
ISSB Meeting

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| Date | June 2025 |
| Project | Enhancing the SASB Standards |
| Topic | Ratification of proposed amendments to the SASB Standards |
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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*.

Purpose

1. In this paper, the staff requests that the International Sustainability Standards Board (ISSB):
 - (a) ratify an exposure draft of proposed amendments to the SASB Standards (the SASB Exposure Draft);
 - (b) set a 120-day comment period for the SASB Exposure Draft;
 - (c) propose an effective date for the amendments to the SASB Standards of between 12 and 18 months after their issuance and permit early application (with the actual effective date to be determined in redeliberations after considering stakeholder feedback); and
 - (d) confirm it is satisfied that the ISSB has complied with the applicable due process requirements to publish the SASB Exposure Draft.

2. The SASB Standards Board Advisers¹ have developed the proposed SASB Exposure Draft and recommend that the ISSB ratify it. In accordance with the due process agreed upon by the IFRS Foundation Trustees' Due Process Oversight Committee, the SASB Exposure Draft is presented to the full ISSB for ratification at this meeting. A near-final draft of the Basis for Conclusions that accompanies the Exposure Draft is separately presented as Agenda Paper 6C and a near-final draft of the SASB Exposure Draft itself is separately presented as Agenda Paper 6D.²
3. Ratifying the SASB Exposure Draft requires the same level of support from ISSB members as is required for any other ISSB exposure draft (nine members in favour). An ISSB member may dissent from ratifying the SASB Exposure Draft. If that is the case, the dissent and the member's reasons for doing so will be stated in the approvals section of the Exposure Draft.
4. If the SASB Exposure Draft is ratified, the staff will finalise the SASB Exposure Draft to prepare for its publication by the ISSB.

Structure of paper

5. The paper is structured as follows:
 - (a) Background;
 - (b) Ratification of proposed amendments to the SASB Standards;
 - (c) Length of comment period;

¹ The IFRS Foundation developed due process requirements that enable the ISSB to use its resources efficiently when developing proposed amendments to the SASB Standards. In particular, the due process for the SASB Standards allows the ISSB to use a subset of the ISSB, the SASB Standards Board Adviser Group, to develop amendments to the SASB Standards for ratification by the ISSB. To date, the SASB Standards Board Adviser Group has comprised five ISSB members. The staff works with this group of ISSB members in developing proposed amendments to the SASB Standards. The staff can also bring matters to the full board for discussion in public meetings and has done so on multiple occasions during the development of these proposed amendments.

² These 'near final' drafts of the Exposure Draft and accompanying Basis for Conclusions remain subject to editorial review and other quality assurance processes. For example, ISSB members may notice that not all cross-references between the documents have been updated and finalised.

- (d) Proposed effective date for the amendments;
- (e) Confirmation of due process steps;
- (f) Next step; and
- (g) Appendix A—summary of due process steps.

Background

6. As outlined in [Agenda Paper 6 for the July 2024 ISSB meeting](#), the ISSB has prioritised 12 industries as a part of an initial phase of enhancements to the SASB Standards in its 2024-2026 work plan. As detailed further below, the SASB Exposure Draft includes proposed amendments to nine of the 12 prioritised industries, with an exposure draft of the remaining three industries planned for Q4 2025.
7. The SASB Exposure Draft will also propose ‘targeted amendments’ to another 41 SASB Standards to maintain consistent disclosures for the same topics in different SASB Standards where appropriate. The proposed targeted amendments result from the proposed amendments to the nine priority industries that affect metrics occurring frequently in other SASB Standards, including for example, those relating to water management and workforce health and safety.
8. Additional research is also being conducted into which industries or topics should be prioritised in a second phase of work during the ISSB’s two-year work plan, including specific enhancements that could be made to the Sustainable Industry Classification System[®] (SICS).³

³ See Agenda Papers [6A](#) and [6B](#) from the ISSB’s May 2024 meeting for more information regarding SICS and the staff’s analysis of how industry classification systems relate to the ISSB’s standard-setting. As described in the [May 2024 ISSB Update](#), at that meeting the ISSB decided (a) to continue to group entities into industries based on shared sustainability-related risks and opportunities that could reasonably be expected to affect an entity’s prospects, as represented by SICS, for the ISSB’s next two-year work plan and (b) to consider enhancing the industry groupings when it enhances the SASB Standards.

