

Scaling the Standard 2026

Insights from CDP's 2025 IFRS S2-aligned disclosures

Harmonization has never been more important; jurisdictions that account for approximately 60% of global GDP have already decided to use or are taking steps to introduce ISSB Standards in their legal or regulatory frameworks.

In 2024, CDP aligned its corporate questionnaire with the ISSB's IFRS S2 Standard as its foundational baseline for climate disclosure, enabling companies worth nearly two-thirds of global market capitalization to

disclose IFRS S2-aligned data in a structured and transparent way. CDP is the largest single source of consistent, globally comparable IFRS S2-aligned climate data for investors and decision-makers.

This global snapshot provides insight into the extent of disclosure against IFRS S2-aligned data points in CDP's question bank, indicating where companies are advancing and where disclosure gaps remain.

Global analysis of IFRS S2 alignment through CDP

Companies already disclosing environmental data through CDP – representing two-thirds of global market capitalization – are on the path towards meeting new requirements in jurisdictions adopting the ISSB Standards.

Analysis is based on a subset of 10,413 corporate disclosures from 2025, representing companies headquartered in 100 countries.

87%

of companies disclosed against at least 80% of IFRS-S2-aligned questions (up from 83% in 2024)

88%

of companies disclosed against all IFRS-S2-aligned questions on governance (up from 85% in 2024)

31%

of companies disclosed against all IFRS-S2-aligned questions on climate-related metrics





Extent of disclosure against IFRS S2-aligned questions through CDP in key jurisdictions

Key jurisdictions are those that have adopted, or are in the process of adopting, the IFRS S2 standards (either on a voluntary or mandatory basis) and that also align with CDP’s priority markets for engagement, based on their emissions and influence in the global economy.

Jurisdiction:

Status of mandatory disclosure regulation:

Australia

Extent of disclosure:

Total disclosing companies: 66

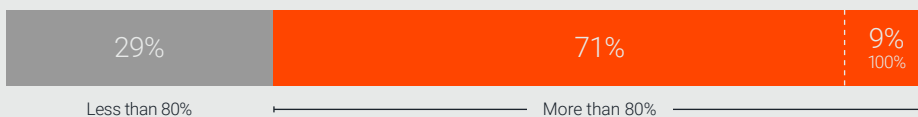


AASB S1, a voluntary standard based on IFRS S1, and AASB S2, a mandatory standard based on IFRS S2 and parts of IFRS S1 relevant for climate-related financial disclosures, were issued in 2024, with climate reporting requirements phased in from reporting periods starting 2025 onwards.

Brazil

Extent of disclosure:

Total disclosing companies: 566



Brazil has mandated the application of CBPS 01 and CBPS 02 standards—the Brazilian equivalents of IFRS S1 and S2—for all publicly traded companies starting in January 2026, with the first set of compliant disclosures due in 2027.

Canada

Extent of disclosure:

Total disclosing companies: 197



The CSDSs were issued by CSSB in 2024 for voluntary application for annual reporting periods starting January 2025. In addition to the one-year relief included in IFRS S1, the CSSB has extended this relief for one additional year (two years in total) in which the entity is permitted to disclose information on only climate-related risks and opportunities in accordance with IFRS S2. In addition to the one-year relief included in IFRS S2, the CSSB has extended this relief for two additional years (three years in total) in which the entity is not required to report on Scope 3 greenhouse gas emissions.

China (Mainland)

Extent of disclosure:

Total disclosing companies: 964



In December 2025, China issued the Sustainability Disclosure Standard for Business Enterprises No. 1 – Climate (Trial), based on IFRS S2, in addition to Sustainability Disclosure Standards for Business Enterprises—Basic Standard (Trial) based on IFRS S1 that was issued earlier in 2025, currently implemented on a voluntary basis.

EU27 + EFTA

Extent of disclosure:

Total disclosing companies: 2,401



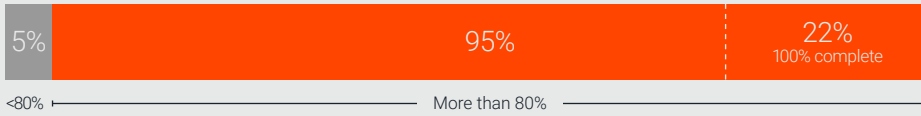
Corporate climate disclosure in the EU is mandated under the Corporate Sustainability Reporting Directive (CSRD), and companies must report using the European Sustainability Reporting Standards (ESRS). As part of the EU Omnibus simplification of the EU Sustainability requirements, EFRAG published revised and simplified ESRS and technical advice for the EC in December 2025. The EC is in the process of considering the incorporation of the technical advice and revising the ESRS.



Hong Kong, China

Extent of disclosure:

Total disclosing companies: 133

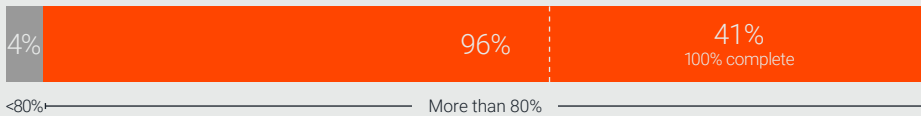


HKEx introduced enhanced climate-related disclosure requirements developed based on IFRS S2, effective from 1 January 2025. These requirements will be implemented in phases by all companies listed on HKEx, on a mandatory basis for large-cap issuers and on a comply-or-explain basis for others. Separately, the Hong Kong Institute of Certified Public Accountants issued the HKFRS S1 and HKFRS S2 in 2025, which are fully aligned with the ISSB Standards. These standards are currently voluntary, with the expected mandatory effective date no later than 2028. HKEx is expected to consult on adopting the Hong Kong standards in 2027.

