
ISSB Meeting

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Project	Enhancing the SASB Standards
Topic	Feedback summary—Question 15 in the SASB Exposure Draft
	Sevin Gurarda (sevin.gurarda@ifrs.org)
Contacts	Taylor Reed (taylor.reed@ifrs.org)
	Dan Howard (dan.howard@ifrs.org)

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Purpose

1. This paper provides the International Sustainability Standards Board (ISSB) with a high-level summary of the feedback received on Question 15 in the Invitation to Comment for the [Exposure Draft on Proposed Amendments to the SASB Standards](#) (SASB Exposure Draft).¹ Question 15 relates to proposed targeted amendments across the SASB Standards on metrics associated with five topics.
2. The ISSB is not asked to make any decisions during this session. The staff will present further analysis and recommendations in future ISSB meetings.

Structure of the paper

3. This paper is structured as follows:
 - (a) Key takeaways (paragraphs 4-12);
 - (b) Background (paragraph 13);

¹ Agenda Paper 6 for this meeting contains more information on the project for Enhancing the SASB Standards, the ISSB's outreach activities during the consultation, and the process used to analyse and summarise stakeholder feedback.

- (c) Summary of stakeholder feedback (paragraphs 14-45); and
- (d) Questions for the ISSB (paragraph 46).

Key takeaways

4. Almost all respondents agreed with the ISSB’s proposal to align corresponding metrics in other SASB Standards beyond the nine prioritised industries, and agreed targeted amendments are appropriate and relevant for the individual SASB Standards and would enhance interoperability and alignment with other sustainability-reporting standards and frameworks. Many respondents also stated that the proposed targeted amendments would maintain consistent disclosures, enhance efficiency for preparers operating in more than one industry, and improve the comparability of information on topics that commonly occur in the SASB Standards.
5. Most respondents agreed that the proposed targeted amendments should be implemented before completing a comprehensive review of each SASB Standard affected by these amendments, and that doing so would support the objective of providing timely support to entities applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
6. Many respondents provided feedback on jurisdictional considerations related to the proposed targeted amendments and offered suggestions for other potential enhancements. Most supplemented supportive comments with recommendations for the ISSB to remain sensitive to diverse jurisdictional contexts and to produce materials to support jurisdictions with varying levels of regulatory maturity.
7. **Greenhouse gas emissions**—almost all respondents agreed with the proposed targeted amendments to disclosures on greenhouse gas emissions, often citing improved alignment with IFRS S2 and enhanced interoperability with other sustainability-related standards and frameworks. Some respondents mentioned that the amendments clarified the relationship between greenhouse gas emissions metrics and

IFRS S2, with a few standard setters and accounting firms commenting that the ISSB’s materials present overlapping disclosures that could be confusing to stakeholders.

8. **Energy management**—while most respondents agreed with the proposed targeted amendments on disclosures about energy management, mixed views emerged on technical details such as the definitions of key terms in the metrics and the heating values used to calculate energy consumption.
9. **Water management**—most respondents agreed with the proposed targeted amendments on disclosures about water management. Some respondents expressed implementation and feasibility concerns, while a few others called for expanded disclosures on items including water quality, recycled and reused water, water-related risks in the value chain, and location-specific information. Some respondents provided feedback on the definitions proposed by the ISSB with roughly half of the respondents expressing support for the proposed terminology, while the other half of respondents provided a variety of recommendations for the ISSB’s consideration, many of which did not coalesce around a particular theme.
10. **Labour practices**—almost all respondents agreed with the proposed targeted amendments to the labour practices metrics, citing improvements to comparability and decision-usefulness of information, and reporting efficiency for preparers. Some respondents suggested that the reporting burden on preparers could be reduced and comparability of information further improved by enhancing alignment with other standards and frameworks.
11. **Workforce health & safety**—most respondents agreed with the proposed targeted amendments to workforce health & safety metrics. Of those who disagreed, some encouraged further alignment with other standards and frameworks commonly used by preparers, such as ISO 4500:2018, *Occupational health and safety management systems*, while others emphasised the importance of allowing flexibility to accommodate entities in jurisdictions where specific metrics are commonly used or required.