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9. Since project launch in July 2024, the development of the SASB Exposure Draft has been shaped by the ISSB's discussions about how to approach developing the proposed amendments. The staff have engaged a diverse group of stakeholders and conducted desk research to identify areas of potential improvements in the SASB Standards in line with the project objectives described in the [July 2024 paper](#). The staff also provided the ISSB with preliminary feedback from its engagements in a project [update](#) at the ISSB's December 2024 meeting and heard input from the ISSB for how to account for the stakeholder feedback in developing the SASB Exposure Draft.
10. At the ISSB's March 2025 meeting, the ISSB further discussed how to develop the SASB Exposure Draft.⁴ The discussion included:
- (a) how proposed amendments to the SASB Standards could best support application of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*; and
 - (b) whether the ISSB should publish additional guidance regarding the use of SASB Standards as a source of guidance for applying IFRS S1.
11. At the ISSB's May 2025 meeting, the ISSB discussed the contents and format of the SASB Exposure Draft, including questions to include in the Invitation to Comment. The ISSB discussed the variety of ways in which stakeholders might wish to engage with the content.⁵ The ISSB also received a preview of educational material regarding how preparers can use the ISSB's sources of industry-based guidance, including the SASB Standards, when applying IFRS S1 and IFRS S2 *Climate-related Disclosures*. This educational material is intended to be published around the time of publication of the SASB Exposure Draft.

⁴ See [Agenda Paper 6](#) from the ISSB's March 2025 meeting for more information.

⁵ See [Agenda Paper 6](#) from the ISSB's May 2025 meeting for more information.

Ratification of proposed amendments to the SASB Standards

Description of the SASB Exposure Draft

12. The SASB Exposure Draft contains proposed amendments to nine SASB Standards:

(a) all eight SASB Standards in the Extractives sector, comprising:

- (i) *Coal Operations*;
- (ii) *Construction Materials*;
- (iii) *Iron & Steel Producers*;
- (iv) *Metals & Mining*;
- (v) *Oil & Gas – Exploration & Production*;
- (vi) *Oil & Gas – Midstream*;
- (vii) *Oil & Gas – Refining & Marketing*;
- (viii) *Oil & Gas – Services*; and

(b) the *Processed Foods* SASB Standard.

13. The SASB Exposure Draft also includes proposed targeted amendments to a further 41 SASB Standards (covering industries in most of the SICS sectors) to maintain consistent disclosures for the same topics in different SASB Standards when appropriate. The proposed targeted amendments relate to metrics associated with the following topics:

- (a) greenhouse gas emissions;
- (b) energy management;
- (c) water management;
- (d) labour practices; and
- (e) workforce health & safety.

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14. The SASB Exposure Draft contains the ISSB's Invitation to Comment and is accompanied by a Basis for Conclusions, which provides the rationale for the proposed amendments.

Recommendation of the SASB Standards Board Adviser Group

15. The SASB Standards Board Advisers recommend that the ISSB ratify the SASB Exposure Draft and accompanying Basis for Conclusions. The SASB Standards Board Advisers believe that the proposed amendments:
- (a) ensure that the disclosure topics and associated metrics in the SASB Standards will continue to help preparers disclose material information about sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports;
 - (b) strengthen the connections between the SASB Standards and IFRS Sustainability Disclosure Standards, particularly IFRS S1, by further aligning concepts and terminology;
 - (c) improve the international applicability of industry groupings, disclosure topics and associated metrics; and
 - (d) improve interoperability with other sustainability-related standards and frameworks, while ensuring that such enhancements meet the information needs of investors and are consistent with the remit and focus of the ISSB and IFRS Sustainability Disclosure Standards.
16. The SASB Standards Board Advisers believe that, in ratifying these proposed amendments, the ISSB would further the project objective of supporting the high-quality implementation and application of IFRS S1 and IFRS S2.

