Sustainability Standards Advisory Forum meeting

Date: July 2023

Project: Industry Based Approach

Topic: ISSB’s proposed methodology to enhance international applicability of SASB Standards

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To discuss the International Sustainability Standards Board's (ISSB) current Exposure Draft on the proposed methodology to enhance international applicability of SASB Standards

We welcome SSAF members views and insight on engagements with stakeholders in your jurisdiction on the proposed Methodology Exposure Draft to enhance the international applicability of the SASB Standards
Methodology Exposure Draft overview

Focus on revising jurisdiction-specific non-climate SASB content

1. Methodology to enhance international applicability of non-climate-related metrics
2. Climate-related topics & metrics updated in the *Industry-based Guidance on Implementing IFRS S2* published when IFRS S2 was issued

Project focuses removing and replacing jurisdiction-specific terms of references without significantly altering industries, topics or metrics

First step in enhancing international applicability to help preparers implement IFRS S1
Project overview

• Methodology Exposure Draft out for public comment on process and methodology

• 90-day public consultation period began May 2023 and ends 9 August 2023

• Will enable updates to these materials to support IFRS S1 implementation for 1 January 2024 effective date

• Market feedback supports removal of jurisdiction-specific terms of references

• ISSB will publish marked-up drafts of proposed changes for public ‘fatal flaw’ review before implementing changes
Methodology Exposure Draft - SASB international applicability

Methodology objectives and constraints

- Identify metrics with substantive jurisdiction-specific terms
- Improve global usefulness & ease of application cost-effectively
- Preserve original metric structure and intent (current users)
- Use five cascading revision approaches and in combination
- Remove & replace jurisdiction-specific references narrowly

First step in the longer-term ISSB effort
Public comment period open until 9 August 2023
Applying the methodology (~200 metrics identified)

Share of metrics w/ substantive int’l challenges, by sector

- Technology & Communications
- Renewable Resources & Alternative Energy
- Resource Transformation
- Consumer Goods
- Food & Beverage
- Services
- Transportation
- Infrastructure
- Extractives & Minerals Processing
- Financials
- Health Care

The chart shows the percentage of metrics with substantive international challenges by sector. Health Care has the highest share, followed by Financials. The other sectors have progressively lower shares as the chart moves down.
Share your feedback

on ISSB’s proposed methodology to enhance the international applicability of the SASB Standards

Comments due by 9 August 2023