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# IFRS Sustainability Reference Group

Quarterly Meeting

September 2025

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# Overview

1. General updates for members
2. Update on the ISSB research projects
3. Proposed amendments to the SASB Standards Exposure Drafts
4. Q&A session

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# 1. General updates for members



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# Objectives

1. Contribute individually, in sub-groups or collectively to the ISSB's technical agenda.
2. Bring diverse stakeholder perspectives through ad-hoc consultation on the ISSB's technical work
3. Facilitate effective technical discussions on sustainability standard-setting issues, including:
  - specific discussion topics, industry considerations, geographic/jurisdictional considerations,
  - feasibility of providing high-quality, transparent, comparable and decision-useful information to primary users of general purpose financial reports, and
  - the relevance of information for decisions about providing resources to a company

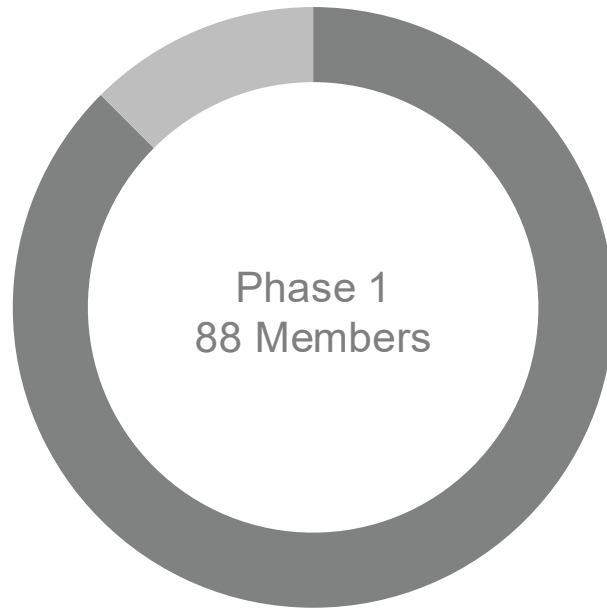
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# Membership

1. Members enable representation across jurisdictions, preparers, users, and industries.
2. Members are expected to have professional competence and practical preparer or user or related experience of sustainability disclosures and/or general purpose financial reports.
3. Membership is granted to the individual rather than the individual's affiliated organisation.
4. Members are expected to serve for a two-year term to facilitate continuity.
5. Members are expected to actively contribute to the objectives of the SRG.

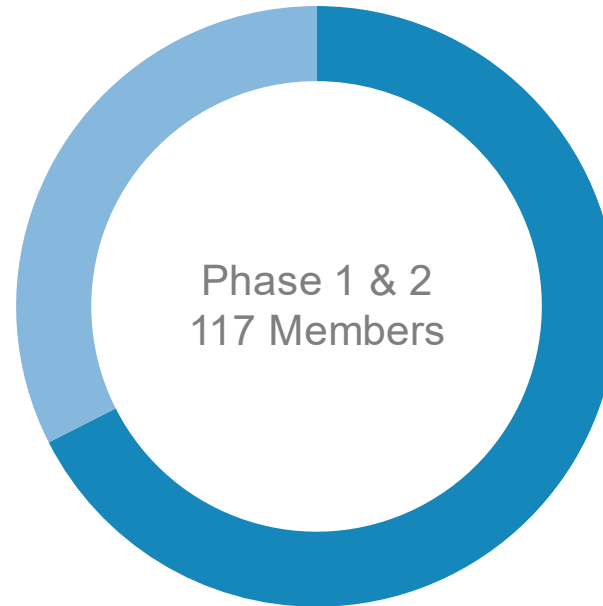
## SRG members quarterly meeting attendance

