



**IFRS<sup>®</sup>**  
Sustainability

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# **SASB Standards**

Under the stewardship of the International Sustainability Standards Board

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## **Basis for Conclusions on Enhancing the International Applicability of the SASB Standards**

**International Sustainability Standards Board**

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Applicability of the SASB Standards**

*December 2023*

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## Basis for Conclusions on Enhancing the International Applicability of the SASB Standards

### Introduction

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#### Summary of amendments to the SASB Standards

- IN1 With the project on the International Applicability of the SASB Standards, the International Sustainability Standards Board (ISSB) sought to enhance the international applicability of the non-climate-related metrics in the SASB® Standards by identifying and revising associated jurisdiction-specific terms of reference that might limit their suitability in other jurisdictions. This targeted project resulted in amendments to the SASB Standards to support preparers implementing IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1). The SASB Standards serve as a source of guidance for applying IFRS S1.
- IN2 Entities are required to refer to the amended SASB Standards to apply IFRS S1. In doing so, these entities should be able to use the relevant metrics regardless of the jurisdiction in which they operate or the generally accepted accounting principles or practices (GAAP) they use in preparing their financial statements. The amendments preserve the structure, completeness and original intention of the SASB Standards to maintain the metrics' decision-usefulness for users of general purpose financial reports and their cost-effectiveness for new and current users of the SASB Standards.
- IN3 This targeted project builds on the process used to enhance the international applicability of the industry-based disclosure requirements contained in Appendix B of Exposure Draft IFRS S2 *Climate-related Disclosures* (Draft S2), which was developed from the climate-related SASB Standards content. The resulting project methodology for revising jurisdiction-specific content has been further refined in response to feedback on Draft S2 and on the Exposure Draft *Methodology for Enhancing the International Applicability of the SASB® Standards and SASB Standards Taxonomy Updates* (Methodology Exposure Draft).
- IN4 In addition to this targeted project, the ISSB will consider ways to further enhance the international applicability of the SASB Standards and disclosures derived from those Standards in its future standard-setting work. Through this work, the ISSB will continue to develop a global baseline for sustainability-related financial disclosures.

#### Applicable due process provisions

- IN5 The ISSB assumed responsibility for the SASB Standards after the Value Reporting Foundation and IFRS Foundation consolidated in August 2022. The IFRS Foundation had no directly applicable due process to oversee the maintenance and enhancement of the SASB Standards at the time of the consolidation. In October 2022, the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC) approved a process for the ISSB to amend the SASB Standards. This process:
- (a) built on concepts in the International Accounting Standards Board (IASB) *Due Process Handbook*, the IASB's review processes for its education material and the IASB's ratification process for IFRS Interpretations Committee publications;
  - (b) was adopted to improve efficiency when discussing and approving proposed exposure drafts or amendments to the SASB Standards; and
  - (c) was appropriate and commensurate for a source of guidance referenced in IFRS S1.
- IN6 As part of this process, the ISSB established the SASB Standards Board Advisor Group to develop recommendations for the ISSB relating to its work to maintain, evolve and enhance the SASB Standards. The recommendations of the SASB Standards Board Advisor Group are presented to the ISSB in board papers for discussion at ISSB meetings, which are held in public, providing transparency. The SASB Standards Board Advisor Group is responsible for developing exposure drafts of proposed amendments to the SASB Standards for public consultation, considering the feedback on the exposure drafts and developing the final amendments to the SASB Standards. Proposed exposure drafts and proposed final amendments are ratified by the ISSB.
- IN7 The SASB Standards Board Advisor Group approved the Methodology Exposure Draft used to publicly consult on the project methodology, which the ISSB ratified in April 2023 and published in May 2023.
- IN8 The SASB Standards Board Advisor Group considered the feedback on the Methodology Exposure Draft to further refine the application of the methodology. Such refinements included balancing the inherent trade-offs in using the proposed revision approaches with considering potential jurisdictional variations when amending each unique disclosure topic and its associated metrics.

- IN9 The SASB Standards Board Advisor Group reviewed the SASB Standards amended using the methodology and directed the ISSB staff to make specific amendments in response to stakeholder feedback before approving the revisions in October 2023. On 11 October 2023, marked-up documents detailing the specific amendments were made public to allow stakeholders to familiarise themselves with the content.
- IN10 At the ISSB meeting held in December 2023, the SASB Standards Board Advisor Group recommended that the ISSB ratify the proposed amendments to the SASB Standards to enhance their international applicability. The ISSB has ratified the amendments and has confirmed that it is satisfied that the appropriate due process steps have been followed.

## Background

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- 1 Applied by more than 3,100 entities operating in over 80 jurisdictions, including approximately 75% of entities in the S&P Global 1200 as of November 2023, the SASB Standards consist of 77 industry-based sustainability-related disclosure standards containing approximately 1,000 metrics in total. The SASB Standards include industry descriptions, disclosure topic summaries and associated reporting metrics to help entities identify and disclose sustainability-related risks and opportunities, and provide material information to users of general purpose financial reports. The ISSB is responsible for the stewardship of the SASB Standards, including continuing maintenance and enhancing their international applicability.
- 2 The SASB Standards serve as a source of guidance for applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1). The SASB Standards help entities develop decision-useful and comparable disclosures in the absence of specific IFRS Sustainability Disclosure Standards. Some of the non-climate-related metrics in the SASB Standards relied on terms of reference (standards, definitions or calculation methods) that cited jurisdiction-specific laws and regulations, however. The inclusion of those laws and regulations could make the guidance in the SASB Standards difficult for preparers to apply in other jurisdictions.
- 3 The climate-related metrics in the SASB Standards were used to develop Appendix B of Exposure Draft IFRS S2 *Climate-related Disclosures* (Draft S2). A similar process to the methodology described in the Exposure Draft *Methodology for Enhancing the International Applicability of the SASB® Standards and SASB Standards Taxonomy Updates* (Methodology Exposure Draft) was used to enhance the international applicability of those industry-based climate-related disclosures.
- 4 In May 2023, the ISSB ratified a set of consequential amendments recommended by the SASB Standards Board Advisor Group to update the corresponding climate-related metrics in the SASB Standards (encompassing approximately 350 metrics and associated disclosure topic summaries). These amendments aligned the metrics with the climate-related industry-specific disclosures in IFRS S2 *Industry-based Guidance on implementing Climate-related Disclosures*. The ISSB issued these amended SASB Standards in June 2023, along with IFRS S2 *Climate-related Disclosures* (IFRS S2).
- 5 Accordingly, the scope of the project on the International Applicability of the SASB Standards was restricted to the non-climate-related content in the SASB Standards. That content includes sustainability-related topics like air emissions, biodiversity, community engagement and human capital management, among others. The project balanced enhancing the international applicability of a significant volume of content (approximately 650 metrics and associated disclosure topic summaries) with supporting timely implementation of IFRS S1.

### The process proposed in the Methodology Exposure Draft

- 6 The Methodology Exposure Draft detailed a proposed process for enhancing the international applicability of the non-climate-related metrics in the SASB Standards. The Methodology Exposure Draft reflects a targeted exercise to ensure that entities implementing IFRS S1 can use relevant SASB Standards metrics in any jurisdiction, regardless of where a preparer operates. Likewise, an entity using the amended SASB Standards would be able to do so whether it applies IFRS Accounting Standards or other generally accepted accounting principles or practices (GAAP).
- 7 The primary objective of the methodology was to enhance the international applicability of the SASB Standards without substantially changing the structure, completeness or original intention of the content by focusing on procedural revisions of the jurisdiction-specific terms of reference.
- 8 The application of the methodology was intended to ensure that amendments preserved the decision-usefulness of material information disclosed in accordance with the SASB Standards for users of general purpose financial reports without significantly increasing the costs of reporting for new and current SASB preparers. If an entity already uses the SASB Standards, it should be able to continue providing similar disclosures after the SASB Standards are amended. At most, the entity would have to adapt to minor changes in the amended metrics.

