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## Sustainability Standards Advisory Forum meeting

Date **March 2024**

Topic **Enhancements to the SASB Standards**

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## Purpose of this session

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To provide SSAF members with initial staff views on potential enhancements to the SASB Standards

### Question for SSAF members

Do SSAF members have any feedback on what the ISSB should prioritise in pursuing SASB enhancements to support the implementation of IFRS S1 and IFRS S2?

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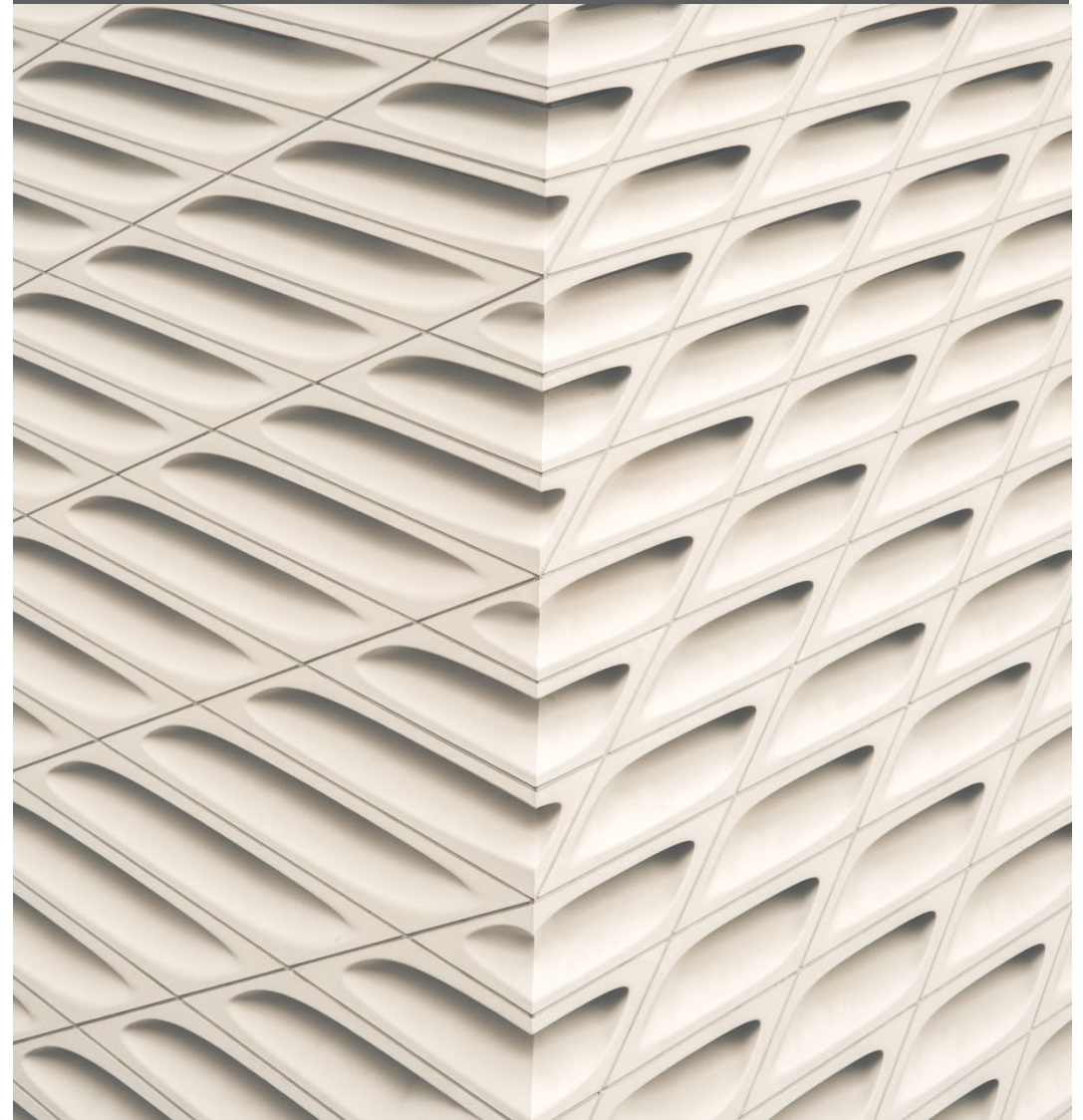
# Background