Q4 2024 - November



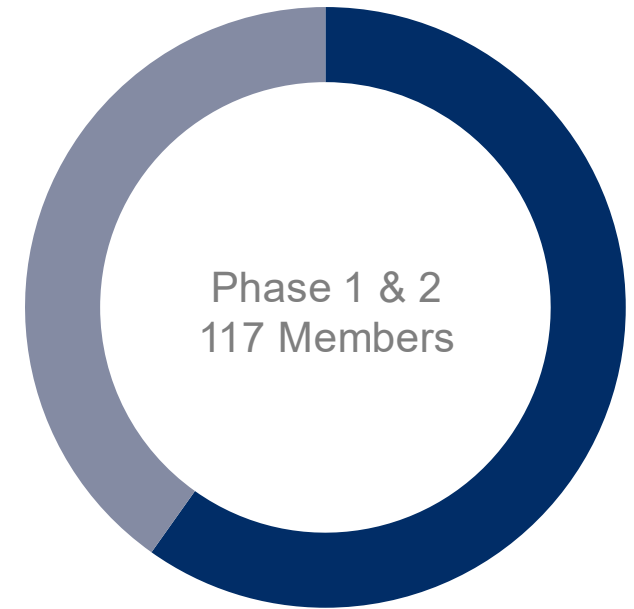
■ Yes - 77 (88%) ■ No - 11 (13%)

Q1 2025 - March



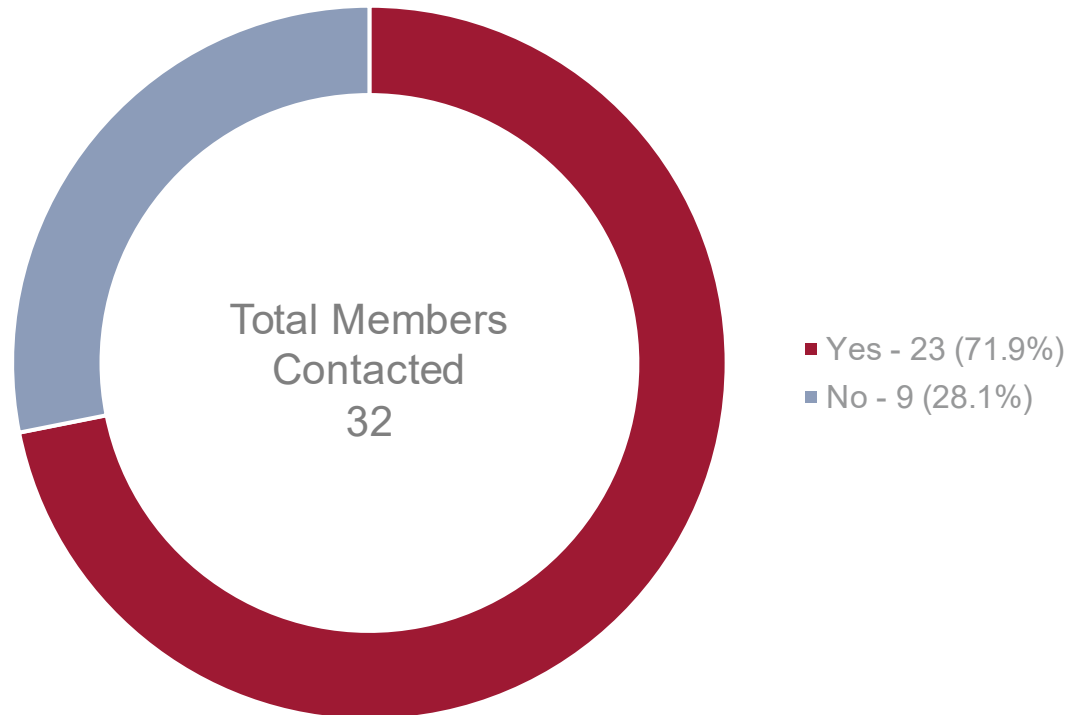
■ Yes - 79 (67.5%) ■ No - 38 (32.5%)

Q2 2025 - June



■ Yes - 70 (59.8%) ■ No - 47 (40.2%)

## SRG members contacted in Q2 2025



### Topics Covered\*

SASB Standards – Electric Utilities, Food & Beverages, Metals & Mining and general enhancements conversations.

