
ISSB Meeting

Date	May 2025
Project	Enhancing the SASB Standards
Topic	Update on project activities and approach
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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 provides an update on the project to enhance the SASB Standards, including a preview of the structure of the forthcoming exposure draft of proposed amendments to the SASB Standards and related accompanying materials.
2. Although we are not seeking any decisions from the International Sustainability Standards Board (ISSB), the purpose of this paper is to elicit feedback from the ISSB on the structure of the exposure draft to inform the finalisation for subsequent ratification by the ISSB.

Structure of paper

3. The paper is structured as follows:
 - (a) Background;
 - (b) Format of exposure draft and related considerations;
 - (c) Educational material regarding the SASB Standards; and
 - (d) Next steps.

Background

4. An exposure draft ('ED') of proposed amendments to a set of nine SASB Standards is currently being prepared. An exposure draft of proposed amendments to a further three SASB Standards will be prepared later in 2025. As outlined in [Agenda Paper 6 for the July 2024 ISSB meeting](#), the ISSB has prioritised these 12 industries as a part of an initial phase of enhancements to the SASB Standards in its 2024-2026 work plan.
5. The ISSB will also propose targeted amendments to other SASB Standards (beyond the 12 industries) to maintain consistent disclosures for common topics across industries, where relevant. Such targeted amendments would affect a variety of metrics and disclosures that appear throughout the SASB Standards, including those relating to water management, energy management and workforce health and safety.
6. 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).¹
7. Since project launch in July 2024, we 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 provided the ISSB with the 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 ED.
8. At the ISSB's March 2025 meeting, the ISSB discussed the approach taken to develop proposed amendments to the SASB Standards. The discussion included:

¹ 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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- (a) how proposed amendments to the SASB Standards could best support application of IFRS S1;
 - (b) whether the ISSB should publish additional guidance regarding the use of SASB Standards as a source of guidance for applying IFRS S1; and
 - (c) questions that the ISSB could ask its stakeholders in the Invitation to Comment for the ED, including whether to change the description of the SASB Standards to ‘ISSB Industry-based Guidance’ (or similar) when a complete Standard has been subject to consultation (in the manner proposed for the nine prioritised Standards in the forthcoming ED). As noted in the [March 2025 agenda paper](#), this question would not involve changing the non-mandatory status of the SASB Standards in the ISSB’s materials, but rather be a means of differentiating for the market the SASB Standards that have been subject to public consultation consistent with the IFRS Foundation due process and to reinforce its nature as non-mandatory guidance that serves as illustrative material to support the application of the ISSB Standards.
9. We anticipate bringing a proposed exposure draft to the ISSB for ratification in June 2025. The exposure draft will contain proposed amendments for the following areas:
- (a) all eight SASB Standards in the Extractives sector, comprising:
 - (i) the *Coal Operations* SASB Standard;
 - (ii) the *Construction Materials* SASB Standard;
 - (iii) the *Iron & Steel Producers* SASB Standard;
 - (iv) the *Metals & Mining* SASB Standard;
 - (v) the *Oil & Gas – Exploration & Production* SASB Standard;
 - (vi) the *Oil & Gas – Midstream* SASB Standard;
 - (vii) the *Oil & Gas – Refining & Marketing* SASB Standard;
 - (viii) the *Oil & Gas – Services* SASB Standard; and
 - (b) the *Processed Foods* SASB Standard; and

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- (c) 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 warranted.
10. For the targeted amendments to these 41 SASB Standards, the particular disclosures that have been identified for alignment and the particular *aspects* of the disclosures that are proposed to be amended vary among these Standards. This is based on the extent to which common or similar disclosures are relevant for an industry, and the extent to which it is appropriate to fully align disclosures or to maintain some aspects of industry specificity to ensure the disclosure is relevant.² The topics subject to such proposals are:
- (a) greenhouse gas emissions;³
 - (b) energy management;
 - (c) air quality;
 - (d) water management;
 - (e) labour practices; and
 - (f) workforce health & safety.
11. Appendix A provides a project timeline that reflects the information in this section and provides links to relevant Agenda Papers. The dates on forthcoming deliverables are estimates and subject to change.