- 9 Approximately 220 out of roughly 650 non-climate-related metrics in the SASB Standards substantively relied on jurisdiction-specific terms of reference to define the metric's scope, methods or other parameters. Used in descending order of preference as outlined in the Methodology Exposure Draft, the amendments to the SASB Standards were developed by:
- (a) replacing jurisdiction-specific terms of reference with internationally applicable references for standards, definitions or calculation methods (Revision Approach 1);
  - (b) providing general descriptions for standards, definitions or calculation methods to replace jurisdiction-specific terms of reference (Revision Approach 2);
  - (c) permitting preparers to use applicable jurisdictional laws or regulations to replace jurisdiction-specific terms of reference and align with preparer legal and regulatory compliance requirements (Revision Approach 3);
  - (d) removing—in a limited number of cases—jurisdiction-specific metrics that were unsuitable for international application, had no identified international equivalents, were not adaptable to general descriptions and represented a narrowly specific application found in few or no other jurisdictions (Revision Approach 4); and
  - (e) replacing jurisdiction-specific metrics proposed for removal if a relevant replacement could be identified to preserve a disclosure topic's completeness, aligned with the intention of the original metric to the extent possible based on cross-jurisdictional research (Revision Approach 5).
- 10 Depending on the complexity of a specific metric, the associated technical protocols could reference more than one standard, definition or calculation method—sometimes citing a range of jurisdiction-specific sources. Therefore, in practice, the methodology revision approaches were seldom used in isolation. The revision approaches were often used in combination to enhance the international applicability of separate, but related, terms of reference within a metric's technical protocols.
- 11 The methodology's cascading hierarchy constrained the scale and scope of revisions used to enhance the international applicability of the SASB Standards, improved cross-jurisdictional comparability to the extent possible and preserved disclosure representational faithfulness.
- 12 Revision Approach 1 involved replacing jurisdiction-specific references with equivalent international references if the information guiding a preparer remained substantially the same. International references mean internationally recognised, globally applicable standards, definitions or calculation methods by which most jurisdictions abide and for which jurisdictional equivalents are generally not meaningfully different. Using Revision Approach 1 was feasible only if equivalent international references could be identified and if the identified references captured relevant disclosure topic performance in ways that were representationally faithful.
- 13 Revision Approach 2 involved replacing jurisdiction-specific references with general descriptions when no relevant international references could be identified. The criteria necessary to apply Revision Approach 2 were for the underlying concept of the general description to be easily understood by preparers, to be undistruptive for preparers to apply and to result in preparers providing the information needed for the original disclosure. General descriptions meeting these criteria were considered suitable substitutes for jurisdiction-specific terms of reference. In such instances, a specific and consistent standard, definition or calculation method could be added to the metric's technical protocols to enhance cross-jurisdictional comparability.
- 14 Revision Approach 3 involved using generally applicable jurisdictional laws, regulations or terminology to replace jurisdiction-specific references. In the absence of suitable international references, this revision approach was used to replace complex concepts or data without introducing significant amounts of unmanageable content into the SASB Standards using Revision Approach 2. Revision Approach 3 does not support cross-jurisdictional comparability like Revision Approaches 1 and 2. However, replacing jurisdiction-specific references with applicable jurisdictional laws, regulations or terminology does support comparable disclosure within individual jurisdictions. If a metric measured jurisdictional compliance risk, using Revision Approach 3 was preferable because it was more representationally faithful in those cases. In other cases, permitting preparers to use the applicable jurisdictional frameworks to which the entity is subject most accurately reflects the legal and regulatory risks that the entity manages. Therefore, such disclosures provide relevant information to users of general purpose financial reports. Given the contextual variability inherent in employing Revision Approach 3, possible jurisdictional variations were carefully considered in the specific context of each metric.

- 15 Using Revision Approaches 1–3 was sometimes infeasible because a metric was too jurisdiction-specific to adapt. Used infrequently, Revision Approach 4 involved determining whether the metric associated with the jurisdiction-specific reference could be removed without leaving the disclosure topic incomplete. For example, if the disclosure topic contained other metrics that provided related information, the metric could be considered for removal.
- 16 Used in rare cases, Revision Approach 5 involved developing a new metric to help support performance reporting if a metric was both too jurisdiction-specific to adapt and too distinct to remove. In these few cases, the disclosure topic examined did not contain enough other remaining metrics to provide related information for the disclosure topic. In almost all such cases, the lack of other remaining supporting metrics in the disclosure topic resulted in replacing a previously quantitative metric with a qualitative description, discussion or analysis.

### **The public comment period for the Methodology Exposure Draft**

- 17 Aggregating the revision approaches, the Methodology Exposure Draft was drafted to solicit stakeholder feedback appropriate and commensurate with the scope of the project. The ISSB ratified the SASB Standards Board Advisor Group’s recommendation to publish the Methodology Exposure Draft in April 2023. The ISSB published the Methodology Exposure Draft for a 90-day comment period, which ended on 9 August 2023.
- 18 A wide range of stakeholders were also consulted to examine specific applications of the methodology and to assess the decision-usefulness and cost-effectiveness of the resulting disclosures. These stakeholder consultations provided important insights and suggested changes to the methodology from varied perspectives in both developed and developing capital markets.
- 19 The ISSB received 148 comment letters and completed surveys in response to the Methodology Exposure Draft from a geographically diverse group of stakeholders. Among types of stakeholders, respondents were primarily preparers, accounting professionals and auditors. The ISSB staff presented a preliminary analysis of the feedback on the Methodology Exposure Draft to the ISSB during its September 2023 meeting. During that session, the SASB Standards Board Advisor Group briefed the ISSB on the project progress and planned schedule but made no recommendations.
- 20 Respondents to the Methodology Exposure Draft raised some potential issues that could arise when applying the five proposed approaches, but they broadly agreed with the objective, constraints and cascading hierarchy of revision approach application. Many stakeholders commented on the possible drawbacks of particular revision approaches. Based on that respondent feedback, the SASB Standards Board Advisor Group carefully considered these implicit trade-offs in the context of cross-jurisdictional application, but they also noted respondent feedback was generally in favour of the proposed methodology.
- 21 The SASB Standards Board Advisor Group examined stakeholder feedback on the Methodology Exposure Draft and reviewed the application of the methodology in response to that feedback. On 5 October 2023, the SASB Standards Board Advisor Group approved the amendments to the SASB Standards that reflected the application of the methodology. The SASB Standards Board Advisor Group presented their conclusions to the ISSB for discussion at the meeting held on 25 October 2023. The ISSB was not asked to make any decisions at that meeting.

### **Application of the methodology to enhance the international applicability of the SASB Standards**

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- 22 Almost all respondents to the Methodology Exposure Draft supported the project’s scope, objectives, constraints, and proposed cascading hierarchy of revision approaches used to amend jurisdiction-specific terms of reference in the SASB Standards. The revision hierarchy provided the logical and practical starting point for the amendment process during this project. Almost all users of general purpose financial reports and standard-setters indicated that further constraints in applying the methodology were unnecessary.
- 23 Almost all respondents agreed with the general criteria used to determine which revision approach to employ in varied circumstances. Most respondents agreed that Revision Approach 1 should be the first course of action taken to enhance the international applicability of the SASB Standards, and that Revision Approaches 2–5 would enhance the international applicability of the SASB Standards.
- 24 However, an initial assessment using the revision approach hierarchy was only the starting point. The next step involved further cross-jurisdictional research to balance the practical considerations necessary in applying the revision approaches in the context of specific disclosure topics and metrics. Some respondents identified similar considerations in feedback on the Methodology Exposure Draft.