Bilateral Meetings - Human Capital Research Project

In person events

*\*Not an exhaustive list*

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## 2. Update on the ISSB research projects





# Research projects

The ISSB is researching disclosure about risks and opportunities associated with:



## **Biodiversity, ecosystems and ecosystem services**

Might include matters related to water management, land-use management, pollution (for example, emissions into air, water and soil), resource depletion, and biodiversity risk management (for example, rehabilitation/restoration)



## **Human capital**

Relates to workers in an entity's direct operations or those in its value chain, including workforce-related human rights. Might include matters such as workforce composition, pay and benefits, engagement, turnover, wellbeing and working conditions in the value chain

## ISSB research on nature-related risks and opportunities

|              |                                       |  |
|--------------|---------------------------------------|--|
| Findings     | <b>Investors</b>                      | <ul style="list-style-type: none"> <li><b>Investor interest</b> in nature-related information is strong. The use of information is nascent but <b>rapidly developing</b>.</li> </ul>                           |
|              | <b>Effects on prospects</b>           | <ul style="list-style-type: none"> <li>Evidence on <b>effects</b> of nature-related risks and opportunities <b>on a company's prospects</b></li> </ul>   |
|              | <b>Disclosures</b>                    | <ul style="list-style-type: none"> <li>Companies already disclose nature-related information, but <b>consistency and comparability are poor</b>.</li> <li>Variation among sectors and industries.</li> </ul>   |
|              | <b>Other standards and frameworks</b> | <ul style="list-style-type: none"> <li>TNFD, EFRAG, GRI - Similar to IFRS S1 and SASB Standards, with <b>variation</b> concentrated in the areas of <b>strategy</b> and <b>metrics and targets*</b></li> </ul> |
| IFRS S1 plus |                                       | Building on existing standards and frameworks  |

\* IFRS Foundation and TNFD have signed a Memorandum of Understanding signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB

## ISSB research on human capital-related risks and opportunities

|          |                                       |  |
|----------|---------------------------------------|--|
| Findings | <b>Investors</b>                      | <ul style="list-style-type: none"> <li>Investor interest mainly driven by <b>risk</b> management and/or <b>return</b> enhancement</li> <li>Investor interest varies considerably between an <b>entity's own workforce</b> and the <b>workers in its value chain</b></li> <li>Investors seek human capital-related disclosure from all companies, but interest in particular topics/metrics can <b>vary by sector</b> and/or <b>jurisdiction</b></li> </ul> |
|          | <b>Effects on prospects</b>           | <ul style="list-style-type: none"> <li><b>Strong links</b> exist between financial outcomes and many human capital factors (e.g. employee satisfaction, retention, development and working conditions)</li> </ul>  |
|          | <b>Disclosures</b>                    | <ul style="list-style-type: none"> <li>Most companies disclose some information about human capital-related risks and opportunities, but <b>completeness, consistency</b> and <b>comparability</b> are limited</li> </ul>  |
|          | <b>Other standards and frameworks</b> | <ul style="list-style-type: none"> <li>Majority of disclosures <b>aligned with IFRS S1</b>, but <b>provide additional detail</b> on human capital topics, primarily in an entity's direct operations</li> </ul>  |

IFRS S1 plus

Building on other standards and frameworks

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## Purpose of phase two

**First phase:** building the foundation ('collecting the dots')  
Q3 2024 – Q2 2025

**Second phase:** analysing the implications ('connecting the dots')  
Q2 2025 onwards



The next phase of research is intended to enable the ISSB to assess **whether standard-setting is likely to result in improvements to human capital/nature-related disclosure that will outweigh the costs.**

To achieve this aim, the research will synthesise findings from the previous phase to assess potential standard-setting along two dimensions:

**Necessity:** evaluating whether there is a clear need for improved disclosure to investors regarding human capital/nature-related risks and opportunities; and

**Feasibility:** evaluating whether there is likely to be a practical and efficient approach to developing disclosure requirements regarding those risks and opportunities.

