
ISSB Meeting

Date **September 2025**
Project **Enhancing the SASB Standards**
Topic **Project update: Enhancing the SASB Standards**
Contacts 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*.

Purpose

1. This paper provides the International Sustainability Standards Board (ISSB) with an update on the project to enhance the SASB Standards. Specifically, this paper focuses on the prospective exposure draft of proposed amendments to three SASB Standards prioritised by the ISSB:
 - (a) Electric Utilities & Power Generators;
 - (b) Agricultural Products; and
 - (c) Meat, Poultry & Dairy.
2. The prospective exposure draft discussed in this paper is separate from the Exposure Draft [Proposed Amendments to the SASB Standards](#) published by the ISSB in July 2025.
3. This paper does not seek any decisions from the ISSB.

Background

4. 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. The objective of the enhancements to the SASB Standards is to support the implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

5. At its [December 2024 meeting](#), the ISSB discussed stakeholder feedback regarding the 12 priority industries. In July 2025, the ISSB published an [exposure draft](#) of proposed amendments to nine of the 12 prioritised industries, with the comment period closing on November 30, 2025. In the same exposure draft, the ISSB also proposed targeted amendments to another 41 industries to achieve consistent disclosures for the same topics in different SASB Standards where appropriate.
6. At the ISSB's [March 2025 meeting](#), staff informed the ISSB that in our view further research and stakeholder feedback were needed before an exposure draft of proposed amendments could be developed for three of the 12 prioritised industries:
 - (a) Electric Utilities & Power Generators;
 - (b) Agricultural Products; and
 - (c) Meat, Poultry & Dairy.
7. Based on initial stakeholder feedback and research on these three industries since July 2024, the staff felt that it would be important to obtain additional input regarding these industries' structure as classified by the Sustainable Industry Classification System[®] (SICS), especially from stakeholders in emerging markets and developing economies (EMDEs). For example, initial research and stakeholder outreach had indicated that while the current industry classification and scope were reasonably representative of typical entities in the Agricultural Products industry in developed economies, the level of vertical integration of entities in EMDEs differed; we expected additional research to inform whether entities in EMDEs typically own farms and plantations or source from third parties. We have continued our research

and stakeholder engagement on these three remaining priority industries and are targeting the end of 2025 or early 2026 for publication of the related exposure draft.¹

Update on research and stakeholder feedback

8. [Agenda Paper 6](#) for the ISSB's December 2024 meeting provided an overview of the project approach and a summary of the feedback received from stakeholders during engagements between July and November 2024 on all 12 industries that the ISSB has prioritised for the first phase of SASB enhancements. The information provided below, summarising the research and stakeholder engagement between November 2024 and August 2025, is intended to be incremental to the stakeholder feedback described in the December 2024 paper, with a focus on the three remaining priority industries.² This paper also provides some of the staff's initial views on the potential direction of travel related to these topics based on the research to date, although these are subject to change pending the results of further research and ISSB feedback.

Stakeholder engagement

9. Proposed changes to the SASB Standards will be subject to public consultation and global engagement in the normal manner. However, to inform the proposals in the forthcoming exposure draft to ensure that there is a strong basis for proposed amendments, the research being undertaken includes stakeholder engagement. Since the ISSB's discussion on engagement activities in December 2024, we have continued to engage with stakeholders from different jurisdictions on the three remaining priority industries, with a focus on ensuring robust input from stakeholders in EMDEs.

¹ This target is subject to change based on feedback from stakeholders and the ISSB, and related considerations.

² The staff encourages the ISSB to review paragraphs 38-48 of that paper for a reminder of some of the key themes surfaced by stakeholders regarding the remaining three priority industries.

10. Between November 2024 and August 2025, we engaged with over 110 organisations on the remaining priority industries. Figures 1a and 1b summarise these engagements by stakeholder type and geography.

