
Sustainability Standards Advisory Forum meeting

Date **October 2024**

Topic **Enhancing the SASB Standards**

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Purpose of this session

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To provide SSAF members with an update from the ISSB technical staff regarding future enhancements to the SASB Standards and detail areas where staff is seeking input

We will be particularly interested in the SSAF assisting in ensuring the international applicability of the SASB Standards as part of the enhancement work

Ongoing input from SSAF members

Suggested enhancements to the ISSB's initial priority SASB Standards?

The Sustainable Industry Classification System[®] (SICS[®])?

Other enhancements that the ISSB should prioritise in future phases of enhancements to SASB Standards?

SSAF touchpoints and feedback

- Previous SSAF feedback has informed:
 - Overall objective of SASB enhancements work
 - ISSB's prioritisation approach (industries, overlap with work of other standard-setters, etc)
 - Staff recommendations regarding initial priority industries
- Looking ahead, staff aims to engage the SSAF in various aspects of the project
 - Input on priority industries
 - SICS enhancements
 - Future priorities
- Staff is soliciting input directly from the SSAF members and their relevant stakeholders (e.g. preparers & investors in your jurisdiction)

Background

- The ISSB has prioritised enhancing the SASB Standards in its 2024 – 2026 work plan
- Overall objective of SASB enhancements is to **support the high-quality implementation of IFRS S1 and IFRS S2 in a timely manner**
- The ISSB has discussed SASB enhancements at several recent meetings:
 - In May 2024, the ISSB decided to **continue with current sustainability-related approach to industry groupings** (as represented by SICS®) and research potential enhancements to SICS while considering potential for enhancements
 - In June 2024, the ISSB discussed how to prioritise enhancements to the SASB Standards
 - In July 2024, the ISSB decided on an **initial set of research and standard-setting activities** for SASB enhancements (see next slide)

Enhancing the SASB Standards: workstreams

Phase I – initial priority industries

Extractives & Minerals Processing sector



Oil & Gas (four industries)
Metals & Mining
Construction Materials
Iron & Steel Producers
Coal Operations



Infrastructure sector

Electric Utilities & Power Generators



Food & Beverage sector*

Agricultural Products
Processed Foods
Meat, Poultry & Dairy

**subject to ISSB and stakeholder capacity*

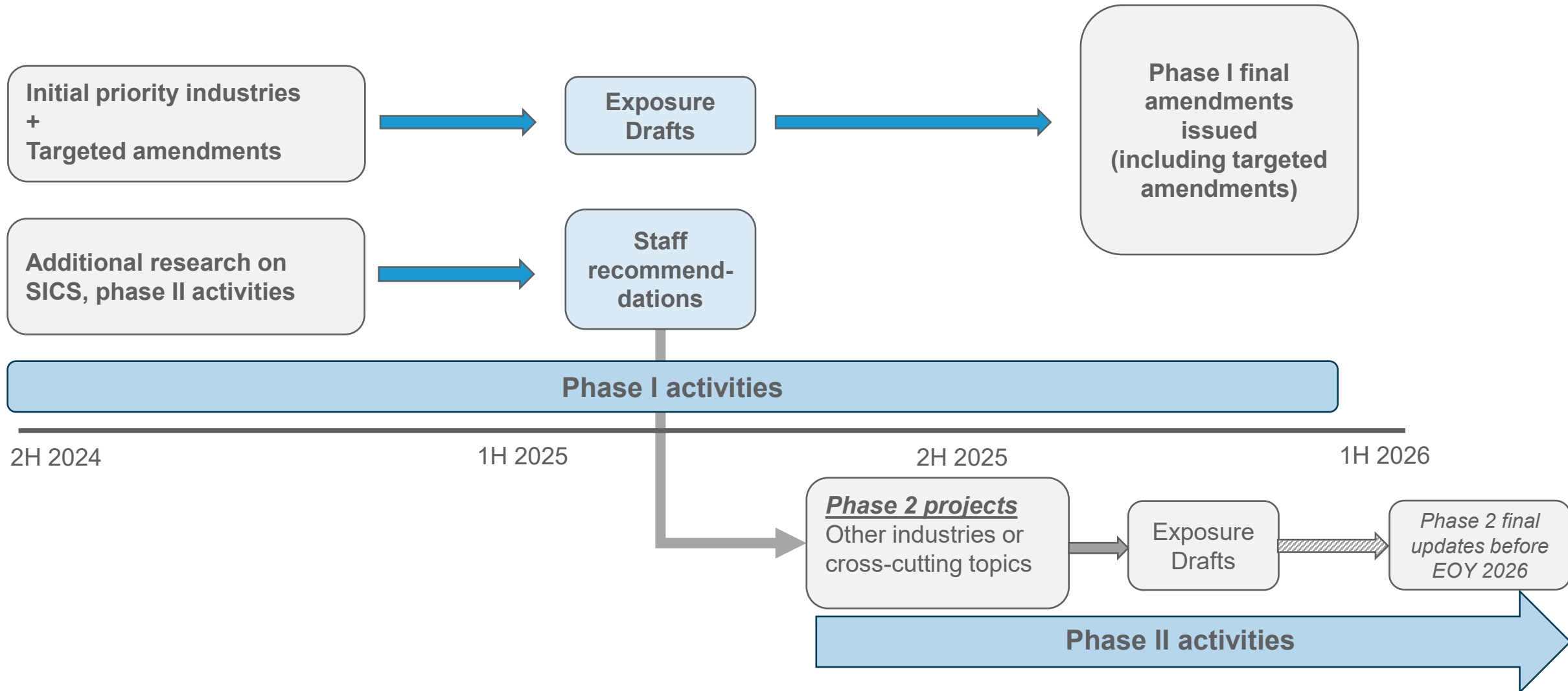
Targeted amendments

- In addition to priority industries, the ISSB will also consider amendments to other SASB Standards to maintain consistency of metrics across different industries, where appropriate