Length of comment period

17. As part of the due process steps for developing an Exposure Draft, the ISSB decides an appropriate comment period for the Exposure Draft. The IFRS Foundation's *Due Process Handbook* states that the ISSB normally allows a minimum period of 120 days for comment on an exposure draft.
18. The staff recommends that the ISSB set a 120-day comment period for the SASB Exposure Draft, consistent with the IFRS Foundation's *Due Process Handbook*.
19. The staff notes that some stakeholders have expressed an interest in a comment period longer than 120 days. In setting the comment period for the SASB Exposure Draft, the staff thinks that the ISSB needs to strike a balance between the need to:
 - (a) allow stakeholders sufficient time to consider the proposals and provide feedback to the ISSB; and
 - (b) finalise any amendments to the SASB Standards on a timely basis to provide support to those that are using or are in the process of implementing IFRS S1 and IFRS S2.
20. In making this recommendation, the staff weighed the following considerations:
 - (a) the objective of the project, which is to support the high-quality implementation and application of IFRS S1 and IFRS S2 through timely enhancements to the SASB Standards;
 - (b) the status of the SASB Standards, which serve as an important, but non-mandatory, source of guidance for applying IFRS S1;
 - (c) the implications for the *Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures*, given that many entities are already in the process of implementing ISSB Standards;

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- (d) the fact that the SASB Standards were last comprehensively updated in 2018,⁶ such that proposed amendments are needed to reflect evolution in the sustainability-related risks and opportunities that entities face in different industries and how entities can best provide decision-useful, material information about those sustainability-related risks and opportunities for users of general purpose financial reports;
 - (e) this is only the first phase of enhancements to the 77 SASB Standards, so a 120-day comment period would enable these proposed amendments to be finalised in a timely manner while moving on to further phases of work covering more SASB Standards;
 - (f) the proposed amendments include nature- and human-capital-related disclosure topics and metrics, therefore, a 120-day comment period would enable this information to be available for consideration for the ISSB's Biodiversity, Ecosystems, and Ecosystem Services (BEES) and human capital research projects on a timely basis;
 - (g) stakeholders need to be given sufficient time to consider the proposals given the variety of topics on which the ISSB is consulting and the amount of content in the SASB Exposure Draft;
 - (h) there will be considerable variation in the extent to which stakeholders will engage with the SASB Exposure Draft, as described in the Agenda Paper for the May 2025 ISSB meeting,⁷ with some focused only on a particular industry and others commenting on most or all of the proposals; and
 - (i) the fact that some stakeholders will need time to translate the SASB Exposure Draft to facilitate engagement, as discussed by the ISSB during the May meeting.

⁶ Since then, all or nearly all industry Standards have been amended to some extent, with a few of those amendments having been approved by the SASB Standards Board and the rest having come under the ISSB. Most of these amendments involved narrow-scope amendments to the SASB Standards to enhance their international applicability.

⁷ See paragraphs 13 and 14 in [Agenda Paper 6](#) from the ISSB's May 2025 meeting for more information.