# Phase two progress and next steps

## BEES

July 2025

- AP3 – Phase 2 research project plan and scope
- AP3A – Nature and the proposed SASB amendments

September 2025

- AP3 – Summary of common investor information needs and comparison to ISSB materials

Upcoming

- Comparison of gaps in common investor needs to other standards and frameworks
- Recommendation on whether and how to conduct standard setting on nature-related risks and opportunities

## Human capital

July 2025

- AP4 – Staff’s approach to understanding and organising human capital concepts in the ISSB’s research

Upcoming

- Organising construct for human capital-related concepts
- ‘Connecting the dots’ synthesis of findings from across the research project
- Recommendation on whether and how to conduct standard setting on human capital-related risks and opportunities

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## 3. Proposed amendments to the SASB Standards Exposure Drafts



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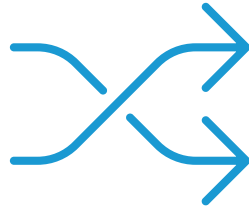
## 3.1 Overview of the July 2025 Exposure Drafts

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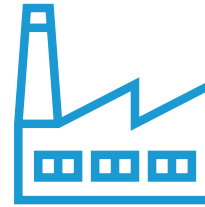
## Why enhance the SASB Standards?



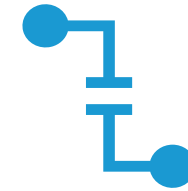
Support the  
implementation of  
IFRS S1 and IFRS S2



Support the work  
of the research  
projects



Reflect important  
market changes  
in industries



Consider opportunities  
for interoperability and  
improve efficiency for  
preparers



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## SASB Enhancements: Project objective

To support the **high-quality implementation and application** of IFRS S1 and IFRS S2 through timely enhancements to the SASB Standards

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### Including a focus on:

- further enhancing the *international applicability* of industry groupings, disclosure topics, metrics and supporting technical protocols;
- opportunities to improve *interoperability* while ensuring continued focus on investor needs;
- aligning enhancements with the *ISSB's research projects* on Biodiversity, Ecosystems and Ecosystem Services (BEES) and Human Capital; and
- aligning *language and concepts* with IFRS Sustainability Disclosure Standards.

# ISSB seeks comments on two exposure drafts

The ISSB is currently seeking input from a broad range of stakeholders, including current users of the SASB Standards and those that are newer to them. The comment period closes on **30 November 2025**.



## ***Exposure Draft of Proposed Amendments to the SASB Standards***

- Proposed amendments to nine SASB Standards—all eight industries in the Extractives sector, and the Processed Foods industry
- Proposed ‘targeted amendments’ to topics that occur frequently throughout the SASB Standards (for example, water management), and would impact 41 industries



## ***Exposure Draft of Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2***

- Proposal to align the IFRS S2 industry-based guidance with the climate-related content in the SASB Standards

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# SASB Exposure Draft contains proposed amendments to priority industries

**Comprehensive review** of nine SASB Standards:



## **Extractives sector**

- Oil & Gas (four industries):
  - Exploration & Production
  - Midstream
  - Refining & Marketing
  - Services
- Metals & Mining
- Construction Materials
- Iron & Steel Producers
- Coal Operations



## **Food & Beverage sector**

- Processed Foods

# The ISSB's approach to enhancing priority industries

The ISSB took a comprehensive approach to developing the proposed amendments to the **nine priority industries**, including whether:



the industry description was appropriate and internationally applicable;



the disclosure topics in each industry described the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of most entities in the industry;



the metrics and technical protocols were likely to result in material information across a variety of jurisdictions for primary users;



challenges in applying the metrics could be resolved through better alignment with IFRS S1 or IFRS S2, or through improved interoperability or alignment with sustainability-related standards and frameworks; and



the metrics and technical protocols could be simplified or clarified.