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12. The staff notes broad support for the ISSB’s proposed targeted amendments across the SASB Standards. In finalising any amendments, ISSB will need to carefully consider the various trade-offs highlighted by respondents, including those related to interoperability and alignment with a variety of international frameworks and existing jurisdictional requirements, and balancing investor interest in detailed information with varying levels of capabilities among preparers and jurisdictions, as reflected in feedback from respondents in emerging markets and developing economies. The topic of greenhouse gas emissions in particular also provides an opportunity for the ISSB to consider how to refine its approach to the interaction between cross-industry and industry-specific disclosures.

Background

13. The SASB Exposure Draft proposed ‘targeted amendments’ to 41 SASB Standards to maintain consistent disclosures for the same topics in different SASB Standards, where appropriate. The proposed targeted amendments are intended to:
- (a) make it easier for users of general purpose financial reports to make comparisons among entities in different industries that are subject to similar sustainability-related risks and opportunities.
 - (b) ease the reporting burden for preparers with diverse or complex business activities that apply more than one SASB Standard and that face challenges due to the inclusion of similar—but not identical—metrics and technical protocols for the same sustainability-related risk or opportunity in different SASB Standards.
 - (c) ensure that metrics that occur frequently in the SASB Standards are consistently updated in a timely manner in the SASB Standards in which they appear, regardless of whether a specific Standard was initially prioritised for enhancements by the ISSB.
 - (d) ensure that the information provided for SASB Standards is up-to-date and decision useful and that there is a greater level of interoperability and

alignment with other sustainability-related standards and frameworks when appropriate, instead of limiting these benefits to the priority industries. This is particularly important given the role of the SASB Standards as a means of supporting the implementation and application of ISSB Standards.

Summary of stakeholder feedback

14. Question 15 of the Invitation to Comment included nine sub-questions focused on gathering market input on the proposed targeted amendments affecting 41 SASB Standards. These questions sought views on:
- (a) whether respondents agree with aligning corresponding metrics across SASB Standards beyond the nine priority industries to maintain consistent disclosures on common topics in industries subject to equivalent disclosure requirements;
 - (b) whether respondents agreed with implementing the proposed targeted amendments before completing a comprehensive review of each of the affected SASB Standards, and if doing so would provide timely support for entities applying IFRS S1;
 - (c) the appropriateness of the proposed targeted amendments relating to:
 - (i) greenhouse gas emissions;
 - (ii) energy management;
 - (iii) water management;
 - (iv) labour practices;
 - (v) workforce health & safety;
 - (d) whether the proposed targeted amendments for the additional 41 industries are appropriate and relevant for the individual SASB Standards, and whether there are any jurisdictional considerations related to these SASB Standards that should be taken into account; and

- (e) whether the proposed targeted amendments would enhance interoperability and alignment with other sustainability-reporting standards and frameworks, consistent with the ISSB's objective of providing material information on sustainability-related risks and opportunities affecting an entity's prospects.
15. This paper summarises stakeholder feedback on the proposed targeted amendments broadly (sub-questions 15a, 15b, 15h, and 15i), followed by summaries for each topic that was the subject of proposed targeted amendments (for example, question 15c, which sought feedback on the proposed targeted amendments to the greenhouse gas emissions metrics).²
16. Paragraphs 18-21 in Agenda Paper 6 explains staff's approach to quantifying feedback (such as the terms 'some', 'most' and 'many').

Question 15 — Proposed targeted amendments to the SASB Standards

17. Almost all respondents, including all investors,³ agreed with the ISSB's proposal to align corresponding metrics in other SASB Standards beyond the nine priority industries to maintain consistent disclosures and improve the comparability of information on these common topics. Reasons for support included enhanced efficiency of reporting processes for entities operating in more than one industry and improved comparability of information, which respondents suggested enables investors to more easily analyse performance and benchmark entities.
18. Most respondents agreed that the proposed targeted amendments should be implemented before completing a comprehensive review of each SASB Standard affected by these amendments, and that the approach would support the objective of enhancing the SASB Standards to provide timely support to entities applying IFRS S1 and IFRS S2 while still enabling the ISSB to conduct more in-depth reviews at a later

² The questions in the Invitation to Comment can be found here: <https://www.ifrs.org/content/dam/ifrs/project/enhancing-the-sasb-standards/sasb-survey-offline-copy.pdf>

³ This Agenda Paper uses the term 'investor' interchangeably with 'users', 'primary users' and 'primary users of general purpose financial reports' as defined in IFRS S1.