Figure 1a: Engagement by stakeholder type

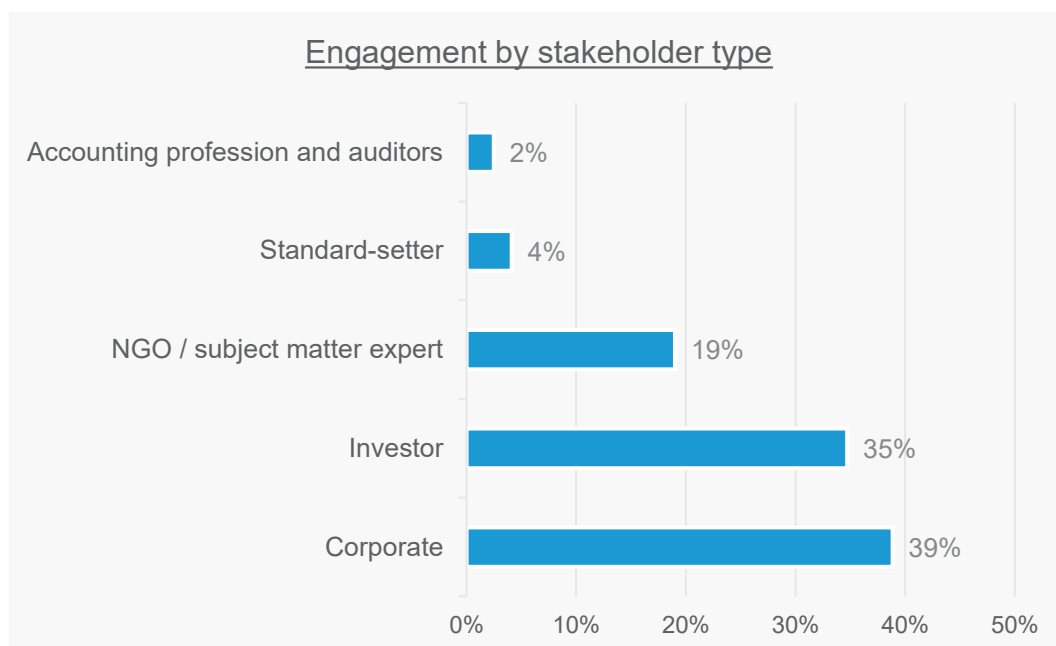
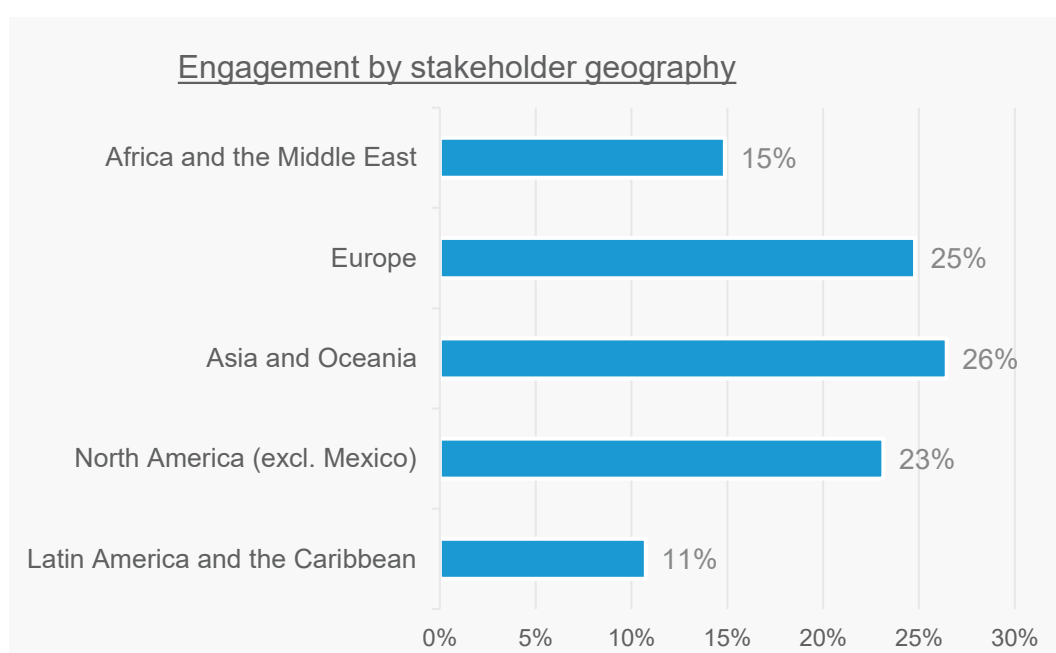