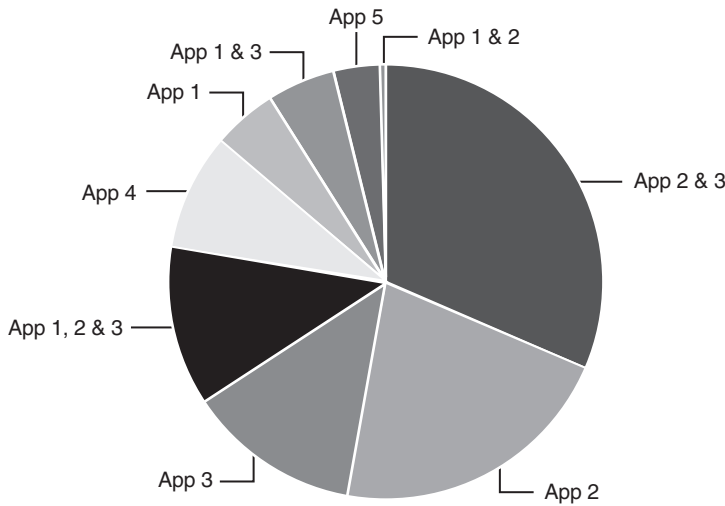


25 Some stakeholders commented that mechanically applying the methodology revision approach hierarchy could yield inadequate results depending on the unique technical characteristics of the original content. Applying the revision approaches required careful judgement.

26 Each metric revised using the methodology required cross-jurisdictional research to balance enhancing a metric’s international applicability with preserving the metric’s original intention. Some of the variations, trade-offs and considerations involved in the amendment process are discussed in the subsequent examples, which include some of the associated marked-up metrics detailing the amendments to provide additional context and detail. These examples do not represent an exhaustive list. The Appendix contains lists of the metrics amended, removed and added to the SASB Standards in connection with the project.

27 The examples in paragraphs 28 through 51 are listed by revision approach, from most used to least used. As noted previously, Revision Approaches 1–3 were often applied in various combinations. Whether used by themselves or in combination, Revision Approaches 1–3 were applied to over 90% of the amended metrics with Revision Approaches 4 and 5 representing the remainder (see Figure 1).

**Figure 1.** Distribution of revision approaches (App) used to enhance the international applicability of the SASB Standards (by # of metrics)



**Table 1.** Distribution of revision approach used to enhance the international applicability of the SASB Standards (by revision approach)

Revision approach used	Frequency of use (# of metrics)
Revision Approach 1 only – international reference	11
Revision Approach 2 only – general description	46
Revision Approach 3 only – jurisdictional requirements	27
Revision Approach 4 – removal	18
Revision Approach 5 – replacement	7
Revision Approaches 1 and 2	1
Revision Approaches 1 and 3	11
Revision Approaches 1, 2 and 3	27
Revision Approaches 2 and 3	68

**Examples of combined Revision Approach 2 and 3—Revised using general descriptions and references to applicable jurisdictional laws and regulations**

28 Approximately one third of the amendments to the SASB Standards employed Revision Approach 2 in combination with Revision Approach 3. In these instances, the general descriptions of Revision Approach 2 replaced jurisdiction-specific references to the extent possible. However, the remaining jurisdiction-specific terms of reference were either too complex, too detailed or too varied between jurisdictions to replace with general

descriptions if no suitable international references had been identified. Revision Approach 3 relies on the applicable jurisdictional laws or regulations with which an entity might already comply to replace the previous jurisdiction-specific terms of reference. To facilitate comparability and provide context, the entity is generally then required to disclose the applicable frameworks being used in the disclosure.

29 Some stakeholders commented that Revision Approach 3 could result in disclosures that are not comparable between jurisdictions depending on how widely laws and regulations vary from one jurisdiction to another. Although using Revision Approach 3 might result in some disclosures that are not comparable across jurisdictions, this may be unavoidable in some cases under the objectives of this project. A few respondents to the Methodology Exposure Draft commented that the quality of specific jurisdictional references might be superior to the proposed international references in some circumstances.

30 In Example 1, metric IF-WM-320a.1 requires disclosure of information related to workforce health and safety. Also used in 23 other industries, these workforce health and safety metrics previously cited the US Code of Federal Regulations (CFR), the US Occupational Safety and Health Administration and the US National Safety Council to define the metric scope and important terms of reference. In mining-related industries, the metrics previously cited US Mine Safety and Health Administration guidance. Most of these terms of reference were replaced with general descriptions drafted broadly enough to avoid conflicting with potential jurisdictional variations or International Labour Organization guidance, while being prescriptive enough to guide preparers' understanding of the disclosure. However, cross-jurisdictional research indicated that the detailed criteria used to define 'recordable incidents' could vary slightly between jurisdictions and even within specific jurisdictions depending on the industry involved. To accommodate these potential jurisdictional variations, additional guidance in the technical protocols permits an entity to use applicable jurisdictional guidance to define recordable incident criteria with which the entity is familiar and which the entity might already report to regulators.

**Example 1—Combined Revision Approaches 2 and 3**

<b>IF-WM-320a.1. (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees</b>	
1	<p>The entity shall disclose <u>(1)</u> its total recordable incident rate (TRIR) for work-related injuries and illnesses.</p> <p>1.1 An injury or illness is considered a recordable incident if it results in <del>any of the following:</del> death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. <del>This definition is derived from U.S. 29 CFR 1904.7.</del> <i>[removal of a jurisdiction-specific reference]</i></p> <p style="margin-left: 20px;">1.1.1 <u>First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.</u> <i>[Revision Approach 2]</i></p> <p style="margin-left: 20px;">1.1.2 <u>The entity may use applicable jurisdictional criteria for definitions of a recordable incident and a non-recordable incident such as first aid. The entity shall disclose the legal, regulatory or industry framework used as the source for these criteria and definitions.</u> <i>[Revision Approach 3]</i></p> <p>1.2 <del>The U.S. Occupational Safety and Health Administration (OSHA) provides additional resources for determining if injuries or illnesses are considered recordable incidents in its guidance for OSHA Forms 300, 300A, and 301.</del> <i>[removal of a jurisdiction-specific reference]</i></p>

- 5 The scope of the disclosure includes work-related incidents only.
- 5.1 Work-related incidents are injuries and illnesses resulting from events or exposures in the work environment.  
OSHA guidance for Forms 300, 300A, and 301 provides guidance on determining whether an incident is work-related, as well as definitions for exemptions for incidents that occur in the work environment but are not work-related. *[removal of a jurisdiction-specific reference]*
- 5.2 The work environment is the establishment and other locations where one or more employees are working or are present as a condition of their employment. *[Revision Approach 2]*
- 5.3 The work environment includes not only physical locations, but also the equipment or materials used by the employee during the course of work. *[Revision Approach 2]*
- 5.4 Incidents that occur while an employee is travelling are work-related if, at the time of the injury or illness, the employee was engaged in work activities in the interest of the employer. *[Revision Approach 2]*
- 5.5 A work-related incident must be a new case, not a previously recorded injury or illness being updated. *[Revision Approach 2]*

