
ISSB Meeting

Date	December 2023
Project	International Applicability of the SASB Standards
Topic	Ratification of amendments to the SASB Standards
Contacts	Keertana Anandraj (keertana.anandraj@ifrs.org) Corey Walrod (corey.walrod@ifrs.org) Greg Waters (greg.waters@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Objectives

1. Pursuant to the [International Applicability of the SASB Standards](#) project, this paper's objectives are:
 - (a) to seek ratification by the ISSB of amendments to the SASB Standards;
 - (b) to seek ratification of the related updates to the digital SASB Standards Taxonomy; and
 - (c) to ask the ISSB to confirm it is satisfied that it has complied with the applicable due process requirements to publish the updated SASB Standards.
2. The SASB Standards Board Advisor Group has amended the SASB Standards to enhance their international applicability and recommends these amendments to the ISSB for ratification.¹
3. The SASB Standards Board Advisor Group also recommends that the ISSB ratify related updates to the SASB Standards Taxonomy to reflect these proposed amendments.
4. Ratifying the amended SASB Standards and the SASB Standards Taxonomy updates requires the same level of support from ISSB members as is required for any other ISSB standard (nine members in favour). An ISSB member may dissent from ratifying the updated SASB Standards. In that case, the dissent and the member's reasons for doing so will be stated in the Basis for Conclusions.
5. Following ratification, the staff will finalise the amended SASB Standards to prepare for publication and update the SASB Standards Taxonomy.

Papers for this meeting

6. The papers presented for discussion at this meeting are:
 - (a) Agenda Paper 8A—*Ratification of amendments to the SASB Standards* (this staff paper); and
 - (b) Agenda Paper 8B—*Draft of the Basis for Conclusions on Enhancing the International Applicability of the SASB Standards* (Basis for Conclusions).

¹ Further information regarding the process by which the ISSB maintains the SASB Standards can be found in the [IFRS Foundation Trustees Meeting Summary](#) [pdf], October 2022.

Background

7. The ISSB has responsibility for maintaining and enhancing the SASB Standards. IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires preparers to consider the SASB Standards in identifying sustainability-related risks and opportunities and in developing related disclosures, if no relevant IFRS Sustainability Disclosure Standard is available.² Entities should be able to use the relevant metrics in the SASB Standards regardless of the jurisdiction in which they operate or the generally accepted accounting principles or practices (GAAP) they use in preparing their financial statements.
8. The project on the International Applicability of the SASB Standards was launched to amend jurisdiction-specific terms of reference in the SASB Standards that limited their suitability in all jurisdictions. Part of this project, the [Methodology for Enhancing the International Applicability of the SASB[®] Standards and SASB Standards Taxonomy Updates](#) (Methodology Exposure Draft) proposed a targeted procedure for the ISSB to amend the non-climate-related metrics in the SASB Standards to enhance their international applicability. The climate-related metrics in the SASB Standards were amended in June 2023 in connection with the issuance of IFRS S2 *Climate-related Disclosures*.
9. The amendments to the non-climate-related SASB Standards developed under this project sought to retain the structure, completeness and original intention of the metrics as much as possible while maintaining their decision-usefulness for users of general purpose financial reports and preserving their cost-effectiveness for new and current users of the SASB Standards. Further background, procedural details and illustrative examples of the Methodology can be found in the March 2023 ISSB Meeting [Agenda Paper 8 International Applicability of the SASB Standards](#), the Methodology Exposure Draft and the draft Basis for Conclusions accompanying this staff paper.
10. The ISSB ratified the publication of the Methodology Exposure Draft in April 2023 for a 90-day comment period. In May 2023, the ISSB published the Methodology Exposure Draft. The comment period ended on 9 August 2023. The ISSB received 148 comment letters and surveys in response to the Methodology Exposure Draft.
11. The staff presented a preliminary analysis of the feedback on the Methodology Exposure Draft to the ISSB on 14 September 2023. During that session, the SASB Standards Board Advisor Group reviewed the project progress and schedule but made no recommendations to the ISSB for ratification.
12. After considering stakeholder feedback and reviewing the application of the methodology, the SASB Standards Board Advisor Group approved the proposed amendments to the SASB Standards on 5 October 2023. The ISSB discussed the decisions made by the SASB Standards Board Advisor Group at its meeting on 25 October 2023.
13. Documents detailing the marked-up revisions in the SASB Standards were published on 11 October 2023 to help stakeholders familiarise themselves with the pending changes.
14. The draft of a Basis for Conclusions accompanying this staff paper describes the rationale for the proposed amendments to the SASB Standards, related updates to the digital SASB Standards Taxonomy and responses to stakeholder feedback on the Methodology Exposure Draft. Should the ISSB ratify the amendments to the SASB Standards, the Basis for Conclusions document will be finalised and issued alongside the final amendments to the SASB Standards.

