



ISSB APPLICABILITY AND TIMELINES

OVERVIEW

The International Sustainability Standards Board (ISSB) has developed its standards to be globally applicable, addressing the diverse needs of companies and stakeholders across different jurisdictions and industries. The ISSB standards, IFRS S1 and IFRS S2, provide a framework for sustainability-related disclosures, ensuring that companies of all sizes and sectors can adopt and implement these standards effectively.

DETAILS

Who Should Apply ISSB Standards?

The ISSB standards are designed to be relevant for a wide range of organisations of different size. Any company that seeks to enhance its sustainability reporting and provide transparent, comparable, and reliable information to investors and other stakeholders can benefit from adopting ISSB standards. The standards are particularly valuable for companies operating in industries with significant environmental, social, and governance (ESG) impacts.

Global Adoption and Harmonisation

One of the key objectives of the ISSB is to promote global harmonisation of sustainability reporting. By providing a common set of standards, the ISSB aims to reduce the fragmentation of sustainability reporting practices and enhance comparability across different markets. This global approach helps investors and other stakeholders better understand and compare the sustainability performance of companies, regardless of their location or industry.

Timelines for Implementation

The International Sustainability Standards Board (ISSB) standards, IFRS S1 and IFRS S2, became effective for annual reporting periods beginning on or after January 1, 2024. The ISSB has established a clear timeline for the implementation of its standards, ensuring that companies have sufficient time to prepare for and adopt the new requirements.

Key Milestones:

- **2022:** ISSB was established and began the development of IFRS S1 and IFRS S2, incorporating feedback from public consultations and leveraging existing frameworks like TCFD, SASB, and GRI.
- **2023:** Finalisation of IFRS S1 and IFRS S2, with detailed guidance on general sustainability-related disclosures and climate-related disclosures, respectively.
- **2024:** Companies required to start aligning their reporting practices with the new standards, with the ISSB providing resources and support for implementation.
- **2025:** Full adoption of IFRS S1 and IFRS S2 is expected, although currently – the adoption of these standards remains voluntary, they may become mandatory when and if regulators integrate them into financial reporting frameworks and regulatory requirements.

Transition Period and Support

The ISSB recognizes that transitioning to new sustainability reporting standards can be challenging. To support companies in this process, the ISSB offers a range of resources, including implementation guides, training materials, and best practice examples. Companies are encouraged to start early, engage with stakeholders, and leverage these resources to ensure a smooth transition to the new standards.

The ISSB standards represent a significant step forward in the global harmonization of sustainability reporting. By adopting IFRS S1 and IFRS S2, companies can enhance the quality and comparability of their sustainability disclosures, providing stakeholders with decision-useful information. The clear timelines for implementation and the support provided by the ISSB ensure that companies can effectively transition to the new standards and contribute to a more sustainable and resilient global economy.

For more detailed information on the applicability and timelines of the ISSB standards, please refer to the [IFRS ISSB](https://www.issb.org/) website, or alternatively, contact us at info@envisionas.com.