
ISSB meeting

Date	February 2026
Project	Enhancing the SASB Standards
Topic	Due process steps and permission to ballot amendments to the <i>Industry-based Guidance on Implementing IFRS S2</i>
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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 connection with the project on enhancing the SASB Standards, the staff is recommending that the International Sustainability Standards Board (ISSB) propose that consequential amendments be made to the *Industry-based Guidance on Implementing IFRS S2* (the IFRS S2 industry-based guidance).
2. The purpose of this paper is to request that the ISSB:
 - (a) agree to propose making consequential amendments to the IFRS S2 industry-based guidance in an exposure draft of proposed amendments to the SASB Standards (the Exposure Draft) to maintain alignment with the climate-related content in the SASB Standards;
 - (b) confirm that it is satisfied that the ISSB has complied with the applicable due process steps and to give the staff permission to begin the balloting process for the consequential amendments in the Exposure Draft; and
 - (c) indicate if, at this stage, any ISSB member plans to dissent from the proposal in the Exposure Draft to make consequential amendments to the IFRS S2 industry-based guidance.

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3. Details regarding the Exposure Draft are provided in Agenda Paper 6B, and a near-final version of the Exposure Draft is provided in Agenda Paper 6D. While the proposed amendments to the SASB Standards are subject to a ratification vote as outlined in Agenda Paper 6B, the IFRS S2 industry-based guidance accompanies an IFRS Sustainability Disclosure Standard and is subject to the due process requirements for ISSB Standards. As such, the staff is separately seeking ISSB votes related to the IFRS S2 industry-based guidance, despite the fact that the Exposure Draft presents proposed amendments to the SASB Standards and proposed consequential amendments to the IFRS S2 industry-based guidance together in a single document.

Structure of the paper

4. This paper is structured as follows:
- (a) Staff analysis and recommendations;
 - (b) Due process steps and permission to begin the balloting process;
 - (c) Length of comment period;
 - (d) Proposed effective date; and
 - (e) Appendix A—Due process steps in developing the consequential amendments to the IFRS S2 industry-based guidance.

Staff analysis and recommendations

Background

5. The IFRS S2 industry-based guidance suggests possible ways to apply some of the disclosure requirements in IFRS S2 *Climate-related Disclosures*. The guidance does not create additional requirements. Specifically, the guidance suggests ways to identify and disclose information about climate-related risks and opportunities associated with particular business models, activities or other common features that

characterise participation in an industry. In applying IFRS S2, an entity is required to refer to and consider the applicability of the information set out in the industry-based guidance, in accordance with paragraphs 12 and 32 of IFRS S2.

6. The IFRS S2 industry-based guidance is derived from the climate-related content in the SASB Standards. When the ISSB issued IFRS S2 and the IFRS S2 industry-based guidance in June 2023, it made consequential amendments to the climate-related content in the SASB Standards to maintain alignment between the two sets of industry-based materials. Thus, the IFRS S2 industry-based guidance is largely identical to the climate-related content in the SASB Standards.¹
7. In July 2025, the ISSB published two exposure drafts:
 - (a) Exposure Draft *Proposed Amendments to the SASB Standards*; and
 - (b) Exposure Draft *Proposed Consequential Amendments to the IFRS S2 Industry-based Guidance* (the consequential amendments exposure draft).
8. The Basis for Conclusions which accompanied the consequential amendments exposure draft sets out the ISSB's rationale for continuing to maintain alignment between the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance.²
9. The ISSB received 91 responses to the consequential amendments exposure draft. While the staff will more comprehensively provide the ISSB with the results of the consultation on the consequential amendments in a future board paper, our initial review of the stakeholder feedback indicates that almost all respondents agreed that the ISSB should pursue the consequential amendments.

¹ The climate-related content in the SASB Standards is identical to the IFRS S2 industry-based guidance but also includes the topic of financed emissions (which is included in the application guidance in Appendix B to IFRS S2).