Phase II priorities

- The ISSB is **seeking input on which additional industries or topics in the SASB Standards should be prioritised** in the next phase of work, including enhancements to SICs®
- Staff targeting launch of second phase of enhancements during **1H 2025**

SASB enhancements: timeline for two-year work plan



Relationship between SASB enhancements and research projects

Overlapping content

- Phase I industries were selected in part by relevance to research projects

Coordinated approach

- Feedback loop between research workstreams

Build on existing frameworks

- Use existing frameworks and SASB Standards as a starting point for analysis of HC and BEES

Synergy in outputs

- Enhanced SASB Standards will include updates to BEES/HC topics – feedback will inform research projects and other industries

Research questions for initial priority industries

For each of the 12 priority SASB Standards, the staff will engage the SSAF for input on the following:



Does the **industry description** accurately capture the business model and activities of a typical company in this industry in your jurisdiction? If not, why not and what changes are recommended?



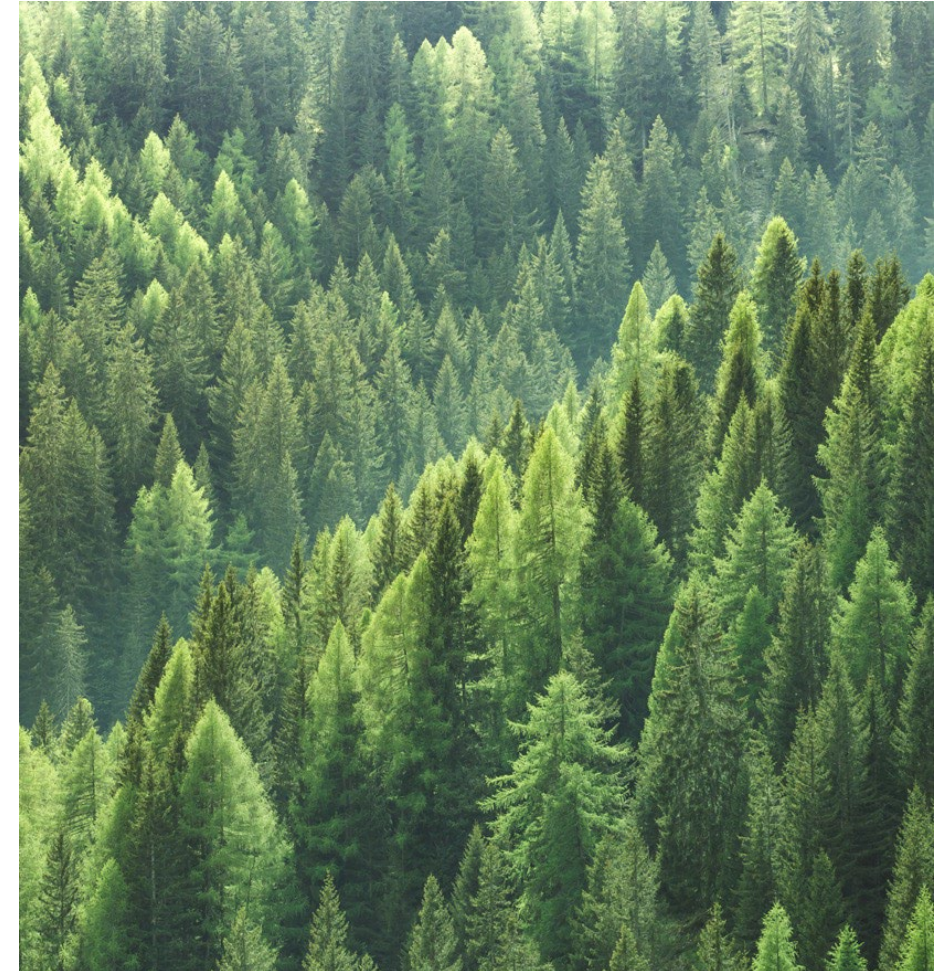
Do the disclosure topics accurately capture the **sustainability-related risks and opportunities** that are likely to affect an entity's prospects in your jurisdiction? If not why not and what changes are recommended?



Are any of the **metrics** inapplicable, not decision-useful for investors or difficult to apply in your jurisdiction? Please explain.

Additional research questions

- **SICS Enhancements**
 - Are there enhancements to the industry groupings in SICS that the ISSB should consider (outside of the initial priority industries)?
- **Phase II priorities**
 - What industries or topics should the ISSB prioritise in its next phase of SASB enhancements work? Why?



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