- phase. Some of the respondents disagreed, with a few respondents raising concerns that implementing proposed targeted amendments across multiple SASB Standards that may later be revised could generate unnecessary implementation costs for preparers.
19. Some of the respondents to sub-questions 15a and 15b highlighted in paragraphs 17-18 provided additional comments and recommendations for the ISSB’s consideration, including:
- (a) a few respondents, all based in Africa, noted that while the proposed amendments would provide companies with the clarity needed to begin early application without waiting for a lengthy overhaul, such changes should be accompanied by additional support; and
 - (b) a few respondents recommended that the ISSB revise the Basis for Conclusions to clarify and expand on how it determined which topics were the subject of the targeted amendments, as well as how it selected the industries for which proposed targeted amendments would be made.
20. Almost all respondents agreed that the proposed targeted amendments to the 41 industries are appropriate and relevant for the individual SASB Standards (question 15h). A few respondents suggested that they were unable to review the materials sufficiently (or unable to gather an amount of feedback from stakeholders that they considered to be sufficient) to make a judgment as to whether the proposed targeted amendments were appropriate to be applied across all 41 proposed Standards.
21. In response to the ISSB’s question on jurisdictional considerations related to the targeted amendments, a few respondents shared supportive comments, noting that the proposed targeted amendments introduce improvements without imposing disproportionate burdens. A few respondents also encouraged the ISSB to rely on local governments and regulators to adopt the ISSB Standards and make any modifications necessary for their unique jurisdictions. Many respondents encouraged the ISSB to remain sensitive and flexible to varying jurisdictional contexts, for example, those with ‘limitations such as the absence of emissions caps, weak

enforcement, or lack of data infrastructure...⁴ Some provided specific recommendations for such jurisdictions, such as regionally tailored implementation guidance, translation support, continued engagement with jurisdictional stakeholders, and phased implementation pathways.

22. Almost all respondents agreed that the proposed targeted amendments to the SASB Standards would enhance interoperability and alignment with other sustainability-reporting standards and frameworks (question 15i). Respondents, particularly preparers, stated that the proposed improvements to interoperability and alignment would reduce fragmentation in the disclosure landscape and improve efficiency in reporting for preparers. Investors and accounting firms particularly welcomed the inclusion of disclosures based on globally accepted methodologies, stating this would support the disclosure of decision-useful and comparable information, enabling investors to analyse and benchmark companies more effectively across industries and jurisdictions. Some supportive respondents raised concerns that incorporating aspects of other standards and frameworks across a wide range of disclosure topics and metrics in the SASB Standards would necessitate ongoing, regular, updates to maintain alignment.

Greenhouse gas emissions

23. The proposed targeted amendments to greenhouse gas emissions metrics focused on improving alignment with IFRS S2, including measurement requirements and qualitative disclosures.
24. Almost all respondents, including all investors, agreed with the proposed targeted amendments to the greenhouse gas emissions metrics. Among those supportive of the proposed amendments:
- (a) some respondents mentioned interoperability, most of whom cited enhanced alignment with the GHG Protocol, and a few that also mentioned GRI, ESRS,

⁴ Comment letter 170 – Pan African Federation of Accountants.

CDP disclosures, and International Organization for Standardization (ISO) Standards;

- (b) some respondents provided feedback related to transition risks and plans, most of whom commented that the proposed targeted amendments would enhance the clarity, consistency and comparability of greenhouse gas emissions disclosures, thereby improving assessment of regulatory exposure, transition risks and plans; and
 - (c) some respondents commented on the relationship between the greenhouse gas emissions disclosure topics in the SASB standards and the requirements in IFRS S2, most of whom commented that the proposed targeted amendments enhanced clarity and alignment with IFRS S2.
25. Consistent with their responses to Question 3 (and as noted in Agenda Paper 6A), a few respondents made further recommendations for the ISSB, including suggestions to eliminate perceived redundant disclosures in IFRS S2 and the SASB Standards (and therefore the IFRS S2 industry-based guidance).
26. A few respondents, almost all of whom were from Africa, commented that it may be difficult for some entities to implement the proposed metrics due to limited measurement tools, data, and technical expertise, and recommended that adoption be supported by simplified methodologies and capacity building to support application.

