS Foundation Constitution to reduce the size of the IASB and the ISSB.

C. Other ISSB updates

Sue Lloyd discusses New Zealand's climate reporting roadmap

In the latest ISSB Podcast, Vice-Chair Sue Lloyd reflected on her recent visit to New Zealand, including the climate reporting roadmap consultation. The podcast also covered developments in Europe and Singapore, progress on nature-related disclosures and workforce-related disclosures, recent TIG discussions, and updates on the ISSB's strategy, funding and planned Geneva office.

IFRS Sustainability Reference Group discusses ISSB implementation and key technical projects

The IFRS Sustainability Reference Group discussed key developments relating to ISSB implementation, ESRS-40a, SASB enhancements, and the forthcoming Nature-related Disclosures Practice Statement. Members also discussed investor demand for more decision-useful workforce-related information and areas for further work before any future standard-setting.

ISSB proposes updates to the Sustainability Disclosure Taxonomy

In July, the ISSB published a proposed update to the IFRS Sustainability Disclosure Taxonomy, reflecting the amendments made to IFRS S2 *Climate-related Disclosures* on greenhouse gas emissions disclosures in December 2025. The Taxonomy supports digital financial reporting by enabling companies to tag information prepared in accordance with ISSB Standards. The comment period on the proposed update closed on 28 September 2026.

Section 2: What's happening across international standard-setting

A. International Public Sector Accounting Standards Board

IPSASB agrees greater flexibility for climate related disclosures and extends timeline

The IPSASB agreed to provide public sector entities greater flexibility in the timing and location of climate-related disclosures under its proposed Climate related Disclosures: Public Policy Outcomes standard. It also agreed to align certain requirements with IPSASB SRS 1 and include proportionality mechanisms similar to those in IFRS S2. The additional work required means approval of the final standard has been delayed from December 2026 to March 2027.

B. ISO

New ISO/UNDP standard supports sustainable development

On 28 September 2026, ISO and UNDP launched ISO/UNDP 53001, *Management systems for the United Nations Sustainable Development Goals (SDGs)* – Requirements.

Noelia Garcia Nebra, ISO's Head of Sustainability and Partnerships, said the standard responds to the challenge of moving beyond sustainability ambitions and "embedding them into the way organizations actually operate and make decisions."

Proposed net zero standard, ISO 14040, under further consideration

ISO's proposed net zero standard, ISO 14060, did not receive sufficient support to proceed to publication. The draft attracted almost 5,000 consultation comments and aims to provide globally consistent guidance for credible net zero transition plans. The responsible committee will now consider the feedback and determine next steps.

C. GHG Protocol

GHGP and ISO advance work on unified carbon standard

In July the Greenhouse Gas Protocol (GHGP) and ISO provided an update on their partnership to develop a single corporate carbon accounting standard. A joint public consultation is planned for Q2 2027, bringing together GHGP's Scope 1, Scope 2, Scope 3 and Actions and Market Instruments standards with ISO 14064-1. Technical experts from both organisations continue to advance work across the agreed standards development programme.

Scope 2 consultation feedback released

A Scope 2 consultation feedback summary and an Executive summary were also published in July. This consultation received nearly 1,100 responses from 56 countries.

Stakeholder feedback revealed differing views on scope 2 reporting and the role of electricity procurement in driving climate outcomes. A comparison of the feedback with the XRB's submission found strong alignment on concerns about feasibility, proportionality, data availability, assurance requirements and transition arrangements. The feedback also reflected the XRB's view that greater precision does not necessarily result in more decision-useful information where the associated costs and complexity are significant.

AMI feedback shows broad support for multi-statement GHG reporting structure

A summary of stakeholder feedback on the Actions and Market Instruments (AMI) Request for Information (RFI) Phase 1 Progress Update White Paper was released on 23 September. Feedback from more than 400 respondents showed strong support for a multi-statement greenhouse gas reporting structure and for greater transparency about market instruments and decarbonisation activities. Respondents particularly supported a Market-based GHG Inventory Statement and a GHG Impact Statement, while views on a Non-GHG Indicators Statement were more mixed. Stakeholders also emphasised the need for clear quality criteria, implementation guidance and flexibility, with many supporting an initially voluntary approach to accommodate differing levels of organisational readiness.

D. Partnership for Carbon Accounting Financials

PCAF identifies new priorities for its 2026-2028 standards programme

In late July, PCAF announced seven initial priority topics for further development in its 2026-2028 standard development cycle.

In September, PCAF announced it had appointed three new directors to its board. These appointments bring perspectives from the Middle East and North Africa, Latin America and the Caribbean, as well as Europe.