² While consistent disclosures for the same topics in different SASB Standards might be warranted in many cases, some of them contain industry-specific variations that the staff believe should be retained to maintain relevance of the information. For example, the *Semiconductors* SASB Standard includes metric TC-SC-110a.1 *Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds*. The targeted amendments are not intended to replace industry-specific aspects of metrics such as a specific disaggregation of greenhouse gas emissions. Therefore, the proposed targeted amendment to TC-SC-110a.1 would ensure consistency of measurement guidance for greenhouse gas emissions in sub-metric (1) but would not override sub-metric (2) regarding perfluorinated compounds, which is a disclosure unique to that industry.

³ Targeted amendments to these metrics have the objective of improving alignment with IFRS S2 *Climate-related Disclosures* and would not replace or modify the requirements in IFRS S2.

Format of exposure draft and related considerations

12. As noted above, the ED of proposed amendments to the SASB Standards will seek input on a variety of topics:
- (a) amendments to nine specific SASB Standards;
 - (b) amendments to metrics and disclosures covering six topics that appear in 41 other SASB Standards; and
 - (c) strategic considerations related to the SASB Standards included in the Invitation to Comment, such as changing the description of the SASB Standards for the nine SASB Standards subject to comprehensive consultation.
13. The variety of topics on which the ISSB is consulting means that respondents' interest in specific aspects of the proposals outlined in the ED will vary. For example:
- (a) some investors, national standard setters, audit firms and other service providers might be interested in commenting on all of the proposals;
 - (b) a specialist investor focused on oil and gas might only want to comment on the four SASB Standards focused on the oil and gas value chain;
 - (c) a processed foods preparer might only want to comment on the proposed amendments to the Processed Foods SASB Standard;
 - (d) a preparer engaged in business activities aligned with the Semiconductors SASB Standard might be interested in commenting on the proposed targeted amendments to the greenhouse gas emissions, water and energy management metrics, but not any of the nine prioritised industries;
 - (e) a stakeholder with a particular interest in climate-related information may be interested in the proposed amendments on greenhouse gas emissions and energy management across all affected SASB Standards; or
 - (f) a standard setter might be most interested in commenting on strategic aspects highlighted in the Invitation to Comment.

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14. Some respondents, such as preparers that currently apply the SASB Standards, will be particularly interested in what the proposed amendments are relative to the current contents of the Standards and therefore might prefer marked up amendments in underline and strikethrough. Others might prefer to see clean versions of the proposals for readability. Similarly, some stakeholders will likely appreciate the ability to access the proposals for each of the nine SASB Standards separately.
 15. In order to strike a balance between these varying preferences and use cases, we plan on submitting for the ISSB's ratification a single ED that will include:
 - (a) the ISSB's Invitation to Comment;
 - (b) the ISSB's proposed amendments to the nine SASB Standards and the proposed targeted amendments to the other SASB Standards; and
 - (c) the accompanying Basis for Conclusions which provides the rationale for the proposed amendments.
 16. To accommodate stakeholders that might only want to review and comment on a subset of the content in the ED, we propose:
 - (a) emphasising use of an online survey for soliciting comments, which allows stakeholders to select the SASB Standard(s) they are interested in providing comments on and therefore avoid presenting them with unrelated questions; and
 - (b) publishing supplemental reference materials, such as proposed amendments to individual SASB Standards for the prioritised industries that can be accessed separately.
 17. The supplemental materials could take the form of marked up or clean versions.
 18. Regarding the Invitation to Comment, we propose asking questions regarding:
 - (a) whether the proposed amendments meet the project objective (that is, that the SASB Standards provide appropriate support for the application of the ISSB Standards);