### Examples of Revision Approach 2—General descriptions

- 31 Revision Approach 2 used in isolation was the second most common form of amendment to the non-climate-related metrics in the SASB Standards. If the relevant jurisdiction-specific terms of reference were suitably simple and clear enough to be replaced with a set of general descriptions, Revision Approach 2 was an ideal solution to ensure the comparability and consistency of disclosures. The success of this approach depended on the general descriptions providing enough context to guide preparers in making disclosures. The general descriptions had to capture the concepts included in both the prior jurisdiction-specific references and the broader jurisdictional variations that might exist or develop in the future.
- 32 In most cases, Revision Approach 2 involved removing jurisdiction-specific terms of reference and researching jurisdictional variations to understand both the prior disclosure and the broader global regulatory context. The approach sometimes also involved drafting relevant examples to describe the intended focus of the disclosure's technical protocols. Many jurisdiction-specific references were replaced with lists of important components to define the scope of the disclosure clearly.
- 33 For example, in the Oil & Gas – Midstream industry, metric EM-MD-540a.2 requires preparers to disclose the percentage of pipelines inspected. Before being amended, the metric relied on the US CFR to define inspection activities. These jurisdiction-specific terms of reference in paragraph 1.3 of EM-MD-540a.2 were removed; instead, the typical technical elements of pipeline inspections are provided in a non-exhaustive list of examples to guide preparers.
- 34 In Example 2 from the Telecommunication Services industry, metric TC-TL-520a.3 describes the risks and opportunities associated with net neutrality and associated concepts. Under the previous technical protocols, the metric used US Federal Communications Commission (FCC) principles to define the scope of the disclosure and important concepts, such as 'transparency' and 'blocking'. No globally recognised international references have been identified to replace the FCC reference. However, the scope and associated terms of reference are relatively simple to describe in a general way using cross-jurisdictional research.

**Example 2—Revision Approach 2**

<b>TC-TL-520a.3. Description of risks and opportunities associated with net neutrality, paid peering, zero-rating, and related practices</b>	
1	<p>The entity shall describe risks and opportunities associated with rules and regulations addressing net neutrality and open internet.</p> <p>1.1 Net neutrality and open internet refers to <u>the idea, principle or requirement that internet service providers (ISPs) should or must treat all internet data as the same regardless of its kind, source or destination</u>, principles that would prevent behaviour that harms consumers or competition by limiting the openness of the Internet, as aligned with the U.S. Federal Communications Commission’s (FCC) Title 47—Telecommunications, Part 8—Preserving the Open Internet.</p> <p>1.1.1 <u>Transparency: That all internet service providers (ISPs) must transparently disclose to their subscribers and users all relevant information as to the policies that govern their network.</u></p> <p>1.1.2 <u>No Blocking: That no legal content may be blocked.</u></p> <p>1.1.3 <u>No Unreasonable Discrimination: That ISPs may not act in a commercially unreasonable manner to harm the Internet, including favouring the traffic from an affiliated entity.</u></p> <p>1.2 The scope of the disclosure <u>shall include the entity’s approach to these concepts: includes, but is not limited to, the reclassification of ISPs as common carriers under Title II of the Communications Act of 1934, or the use of Section 706 of the Telecommunications Act of 1996 to regulate ISPs.</u></p> <p>1.2.1 <u>transparency—whether and how an ISP transparently discloses to its subscribers and users all relevant information as to the policies that govern its network;</u></p> <p>1.2.1 <u>blocking—whether and under what circumstances an ISP blocks legal content on its network; and</u></p> <p>1.2.1 <u>no unreasonable discrimination—ISPs may not act in a commercially unreasonable manner to harm the internet, including favouring the traffic from an affiliated entity.</u></p> <p>1.3 <u>The scope of the disclosure includes a discussion of the risks and opportunities associated with the legal classification of ISPs in the jurisdictions in which the entity operates—such as, for example, whether ISPs are classified similarly to other communications services such as radio or telephone.</u></p>

**Example of combined Revision Approaches 1, 2 and 3—Revised using international references, general descriptions and references to applicable jurisdictional laws and regulations**

- 35 Just over a tenth of the amendments to the SASB Standards used a combination of Revision Approach 1, Revision Approach 2 and Revision Approach 3. The general descriptions in Revision Approach 2 typically replaced most of the simpler jurisdiction-specific terms of reference. Using this approach sometimes left one or more references that were either too complex, too detailed or too varied between jurisdictions to replace with general descriptions. In some of those cases, international references were identified using Revision Approach 1. However, these international references might only replace a portion of the jurisdiction-specific terms of reference. In such cases, applicable jurisdictional laws and regulations were used to replace the remaining jurisdiction-specific terms of reference. In other instances, the international references might demonstrate context, establish a baseline for disclosure or provide a set of contingent terms of reference. An entity could voluntarily use these international references to develop a disclosure if the applicable jurisdictional laws or regulations where they operate are insufficient to apply the metric.
- 36 A few respondents to the Methodology Exposure Draft stated that if preparers were required to report a jurisdictional metric for compliance purposes, then Revision Approach 1 might increase their reporting burden by asking them to report two slightly different, but ultimately duplicative metrics. By permitting preparers to voluntarily apply international references or to rely on applicable jurisdictional laws or regulations, many of the amendments that used a combination of revision approaches sought to avoid that issue.
- 37 Example 3 from the Marine Transportation industry highlights a metric that was amended using a combination of revision approaches. Metric TR-MT-160a.3 requires disclosure of information about waterborne hazardous material spills. Currently, the metric cites MARPOL 73/78 Annex I, a global standard, which provides guidance related to ‘noxious liquid substances’ and oil discharges. However, the metric also previously relied on the US CFR to define ‘hazardous substances’. To replace this definition, general descriptions of the typical characteristics of

hazardous materials have been provided to help preparers understand the scope and context of the metric. No international standards were identified to define the minimum quantities of hazardous materials spilled that constitute a significant risk to the marine environment. Jurisdictions have varying guidelines encompassing waterborne hazardous material spills. As a result, the amended metric permits preparers to use applicable jurisdictional legal and regulatory frameworks as guidance if the preparers disclose any hazardous materials and minimum spill quantities that fall outside the scope of MARPOL guidance. If an entity’s applicable jurisdictional legal and regulatory frameworks do not provide enough detail, the UN Environment Programme’s (UNEP) *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal* (Basel Convention) may be used as a contingent reference for defining hazardous materials.

**Example 3—Combined Revision Approaches 1, 2 and 3**

<b>TR-MT-160a.3. (1) Number and (2) aggregate volume of spills and releases to the environment</b>	
1	<p>The entity shall disclose (1) the total number of spills and releases <u>of hazardous material</u> to the environment.</p> <p>1.1 Spills and releases include releases overboard that are intentional or accidental, including:</p> <p style="margin-left: 20px;">1.1.1 those resulting from sabotage, earthquakes, or other events outside of the entity's operational control; <u>and</u></p> <p style="margin-left: 20px;">1.1.2 those resulting from leakage over time (which shall be counted once at the time the leak is identified),</p>
2	<p>The scope of <u>the disclosure</u> includes spills and releases that, <del>based on U.S. Code of Federal Regulations 46-CFR 4.03-65 definitions,</del> result in “significant harm to the environment,” including spills or releases of:</p> <p>2.1 <del>Hazardous substances</del> <u>hazardous materials (including explosives; radioactive materials; infectious substances; flammable or combustible liquids, solids or gases; toxic, oxidising or corrosive materials; and compressed gases)</u> in quantities equal to or exceeding, in any 24-hour period, the reportable quantity determined <u>in accordance with applicable jurisdictional legal or regulatory guidelines.</u> <del>U.S. 40-CFR part 117</del></p> <p style="margin-left: 20px;">2.1.1 <u>The scope of hazardous materials includes hazardous substances, hazardous wastes, marine pollutants, elevated temperature materials, and materials designated as hazardous by the applicable jurisdictional legal and regulatory framework(s) where the materials were generated.</u></p> <p style="margin-left: 20px;">2.1.2 <u>The entity may use definitions of hazardous waste from the United Nations Environment Programme (UNEP) <i>Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal</i>.</u></p> <p>2.3 <del>noxious</del> <u>Noxious</u>-liquid substances presenting a major hazard (Category X) or a minor hazard (Category Y) according to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex II; <u>and</u></p> <p>2.4 <del>oils</del> <u>Oils</u>, excluding those that are: (a) from a properly functioning vessel engine and any discharges of such oil accumulated in the bilges of a vessel discharged in compliance with MARPOL 73/78, Annex I; or (b) permitted under MARPOL 73/78, Annex I, <del>as provided in U.S. 33-CFR part 151, subpart A.</del></p>