Figure 1b: Engagement by stakeholder geography



Agricultural Products and Meat, Poultry & Dairy industries***Industry structure***

11. Our research and stakeholder engagement indicate that entities in both the Agricultural Products and Meat, Poultry & Dairy industries outsource farming and livestock raising operations to varying degrees: some focus on direct operations, while others primarily source inputs from suppliers. The extent of vertical integration varies according to the commodity or animal, and the region in which an entity is operating.
12. For example, major Agricultural Products entities in the US and Europe generally purchase raw agricultural products directly or indirectly from entities that grow them (generally privately-owned farms) and do not grow crops themselves. In other markets, Agricultural Products entities may be vertically integrated to some extent and may own farms or plantations, although most large entities are likely to purchase some portion of their commodities from third parties.
13. Business models within the Meat, Poultry & Dairy industry also vary by region, as well as by the specific animal protein produced. For example, in one major market, chickens are typically owned by companies, but raised by third parties; cattle are purchased on a spot-market shortly before rendering; and hogs are reared through both company-owned operations as well as purchased from independent producers through supply contracts. Within this market, the largest listed companies all source animal protein from third-party contract farms to varying degrees.
14. Because of this diversity in business models and sourcing practices, the sustainability-related risks and opportunities that an entity faces may originate in its supply chain or in its own operations. For example, an entity that primarily sources commodities may be exposed to water-related risk through its suppliers, as opposed to through its own operations. This reinforces the importance of the ISSB Standards' value chain perspective in ensuring sustainability-related risks and opportunities affecting an entity's prospects are appropriately identified.

-
15. While the scope of the Meat, Poultry & Dairy industry as classified by SICs recognises the variance of vertical integration among entities, the Agricultural Products industry description focuses on entities which primarily source commodities. As a result, while the *Agricultural Products* SASB Standard includes a disclosure topic regarding environmental impacts and labour conditions in the supply chain, it does not currently include any disclosure topic or metrics regarding risks and opportunities that arise from entities' direct land use practices or labour practices.
16. Staff is therefore evaluating whether to propose amending the industry description and disclosure topics in the *Agricultural Products* SASB Standard to recognise the varying degrees of vertical integration among entities in the industry and incorporate risks and opportunities arising from entities' direct farming operations. Staff note that an important consequence of this would be that entities would need to pay particular attention to ensure that the disclosure topics identified are relevant given the structure of their activities.

Animal care and welfare

17. The Animal Care & Welfare disclosure topic in the *Meat, Poultry & Dairy* SASB Standard focuses on regulatory and reputational risks for entities that are perceived to be causing cruelty to animals. Our research and stakeholder discussions indicate that these types of risks and opportunities are not equally relevant in all jurisdictions, in terms of the potential effects on an entity's prospects and the likely materiality of information about such risks and opportunities, due to differences in consumer and regulatory responses to these concerns. Stakeholders also have stated that other aspects of animal care – such as preventing infectious disease outbreaks, which can result in large culls that have significant economic repercussions for entities – are currently not addressed in the Standard.
18. Separately, stakeholders have stated that metrics in the Animal Care & Welfare disclosure topic should be improved. Specifically, stakeholders have indicated that metrics FB-MP-410a.1 and FB-MP-410a.2 – which focus on aspects of pork

production and egg sales, respectively – only capture a narrow range of animal products and should be expanded or generalised to be made more applicable.

19. Staff is evaluating whether and how to enhance the Animal Care & Welfare disclosure topic and associated metrics to address these points of feedback. This includes whether the topic should be combined with the Antibiotic Use in Animal Production disclosure topic to more holistically capture risks and opportunities and related trade-offs associated with infectious disease outbreaks and other aspects of animal care.