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## Industry-based approach

*During the ISSB's consultation on IFRS S1 and S2, we heard a few key messages re industry specificity:*

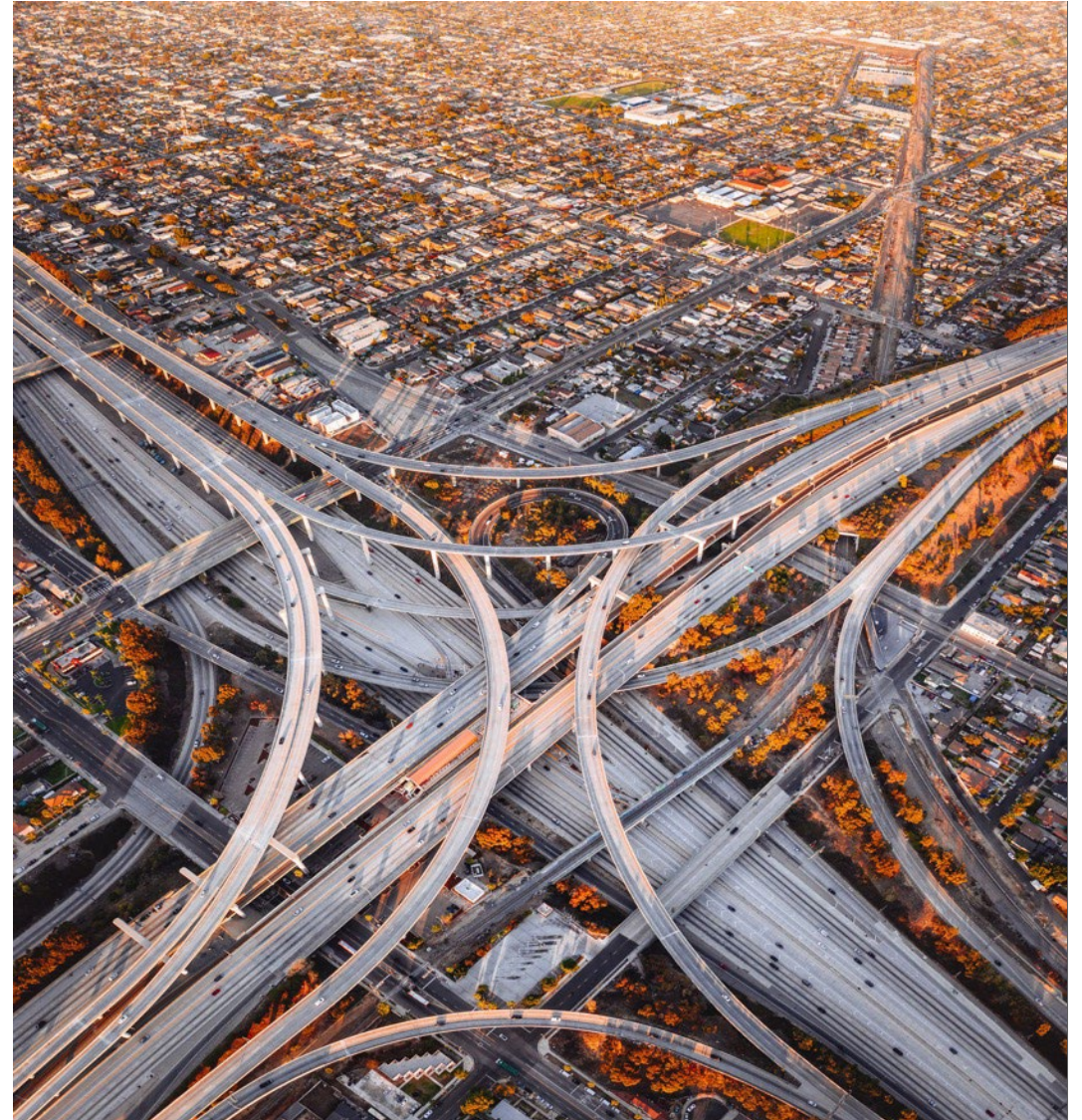
- Sustainability-related risks and opportunities that are most likely to affect financial performance vary by industry
- Investors' operations are often aligned with industries (sector coverage, portfolio allocation, etc.)
- Focusing on relevant topics and metrics is more efficient and cost-effective for most preparers (reporting more tailored to their business activities)