² The Basis for Conclusions which accompanied the consequential amendments exposure draft can be accessed online at <https://www.ifrs.org/content/dam/ifrs/project/amendments-ifrs-s2-industry-based-guidance/issb-ed-2025-2-bc-s2-ibg.pdf>

Consequential amendments to the IFRS S2 industry-based guidance

10. As part of its 2024–2026 work plan, the ISSB is enhancing the SASB Standards to provide timely support to preparers with the high-quality application of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
11. As outlined in [Agenda Paper 6 for the July 2024 ISSB meeting](#), the ISSB has prioritised 12 industries as part of an initial phase of enhancements to the SASB Standards in its 2024-2026 work plan. The ISSB is taking a comprehensive approach to enhancing these SASB Standards, including climate-related content.³
12. As detailed in Agenda Paper 6B for this February 2026 ISSB meeting, the Exposure Draft proposes amendments to three SASB Standards:
 - (a) Agricultural Products;
 - (b) Meat, Poultry & Dairy; and
 - (c) Electric Utilities & Power Generators.
13. The proposed amendments to these SASB Standards includes amendments to the climate-related content consistent with the objectives of the project on enhancing the SASB Standards, including enhancements to international applicability, interoperability with other sustainability-related standards and frameworks, and enhanced alignment with IFRS S2.
14. Each of the three prioritised SASB Standards has a corresponding volume of IFRS S2 industry-based guidance. Appendix A to the near-final draft of the Exposure Draft provided as Agenda Paper 6D for this meeting details the metrics in the IFRS S2 industry-based guidance that would be affected by the consequential amendments.

³ As noted in paragraph 17 of Agenda Paper 6 for the ISSB's July 2024 meeting, staff recommended that industries prioritised by the ISSB be 'evaluated holistically, from evaluating the industry groupings as defined under SICS down to the detailed technical protocols which support application of specific metrics.' Paragraph 37 of [Agenda Paper 6](#) for the ISSB's March 2025 meeting included additional rationale from staff regarding why we believe the ISSB should amend climate-related content as a part of the SASB enhancements project.

Staff recommendations

15. The staff recommends that the ISSB propose making consequential amendments to the IFRS S2 industry-based guidance when it finalises amendments to the SASB Standards to continue to maintain alignment between the IFRS S2 industry-based guidance and climate-related content in SASB Standards. This would be consistent with the ISSB's proposals in the July 2025 exposure drafts, which were supported by the ISSB's stakeholders.
16. As noted in Agenda Paper 6B for this meeting, the SASB Standards Board Advisers recommend that the ISSB consult on proposed amendments to the SASB Standards and the consequential amendments to the IFRS S2 industry-based guidance in a single document for the upcoming consultation. This is intended to simplify the consultation process for stakeholders, who will be able to review all of the ISSB's proposals in a single exposure draft, Basis for Conclusions, and corresponding online survey.

Due process steps and permission to begin the balloting process

17. The proposed amendments to the SASB Standards were developed in accordance with the IFRS Foundation's due process for maintaining and enhancing the SASB Standards, which includes the use of the SASB Standards Board Adviser Group and a ratification vote by the ISSB. The IFRS S2 industry-based guidance accompanies an IFRS Sustainability Disclosure Standard and is subject to the due process requirements for ISSB Standards.
18. The IFRS Foundation's *Due Process Handbook* specifies the due process steps required for publishing an exposure draft for an ISSB Standard (see paragraphs 6.4–6.6 of the *Due Process Handbook*).
19. Appendix A of this paper sets out a summary of the due process steps the ISSB has and will undertake in developing an exposure draft to propose amendments to the IFRS S2 industry-based guidance. The staff believes the ISSB has complied with all due process steps required to date, will complete all the remaining due process steps

and has undertaken sufficient consultation and analysis to begin the process for balloting the consequential amendments.

