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## Navigating the Landscape of Global ESG Standards

Businesses and investors have consistently advocated for clearer and simpler sustainability disclosure guidelines. Over the past few years, several significant milestones have been achieved to address this need for clarity. Those milestones involved collaborations and mergers among prominent framework providers and standard setters.

The snapshot below shows that **except GRI and CDP, almost all of the standards are now under IFRS**, which is **aiming at integrating all standards into a single** framework under the IFRS Foundation's newly established **ISSB**. This initiative may significantly simplify and unify the process of disclosing sustainability practices for business, hence increasing the willingness of doing it.

### About ISSB

Informed by its recent consultation on future priorities, the **International Sustainability Standards Board (ISSB)** will commence projects to research disclosure about risks and opportunities associated with:

1. biodiversity, ecosystems and ecosystem services; and
2. human capital.

As with the approach to the ISSB's inaugural Standards, the ISSB will look at how it might build from relevant pre-existing initiatives. This includes those already under its analysis – **the SASB Standards and CDSB guidance** – and, additionally, relevant aspects of the work of the **Task Force on Nature-related Financial Disclosures (TNFD)**.

The consolidation of various sustainability standards under the IFRS Foundation and the establishment of the ISSB marks a significant advancement in the clarity and simplicity of sustainability disclosures. The mergers of these standard frameworks in recent years indicate a future for

sustainability disclosure frameworks that is more unified and less cumbersome.

These efforts are poised to streamline the reporting process, making it easier for businesses to communicate their sustainability practices and for investors to make informed decisions based on standardized and comparable data.

Please note:

1. The **Financial Stability Board (FSB)** is an international body that **monitors and makes recommendations about the global financial system**. More specifically, the FSB was established to: Assess vulnerabilities affecting the global financial system as well as to identify and review, on a timely and ongoing basis within a macroprudential perspective, the regulatory, supervisory and related actions needed to address these vulnerabilities and their outcomes.
2. **IR Framework, CDSB, SASB, and VRF** were consolidated into the **IFRS** Foundation to **support** the work of the newly established **International Sustainability Standards Board (ISSB)**.
3. The **Taskforce on Nature-related Financial Disclosures (TNFD)** has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their **nature-related dependencies, impacts, risks and opportunities**. ([Its adopters](#))

## Snapshot of International ESG Standards and their interconnection

Acronym	CDP	CDSB	GRI	IR Framework	SASB	TCFD	VRF	ISSB
<b>Full name</b>	Carbon Disclosure Project	Carbon Disclosure Standards Board	Global Reporting Initiative	Integrated Reporting Framework	Sustainability Accounting Standards Board	Task Force on Climate-related Financial Disclosures	Value Reporting Foundation	International Sustainability Standards Board
<b>Focus</b>	Collect <b>data on environmental impacts</b> (carbon emissions, water usage, deforestation)	<b>Climate-related financial risks &amp; opportunities</b> in mainstream financial reports	provides <b>comprehensive guidelines</b> across all aspects of sustainability.	company's <b>value creation over time</b> , considering financial, manufactured, intellectual, human, social, and natural capital.	focuses on <b>industry-specific standards for financial materiality</b>	emphasizes climate-related financial disclosure	comprehensive framework for reporting that <b>integrated sustainability information into traditional financial reporting</b>	ISSB builds on <b>the work of SASB, TCFD, CDSB and IR Framework</b>
<b>Direct Owner</b>	CDP	CDSB	GRI	IIRC	SASB	FSB(Financial Stability Board)	VRF(merger of IIRC and SASB in Jun 2021)	IFRS
<b>M&amp;A</b>		CDSB was consolidated into <b>IFRS On 31st January 2022</b>		Merged with SASB in Jun 2021 as VRF	Merged with IIRC in Jun 2021 as VRF	With the release of its 2023 status report on October 12, 2023, the TCFD has fulfilled its remit and <b>disbanded</b> . The FSB has asked the <b>IFRS Foundation to take over the monitoring</b> of the progress of companies' climate-related disclosures.	VRF was consolidated into the <b>IFRS in Aug 2022</b>	
<b>End Owner</b>	CDP	<b>IFRS</b>	GRI	<b>IFRS</b>	<b>IFRS</b>	FSB/ <b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>