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21. The staff expect that many stakeholders around the world will be interested in the SASB Exposure Draft, so it will be important to ensure that translated versions of the SASB Exposure Draft are available on a timely basis and that we make efforts directly and in conjunction with others (such as national standard-setters and regulators) to raise awareness of the SASB Exposure Draft.
 22. The staff also notes that, as a result of the ratification process, stakeholders can use the near-final Basis for Conclusions and SASB Exposure Draft, separately presented as Agenda Papers 6C and 6D for this meeting, to prepare for the upcoming consultation. The current published versions of the SASB Standards can be used to prepare to answer the broader questions posed in the Invitation to Comment, including on the suitability of the disclosure topics and associated metrics for a particular industry.
 23. Furthermore, as noted in the May 2025 ISSB meeting, the use of an online survey for soliciting comments and provision of supplemental reference materials will support respondents in navigating the content of the SASB Exposure Draft and focusing on the content and questions that they are interested in providing comments on.
 24. Overall, the staff believes that a 120-day comment period strikes an appropriate balance between ensuring robust feedback from stakeholders and progressing the project in a timely manner.

Proposed effective date for the amendments

25. An ISSB Standard, including an amendment to an ISSB Standard, has an effective date and (if necessary) transition requirements. The effective date is set so that jurisdictions have sufficient time to incorporate the new requirements into their legal systems and so that those applying the Standards have sufficient time to prepare for the new requirements (see paragraph 6.35 of the IFRS Foundation's *Due Process Handbook*).

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26. The current version of the SASB Standards is effective for all entities for annual periods beginning or after January 1, 2025. Early application is permitted.
27. The staff recommends that in the SASB Exposure Draft the ISSB propose to set an effective date for the amendments to the SASB Standards of between 12 and 18 months after their issuance, and to permit early application to enable an entity to apply the amendments before the effective date of the amendments. However, in the staff's view, the exact effective date of the amendments would be best determined after the ISSB has exposed and considered the feedback on the proposed amendments and when the timing of publication of any final amendments can be more precisely determined.
28. The benefits of an effective date of between 12 and 18 months after the issuance of the amendments include the following:
- (a) many preparers are either already applying the SASB Standards, or are in the process of applying them as part of their application of IFRS S1, and require time to prepare for changes;
 - (b) the proposed amendments to the priority industries are extensive, and therefore preparers in those industries might need time to adjust their internal controls and processes and to obtain new information;
 - (c) jurisdictions that refer to the SASB Standards, including those who refer to translated versions of the SASB Standards, need time to prepare to incorporate any amendments; and
 - (d) the option of early application will allow preparers to use the amended SASB Standards from the time of publication, which will support the implementation of IFRS S1.
29. If the ISSB agrees with the above recommendations regarding the effective date of the amendments, this view would be set out in the Basis for Conclusions to the SASB Exposure Draft and stakeholders would be asked for feedback on the appropriate effective date and whether they agree that early application should be permitted. This

feedback would inform the ISSB's determination of the effective date during redeliberations of the proposals.

Confirmation of due process steps

30. When the ISSB assumed responsibility for the SASB Standards, it was focused on the development of IFRS S1 and IFRS S2. The SASB Standards are separate from IFRS Sustainability Disclosure Standards and entities are not required to *apply* the SASB Standards to assert compliance with IFRS Sustainability Disclosure Standards. However, an entity applying IFRS S1 is required to *refer to and consider* the applicability of the SASB Standards when identifying sustainability-related risks and opportunities and in identifying appropriate disclosures.
31. Because of the unique content and status of the SASB Standards, it was necessary for the IFRS Foundation to establish an appropriate due process for their continued maintenance and enhancement. The due process established for the SASB Standards thus requires the ISSB, which has responsibility for the strategic direction of the SASB standards, to make decisions in public meetings when finalising or proposing changes to the SASB Standards, just as it does for IFRS Sustainability Disclosure Standards. Furthermore, the ISSB is required to expose any proposed revisions to the SASB Standards for public comment, as is the case with IFRS Sustainability Disclosure Standards. The due process requirements related to an Exposure Draft of proposed amendments to SASB Standards, including the required comment period, are also identical to those for IFRS Sustainability Disclosure Standards.
32. A supermajority of board members is required to ratify any exposure draft or amendment—the same amount of support as is required for an amendment to an IFRS Sustainability Disclosure Standard. The ISSB ratifies amendments and proposed amendments to the SASB Standards in public meetings.