20. Balloting is a drafting, review and approval process to ensure a project document is well written and accurately reflects the ISSB's decisions. The ISSB will review and approve the ballot draft of the consequential amendments. Once the ballot draft of an exposure draft is approved, the ISSB publishes the exposure draft for public consultation.⁴
21. A near-final version of the Exposure Draft is provided as Agenda Paper 6D for this ISSB meeting. The staff notes that:
 - (a) the Exposure Draft sets out the proposed amendments to the IFRS S2 industry-based guidance, highlighting the relevance of the work on SASB enhancements to reporting on climate-related risks and opportunities; and
 - (b) as required for all exposure drafts, the Exposure Draft includes a basis for conclusions outlining the rationale for the proposals, in particular the rationale of maintaining alignment between the IFRS S2 industry-based guidance and the SASB Standards.
22. In accordance with paragraph 6.9 of the *Due Process Handbook*:
 - (a) if the ISSB is satisfied that it has addressed all due process steps required in developing an exposure draft, it votes to have the technical staff prepare the exposure draft for balloting. The staff will request permission to begin that process at this meeting.
 - (b) any ISSB members who intend to dissent from the proposals in the Exposure Draft should make their intentions known at this time. Therefore, the staff also asks whether any ISSB members plan to dissent from the proposals in the Exposure Draft.

⁴ Information about the balloting process can be found at: <https://www.ifrs.org/about-us/how-we-set-ifrs-standards/what-is-balloting/>.

Length of comment period

23. As part of the due process steps for developing an exposure draft, the ISSB decides an appropriate comment period for the exposure draft. The *Due Process Handbook* states that normally the ISSB allows a comment period of 120 days for an exposure draft.
24. As discussed in greater detail in Agenda Paper 6B for this meeting, the staff recommends a 120-day comment period for the Exposure Draft. In making that recommendation, the staff considered the implications for preparers applying the IFRS S2 industry-based guidance.

Proposed effective date

25. As discussed in detail in Agenda Paper 6B for this ISSB meeting, the staff recommends that 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.
26. The staff believes that the effective date for any consequential amendments to the IFRS S2 industry-based guidance should mirror the effective date for any amendments to the SASB Standards. This approach would be consistent with the overall objective of maintaining alignment between this content. The staff therefore recommends that the ISSB propose an effective date for the consequential amendments of between 12 and 18 months after the issuance of the amendments to the IFRS S2 industry-based guidance, with early application permitted.

Questions for the ISSB members

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

Questions for the ISSB

1. **General**—does the ISSB have any comments or questions on the matters set out in this paper?
2. **Consequential amendments**—does the ISSB agree with the staff recommendation to propose making consequential amendments to the IFRS S2 industry-based guidance when it issues amendments to the SASB Standards to maintain alignment?
3. **Permission to begin the process for balloting the ED**—is the ISSB satisfied that it has complied with the applicable due process steps to begin the process for balloting the exposure draft of consequential amendments to the IFRS S2 industry-based guidance?
4. **Dissent**—does any ISSB member plan to dissent from the publication of the Exposure Draft? If so, on what grounds?
5. **Comment period**— Does the ISSB agree with the staff recommendation to set a comment period of 120 days?
6. **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 to the IFRS S2 industry-based guidance and to propose permitting early application of the amendments?

Appendix A: summary of due process steps

A1. Table A1 lists the necessary due process steps for developing the exposure draft of proposed consequential amendments to the IFRS S2 industry-based guidance, and the actions that satisfy these steps.

Table A1—Summary of due process steps

Steps	Actions
Development	
ISSB meetings held in public, with papers available for observers. All decisions are made in public sessions.	<p>The ISSB discussed the project to enhance the SASB Standards, including potential amendments to the climate-related content in the SASB Standards, at its July 2024, December 2024, March 2025, June 2025 and September 2025 meetings.</p> <p>The ISSB is asked in this paper to decide whether to make the consequential amendments to the IFRS S2 industry-based guidance to maintain alignment with the climate-related content in the SASB Standards.</p>
Finalisation	
Due process steps reviewed by the ISSB.	This paper asks the ISSB to review the due process steps.
The exposure draft has an appropriate comment period.	Agenda Paper 6B asks the ISSB to set the comment period for the Exposure Draft.
Drafting	

Drafting quality assurance steps are adequate.	The appropriate teams (including Editorial) will review the Exposure Draft.
Publication	
Exposure Draft published	The 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 Exposure Draft.