**Example of Approach 3—Reference to applicable jurisdictional laws or regulations**

38

The use of Revision Approach 3 in isolation indicates that suitable international references were unavailable and general descriptions were infeasible. The situation might reflect a wide range of jurisdictional variations or potential variations that are difficult to characterise in the technical protocols. Although relying on applicable jurisdictional laws and regulations in some instances could impair cross-jurisdictional comparability, such comparability might be infeasible given the significant jurisdictional diversity involved in the disclosure topic and the absence of globally recognised international standards. In these cases, the best approach is to reference applicable jurisdictional materials so that preparers can provide decision-useful information to users of general purpose financial reports. Although the resulting disclosures might not be directly comparable between jurisdictions, users can still obtain material information about the disclosure topic.

39 In Example 4 from the Cruise Lines industry, metric TR-CL-250a.2 examines ship sanitation inspections. This metric referenced a specific programme administered by the US Centers for Disease Control and Prevention. Such inspection programmes are not unique to ships operating in US waters, but ship sanitation inspection regimes can vary widely between jurisdictions. Some inspection regimes might provide a simple binary pass or fail ship certification; others generate a numerical score. Critical and non-critical inspection items and their relative weightings for ship sanitation inspection scoring regimes can also vary significantly between the jurisdictions that use scoring systems. In the amended metric, references to inspection scoring have been removed. It instead now focuses specifically on overall inspection outcomes, making the revised metric feasible to apply for entities with operations in a range of jurisdictions and still providing decision-useful information to investors. The amendment also facilitates comparability between jurisdictions regardless of the inspection scheme involved by enabling more entities to provide information about ship sanitation using this metric.

**Example 4—Revision Approach 3**

<b>TR-CL-250a.2. Fleet average <del>CDC Vessel Sanitation Program inspection score, percentage</del> <u>Percentage of fleet inspections failed</u></b>	
1	The entity shall disclose the <u>percentage of inspections for public health, food safety or environmental sanitation conducted by an applicable jurisdictional legal or regulatory authority that failed a ship sanitation inspection</u> <del>average U.S. Centers for Disease Control and Prevention (CDC) Vessel Sanitation Program (VSP) inspection score for its fleet.</del>
1.1	<u>The percentage shall be calculated as the number of failed ship sanitation inspections</u> <del>The average CDC VSP inspection score shall be calculated as the sum of inspection scores for all inspected ships divided by the total number of fleet inspections conducted ships that were inspected.</del>
1.1.1	<u>For a ship that was inspected multiple times during the reporting period, the entity shall use the average annual inspection score for that ship in the calculation of the fleet average score.</u>

**Example of Revision Approach 1—Using an equivalent international standard**

40 Revision Approach 1 was used by itself in only a few instances to replace jurisdiction-specific terms of reference with internationally applicable ones. Though the preferred revision approach, in practical terms, replacing a jurisdiction-specific reference with an international reference only worked if the metric and associated technical protocols were relatively simple. In those cases, the international source of guidance needed to align well with both the prior jurisdiction-specific terms of reference and the broader cross-jurisdictional application. Researching international references always served as a natural starting point when applying the methodology. However, using such references in developing decision-useful metrics could be impractical depending on the specific industry, disclosure topic and metric context. Alternatively, in some cases, an international reference might provide a good reporting baseline for comparable disclosures relevant for application in both developed and developing markets.

41 For example, in the Meat, Poultry & Dairy industry, metric FB-MP-260a.1 requires disclosure of the percentage of animals receiving antibiotics, whether medically important or not medically important. The previous technical protocols relied on references to the US Food and Drug Administration (FDA) to define such antimicrobial drugs. That FDA reference used the same terminology found in the World Health Organisation’s Medically Important Antimicrobial (MIA) list. The internationally recognised MIA list is equivalent to the FDA reference in most respects. Many jurisdictions, including the European Union, Australia, Japan, Hong Kong and Canada, cite the MIA list in their respective lists for antimicrobials used in livestock production. These jurisdictional lists can include a more comprehensive set of antibiotics than the MIA list, but the MIA list can serve as an appropriate baseline reference for reporting.

**Examples of combined Revision Approaches 1 and 3—Revised using international references and references to applicable jurisdictional laws or regulations**

42 A few of the amendments to the SASB Standards used Revision Approach 1 in combination with Revision Approach 3. In some instances, an international reference could be used to replace a jurisdiction-specific reference, but a preparer might also need to consider other relevant applicable jurisdictional legal or regulatory frameworks to ensure that the disclosure provides complete coverage between jurisdictions. In some instances, metrics include an international reference that is applicable if relevant applicable jurisdictional laws or regulations are absent or if a preparer finds such laws or regulations inadequate for applying the metric.

43 An example of an international reference being permitted for use instead of applicable jurisdictional laws or regulations is from the Iron & Steel Producers industry. Metric EM-IS-150a.1 requires disclosure of waste generated during iron and steel production. The metric previously referenced Subtitle C of the US Environmental Protection Agency’s Resource Conservation and Recovery Act and the EU Waste Framework Directive as alternatives for defining hazardous waste. In this amendment, these jurisdiction-specific references were replaced with applicable jurisdictional laws or regulations where the waste is generated. However, an entity is permitted to use the Basel Convention as a reference.

#### **Examples of Revision Approach 4—Removal of metrics without replacement**

44 The ISSB has removed, without replacement, 18 metrics from the SASB Standards using Revision Approach 4. These instances include metrics inextricably based on uniquely jurisdiction-specific terms of reference with few clear equivalents in other jurisdictions. In these cases, enough metrics remained to preserve the completeness of the associated disclosure topic and no further amendments were necessary. The full list of these metrics can be found in Table A2 of the Appendix to this document.

45 Most instances of applying Revision Approach 4 involved metrics based on laws, regulations or data systems that were so specific to individual jurisdictions that both the terms of reference and the metric were assessed as being unsuitable for international application, such as:

- (a) **HC-DY-240a.2.** Amount of Medicare Disproportionate Share Hospital (DSH) adjustment payments received;
- (b) **HC-MC-240a.2.** Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for Medical Loss Ratio (MLR); and
- (c) **IF-WM-320a.2, TR-AF-540a.4, TR-RO-540a.2.** Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance.

46 A few respondents to the Methodology Exposure Draft expressed concerns that the use of Revision Approach 4 might impair comparability with the prior period disclosures of entities that currently apply the SASB Standards. However, subsequent restatement of comparative periods should help entities alleviate those concerns, and this revision approach was used infrequently.

#### **Examples of Revision Approach 5—Replacement of metrics after removal**

47 After a metric or sub-metric had been removed, Revision Approach 5 was used in those rare instances in which insufficient metrics remained to measure an entity’s performance on a disclosure topic. A few respondents to the Methodology Exposure Draft stated that replacing a metric using Revision Approach 5 might increase the reporting burden for preparers that currently apply SASB Standards and diminish the comparability of future disclosures with prior periods. Therefore, Revision Approach 5 was used infrequently.

48 The ISSB’s amendments to the SASB Standards contain seven instances of replacing metrics to preserve the completeness of the relevant disclosure topic. Six of these instances involved adding a new qualitative metric to replace a quantitative metric while capturing substantially the same or similar information in a different form. The full list of these metrics can be found in Table A3 of the Appendix to this document.