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# SASB Exposure Draft contains proposed targeted amendments

Alignment of metrics in **41 additional industries** on topics related to:

- Greenhouse gas emissions
- Energy management
- Water management
- Labour practices
- Workforce health & safety

Designed to maintain **consistent guidance** in various SASB Standards on key topics related to climate, nature and human capital, where relevant

# What are the proposed targeted amendments?

- Intended to maintain consistency of metrics that occur frequently in other SASB Standards (beyond the nine priority industries)
- Would affect five topics across 41 SASB standards:
  - greenhouse gas emissions
  - energy management
  - water management**
  - labour practices
  - workforce health & safety

## Oil & Gas -- Ex

### SUSTAINABILITY D

Table 1. Sustainability Disclos

| TOPIC                    |  |
|--------------------------|--|
| Greenhouse Gas Emissions | Gross global percentage m under emissi<br>Amount of gr emissions fro (2) other com emissions, (4) (5) fugitive en<br>Discussion of strategy or pl emissions, en and an analy those targets   |
| Air Quality              | Air emissio (1) NO <sub>x</sub> , (excl (3) volatile or and (4) partic   |
| Water Management         | (1) Total water consumed, pe with High or E Water Stress<br>Volume of pr generated, pe (2) injected, ( content in dis<br>Percentage of for which the fracturing flu<br>Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline <sup>1</sup> |

## Household & Personal Products SASB Standard

### SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

| TOPIC   | METRIC  | CATEGORY | UNIT OF MEASURE       | CODE |
|---|---|----------|-----------------------|------|
| Water Management  | (1) Total water withdrawn, (2) total water consumed: percentage of each in regions with H Water |          | Thousand cubic metres |      |
| Product Environmental, Health and Safety Performance    | Desc and d to mit<br>Rever subst<br>Discu mana chem<br>Rever green                              |          |                       |      |
| Packaging Lifecycle Management                          | (1) To (2) pe renew that is comp<br>Discu envirc throu  |          |                       |      |
| Environmental & Social Impacts of Palm Oil Supply Chain | Amou certifi Susta chain Segre & Cla  |          |                       |      |

## Real Estate SASB Standard

### SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

| TOPIC             | METRIC   | CATEGORY                | UNIT OF MEASURE   | CODE         |
|-------------------|--|-------------------------|---|--------------|
| Energy Management | Energy consumption data coverage as a percentage of total floor area, by property sector   | Quantitative            | Percentage (%) by floor area                            | IF-RE-130a.1 |
|                   | (1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector                           | Quantitative            | Gigajoules (GJ), Percentage (%)                         | IF-RE-130a.2 |
|                   | Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector  | Quantitative            | Percentage (%)  | IF-RE-130a.3 |
|                   | Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector   | Quantitative            | Percentage (%) by floor area                            | IF-RE-130a.4 |
|                   | Description of how building energy management considerations are integrated into property investment analysis and operational strategy                                     | Discussion and Analysis | n/a   | IF-RE-130a.5 |
| Water Management  | Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector | Quantitative            | Percentage (%) by floor area                            | IF-RE-140a.1 |
|                   | (1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector         | Quantitative            | Thousand cubic metres (m <sup>3</sup> ), Percentage (%) | IF-RE-140a.2 |
|                   | Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector   | Quantitative            | Percentage (%)  | IF-RE-140a.3 |
|                   | Description of water management risks and discussion of strategies and practices to mitigate those risks   | Discussion and Analysis | n/a   | IF-RE-140a.4 |

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## 3.2 Deep-dive on proposed amendments

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# Extractives sector updates - highlights

## Improved metrics

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Focus on **decision-useful** information for investors led to revisions to metrics for existing disclosure topics:

- Air quality
- Energy management
- Water management
- Ecological impacts
- Workforce health & safety
- Product innovation
- Critical incident risk management

Revision of metrics in **Oil & Gas – Services** industry to better reflect business activities

## Interoperability

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Improved interoperability with **GRI Standards** and alignment with the **TNFD Recommendations**, for example:

- Common disclosure with GRI Standards on water and air quality
- Integration of concepts from TNFD on ecological impacts

## Connectivity and consistency

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- Simplification of **reserves-related metrics** and alignment with approach in financial disclosures
- Leveraging of language and concepts in IFRS S1 and S2
- Removal of minor differences between industries (where warranted)