# ISSB Standards recognise the value of industry-specific disclosures

- **IFRS S1** requires industry-specific disclosures
- **IFRS S2** requires industry-specific climate-related disclosures supported by accompanying industry-based guidance



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To support these industry-specific requirements, the ISSB Standards reference and build on the SASB Standards



SASB Standards have been used by over  
**3,300** preparers across **83** jurisdictions  
since 2021

To access full list of reporters, please visit: <https://www.sasb.org/company-use/sasb-reporters/>

# ISSB will enhance and maintain the SASB Standards

## Completed projects in 2023

Enhanced the **international applicability** of the SASB Standards:

- In June 2023, the ISSB updated the climate-related content in the SASB Standards in connection with issuance of IFRS S2
- In December 2023, the ISSB updated the remaining content to enhance international applicability without significantly altering industries, topics or metrics

## Looking ahead

- Considering opportunities for SASB Standards enhancements in the ISSB's next work plan
- Producing educational materials regarding SASB Standards to support implementation of IFRS S1
- Updating the SASB Standards XBRL Taxonomy to support digital reporting



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## **Initial staff thinking:**

*Future enhancements to the  
ISSB's industry-based materials*



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# Three sources of input for future projects

*Not mutually exclusive or in a specific order of priority...*

- 1 Projects the ISSB inherited from the SASB Standards Board
  - 2 Priority industries/topics identified through stakeholder consultations
  - 3 Enhancing or facilitating interoperability with other standards and frameworks
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## Inherited SASB Standards projects