49 The single exception to this practice of converting quantitative into qualitative disclosures was the replacement of a quantitative sub-metric with a similar quantitative metric. This replacement metric preserves the information previously provided by the unique sub-metric EM-SV-320a.1 (4) total vehicle incident rate (TVIR) and improves comparability across the SASB Standards by using technical protocols aligned with similar road accident metrics found in several other industries.

50 An example of the application of Revision Approach 5 is Example 5 from the Education industry. Metric SV-ED-260a.5 required disclosure of quantitative data defined in the US Gainful Employment Rule. The technical protocol calculation method required access to US federal student loan default information. Entities in other jurisdictions might not have had access to the data required to calculate this metric. As a result of these practical application challenges, a new qualitative disclosure was developed related to an entity’s compliance with applicable jurisdictional requirements. This new disclosure provides investors with suitable replacement information about student employment outcomes and related regulatory or reputational risks.

**Example 5—Revision Approach 5**

<b>SV-ED-260a.5. Program cohort default rate</b>	
1	<p>The entity shall disclose the program cohort default rate (pCDR) for all educational programs classified as Gainful Employment (GE) programs, in accordance with the methodology outlined in the U.S. Gainful Employment Rule §668.403, 79 Fed. Reg. 64902 (October 31, 2014).</p> <p>1.1 pCDR is the percentage of borrowers in a cohort who defaulted on their loans.</p> <p>1.2 Borrowers in a cohort for a fiscal year include all of an institution's current and former students who, during that fiscal year, entered repayment on any U.S. Federal Stafford Loan, Federal Supplemental Loan for Students, Direct Subsidised Loan, or Direct Unsubsidized Loan that they received to enrol in the GE program, or on the portion of a loan made under the U.S. Federal Consolidation Loan Program or the Federal Direct Consolidation Loan Program that is used to repay those loans.</p> <p>1.3 Borrowers in a cohort who are in default include any borrowers who, before the end of the second fiscal year following the fiscal year the borrower entered repayment, default on (a) any Federal Family Education Loan Program loan that was used to include the borrower in the cohort or on (b) any Federal Consolidation Loan Program loan that repaid a loan that was used to include the borrower in the cohort.</p> <p>1.4 The measurement period for calculating the pCDR covers the borrowers who entered repayment three fiscal years prior to the year in which pCDR is calculated, and the percentage is based on those who defaulted by end of the subsequent two fiscal years. For example, the 2016 pCDR calculation would be based on the borrowers who entered repayment in fiscal year 2013, and the percentage would be those who defaulted by end of fiscal year 2015.</p>
2	<p>The pCDR percentage is calculated by dividing the number of borrowers in the cohort who defaulted on their loans by the number of borrowers in the cohort.</p>

<b>SV-ED-260a.6. Description of policies and practices related to student indebtedness and programme loan defaults</b>	
1	<p>The entity shall disclose whether it is subject to any applicable jurisdictional legal or regulatory requirements regarding student loans, including whether the entity's revenue could be affected by its students' ability to repay loans used to complete the entity's educational programmes.</p> <p>1.1 <u>The entity shall disclose any quantitative indicators by which its performance regarding student loans is measured and reported to applicable jurisdictional authorities.</u></p> <p>1.2 <u>The entity shall disclose any targets to which it is subject regarding student loans and indebtedness and provide an analysis of its performance against those targets.</u></p>
2	<p><u>The entity shall disclose a description of its policies and practices related to ensuring compliance with applicable jurisdictional legal or regulatory requirements regarding student indebtedness and loan defaults.</u></p>

51 Another example of the use of Revision Approach 5 is Example 6 from the Air Freight & Logistics industry. Metric TR-AF-430a.1 examines contract carrier safety management. The metric references a database—BASIC—that is used, maintained and applicable only in the US. Other jurisdictions are developing similar tools for assessing carrier safety management, but those database models would be structured fundamentally differently from BASIC and would provide little comparable information. BASIC is the same database tool that required the use of Revision Approach 4 to remove metrics IF-WM-320a.2, TR-AF-540a.4 and TR-RO-540a.2, but in those examples, other similar metrics remained to support the disclosure topic after the removal. In the case of TR-AF-430a.1, the removal of the metric would render the Supply Chain Management disclosure topic incomplete. That disclosure topic contains only one other metric, and that remaining metric does not measure the risk of potential supply chain disruptions related to contract carrier safety management practices. The new qualitative metric TR-AF-430a.3 requires an entity to provide information about how it manages contract carrier safety across all modes of transport to avoid disruptions to its supply chain.



**Example 6—Replacement of removed metrics**

<b>TR-AF-430a.1. Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold</b>	
1	The entity shall disclose the percentage of carriers the entity contracts with that have one or more U.S. Federal Motor Carrier Safety Administration (FMCSA) Behaviour Analysis and Safety Improvement Category (BASIC) percentiles over the Intervention Threshold.
1.1	The percentage shall be calculated as the number of carriers the entity contracts with that have one or more BASIC percentiles over the Intervention Threshold divided by the total number of carriers the entity contracts with.

<b>TR-AF-430a.3. Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety</b>	
1	The entity shall describe the nature and scope of the greatest business disruption risks associated with contract freight forwarding, logistics and intermodal services provider safety across all modes of transport.
1.1	The entity shall include a description of the potential effects these risks may have on operations.
2	The entity shall describe its due diligence procedures, operational processes and strategy for assessing, managing and reducing potential business disruption risks resulting from contractor carrier safety.
2.1	The discussion shall include how the entity encourages a culture of safety among its contract carriers, such as through regulatory compliance, monitoring and auditing.
2.2	The entity shall disclose how it confirms contractor compliance with relevant jurisdictional safety regulations.
2.3	The entity shall describe the nature, scope and implementation of its safety policies, procedures and practices associated with contract carriers.
2.4	The discussion shall include how internally developed safety policies, procedures and practices apply to and are coordinated with an entity's contract carriers and how the entity monitors contractor carrier compliance.

**Removal of other jurisdiction-specific references and application of the IFRS Foundation Style Guide**

- 52 Not all jurisdiction-specific references previously included in the SASB Standards were necessary for preparers to apply the metrics. Many simply established context for preparers, indicated the sources from which general descriptions were originally derived, or provided alternative sources for optional disclosures. Consistent with the approach taken with the IFRS S2 *Industry-based Guidance on implementing Climate-related Disclosures*, most of these non-substantive references have been removed to avoid potential confusion for preparers reporting in jurisdictions in which these references would be invalid. These removals streamline the SASB Standards' content and reduce the number of jurisdiction-specific references that must be monitored to ensure the references do not become obsolete.
- 53 An example of this from the Oil & Gas – Exploration & Production industry is metric EM-EP-510a.2. This metric requires an entity to describe its corruption and bribery prevention management systems. The metric included a list of examples of jurisdiction-specific frameworks related to payments transparency. Because these references were only used as examples, they were removed to avoid preparer confusion regarding the international applicability of the metric.
- 54 Other editorial changes were also made as part of the amendments to the non-climate-related metrics in the SASB Standards. These changes were consistent with those applied when the climate-related SASB Standards metrics were reviewed during IFRS S2 deliberations and the associated consequential amendments were made to the SASB Standards. These amendments included non-substantive stylistic edits expected to improve disclosure comparability by matching phrasing for similar or identical metrics in other industries in the SASB Standards and to align with the IFRS *Foundation Style Guide*. These edits include applying UK English, using preferred words and phrases, using preferred sub-paragraph structure and punctuation, and improving the general clarity of the content to simplify translation into other languages.