## New disclosures

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In response to investor and preparer input, new disclosures in these industries:

- Coal Operations (operations in conflict areas; methane)
- Construction materials (supply chain mgmt)
- Iron & Steel (labour practices)
- Metals & Mining (supply chain mgmt.)
- Oil & Gas – E&P (methane)
- Oil & Gas – Midstream (Workforce health & safety; methane)



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# Processed foods industry updates - highlights

## Improved metrics

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Focus on **decision-useful** information for investors led to revisions to metrics for the following topics:

- Food safety
- Product labelling & marketing
- Health & nutrition
- Packaging management
- Energy management
- Water management

## Interoperability

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- Improved interoperability with **GRI Standards**, including on water and air quality
- Integration of concepts from **TNFD Recommendations** in ecological impact disclosures

## New disclosures

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**Product Innovation topic** to provide insight into strategies around more sustainable food products.

## Clarifying supply chain management topics

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- New metrics to capture risks and opportunities relating to:
  - Deforestation
  - Sustainable agriculture practices
  - Human rights due diligence
  - Traceability of sourced commodities

# Proposed updates to greenhouse gas emissions

## Current metrics:

- *Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations*
- *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets*

## Feedback:

- GHG guidance not fully consistent with GHG Protocol
- Interaction with IFRS S2 could be clarified



## Proposed metrics:

- *(1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations*
- *Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets*

## Response:

- Replace many of the technical protocols in these metrics with a reference to IFRS S2 to simplify disclosure and ensure the SASB Standards directly integrate with and complement IFRS S2 requirements
- Narrow the scope of the qualitative metrics to focus on targets, target-setting and performance against those targets to avoid unnecessary duplication of other requirements in IFRS S2.

# Proposed updates to energy management

**Current metric:** (1) *Total energy consumed*, (2) *percentage grid electricity* and (3) *percentage renewable*

**Feedback:**

- The requirement for “percentage grid electricity” is unclear and the terminology is ambiguous
- Using higher heating values to calculate energy from fuels consumed by entities is inaccurate
- Some jurisdictions require entities to use heating values other than LHV, therefore alternate values should be permitted



**Proposed metric:** (1) *Total energy consumed*, (2) *purchased electricity consumed*, and (3) *renewable electricity consumed from (a) self-generation and (b) direct contracts*

**Response:**

- Revise ‘percentage grid electricity’ to an absolute measure of ‘purchased electricity consumed’ (in gigajoules) to provide more insight into electricity use and reliance on third-party energy providers
- Revise percentage of energy consumed that was renewable to focus on renewable electricity consumed that was self-generated or delivered by direct contract to provide insight into operational decisions entities make about renewable electricity procurement
- Revise the definition of ‘self-generated energy’ to improve clarity and alignment with the GHG Protocol Scope 2 Guidance
- Require use of lower heating values (LHV) to calculate energy from fuels consumed, and permit entities to use values other than LHV if they are required by a jurisdictional authority or an exchange
- Improve alignment and complementarity with IFRS S2 and the GHG Protocol

**Amendments would improve interoperability with *GRI 103: Energy 2025***

# Proposed amendments to water management

**Current metric:** (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress

**Feedback:**

- Aggregate water withdrawal data alone is unlikely to be material information
- Current definition of water stress does not always accurately reflect local water stress conditions



**Proposed metric:** (1) Total water withdrawal, by source, (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water-stressed locations

**Response:**

- Require disaggregation of withdrawals by source (groundwater, seawater, etc.) to provide insight into nature of potential risks and opportunities
- Revise definition of water stress to enhance accuracy of data

**Current metric:** Number of incidents of non-compliance associated with water quality permits, standards and regulations

**Feedback:**

- Metric does not provide sufficient information regarding risks associated with water discharges
- Non-compliance incidents may take years to reach conclusion, reducing timeliness of information