Food loss

20. Stakeholders – particularly investors – expressed interest in information on how entities in the Agricultural Products industry are managing risks and opportunities related to food loss. These stakeholders have stated that they believe there is a significant revenue opportunity in addressing food loss in this industry, since nearly 15% of all food produced globally is lost on farms.³ Many companies are finding secondary markets (for example, animal feed) or novel approaches (like selling irregularly shaped produce at a discount) to generate additional revenue streams. Research and engagement indicate that this topic is likely to increase in relevance to entity prospects as global population growth puts food systems under strain. In addition, food loss contributes significantly to greenhouse gas emissions, and managing this issue could have significant implications for an entity's reputation and relationships with local communities and be relevant in enabling entities to meet any emissions targets they may have in place thus affecting their business models.
21. Staff is evaluating whether to propose adding a disclosure topic and associated metrics regarding food loss to the *Agricultural Products* SASB Standard. Both the *Food Retailers & Distributors* and *Restaurants* SASB Standards contain disclosure topics regarding the related topic of food waste, and staff is evaluating whether the topics

³ WWF-UK, *Driven to waste: The Global Impact of Food Loss and Waste on Farms*, 2021. Accessed online in September 2025: https://wwfint.awsassets.panda.org/downloads/wwf_uk_driven_to_waste_the_global_impact_of_food_loss_and_waste_on_farms.pdf

and metrics in those Standards could be leveraged in order to develop consistent metrics across the Food & Beverage sector.

Electric Utilities & Power Generators industry

Industry structure

22. Some stakeholders – particularly preparers that focus on the transmission and distribution of electricity – stated that there are several disclosure topics in the current Standard that describe risks and opportunities that arise from electricity generation and that therefore are less likely to affect the prospects of entities that solely focus on other segments of the industry. These disclosure topics include those related to Scope 1 greenhouse gas emissions, air quality, coal ash management and water management.
23. Preparers noting this concern stated that additional guidance or a separate SASB Standard for their segment would make it easier to identify sustainability-related risks and opportunities and associated information to disclose. Vertically integrated utilities, on the other hand, have expressed concern that splitting the industry into multiple SASB Standards would have the opposite effect.
24. Most investors we engaged with noted that while they recognise that there are distinct segments, they tend to analyse entities in the Electric Utilities & Power Generators industry as a single grouping and would prefer that the industry classification in SICs be maintained.
25. Staff is evaluating several options for addressing this contrasting feedback. Potential options include proposing to split the industry, producing additional guidance regarding the relevance of disclosure topics to specific segments of the industry, or communicating the importance of preparers applying judgment when using the SASB Standards to identify sustainability-related risks and opportunities that are relevant to their facts and circumstances.

Narrow scope of some disclosure topics

26. Preparers and investors noted that there are two disclosure topics in the Standard that are currently only included for entities that utilise specific sources of power generation:
- (a) the Coal Ash Management disclosure topic focuses on coal-fired electricity generation; and
 - (b) the Nuclear Safety & Emergency Management topic focuses on risks related to accidents at nuclear power reactor sites.
27. These stakeholders noted that the risks and opportunities associated with waste management apply broadly across the industry, not just for coal-fired electricity. Many entities generate and dispose of hazardous materials through their operations and face risks and opportunities that stakeholders view as being reasonably likely to affect entity prospects.
28. Similarly, stakeholders noted that critical incident risk management practices such as emergency preparedness and response apply to many forms of electricity generation and transmission, not just nuclear accidents. Investors in particular expressed interest in the Standard addressing emergencies – including those related to physical climate risk – at a broader level, citing natural disasters such as floods, hurricanes and wildfires as events that require significant planning, training and investment.
29. Staff is evaluating whether to expand the scope of the Coal Ash Management and Nuclear Safety & Emergency Management disclosure topics to make them applicable to a broader set of entities within the Electric Utilities & Power Generators industry. For example, the Coal Ash Management disclosure topic could be reframed as a Hazardous Waste Management disclosure topic and include associated metrics based on those that exist in other SASB Standards. Similarly, the scope of the Nuclear Safety & Emergency Management disclosure topic could be expanded, based partially on the Critical Incident Risk Management topics and metrics in other SASB Standards.