## Subsequent work

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- 55 The ISSB released marked-up (blackline) documents detailing the specific amendments on 11 October 2023. The manually marked-up revisions were released to help stakeholders familiarise themselves with the proposed amendments to the SASB Standards. Most respondents to the Methodology Exposure Draft mentioned the importance of the ISSB releasing guidance to support the implementation of IFRS S1 for its 1 January 2024 effective date. Though neither a formal due process step nor a requirement, the publication of the blackline documents was based on previous ISSB commitments made in both the October 2022 DPOC approval and the Methodology Exposure Draft. The ISSB has determined that this is a proportionate approach that is commensurate with the nature and volume of revisions being made.
- 56 Almost all respondents to the Methodology Exposure Draft supported the proposed process to update the SASB Standards Taxonomy to reflect amendments to the SASB Standards under the methodology. A few respondents were concerned about alignment between the SASB Standards Taxonomy and the IFRS Sustainability Disclosure Taxonomy and interoperability between the SASB Standards Taxonomy and digital European Sustainability Reporting Standards taxonomy. The SASB Standards Taxonomy will be updated to reflect the amended SASB Standards in a way that is consistent with the IFRS Sustainability Disclosure Taxonomy, and efforts to establish interoperability with other standards will continue.
- 57 Many respondents (specifically preparers, users and standard-setters) requested that the ISSB provide illustrative examples to accompany the amended SASB Standards to support preparers in creating comparable and decision-useful disclosures. The development of illustrative examples of disclosures prepared using the SASB Standards was unnecessary prior to issuing the amendments, but stakeholder demand for additional educational materials has been noted. Educational materials will be considered in the broader context of the ISSB's strategy to support the implementation of IFRS S1 and IFRS S2.

## Consensus

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- 58 The ISSB reviewed and discussed the feedback received on the Methodology Exposure Draft at its September 2023 and October 2023 meetings. On 13 December 2023, the ISSB decided:
- (a) to ratify amendments to the SASB Standards made in accordance with the methodology as informed by stakeholder feedback on the Methodology Exposure Draft; and
  - (b) that related updates to the SASB Standards Taxonomy be made, consistent with the approach laid out in the Methodology Exposure Draft.
- 59 All ISSB members agreed with these decisions.

## Transition

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- 60 Many respondents to the Methodology Exposure Draft, including most investors, indicated that the benefits of implementing the amended SASB Standards would outweigh the costs to preparers. The metrics amended using the methodology represent only a small subset of the total content in the SASB Standards.
- 61 The ISSB has sought to mitigate incremental implementation costs by seeking to preserve the original structure, completeness and intent of the SASB Standards content. The amendments have been developed so that preparers already using the SASB Standards are expected to be able to use most of the same data sources, processes and reporting that they use currently. Entities that already prepare disclosures in accordance with the SASB Standards might face incremental costs related to modifying internal data systems, however. For example, some of the amended metrics could require adaptations to data collection, aggregation or validation. A small number of metrics have been removed or replaced using Revision Approach 4 or Revision Approach 5. If a preparer had been reporting a metric using the SASB Standards that has been removed, the entity would have to decide whether to continue reporting that information and, if so, how to appropriately disclose it in accordance with IFRS S1.
- 62 In a range of jurisdictions, the amendments should assist entities that are newly adopting the SASB Standards to use them as a source of guidance for applying IFRS S1. The amendments serve as a proportionality mechanism for those preparers that are implementing the IFRS Sustainability Disclosure Standards and the SASB Standards. The combined application of these Standards will increase the quantity, quality and comparability of information available to the capital markets.
- 63 When entities apply the amended SASB Standards, the benefits for investors will stem from efficiencies arising from greater consistency, comparability and verifiability of disclosures between various jurisdictions.

- 64 To support those entities already using the SASB Standards, the ISSB determined that these amendments will be effective for preparers with annual reporting periods beginning on or after 1 January 2025, with early application permitted.
- 65 The ISSB's view is that providing preparers (especially those already using the SASB Standards) with additional time to familiarise themselves with the revisions is appropriate given the volume of changes made and the timing of finalising the amendments.
- 66 With ISSB ratification and consistent with the project objective, these amended SASB Standards will be available in time and permitted for use to support the effective date of IFRS S1 (for annual reporting periods beginning on or after 1 January 2024).
- 67 An effective date of 1 January 2025 allows preparers one year to apply the amended SASB Standards, which serves as a transitional relief period for entities that need it. Entities starting to apply the SASB Standards can use the previous versions initially and migrate to the amended versions later. The ISSB notes that transitional reliefs in IFRS S1 permit entities to report sustainability-related risks and opportunities beyond climate in the second year of applying IFRS Sustainability Disclosure Standards. An effective date of 1 January 2025 for the amendments to the SASB Standards is consistent with these IFRS S1 reliefs.

### **Future enhancements to the SASB Standards**

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- 68 In its invitation to comment on the Methodology Exposure Draft, the ISSB acknowledged the narrow scope of the project on the International Applicability of the SASB Standards. The ISSB also asked stakeholders for comments and suggestions to consider in its future enhancements to the SASB Standards. Among other things, stakeholders:
- (a) encouraged continued collaboration with jurisdictions and standard-setters on interoperability;
  - (b) suggested that the ISSB further examine the use of references to third-party frameworks in the SASB Standards;
  - (c) suggested that the ISSB evaluate and provide further clarification of the use of the Sustainable Industry Classification System<sup>®</sup>; and
  - (d) indicated that the ISSB should provide stakeholders with greater clarity on whether, and how, the SASB Standards will be used by the ISSB over the long term, and what the eventual system of IFRS Sustainability Disclosure Standards will be.
- 69 Further standard-setting work, including any enhancements to the SASB Standards, will be informed by the results of the ISSB's consultation on agenda priorities.

## Appendix—Metrics amended using the methodology

**Table A1:** Summary index of SASB Standards metrics amended using Revision Approaches 1–3

CG-EC-220a.1	FN-AC-270a.1	HC-DY-330a.1	SV-ED-230a.3
CG-EC-220a.2	FN-AC-270a.2	HC-DY-330a.2	SV-ED-270a.4
CG-EC-230a.1	FN-AC-330a.1	HC-DY-510a.1	SV-HL-310a.3
CG-EC-230a.2	FN-CB-230a.1	HC-MC-230a.1	SV-LF-250a.1
CG-EC-330a.3	FN-CB-230a.2	HC-MC-230a.2	SV-LF-320a.1
CG-EC-330a.4	FN-CB-240a.1	HC-MC-240a.1	SV-ME-260a.1
CG-HP-250a.1	FN-CB-240a.2	HC-MC-250a.2	SV-PS-230a.1
CG-HP-250a.3	FN-CF-220a.1	HC-MS-240a.3 <sup>(a)</sup>	SV-PS-230a.2
CG-MR-230a.1	FN-CF-230a.1	HC-MS-250a.1	SV-PS-230a.3
CG-MR-230a.2	FN-CF-230a.3	HC-MS-250a.2	SV-PS-330a.1
CG-MR-310a.1	FN-CF-270a.2	HC-MS-250a.3	TC-ES-320a.1
CG-MR-330a.1	FN-CF-270a.3	HC-MS-250a.4	TC-HW-230a.1
CG-TS-250a.4	FN-CF-270a.4	IF-EN-320a.1	TC-HW-330a.1
EM-CM-320a.1	FN-EX-550a.2	IF-EU-150a.1	TC-IM-220a.1
EM-CM-320a.2	FN-EX-550a.3	IF-EU-320a.1	TC-IM-220a.2
EM-CO-310a.1	FN-IB-330a.1	IF-HB-320a.1	TC-IM-220a.4
EM-CO-320a.1	FN-IB-510b.1	IF-HB-410b.3	TC-IM-230a.1
EM-EP-160a.2	FN-IB-510b.2	IF-WM-150a.1	TC-IM-230a.2
EM-EP-160a.3	FN-IB-510b.3	IF-WM-150a.2	TC-IM-330a.3
EM-EP-210a.1	FN-IB-510b.4	IF-WM-150a.3	TC-SC-320a.1
EM-EP-210a.2	FN-IN-270a.2	IF-WM-320a.1	TC-SC-330a.1
EM-EP-320a.1	FN-IN-550a.1	IF-WM-320a.3	TC-SI-220a.1
EM-EP-510a.1	FN-IN-550a.2	IF-WM-420a.1	TC-SI-220a.2
EM-IS-150a.1	FN-MF-270a.1	IF-WU-250a.1	TC-SI-220a.4
EM-IS-320a.1	FN-MF-270a.2	RR-BI-540a.1	TC-SI-230a.1
EM-MD-160a.4	FN-MF-270a.3	RR-FC-320a.1	TC-SI-230a.2
EM-MD-540a.1	FN-MF-270a.4	RR-FC-320a.2	TC-SI-330a.1
EM-MD-540a.2	FN-MF-270b.1	RR-FC-410b.3	TC-SI-330a.3
EM-MD-540a.3	HC-BP-210a.1	RR-ST-150a.2	TC-TL-220a.1
EM-MM-310a.1	HC-BP-210a.2	RR-WT-320a.1	TC-TL-220a.2
EM-MM-320a.1	HC-BP-240b.2	RT-AE-150a.2	TC-TL-220a.4
EM-RM-150a.2	HC-BP-240b.3	RT-AE-230a.1	TC-TL-230a.1
EM-RM-320a.1	HC-BP-250a.1	RT-AE-230a.2	TC-TL-230a.2