- The ISSB has committed to advancing projects being pursued by the SASB Standards Board at the time of the VRF-IFRS consolidation in August 2022
  - Three projects were at a relatively advanced stage:
    - Alternative Products in Food & Beverage sector
    - Content Governance in Internet Media industry
    - Single-use Plastics in the Chemicals industry
  - Several other projects were in the pipeline, including a human capital research project and enhancements to the Marine Transportation and Electric Utilities industries
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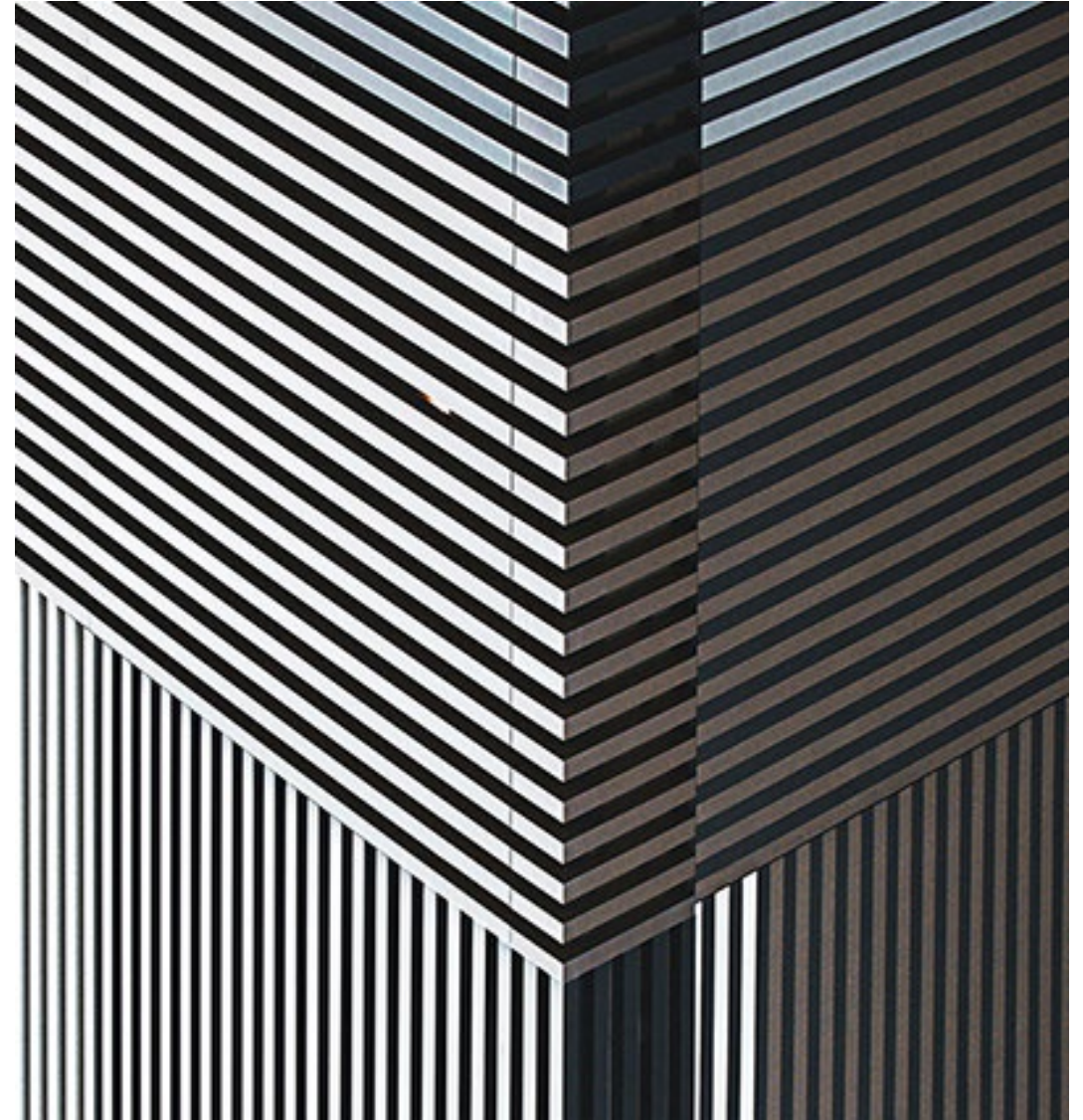
## Priorities arising from stakeholder feedback

- The ISSB has received feedback regarding specific enhancements to industry-based materials in connection with recent consultations:
    - The Request for Information on the ISSB's agenda priorities
    - Input on the Methodology Exposure Draft connected to the international applicability of SASB Standards project
    - Feedback on draft S1 and S2, including Appendix B of draft S2
  - Staff also has a database of feedback received on the SASB Standards dating back to codification in late 2018
    - Market use of the SASB Standards has been a powerful tool for surfacing potential enhancements
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## Enhancing interoperability

Interoperability with other standards and frameworks (such as ESRS and GRI) will be an important consideration in enhancing the SASB Standards





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## **Initial staff thinking:**

*Future enhancements to the  
ISSB's industry-based materials*

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## Ask for the SSAF: solicit feedback from your stakeholders



*What should the ISSB prioritise in pursuing SASB enhancements to support the implementation of IFRS S1 and S2?*

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## Next steps

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## Next steps for industry-based work

- Feedback from this SSAF engagement can further inform future work and be communicated at the June and October meetings this year
  - Staff is developing recommendations to the ISSB regarding the activities to be included on its workplan, to be published in H2 2024. SASB Standards enhancements are part of the ISSB’s “committed work”.
  - Potential research projects launched by the ISSB on topics like human capital or nature will consider how to build on the SASB Standards
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