E. Global Reporting Initiative.

Sector standards for Banking, Capital Markets and Insurance release expected late Q1 2027

At its September meeting, the Global Sustainability Standards Board (GSSB) approved the Global Reporting Initiative (GRI) Sector Standards for Financial Services (Banking, Capital Markets, Insurance). These standards are expected to be launched in late Q1 2027 or early Q2 2027. The proposed effective date is 1 January 2029.

Feedback on the Exposure Drafts led to changes aimed at improving practicality and global relevance, including expanded guidance on stewardship, human rights, data quality, cybersecurity and AI governance, and closer alignment with TNFD and GRI frameworks.

GSSB approved roll-out of new streamlined sector standards

The GRI is speeding up the delivery of reporting support in sectors, following GSSB approval to roll-out new streamlined sector standards. This approach responds to a practical challenge: how to meet the growing demand and gap in the market for authoritative sector guidance, through shorter and more focused sustainability reporting standards? The first pilot project in this series – for Food and Beverages – will act as a proof of concept for the wider series.

GRI's State of Sustainability Reporting research released

This research shows that GRI is the most widely used sustainability reporting framework worldwide, referenced by companies accounting for 62% of global market capitalisation and 40% of all large listed companies. It is mostly combined with other frameworks such as TCFD, SASB, CDP, ISSB, ESRS and TNFD. GRI reporting rates are led by jurisdictions in Asia and Latin America, with the highest levels including Taiwan (China), where 95% of companies report using GRI, followed by Argentina (82%), Colombia (79%), Singapore (76%), Brazil (71%) and Malaysia (70%).

F. CDP Disclosure

CDP analysis finds companies anticipate nearly US$400 billion in water-related financial impacts

On 21 September, global climate disclosure organisation, CDP published new analysis — Water, Trade and Capital: How water is reshaping geopolitics, supply chains and financial risk — based on water disclosures from over 6,500 companies. Companies already report US$1.4 billion in current financial impacts from water-related disruption and anticipate a further US$397 billion in future impacts, including US$45 billion arising upstream in supply chains. Despite this exposure, only a fifth of companies reported quantified financial impacts, and more than a third still lack a systematic process to assess and manage water risk. CDP noted that around 60% of upstream water risks for Global North-headquartered companies are located in the Global South, raising exposure as companies reshore or diversify supply chains.

G. International Transition Plan Network

ITPN Dialogue discusses transition planning and mobilising finance

The XRB attended the second International Transition Plan Network (ITPN) Dialogue in Oxford, UK in September. The key themes for this year's dialogue included:

- how transition plans mobilise finance and build business resilience
- new ITPN research on transition plans and the cost of debt (to be published in late October)
- connecting entity-level transition plans to sectoral pathways and national strategies on mitigation and adaptation (including understanding company dependencies and how to unblock them)

- navigating the changing global context, exploring how transition plans can support energy security, and the wider transition away from fossil fuel dependency and the transition to cleaner energy sources
- individual policymakers' and regulators' roles within the wider system and how to build effective cross-agency coordination.

Discussion highlighted the importance of credible sector transition pathways for planning, benchmarking and investment decisions, while noting that jurisdictions differ in how such pathways are developed and legitimised. At the end of the Dialogue, these key messages surfaced:

- Transition planning is a tool: a tool for dialogue, a tool for strategy, a tool for navigation
- Transition planning can accelerate collaboration, enhance the development of a common narrative (including the use of transition plans for advocacy purposes for systems or policy change), and is possible without complete regulatory certainty
- Transition planning makes necessary actions tangible and practical, to build strategic and business resilience and recalibration (rather than a linear path to a specific goal).

Interesting resources and case studies shared at the Dialogue included:

- GeoDep, a European Commission tool to assess the geographical dependencies of the industrial transition that is due to be launched next year.
- A legal opinion by Client Earth (June 2025) that investigated the potential liability for climate-related transition plan disclosures (the opinion finds that "a requirement that companies disclose a CRTP is not likely to result in a materially heightened liability risk for companies and directors"
- A transition plan disclosure pilot by the Hong Kong Green and Sustainable Finance CrossAgency Steering Group. The pilot "aims to promote industry-developed best practices for transition planning and disclosure, to enable volunteer HKEX-listed and A-H companies to produce investor-focused and decision-useful transition plans aligned with internationally recognised frameworks"
- Information on Japan's Green Transformation (GX) Policy which includes government-produced technology roadmaps to support the transition
- Information on the United Kingdom's sector transition plans, as an "essential tool to support investment, action and skills for the clean energy transition", including a strong focus on finance for the transition.