Energy management

27. The proposed targeted amendments to disclosures on energy management included revising the metrics related to ‘purchased grid electricity’ and renewable electricity, and measurement requirements used to calculate fuel consumed. These proposed amendments improve alignment with IFRS S2, the Greenhouse Gas Protocol’s *GHG Protocol Scope 2 Guidance* (2015) and *GRI 103: Energy 2025*.
28. Most respondents agreed with the proposed targeted amendments to the energy management metrics. They cited reasons for support such as improved alignment with

IFRS S2 and enhanced standardisation and comparability of energy disclosures that would provide users of general purpose financial reports with more decision-useful information to evaluate and compare entities' energy sourcing strategy, operational efficiency, and exposure to climate-related transition risks.

29. While most of the respondents agreed with the proposed amendments on energy management, mixed views emerged on several themes. For example:
- (a) **definitions**—a few respondents supported revised definitions of terms like 'renewable energy procurement' and 'capacity', while a few others commented that definitions such as 'renewable energy sources', 'electricity', and 'renewable electricity' in the technical protocols remain unclear; and
 - (b) **heating values**—a few respondents supported the proposed use of lower heating values (unless otherwise required by law) which they commented allows for more consistent and accurate international comparison of energy data and aligns with Intergovernmental Panel on Climate Change (IPCC) and global greenhouse gas emissions reporting standards; however, a few other respondents advocated a principles-based approach that would allow entities to choose whether to use a lower heating value or higher heating value, thereby aligning with requirements in GRI 103: Energy 2025, maintaining consistency with historical disclosures and potentially avoiding unnecessary recalculations and increased reporting burdens.
30. A few respondents also raised concerns that the targeted amendments to the energy management topic are not proposed to be applied to the *Chemicals* SASB Standard.⁵ Respondents emphasised that this may create a reporting burden for entities operating across multiple industries (for example, an entity operating in an oil and gas industry and the chemicals industry), where one SASB Standard has been updated, and the other has not.

⁵ Staff notes that metric RT-CH-130a.1 (associated with the Energy Management disclosure topic in the *Chemicals* SASB Standard) was not proposed to be updated because it contains a unique sub-metric on self-generated energy that was not consistent with the other energy management metrics subject to targeted amendments.

Water management

31. The proposed targeted amendments to water management metrics included a revised definition of ‘water stress’, additional requirements to disaggregate water withdrawal by source, and disclosure of the location of operating facilities where water-related risks are concentrated. The proposed amendments also replaced the metric related to incidents of non-compliance with a new metric on water discharges.
32. Most respondents agreed with the proposed targeted amendments on disclosures about water management. Reasons for support included improved interoperability and alignment with other standards and frameworks such as GRI Standards and the TNFD recommendations, enhanced consistency and comparability of disclosures, especially in water-stressed regions, and the perception that the reporting guidance was clearer and more practical.
33. Some respondents provided feedback on the definitions proposed by the ISSB. Roughly half of the respondents expressed support for the proposed terminology, commenting that the definitions enhance interoperability, improve clarity and cost-effectiveness for preparers, and improve comparability of information and decision-usefulness for users of general purpose financial reports. The other half of respondents provided a variety of recommendations for the ISSB’s consideration, many of which did not coalesce around a particular theme. These respondents suggested revisions to terms such as water withdrawal, water stress, water stress methodologies, freshwater, and brackish water, and encouraged further alignment with other sustainability-related standards, including GRI, TNFD, ISO Standards, and the Aqueduct tool (World Resources Institute).
34. A few respondents provided specific input on the ISSB’s proposal to disaggregate water withdrawal by source, most of which were supportive. One investor commented that ‘the revised standard provides investors with a stronger assessment of risk exposure as different water sources have different uses, risks, and opportunities’.⁶ In

⁶ Comment letter 195 - BMO Global Asset Management.

contrast, one preparer recommended that the ISSB consider eliminating the mandatory disaggregation criteria by source and changing it to voluntary presentation to avoid increased efforts and costs of data collection.⁷