² The ISSB decided to introduce a transition relief in IFRS S1 to allow an entity to report only climate-related risks and opportunities (as set out in IFRS S2 *Climate-related Disclosures*) in the first year it applies IFRS S1 and IFRS S2. Disclosures on other sustainability-related risks and opportunities information would be required in the second year when applying the two Standards. [IFRS - Supplementary ISSB Update April 2023](#).

SASB Standards Board Advisor Group Recommendations

15. The SASB Standards Board Advisor Group recommends that the ISSB:
- (a) agree that the re-exposure of the Methodology Exposure Draft is unlikely to reveal any new information or concerns not already considered and is therefore unnecessary;
 - (b) ratify the proposed amendments to the SASB Standards made in accordance with the methodology and informed by stakeholder feedback;
 - (c) update the digital SASB Standards Taxonomy to reflect the amended SASB Standards as proposed in the Methodology Exposure Draft; and
 - (d) make the updated SASB Standards effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted.
16. The SASB Standards Board Advisor Group considered whether to re-expose the proposals in accordance with the criteria in the IFRS *Due Process Handbook* (paragraphs 6.25-6.27). The SASB Standards Board Advisor Group considers re-exposure unnecessary. The SASB Standards Board Advisor Group is satisfied that re-exposure is unlikely to reveal any new information not already considered and recommends that the proposed amendments to the SASB Standards should be ratified.

Confirmation of due process steps

17. The staff note that the ISSB has undertaken the necessary due process steps to date to issue amendments to the SASB Standards. Appendix A of this paper summarises the due process steps.
18. The Appendix in the accompanying Basis for Conclusions lists the metrics in the SASB Standards subject to amendment, removal or replacement under the methodology.

Questions for the ISSB

1. Does the ISSB agree that re-exposing the Methodology Exposure Draft is unnecessary?
2. Does the ISSB agree to ratify the proposed amendments to the SASB Standards?
3. Does the ISSB agree to ratify the related updates to the SASB Standards Taxonomy?
4. Does the ISSB confirm that it is satisfied it has complied with the applicable due process steps?

Appendix A— Actions taken to meet the due process requirements

- A1. For further details regarding the approved due process for the ISSB to maintain, enhance and improve the SASB Standards with the support of the SASB Standards Board Advisor Group, please refer to the October 2022 IFRS Foundation Trustees [Meeting Summary](#).
- A2. Table A1 lists the necessary due process steps for developing the amendments to the SASB Standards, and the actions that will satisfy these steps if the ISSB decides to ratify the amended SASB Standards.

Table A1. Due process steps for the amended SASB Standards

Drafting	Actions
The ISSB publishes the Methodology Exposure Draft for an appropriate comment period.	The ISSB set a 90-day comment period at its April 2023 meeting.
The ISSB posts all the comment letters that are received in relation to the Methodology Exposure Draft on the project pages.	All comment letters received by the ISSB (148 comment letters and completed surveys) have been posted on the project website here: IFRS - Exposure Draft and comment letters: Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates
The ISSB considers recommendations from the SASB Standards Board Advisor Group based on feedback from the Methodology Exposure Draft in an ISSB meeting	The ISSB considered this topic in public at its September 2023 and October 2023 meetings.
The ISSB considers recommendations from the SASB Standards Board Advisor Group whether re-exposure of the Methodology Exposure Draft is needed.	The ISSB will consider the topic in public at its December 2023 meeting.
The ISSB considers recommendations from the SASB Standards Board Advisor Group in an ISSB meeting and ratifies the amendments to the SASB Standards, the associated updates to the SASB Standards Taxonomy and accompanying Basis for Conclusions	The ISSB will consider the topic in public at its December 2023 meeting.
Finalisation	
The ISSB reviews the due process steps	This paper asks the ISSB to review the due process steps.
Publication	
Updated SASB Standards published	The updated SASB Standards will be made available online when published.
News release to announce the publication of the updated SASB Standards	A news release will be published notifying the public of the updated SASB Standards.