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## Sustainability Standards Advisory Forum meeting

Date	<b>February 2025</b>
Project	<b>Enhancing the SASB Standards</b>
Topic	<b>Project update</b>
Contacts	<b>Greg Waters (<a href="mailto:greg.waters@ifrs.org">greg.waters@ifrs.org</a>)</b>

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## Purpose of this session

### Purpose of this session

- Provide SSAF members with an update regarding the project to enhance the SASB Standards and detail areas where staff is seeking input
- We continue to seek SSAF members' assistance to ensure the SASB Standards are internationally applicable as part of the enhancements work

### Ongoing input from SSAF members

- What additional feedback do SSAF members have on the initial priority SASB Standards or the Sustainable Industry Classification System<sup>®</sup> (SICS<sup>®</sup>)?
- What feedback do SSAF members have on the industries that may be prioritised in the next phase of SASB Standards enhancements work?

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## SSAF touchpoints and feedback

- Previous SSAF feedback has informed:
  - Overall objective of SASB Standards enhancements work
  - ISSB's prioritisation approach (for example, overlap with work of other standard-setters)
  - Staff recommendations regarding initial priority industries
- Staff aims to continue to engage the SSAF in various aspects of the project
  - Input on priority industries
  - SICS enhancements
  - Future priorities
- Staff is soliciting input directly from the SSAF members and their relevant stakeholders (for example, preparers and investors in your jurisdiction)

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# Background

- The ISSB has prioritised enhancing the SASB Standards in its 2024 – 2026 work plan
- Overall objective of the SASB Standards enhancements is to **support the high-quality implementation of IFRS S1 and IFRS S2 in a timely manner**
- The ISSB discussed enhancements to the SASB Standards at several meetings in 2024. The most recent were:
  - In September 2024 the ISSB was **briefed on the structure and content of the SASB Standards** by the staff in preparation of future discussions on enhancements
  - In December 2024 the ISSB received an **update on the project activities performed** by the staff and **discussed the stakeholder feedback from recent engagements** held by the staff

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# Project update – Enhancing the SASB Standards



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## Project update—December 2024 ISSB meeting

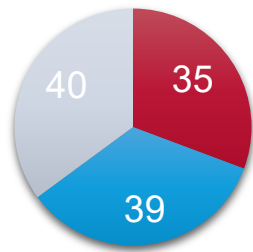
### Stakeholder engagement

- The staff has engaged bilaterally and through ‘roundtable’ group formats with a diverse group of stakeholders
- The staff has collaborated on stakeholder engagement with fellow staff working on the ISSB’s research projects to understand industry-specific aspects of biodiversity, ecosystems and ecosystem services (BEES) and human capital
- As of 26 November 2024 the staff had conducted 114 sector-specific engagements, comprising a mix of preparers, investors and subject matter experts across a diverse range of geographies
- Combined with research project outreach, staff has heard feedback from over 400 stakeholders

# Project update—December 2024 ISSB meeting

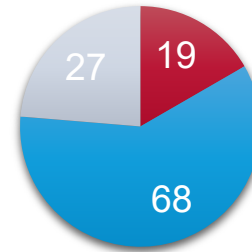
## Sector-specific bilateral engagements as of 26 November 2024

Bilateral engagement by sector



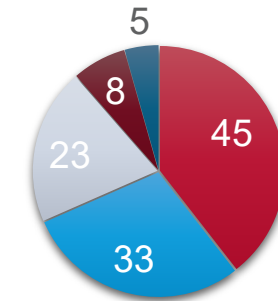
- Extractives & Mineral Processing
- Food & Beverage
- Electric Utilities & Power Generators

Bilateral engagement by stakeholder type



- Investor
- Preparer
- Other experts

Bilateral engagement by region



- North America
- Europe
- Asia & Oceania
- Latin America & Caribbean
- Africa & Middle East

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# Stakeholder feedback on potential enhancements

Not a comprehensive or definitive list of enhancements but rather an illustration of the feedback collected (more detailed information is included in [Agenda Paper 6 Project update: Enhancing the SASB Standards](#))

## General feedback

- Concern about the fragmentation of the disclosure landscape and the high cost of reporting
- Many preparers emphasised the relatively simple and targeted approach of the SASB Standards fits their communication needs to investors
- Generally favourable views regarding the content in the 12 priority SASB Standards, particularly the industry descriptions and disclosure topics
- Feedback largely focused on potential improvements to metrics



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# Stakeholder feedback on potential enhancements

- Not a comprehensive or definitive list of planned enhancements
- Many comments relate to enhancing metrics for existing topics in the Standards

## Extractives & Minerals Processing sector

- Methane emissions management
- Carbon dioxide removal and emissions reduction
- Mineral reserves-related metrics
- Site decommissioning
- Greater consistency between industries in the same value chain

## Food & Beverage sector

- Supply chain management and resilience
- Health and nutrition
- Product innovation
- Fishing and aquaculture
- GMO management
- Animal care and welfare

## Electric Utilities & Power Generators

- Climate-related physical risks
- Climate-related transition risks and strategy
- Additional clarity regarding relevance of disclosure topics based on segment of the value chain
- Employee recruitment, development and retention
- Ecological impacts

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## Industry prioritisation for a “Phase II” of work



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# Industry prioritisation: elements of consideration

*Staff previously evaluated each of the 77 SASB Standards by considering the following elements:*