Section 3: Jurisdictional developments

A. Australia

Improving the efficiency of climate-related financial disclosures

On 24 August, the Australian Treasury published a consultation paper titled Improving the efficiency of climate-related financial disclosures. It sought feedback about assurance settings, implementation guidance, data availability, and reporting alignment. The consultation confirmed that any changes would not apply to the 2026/27 reporting year and would be subject to further consultation where legislative amendments are needed.

Productivity Commission inquiry into non-financial business reporting in Australia

The Australian Government has asked the Productivity Commission to identify opportunities to improve the efficiency and value of non-financial business reporting. The inquiry will examine

regulatory pain points and consider whether reporting objectives can be achieved more effectively, with the findings intended to inform future streamlining of reporting requirements. In its call for submissions it included a section on sustainability and environmental reporting. Submissions closed on at the end of September. It is expected to release an interim report in November. The Government has set a deadline of 24 February 2027 for the final report.

ASIC's observations on climate reporting

On 21 September, ASIC published a Report outlining its observations on 40 of the 312 sustainability reports lodged under the Corporations Act by entities with financial years ending in 2025. ASIC reviewed reports lodged by 20 listed entities and 20 unlisted entities.

It was not a representative sample. ASIC prioritised sectors with higher GHG emissions or higher exposure to climate-related risks and opportunities, notably financial services and insurance, oil and gas, and mining-related industries.

ASIC reported generally good compliance with Australia's new climate reporting requirements and observed improvements in climate-related disclosures. It also outlined areas for improvement, including clearer links to financial statements, stronger disclosure of assumptions and uncertainties, and more robust forward-looking information.

To assist reporting entities to improve their disclosures, ASIC lists the following eight practical actions to consider:

- Explain how information in the sustainability report connects with relevant disclosures in the financial report.
- When identifying climate-related risks and opportunities, consider past events, current conditions and forecast future conditions, as well as how you may be affected (whether directly or indirectly) by the risks and opportunities across your value chain.
- Provide clear, effective and proximate disclosure of relevant judgements, assumptions and areas of measurement uncertainty, including when identifying climate-related risks and opportunities and calculating the amounts and percentages that must be disclosed under cross-industry metrics.
- When determining whether you have a 'climate-related target', remember that the definition of 'climate-related targets' in AASB S2 extends to targets that you must meet by law or regulation. This includes greenhouse gas emissions targets such as the Safeguard Mechanism.
- Ensure material climate-related financial information is not obscured through the disclosure of additional climate-related information.
- Meet the cross-referencing disclosure requirements, including the requirement that the cross-referenced information is available on the same terms and at the same time as the sustainability report.
- Do not use disclaimers that conflict with the statutory framework and objectives of Chapter 2M sustainability reporting and may confuse or mislead users.

AASB takes a monitoring approach to sustainability-related assurance fee disclosures

At its meeting on the 27 August the AASB considered whether standard-setting action is needed to address differences in how assurance fees related to sustainability disclosures required by AASB S2 *Climate-related Disclosures* are disclosed in practice. The AASB decided to adopt a monitoring

approach at this time, to allow further evidence to be gathered on user needs, market practice and relevant regulatory developments before reconsidering the matter.

B. Asia-Oceania

Jurisdictions take different approaches to sustainability reporting

At the Asian-Oceanian Standard-Setters Group (AOSSG) interim meeting in London in September, members shared their implementation experiences, highlighting different approaches to sustainability reporting.

Discussions covered:

- India's BRSR framework, which has similarities with IFRS Sustainability Disclosure Standards, but some key differences such as a wider primary user base (e.g. including employees and communities), the inclusion of impact materiality, voluntary scope 3 greenhouse gas emissions disclosures, and non-binding guidance for sector metrics.
- The Philippine Sustainability Reporting Committee highlighted its transition from impact-focused reporting to the ISSB's risk-and-opportunity framework, emphasising the strategic value of sustainability disclosures.
- An ISSB update on their technical work programme
- Work underway on the development of the International Non-Profit Accounting Standard (INPAS).
- On 12 and 13 November, the XRB, will join the Australian Accounting Standards Board (AASB) in hosting the AOSSG annual meeting in Auckland

C. The European Union

Revised ESRS and the voluntary standards enter into force

The European Commission adopted two Delegated Acts on 3 July. The Delegated Acts have now entered into force following a two-month scrutiny period by the European Council and the European Parliament. Neither body raised an objection.

The two Acts in question are:

- The revised European Sustainability Reporting Standards (ESRS) for companies required to report under the revised Corporate Sustainability Reporting Directive (CSRD).
- Voluntary reporting standards for businesses with no more than 1,000 employees that are not otherwise required to report under the CSRD.

The revised ESRS applies for financial years starting on or after 1 January 2027, with early adoption permitted for financial years commencing in the 2026 calendar year.