Community relations & rights of Indigenous Peoples

30. Stakeholders – particularly investors – expressed interest in a new disclosure topic and metrics regarding community relations and rights of Indigenous Peoples. Public opposition and regulatory scrutiny over new projects such as power plants, power lines, or wind farms can be driven by a variety of factors, including environmental concerns, health and safety concerns and effects on important cultural sites. These concerns from stakeholders, rightsholders and regulators can lead to numerous effects on entity prospects, such as project delays, increased costs, reputational damage and even cancelled projects.
31. Stakeholders believe that while this topic is already important, it is also likely to increase in prominence over time as global demand for energy increases. Increased demand will require new energy infrastructure, both in EMDEs and in developed countries, where increasing electrification of various aspects of the economy and the growth of data centres are projected to be significant drivers. This is likely to expand the areas affected by these issues including Indigenous Peoples' lands.
32. Staff is evaluating whether to propose adding a disclosure topic and associated metrics regarding community relations and Indigenous Peoples' rights to the *Electric Utilities & Power Generators* SASB Standard.

Supply chain management

33. Many preparers and investors expressed interest in a new disclosure topic and metrics regarding supply chain management. Electric utility providers rely on suppliers for scarce raw materials and critical components such as solar PV components, transformers and circuit breakers. A lack of availability of critical materials and components can result in price volatility, impacting production costs and project feasibility. Entities could also potentially be exposed to regulatory and reputational risk associated with suppliers' environmental and social practices, such as concerns with labour conditions in the cobalt supply chain (cobalt is a key input for battery storage systems and wind turbines).

-
34. Staff is evaluating whether to propose adding a disclosure topic and associated metrics regarding supply chain management to the *Electric Utilities & Power Generators* SASB Standard.

Staff Analysis

35. The staff believe that the research and stakeholder feedback described above highlight two aspects of enhancing the SASB Standards that merit further discussion by the ISSB.
36. First, we note that much of the stakeholder feedback received from both preparers and investors for the three industries discussed in this paper has been in favour of adding new disclosure topics and associated metrics to the SASB Standards. In making a decision on whether to add new disclosure topics, the ISSB will need to weigh the strength of evidence and feedback in support of new disclosures against the added costs for preparers and the related benefits of applying the SASB Standards as a source of guidance when applying IFRS S1, which is to provide proportionate guidance in identifying and disclosing information about sustainability-related risks and opportunities that could be reasonably expected to affect entity prospects in a given industry. In addition to weighing the costs and benefits of a potential new disclosure topic in isolation, the ISSB could also consider whether other existing disclosure topics should be proposed to be removed to keep the Standard proportionate on the whole.
37. A second but related point revolves around international applicability: stakeholder feedback and research for these three industries indicate that in some industries, there will be sustainability-related risks and opportunities that are highly relevant in some jurisdictions (and therefore where the related information is more likely to be material), but less so in others. As a result, any new disclosure topics and associated metrics regarding that risk or opportunity would likely be a useful addition to the SASB Standard for preparers and investors in some jurisdictions, while potentially leading to preparers and investors in other jurisdictions omitting the related

disclosures. While the importance of applying judgement is critical in making materiality determinations, the presence of additional disclosure topics that may not be relevant everywhere would place a greater emphasis on preparers' application of materiality principles. It is also a design question tied to the first point above, which revolves around the appropriate threshold for including a new disclosure topic and associated metrics.

Next Steps

38. The staff continues to work on an exposure draft of proposed amendments to the three-remaining priority SASB Standards, considering stakeholder feedback received so far and our own research. The exposure draft will then be subject to ratification by the ISSB before it is published for comment, following the same process as the July 2025 exposure draft covering nine of the 12 prioritised industries.⁴ We continue to target publication of the exposure draft at the end of 2025 or early 2026.

Questions for the ISSB

39. 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 any suggestions for the staff on addressing the stakeholder feedback highlighted in this paper as we develop proposals for an exposure draft?
3. Does the ISSB have any suggestions for how to approach considerations of industry structure or potential new disclosure topics in the SASB Standards discussed in this paper?

⁴ As noted in [previous staff papers](#), the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC) has approved a process for amending the SASB Standards whereby a group of three to five ISSB members (the SASB Standards Board Advisors) develops exposure drafts of proposed amendments to the SASB Standards. The full ISSB considers the SASB Standards Board Advisors' recommendations regarding proposed amendments and discusses them in public prior to ratifying and issuing exposure drafts. The October 2022 DPOC meeting summary is available at: <https://www.ifrs.org/content/dam/ifrs/meetings/2022/october/dpoc/trustees-meeting-summary-with-dpoc.pdf>