**Proposed metric:** Total water discharged by (1) destination and (2) level of treatment

**Response:**

- New metric provides insights into quantity of discharged water and potential flood risks
- Treatment level provides information on risks arising from impacts on surrounding communities and ecosystems

**Amendments would improve interoperability with  
GRI 303: Water and Effluents 2018**

# Proposed updates to labour practices

**Current metric:** *Percentage of active workforce employed under collective agreements*

**Feedback:**

- Definition of 'collective agreements' does not sufficiently represent the breadth of issues covered by such agreements



**Proposed metric:** *Percentage of employees covered by collective agreements*

**Response:**

- Revise and simplify 'collective agreements' to align with International Labour Organization's *Collective Agreements Recommendation* and *GRI 2: General Disclosures 2021*
- Revise the definition of 'employee' to align with *GRI 2: General disclosures 2021*

**Amendments would improve interoperability with *GRI 2: General Disclosures 2021***

# Proposed amendments to workforce health & safety metrics

**Current metric:** (1) *Total recordable incident rate (TRIR)*, (2) *fatality rate*, (3) *near miss frequency rate (NMFR)* and (4) *average hours of health, safety and emergency response training for (a) direct employees and (b) contract employees*;

**Feedback:**

- Current definitions likely to be misinterpreted
- Investors interested primarily in the absolute number for fatalities, not just the rate
- 'Near miss frequency rate' (NMFR) cannot be compared between entities because the underlying criteria for defining such incidents are preparer-determined
- Investors are interested in leading indicators/internal metrics used by entities to monitor performance



**Proposed metric:** (1) *Number of fatalities* and (2) *total recordable incident rate for (a) employees and (b) non-employee workers*; (3) *average hours of health, safety and emergency response training*

**Response:**

- Replace the term 'direct employees' with 'employees' and the term 'contract employees' with 'non-employee workers' to enhance clarity and mitigate misinterpretation
- Replace the 'fatality rate' sub-metric with an absolute number; add activity metrics for normalization
- Remove NMFR from quantitative metric, but include new disclosure regarding internal metrics used to manage and monitor performance (such as NMFR) in accompanying qualitative metrics

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## 3.3 Call to action and next steps

# Enhancing the SASB Standards: consultation process



**150-day comment period**  
(30 days longer than usual  
comment period for IFRS  
Foundation consultations)



**Marked up changes** to SASB  
Standards and accompanying Basis  
for Conclusions (usual format for IFRS  
Foundation due process documents)  
and **clean versions** to assist review



Dynamic **online survey** which allows  
stakeholders to respond to specific  
areas of interest (for example, focus  
industries, interoperability, or topics  
including nature, human capital and  
climate)