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- (b) the overall approach, and the specific proposed amendments, to improve interoperability or alignment with other sustainability-related disclosure standards and frameworks;
 - (c) the proposed amendments to the climate-related content in the SASB Standards⁴;
 - (d) the proposed amendments to the SASB Standards regarding biodiversity, ecosystems and ecosystem services (BEES) and human capital, targeting information that will inform the ISSB's research projects in those areas;⁵
 - (e) for each of the topics that are the focus of targeted amendments in SASB Standards beyond the nine prioritised industries, whether respondents have comments on the proposed amendments; and
 - (f) for each of the nine SASB Standards detailed in the exposure draft, whether:
 - (i) respondents agree with the proposed amendments;
 - (ii) the Industry Description accurately describes the business activities of entities in that industry in the respondent's jurisdiction;
 - (iii) the disclosure topics (both those subject to proposed amendments and other topics) accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in the industry
 - (iv) the metrics elicit useful information for primary users in accordance with the objectives of IFRS S1 (that is, to provide information about sustainability-related risks and opportunities useful to primary users in making decisions relating to providing resources to the entity); and

⁴ As noted in previous agenda papers, the ISSB has previously committed to maintaining alignment between the climate-related content in the SASB Standards with the IFRS S2 industry-based guidance. Therefore, any amendments to the climate-related content in the SASB Standards would be reflected in the IFRS S2 industry-based guidance (subject to stakeholder feedback).

⁵ The connections of the SASB enhancements project to the ISSB's research projects on BEES and Human Capital are discussed in [Agenda Paper 6](#) for the March 2025 ISSB meeting (paragraphs 38-47).

- (g) whether to change the description of SASB Standards where all requirements in the Standard have been subject to the IFRS Foundation due process (thus starting with the nine priority industries) to ‘ISSB industry-based guidance’ (or similar) upon finalisation of the amendments.

Educational material regarding SASB Standards

19. At its March 2025 meeting, the ISSB discussed that while the ISSB has already published educational material and guidance regarding how to use the SASB Standards and IFRS S2 industry-based guidance, including in the Accompanying Guidance to IFRS S2, additional guidance might be needed. This need for additional guidance includes:
 - (a) explaining the role of the SASB Standards as a source of non-mandatory guidance that an entity is required to refer to and consider when identifying sustainability-related risks and opportunities and determining the information to disclose about those risks and opportunities;
 - (b) reiterating that when applied with ISSB Standards, the requirements and core conceptual underpinnings of IFRS S1 are applicable to preparers when they refer to and consider the SASB Standards, including the focus on applying judgment when identifying material information.

Location and format of educational material

20. The staff considered different ways in which this material could be presented, including whether it should be included at the beginning of every SASB Standard as ‘front matter’. We also considered how this material should relate to the ED of proposed amendments to the SASB Standards.
21. We believe that including such guidance as part of the front matter of the SASB Standards might not be the best way of providing the ISSB’s stakeholders with

important educational material. It also risks the front matter being disproportionate in the context of the overall balance of the SASB Standards.

22. The staff also does not think that it is necessary or appropriate to consult on the content of this educational material as it is not intended to change the requirements in ISSB Standards. Rather, the objective for the additional material is to explain the requirements in IFRS S1 and the related implications for preparers applying the SASB Standards.
23. Nonetheless, we believe that releasing this guidance in the form of educational material alongside the ED of proposed amendments to the SASB Standards could help stakeholders provide more actionable feedback. This is because it would provide context to support understanding of how the (amended) SASB Standards are intended to be used by entities applying the ISSB Standards.
24. We propose keeping the front matter of the SASB Standards relatively brief, with content explaining the basic components of SASB Standards (industry descriptions, disclosure topics, metrics along with their technical protocols) and providing hyperlinks to relevant educational materials (including the material described in this paper).