EFRAG consults on sustainability reporting standards for non-EU companies

On 23 July, EFRAG issued the European Sustainability Reporting Standards for Certain Non-EU Undertakings (ESRS-40a) Exposure Draft. ESRS-40a was previously referred to as ESRS for Third-Country Undertakings (ESRS-TC) and ESRS for Non-EU Groups (N-ESRS). The public consultation on the ESRS-40a Exposure Draft closes on 31 October 2026.

D. United Kingdom

UK Government seeks to streamline corporate reporting requirements

On 7 September, the Department for Business, Innovation, Science and Trade published a consultation paper proposing comprehensive changes aimed at improving the reporting system under the Companies Act 2006. Submissions close on 30 November.

The consultation paper notes that the law has evolved in a 'messy and piecemeal way, resulting in a complex series of regulations.' It states that:

- the purpose of the annual report and accounts has become obscured, serving different audiences and policy objectives
- incremental additions to reporting requirements have increased the volume and complexity of annual reports
- requirements are scattered across company law, accounting standards and regulatory rules, leading to duplication, inconsistency and needless compliance costs.

The consultation paper includes a section on sustainability-related financial disclosures. It notes that there are significant interactions and overlaps between the climate-related financial disclosure (CFD) requirements in the Companies Act for registered companies and the disclosures in UK Sustainability Reporting Standards (UK SRS), the UK-endorsed version of the ISSB Standards. However, the consultation paper does not include questions about the CFD requirements because the government is conducting a post-implementation review of the regulations that introduced them. The review is due to be completed in the first half of 2027.

The consultation paper also:

- states that the government will consider how UK SRS should be reflected in the Companies Act, taking into consideration feedback to this consultation, the CFD post-implementation review and related processes
- includes a section about assurance over strategic and sustainability information in annual reports, but notes that the government does not have any plans to require companies to obtain assurance over future UK SRS reporting at this stage, or for other strategic reporting topics
- proposes introducing a financial materiality test for reporting on various topics including environmental impacts, employment policies, social responsibility and human rights. This proposal would mean that companies will no longer be required to disclose non-material information
- refers to a separate consultation process by the Department for Energy Security & Net Zero on how the government might implement a manifesto commitment to require UK-regulated financial institutions and FTSE 100 companies to develop and implement transition plans that align with the 1.5^{O}C goal of the Paris Agreement. That consultation ran from 25 June to 17 September. The BIST consultation paper states that the government will ensure that any decisions consider the sustainability reporting landscape coherently.

Financial Conduct Authority finalises rules to report against UK Sustainability Reporting Standards on a comply or explain basis

On 30 September, the UK's Financial Conduct Authority (FCA) published Policy Statement PS26/19 that applies to listed issuers. Key elements of the statement to note include:

- replacement of existing TCFD reporting requirements with UK SRS

- only requiring reporting against the UK SRS on a comply or explain basis.

The statement also requires “international commercial companies with a secondary listing and depositary receipt issuers to also report against UK SRS on a comply or explain basis, in place of the consultation proposal to signpost any reporting requirements and disclosures under their home jurisdiction”.

The rules will apply to accounting periods beginning on 1 January 2027, with first reporting in 2028. The rules provide a 1-year transitional relief for Scope 3 disclosures under UK SRS S2 *Climate-related Disclosures* and a 2-year transitional relief for disclosures under UK SRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

E. United States of America

California proposing narrowing initial mandatory Scope 3 emissions reporting to five categories

In July, the California Air Resources Board (CARB) proposed limiting initial Scope 3 emissions disclosure under Senate Bill 253 to five GHG Protocol categories: purchased goods and services, fuel- and energy-related activities, waste generated in operations, business travel and employee commuting. The proposal responds to cost and data availability concerns raised by companies. CARB also proposed limited assurance for Scope 1 and Scope 2 emissions from 2027 and plans to host listening sessions in August and September on the proposal.

F. Canada

CSSB raises concerns on ISSB architecture in SASB Standards response

The Canadian Sustainability Standards Board (CSSB) submitted its response letter to the ISSB's Exposure Draft on proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance. Among its four overarching recommendations, the CSSB called on the ISSB to explicitly clarify the role of the SASB Standards within the IFRS Sustainability Disclosure Standards framework, stating that this relationship "remains uncertain" and that the current amendments are only an interim step toward a coherent architecture. The CSSB referenced the ISSB's own staff paper (Agenda Paper 6A, February 2026), which acknowledged similar stakeholder concerns about the risk of duplication between SASB content and IFRS S1/S2. While ISSB staff have suggested addressing the broader "future state" of ISSB Standards separately from the current project phases, the CSSB disagreed with this sequencing, recommending the ISSB prioritise resolving architectural and interoperability questions in a timelier manner.