Japan

Extent of disclosure:

Total disclosing companies: 1,505



SSBJ standards were released in March 2025, designed to provide outcomes functionally aligned with ISSB Standards. In February 2026, Japan FSA passed an Ordinance for mandatory application of SSBJ Standards by issuers listed in the Tokyo Stock Exchange Prime Market for fiscal years ending on or after 31 March 2027 or 31 March 2028, depending on market capitalization.

Singapore

Extent of disclosure:

Total disclosing companies: 73

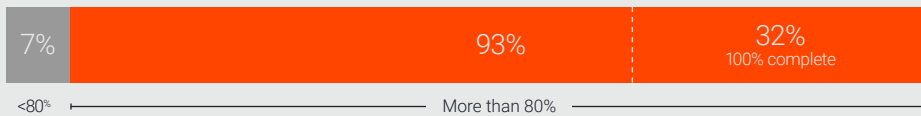


Climate requirements in ISSB Standards are being phased in for listed issuers for periods commencing on or after 1 January 2025. Disclosure of Scope 3 GHG emissions is required from FY2026 for all STI constituent listed issuers as of 30 June 2025. Disclosure of Scope 3 GHG emissions is voluntary for listed non-STI constituent listed issuers and large non-listed companies.

Türkiye

Extent of disclosure:

Total disclosing companies: 189

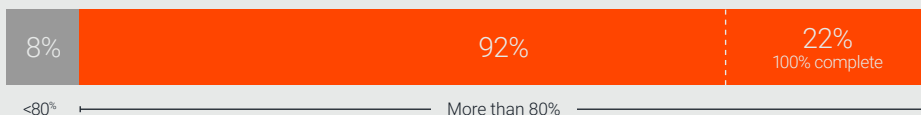


TSRS 1 and TSRS 2, which incorporated the ISSB Standards became mandatory from 2024 with a limited extension of the Scope 3 GHG emissions transition relief by two additional years in addition to the one-year relief included in IFRS S2.

United Kingdom

Extent of disclosure:

Total disclosing companies: 649



The final versions of the UK Sustainability Reporting Standards (UK SRS) were published in February 2026. UK SRS S1 and UK SRS S2 are based on IFRS S1 and IFRS S2. The Financial Conduct Authority (FCA) has consulted on aligning listed issuers’ sustainability disclosures with UK SRS and aims to publish a policy statement in autumn 2026, with the rules coming into force from January 2027.



Gaining momentum

The majority of companies are responding to climate governance-related questions, with 88% disclosing against all aligned questions on the governance processes they use to manage their climate-related risks and opportunities. Risk management disclosures are also strong, with 83% disclosing against all aligned questions, a 25% increase on the previous year.

This represents one of the most significant year-on-year response improvements across the IFRS S2-aligned questions and indicates that companies are increasingly disclosing the processes they use to identify, assess, prioritize and monitor climate-related risks and opportunities.

While gaps remain in the extent of responses against other IFRS S2 components, improvements

can still be seen. Climate-related metrics, the component with the lowest levels of complete response in 2025, saw 31% of companies disclosing against all aligned questions – a 6% increase from last year.

The findings below highlight key areas for companies to further the extent of their IFRS S2-aligned reporting as mandatory disclosure requirements approach.

Disclosure against IFRS S2 requirements globally – by core content area

Core content area	Sub-elements	0-49%	50-79%	80-89%	90-99%	100%
Governance (88% fully complete)	Governance	1%	2%	2%	7%	88%
Strategy (38% fully complete)	Climate-related risks and opportunities and financial performance	3%	4%	3%	16%	74%
	Business model, strategy and decision making	3%	7%	11%	19%	59%
	Climate resilience	41%	1%	0%	2%	55%
Risk management (83% fully complete)	Risk management	12%	1%	1%	3%	83%
Metrics and targets (30% fully complete)	Climate-related metrics	6%	14%	11%	38%	31%
	Climate-related targets	2%	5%	8%	9%	75%



How policymakers can collaborate with CDP

As more jurisdictions prepare to introduce ISSB-aligned disclosure requirements, CDP is uniquely positioned to support governments and policymakers with data and insights to assess market readiness, inform regulatory frameworks and identify opportunities for capital allocation.

CDP also provides a globally accessible platform for disclosure of IFRS S2-aligned information and a means to track its uptake across the economy.

CDP has a proven track record in scaling the adoption of disclosure frameworks and standards. For example, our 2018 questionnaire alignment was a driver behind

the mainstreaming of TCFD-aligned reporting globally, which subsequently informed the growth of mandatory sustainability reporting.



How to engage with CDP to align with ISSB

CDP is ISSB’s key global climate disclosure partner and the ISSB’s climate Standard is the foundational baseline for CDP’s climate disclosure. Together with the disclosed dataset, the questionnaire provides an effective tool to support companies on their path to IFRS S2 disclosure. By disclosing through CDP between June and October 2026, companies will be able to share environmental data aligned with IFRS S2 – as well as other important standards and frameworks – with stakeholders and the wider global market.

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