Content in the educational material

25. The educational material will describe how the ISSB's sources of industry-based guidance⁶ are helpful to an entity. IFRS S1 requires entities to refer to and consider the SASB Standards in identifying sustainability-related risks and opportunities, including those beyond climate, and in identifying applicable disclosure requirements. In addition, the SASB Standards can assist entities in meeting the requirement to provide industry-specific information. The requirement to refer to and consider the SASB Standards doesn't merely support a compliance exercise but is useful because

⁶ 'Sources of industry-based guidance' refers to both the SASB Standards, which are a source of guidance for applying IFRS S1, and the industry-based guidance to IFRS S2, which is a source of guidance for applying IFRS S2.

the SASB Standards set out disclosure topics and associated metrics that are relevant for particular business models, activities or industries.

26. The educational material will:
- (a) explain the meaning of the words ‘shall refer to and consider the applicability of’ the sources of industry-based guidance required by IFRS S1 and IFRS S2;
 - (b) illustrate the application of this requirement and how an entity might apply judgement in its consideration process; and
 - (c) identify key considerations when applying the sources of industry-based guidance.
27. The considerations in section (c) relate to reinforcement of how the key principles in ISSB Standards apply to entities when they use the SASB Standards in the context of applying the ISSB Standards, such as the principles of aggregation and disaggregation and the proportionality reliefs for providing information about current and anticipated financial effects.
28. The educational material will also explain how metrics and disclosures in the sources of industry-based guidance interact with the ‘core content’ of ISSB Standards (governance, risk management, strategy, and targets & metrics), and how the SASB Standards can be useful in identifying risks and opportunities that are related to an entity’s value chain.⁷

Next Steps

29. The staff is working on the ED of the proposed amendments to the SASB Standards, which will be subject to ratification by the ISSB.⁸ We are targeting the publication of

⁷ The content previewed in paragraph 30 of [Agenda Paper 6](#) for the March 2025 ISSB meeting contains further details on these areas of core content and value chain.

⁸ As noted in previous Agenda Papers, the ISSB is assisted in its work to maintain and enhance the SASB Standards by the SASB Standards Board Advisers, which is a group of ISSB members which can be used by the ISSB to draft proposed amendments and final amendments to the SASB Standards. Proposed amendments and final amendments are then subject to ratification by the full ISSB at a public meeting.

the ED at the end of June 2025, subject to the ISSB's ratification in the June 2025 ISSB meeting. We plan on recommending a 120-day comment period consistent with the IFRS Foundation Due Process Handbook.

Questions for the ISSB

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

Questions for the ISSB

1. Does the ISSB have any comments or clarifying questions on the matters discussed in this paper?
2. Does the ISSB have feedback on the approach to the ED outlined in this paper?
3. Does the ISSB have feedback on the proposed questions for the Invitation to Comment?

Appendix A: estimated project timeline through 2026

- A1. Previous ISSB discussions on the SASB enhancements project included:
- (a) May 2024: ISSB [discussion](#) and [voting](#) on SICS;
 - (b) [June 2024](#): ISSB discussion on criteria to use for prioritising enhancements to the SASB Standards;
 - (c) [July 2024](#): ISSB discussion and voting on approach to the SASB enhancements;
 - (d) [December 2024](#): ISSB discussion on project update and stakeholder feedback; and
 - (e) [March 2025](#): ISSB discussion on project update and approach to developing enhancements.
- A2. The estimated timeline for the next steps in the SASB enhancements project (as of the publication of this paper) is:
- (a) June 2025: the ISSB meets to decide on ratification and issues the exposure draft of proposed amendments to the SASB Standards (incorporating a comprehensive review of nine of the 12 ‘phase 1’ prioritised SASB Standards and associated targeted amendments to 41 other SASB Standards);
 - (b) Q3 2025: the ISSB decides on a ‘phase 2’ of further SASB Standards or topics for enhancement;
 - (c) Q4 2025: the ISSB meets to decide on ratification and issues exposure draft of proposed amendments to the three remaining ‘phase 1’ prioritised SASB Standards;
- A3. This estimate is subject to change including based on feedback from stakeholders, the ISSB and the SASB Standards Board Advisers.