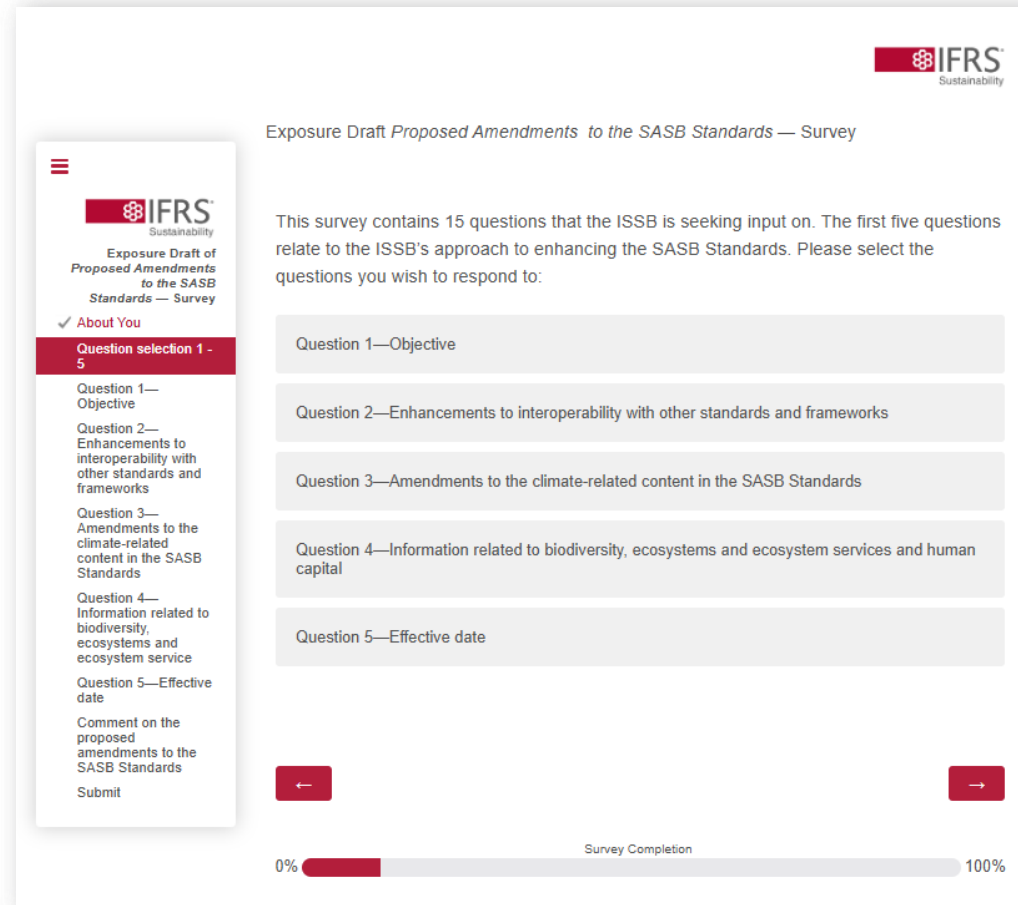
**Educational material** to support  
understanding of how the SASB  
Standards are intended to be used by  
entities applying ISSB Standards



# Submit feedback using the ISSB's online survey

Visit the link below to submit a survey response or a public comment letter before 30 November 2025 to provide input on the proposed amendments.

<https://www.ifrs.org/projects/work-plan/enhancing-the-sasb-standards/ed-cl-sasb/>



The screenshot displays the IFRS Sustainability online survey interface. At the top right is the IFRS Sustainability logo. The main heading is "Exposure Draft Proposed Amendments to the SASB Standards — Survey". Below this, a text block states: "This survey contains 15 questions that the ISSB is seeking input on. The first five questions relate to the ISSB's approach to enhancing the SASB Standards. Please select the questions you wish to respond to:". A sidebar on the left contains a menu with the following items: "About You", "Question selection 1 - 5" (highlighted), "Question 1—Objective", "Question 2—Enhancements to interoperability with other standards and frameworks", "Question 3—Amendments to the climate-related content in the SASB Standards", "Question 4—Information related to biodiversity, ecosystems and ecosystem service", "Question 5—Effective date", "Comment on the proposed amendments to the SASB Standards", and "Submit". The main content area lists five questions in grey boxes: "Question 1—Objective", "Question 2—Enhancements to interoperability with other standards and frameworks", "Question 3—Amendments to the climate-related content in the SASB Standards", "Question 4—Information related to biodiversity, ecosystems and ecosystem services and human capital", and "Question 5—Effective date". At the bottom, there are red navigation buttons with left and right arrows, and a "Survey Completion" progress bar showing 0% to 100%.

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## Next exposure draft: remaining priority industries

- The ISSB is preparing **another exposure draft** of proposed amendments to three further industries prioritised by the ISSB:



Electric Utilities & Power Generators



Agricultural Products  
Meat, Poultry & Dairy

- The ISSB expects to publish this exposure draft in **late 2025** or early 2026
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## 6. Q&A



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## Next SRG quarterly meeting Q4 2025

- **Option 1**

- 2 December at 5 PM PT / 8 PM ET
- 3 December at 9 AM CST / 10 AM JST  
/ 12 PM AET

- **Option 2**

- 3 December at 9 AM ET / 11 AM BRT  
/ 3 PM CET / 4 PM SAST

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