33. The staff believes that the ISSB has undertaken the necessary due process steps to date to publish the SASB Exposure Draft. Appendix A summarises the due process steps.

Next Step

34. If the ISSB ratifies the SASB Exposure Draft in this meeting, the staff is targeting publication of the SASB Exposure Draft and the accompanying Basis for Conclusions in early July.

Questions for the ISSB

35. The staff presents the following questions for the ISSB.

Questions for the ISSB

1. **General**—Does the ISSB have any comments or clarifying questions on the matters discussed in this paper?
2. **Ratification**—Does the ISSB agree to ratify the Exposure Draft of proposed amendments to the SASB Standards?
3. **Dissent**—Does any ISSB member dissent with ratification of the Exposure Draft of proposed amendments to the SASB Standards? If so, on what grounds?
4. **Comment period**—Does the ISSB agree with the staff recommendation to set a comment period of 120 days?
5. **Proposed effective date**—Does the ISSB agree with the staff recommendation to propose an effective date of between 12 and 18 months after the issuance of the amendments and to propose permitting early application of the amendments?
6. **Due process**—Does the ISSB confirm it is satisfied that it has complied with the applicable due process steps?

Appendix A: summary of due process steps

- A1. For details regarding the due process for the ISSB's maintenance of the SASB Standards, refer to the [October 2022 IFRS Foundation Trustees Meeting Summary](#) and [accompanying staff paper](#).
- A2. Table A1 lists the necessary due process steps for developing the SASB Exposure Draft, and the actions that satisfy these steps.

Table A1—Summary of due process steps

| Steps | Actions |
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| Development | |
| The ISSB is responsible for the maintenance of the SASB Standards and strategic considerations related to how the SASB Standards support the application of IFRS Sustainability Disclosure Standards. | <p>The ISSB:</p> <ul style="list-style-type: none"> a) agreed that the enhancement of the SASB Standards would be part of its 2024-2026 work plan at its March 2024 meeting; b) agreed on an approach to enhancing industry groupings at its May 2024 meeting; c) discussed how to prioritise enhancements to the SASB Standards at its June 2024 meeting; and d) agreed on a project scope and approach, including the priority industries and targeted amendments, at its July 2024 meeting. |
| The ISSB is assisted in its work by a group of three to five ISSB members referred to as the SASB Standards Board Adviser Group (Group). The ISSB can use the Group to | The ISSB: |

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| develop for ratification by the ISSB exposure drafts of amendments to the SASB Standards. | <ul style="list-style-type: none"> a) directed the Group to work with the ISSB technical staff to develop the SASB Exposure Draft; b) discussed preliminary feedback from stakeholders at the ISSB's December 2024 meeting and discussed the approach to developing the SASB Exposure Draft at its March 2025 meeting; and c) discussed the content of the SASB Exposure Draft, associated educational materials and approach to consultation at its May 2025 meeting. |
| The ISSB considers recommendations from the SASB Standards Board Adviser Group in a meeting and ratifies the SASB Exposure Draft. | <p>The Group has reviewed the SASB Exposure Draft and has recommended that the ISSB ratify the Exposure Draft.</p> <p>The ISSB will consider the topic at its June 2025 meeting.</p> |
| Finalisation | |
| Due process steps reviewed by the ISSB. | This paper asks the ISSB to review the due process steps. |
| The SASB Exposure Draft has an appropriate comment period. | This paper asks the ISSB to set the comment period. |
| Drafting | |
| Drafting quality assurance steps are adequate. | The appropriate teams (including Editorial) have or will review the SASB Exposure Draft. |
| Publication | |

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| Exposure Draft published | The SASB Exposure Draft will be made available on the project website when published. |
| News release to announce the publication of the Exposure Draft | A news release will be published on the IFRS Foundation website with the SASB Exposure Draft. |