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...continued

EM-SV-320a.1	HC-BP-250a.2	RT-AE-250a.3	TC-TL-520a.3
FB-AG-320a.1	HC-BP-250a.3	RT-AE-510a.3	TR-AF-320a.1
FB-FR-230a.1	HC-BP-250a.5	RT-CH-320a.1	TR-AF-540a.3
FB-FR-230a.2	HC-BP-330a.2	RT-CH-320a.2	TR-CL-250a.2
FB-FR-260a.1	HC-DR-230a.1	RT-CH-540a.1	TR-CL-250a.3
FB-FR-310a.1	HC-DR-230a.2	RT-EE-150a.2	TR-MT-160a.3
FB-MP-260a.1	HC-DR-250a.1	RT-IG-320a.1	TR-RA-320a.1
FB-MP-320a.1	HC-DR-250a.2	SV-AD-220a.1	TR-RA-540a.1
FB-MP-430a.1	HC-DY-230a.2	SV-AD-220a.2	TR-RA-540a.2
FB-NB-260a.1	HC-DY-230a.3	SV-AD-270a.2	TR-RA-540a.3
FB-NB-270a.1	HC-DY-240a.1	SV-AD-330a.1	TR-RA-540a.4
FB-PF-260a.1	HC-DY-250a.2	SV-CA-260a.2	TR-RO-320a.1
FB-PF-270a.1	HC-DY-250a.3	SV-CA-510a.1	TR-RO-320a.3
FB-RN-250a.3	HC-DY-250a.6 <sup>(b)</sup>	SV-ED-230a.1	TR-RO-540a.1
FB-RN-260a.3	HC-DY-320a.1	SV-ED-230a.2	TR-RO-540a.3

(a) Administratively recoded from HC-MS-240a.1.

(b) Administratively recoded from HC-DY-250a.4.

**Table A2:** SASB Standards metrics removed using Revision Approach 4

CG-HP-250a.2. Revenue from products that contain substances on the California DTSC Candidate Chemicals List
CG-TS-250a.2. Number of Letters of Advice (LOA) received
HC-BP-240b.1. Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments or provisions to delay bringing an authorised generic product to market for a defined time period
HC-DR-260a.1. Percentage of controlled substance prescriptions dispensed for which a prescription drug monitoring program (PDMP) database was queried
HC-DY-230a.1. Percentage of patient records that are Electronic Health Records (EHR) that meet 'meaningful use' requirements
HC-DY-240a.2. Amount of Medicare Disproportionate Share Hospital (DSH) adjustment payments received
HC-DY-250a.1. Average Hospital Value-Based Purchasing Total Performance Score and domain score, across all facilities
HC-DY-250a.5. Magnitude of readmissions payment adjustment as part of the Hospital Readmissions Reduction Program (HRRP)
HC-DY-260a.2. Percentage of controlled substance prescriptions written for which a prescription drug monitoring program (PDMP) database was queried
HC-MC-240a.2. Total amount of rebates accrued and paid due to non-compliance with the Patient Protection and Affordable Care Act for Medical Loss Ratio (MLR)
HC-MC-260a.2. Total coverage for preventive health services with no cost sharing for the enrollees, total coverage for preventive health services requiring cost sharing by the enrollee, percentage of enrollees receiving Initial Preventive Physical Examinations (IPEE) or Annual Wellness Visits (AWV)
IF-EU-240a.2. Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month
IF-GU-240a.2. Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year
IF-WU-240a.2. Typical monthly water bill for residential customers for 10 Ccf of water delivered per month

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<b>IF-WM-320a.2.</b> Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance
<b>SV-ED-260a.4.</b> (1) Debt-to-annual earnings rate and (2) debt-to-discretionary income rate
<b>TR-AF-540a.4.</b> Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance
<b>TR-RO-540a.2.</b> Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance

**Table A3:** SASB Standards metrics removed and replaced using Revision Approach 5

Previous metric:	Replaced with:
<b>EM-SV-320a.1.</b> (4) total vehicle incident rate (TVIR) <sup>(a)</sup>	<b>EM-SV-320a.3</b> Number of road accidents and incidents
<b>HC-MC-240a.3.</b> Percentage of proposed rate increases receiving “not unreasonable” designation from Health and Human Services (HHS) review or state review	<b>HC-MC-240a.4.</b> Description of policies and practices regarding customer access to coverage
<b>HC-MC-250a.1.</b> Average Medicare Advantage plan rating for each of the following plan types: (1) HMO, (2) local PPO, (3) regional PPO, (4) PFFS, and (5) SNP	<b>HC-MC-250a.5.</b> (1) Description of plan performance and (2) ratings for offered plan types, by region <sup>(b)</sup>
<b>HC-MC-260a.3.</b> Number of customers receiving care from Accountable Care Organizations or enrolled in Patient-Centred Medical Home programs	<b>HC-MC-260a.4.</b> Discussion of initiatives and programmes to maintain and improve enrollee health
<b>IF-EU-150a.2.</b> Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	<b>IF-EU-150a.3.</b> Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations
<b>SV-ED-260a.5.</b> Program cohort default rate	<b>SV-ED-260a.6.</b> Description of policies and practices related to student indebtedness and programme loan defaults
<b>TR-AF-430a.1.</b> Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	<b>TR-AF-430a.3.</b> Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety
<p>(a) Metric <b>EM-SV-320a.1</b> (1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees has <u>not</u> been removed in its entirety. Rather, sub-metric (4), total vehicle incident rate, has been removed and replaced by a new metric, <b>EM-SV-320a.3</b> Number of road incidents and accidents to align disclosures in the Oil &amp; Gas – Services Standard with those of similar industries.</p> <p>(b) In the blackline documents released on 11 October 2023, this amendment was categorised as a revision to HC-MC-250a.1. However, as the metric category has changed from quantitative to discussion &amp; analysis, a new metric code is required.</p>	





# IFRS<sup>®</sup>

Foundation

Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD, UK

Tel **+44 (0) 20 7246 6410**

Email **[sustainability\\_licensing@ifrs.org](mailto:sustainability_licensing@ifrs.org)**

**[ifrs.org](http://ifrs.org)**