- **indicators of importance to investors:** industry size, historical investor feedback and third-party environmental credit risk exposure assessment
- volume of **historical stakeholder feedback**
- **priorities of other standard-setting bodies** focused on sustainability-related disclosures
- prevalence of **BEES- and human capital**-related disclosure topics and metrics
- **previous work:** projects in progress by the SASB Standards Board prior to consolidation
- **disclosure analysis:** frequency of metrics omitted by preparers
- **metric frequency:** industries with high concentration of frequently-occurring metrics

## Phase II - possible priority industries

*Staff's initial analysis performed in Q2 2024 highlighted the following industries:*

Sector	Industry
Consumer Goods	Apparel, Accessories & Footwear (CG-AA) E-Commerce (CG-EC) Multiline and Specialty Retailers & Distributors (CG-MR)
Financials	Asset Management & Custody Activities (FN-AM) Commercial Banks (FN-CB) Investment Banking & Brokerage (FN-IB) Insurance (FN-IN) Mortgage Finance (FN-MF)
Health Care	Biotechnology & Pharmaceuticals (HC-BP)
Infrastructure	Real Estate (IF-RE) Waste Management (IF-WM)
Resource Transformation	Chemicals (RT-CH) Electronical & Electronic Equipment (RT-EE)
Technology & Communications	Hardware (TC-HW) Internet Media & Services (TC-IM) Semiconductors (TC-SC) Software & IT Services (TC-SI)

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## Discussion



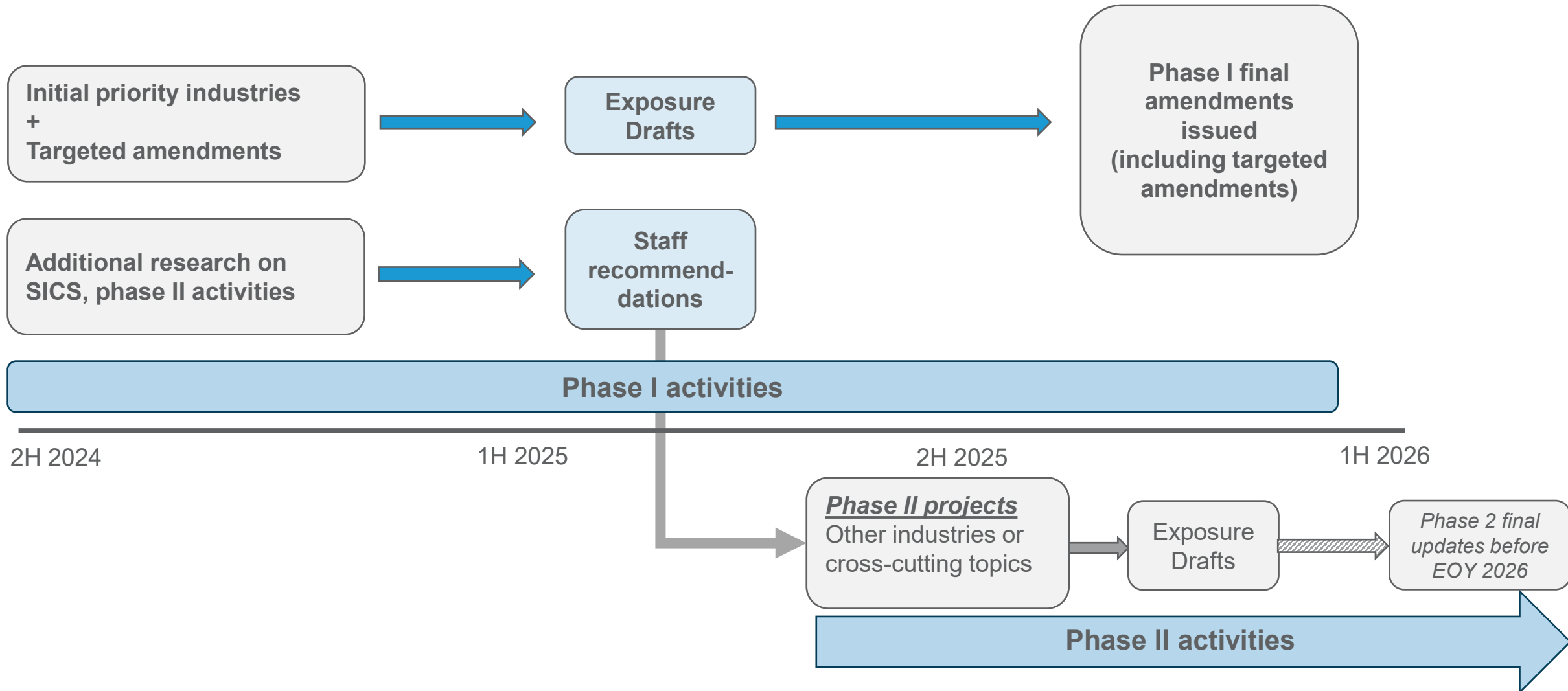
- *What feedback do SSAF members have on potential enhancements to the initial priority SASB Standards, including areas that have not emerged from the staff's stakeholder outreach so far?*
- *Do SSAF members have suggestions for how to most effectively engage stakeholders in your jurisdiction in the standard-setting process, including the public consultation, planned for launch in mid 2025?*
- *What feedback do SSAF members have on potential enhancements to the Sustainable Industry Classification System<sup>®</sup> (SICS<sup>®</sup>) or the industries that may be prioritised in the next phase of SASB Standards enhancements work?*

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# Appendix



# SASB enhancements: timeline for two-year work plan



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