35. A few respondents, all of whom represented different stakeholder groups, suggested that the ISSB consider adding more disclosures regarding:
- (a) water quality;
 - (b) recycled and reused water; and
 - (c) water-related risks in the value chain.
36. A few respondents, namely an investor and a national standard setter (informed by its jurisdictional stakeholders), also recommended including the water management disclosure topic in a greater number of SASB Standards, such as commercial real estate, apparel, tobacco, and pharmaceuticals.
37. Of the respondents that commented specifically on the ISSB's proposal to replace the metric requiring the number of incidents of non-compliance associated with water quality permits, most supported the ISSB's proposal, with one respondent commenting that the metric should be retained because it is part of 'any ESG due diligence process, regardless of the timing of the event.'⁸
38. Some of the respondents expressed implementation and feasibility concerns with the proposed amendments to the water management metrics. This group of respondents primarily comprised standard-setters, accounting professionals, and preparers; half of these respondents were from Asia-Oceania and Africa. One respondent's comment summarised this perspective: 'tracking metrics like volume discharged or level of treatment is beyond the capability of most SMEs or rural-based processors.'⁹
- Respondents recommended proportionality mechanisms to allow qualitative or

⁷ The staff notes that the application of the SASB Standards by those using the ISSB Standards is not mandatory, rather entities are asked to 'refer to and consider' the applicability of the SASB Standards. In addition, all disclosures are subject to assessment of materiality by an entity applying the Standards.

⁸ Comment letter 212 – Luca Grassadonia.

⁹ Comment letter 151 – Institute of Chartered Accountants, Ghana.

narrative disclosures or to provide guidance on reasonable estimates, or additional time or region-specific adaptation to mitigate disproportionate costs on entities while still promoting transparency.

39. A few respondents specifically commented on the ISSB's proposal to include location-specific information.¹⁰ One accounting firm commented: 'This additional information would allow for more accurate disclosures and provide greater transparency regarding the risk associated with water management.'¹¹ Of the respondents that provided these comments, most recommended that the ISSB require additional detail, for example, the location of facilities or information related to specific basins, river basins, sub-basins, operational site(s), revenue, or Tier 1 suppliers, to more accurately capture the financial risk (operational interruption risk) for the entity.

Labour practices

40. The proposed targeted amendments to the labour practices metrics focused on revising definitions to align with the International Labour Organisation's *Collective Agreement Recommendation* (19515, No.91) and the GRI Standards.
41. Almost all respondents agreed with the proposed targeted amendments to the Labour Practices disclosure topic. Many of these respondents, including investors and preparers, stated that the approach improves comparability and decision-usefulness of information, as well as reducing the reporting burden on preparers. Some respondents also noted that the metrics are relevant to sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects and are therefore likely to produce material information. However, some respondents encouraged the ISSB to further align the metrics with other standards and frameworks, including International Labour Organisation conventions and recommendations, ISO Standards,

¹⁰ The proposed targeted amendments include a technical protocol that reads 'An entity shall disclose the locations of operating facilities where water-related risks are concentrated'.

¹¹ Comment letter – PwC International Limited.

the GRI Standards and ESRS to reduce the reporting burden on preparers and improve the comparability of information.

Workforce health & safety

42. The proposed targeted amendments to the workforce health and safety metrics replaced the ‘fatality rate’ sub-metric with absolute number of fatalities and removed the ‘near miss frequency rate’ sub-metric, adding a new requirement for an entity to disclose any leading indicators it has developed to manage safety performance. The proposed amendments also redefined categories of ‘employees’ and ‘contract employees’ to be included in disclosure.
43. Most respondents agreed with the proposed targeted amendments to workforce health and safety metrics. Many of these respondents, particularly investors and accounting firms, welcomed the proposed amendments to the metrics, emphasising the relevance of the metrics for understanding the associated risks and opportunities that could reasonably be expected to affect an entity’s prospects. Some respondents noted the removal of near miss frequency rate and suggested supplementing the proposed amendments with leading quantitative metrics to provide information on hazard identification and prevention.
44. Of the respondents who disagreed with the proposed targeted amendments, some stated the importance of aligning with other standards and frameworks commonly used by entities, particularly with the standard ISO 4500:2018, *Occupational health and safety management systems*, which was mentioned several times. Others highlighted the importance of allowing flexibility in specific disclosure requirements to allow entities to report using metrics commonly used, or required, in certain jurisdictions.

Questions for the ISSB

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

Questions for the ISSB

1. Does the ISSB have any questions or comments on the feedback summarised in this paper?
2. Does the ISSB have any initial thoughts on the implications of this feedback on the project on Enhancing the SASB Standards?
3. Does the ISSB have any suggestions for how future feedback summaries could provide more useful information to ISSB members?