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Basis for Conclusions on Proposed amendments to the SASB Standards

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International Sustainability Standards Board

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Basis for Conclusions on Proposed Amendments to the SASB Standards

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Contents

	from paragraph
BASIS FOR CONCLUSIONS ON ENHANCING THE SASB STANDARDS	
INTRODUCTION	**BC1**
Overview of the project on Enhancing the SASB Standards	**BC1**
Why the project is necessary	**BC8**
BACKGROUND	**BC10**
About the SASB Standards	**BC10**
ISSB deliberations and project scope	**BC13**
Project objective	**BC20**
Due process for amending the SASB Standards	**BC22**
Approach to developing proposed amendments to the SASB Standards	**BC27**
Comprehensive approach to enhancing priority industries	**BC46**
Targeted amendments to other SASB Standards	**BC47**
PROPOSED AMENDMENTS TO THE SASB STANDARDS	**BC52**
Proposed amendments to SASB Standards in the Extractives & Minerals Processing sector	**BC52**
Proposed amendments to the *Processed Foods* SASB Standard	**BC134**
EFFECTIVE DATE	**BC161**
NEXT STEPS	**BC163**
APPENDIX A—INDUSTRY STANDARDS AND METRICS AFFECTED BY TARGETED AMENDMENTS	
APPENDIX B—OVERVIEW OF INTEROPERABILITY AND ALIGNMENT WITH OTHER SUSTAINABILITY-RELATED STANDARDS AND FRAMEWORKS	

Basis for Conclusions on Proposed Amendments to the SASB Standards

This Basis for Conclusions accompanies, but is not part of, the Exposure Draft of the Proposed Amendments to the SASB Standards published in July 2025. It summarises the considerations of the International Sustainability Standards Board (ISSB) when developing the Exposure Draft. Individual ISSB members gave greater weight to some factors than to others.

Introduction

Overview of the project on Enhancing the SASB Standards

BC1 As part of its 2024–2026 work plan, the ISSB is enhancing the SASB Standards to provide timely support to preparers in applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The SASB Standards are non-mandatory materials referenced in IFRS S1. An entity applying IFRS S1 is required to refer to and consider the applicability of the SASB Standards to identify sustainability-related risks and opportunities and associated disclosures.[1]

BC2 The ISSB is enhancing the SASB Standards over time instead of proposing amendments to all the Standards simultaneously. This Basis for Conclusions document accompanies the Exposure Draft proposing:

(a) amendments to nine SASB Standards identified as a priority (priority industries);[2] and

(b) 'targeted amendments' to another 41 SASB Standards to maintain consistent guidance for the same topics in different SASB Standards where appropriate. The proposed targeted amendments result from the proposed amendments to the nine priority industries that affect metrics occurring frequently in other SASB Standards.

BC3 The Exposure Draft proposes amendments to nine priority industries and accompanying targeted amendments that relate to:

(a) all eight SASB Standards in the Extractives sector, comprising:

(i) the *Coal Operations* SASB Standard;

(ii) the *Construction Materials* SASB Standard;

(iii) the *Iron & Steel Producers* SASB Standard;

(iv) the *Metals & Mining* SASB Standard;

(v) the *Oil & Gas – Exploration & Production* SASB Standard;

(vi) the *Oil & Gas – Midstream* SASB Standard;

(vii) the *Oil & Gas – Refining & Marketing* SASB Standard; and

(viii) the *Oil & Gas – Services* SASB Standard;

(b) the *Processed Foods* SASB Standard; and

(c) targeted amendments related to the following disclosure topics:

(i) Greenhouse Gas Emissions;

(ii) Energy Management;

(iii) Water Management;

(iv) Labour Practices; and

(v) Workforce Health & Safety.

BC4 The ISSB intends to publish an exposure draft of proposed amendments to three additional prioritised industries before the end of 2025 (the *Agricultural Products* SASB Standard, the *Meat, Poultry & Dairy* SASB Standard and the *Electric Utilities & Power Generators* SASB Standard).

1 For more information on how to use the SASB Standards as a source of guidance for applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, please refer to the ISSB's educational materials, available at https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1/.

2 The ISSB decided on the priority industries at its July 2024 meeting, as summarised in the July 2024 ISSB *Update*, https://www.ifrs.org/news-and-events/updates/issb/2024/issb-update-july-2024/#2.

BC5 This Exposure Draft proposes that the ISSB make targeted amendments to other SASB Standards beyond the priority industries to maintain consistent guidance for the common topics listed in paragraph BC3(c) across industries, where appropriate. Forty-one additional industries would be affected by the proposed targeted amendments. Appendix A provides a list of the SASB Standards and metrics that would be affected by these proposed targeted amendments.

BC6 In a separate exposure draft, the ISSB is also consulting on a related question of whether to make consequential amendments to the *Industry-based Guidance on Implementing IFRS S2* (IFRS S2 industry-based guidance) when the ISSB finalises amendments to the SASB Standards. The consequential amendments would be to maintain consistency between the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance. Currently, the IFRS S2 industry-based guidance and the climate-related content in the SASB Standards are essentially identical.[3] The ISSB proposes to maintain the alignment between these two sets of industry-based materials.

BC7 This Exposure Draft will be relevant to a variety of stakeholders, including:

(a) preparers applying the IFRS Sustainability Disclosure Standards and thus referencing the SASB Standards;

(b) preparers applying IFRS S2 and thus referencing the IFRS S2 industry-based guidance which is currently aligned with the climate-related metrics in the SASB Standards and which the ISSB proposes to amend to maintain alignment with any amendments to the climate-related content in this Exposure Draft;[4]

(c) preparers applying the SASB Standards independently from IFRS Sustainability Disclosure Standards;

(d) stakeholders interested in commenting on one or more of the nine priority industries subject to comprehensive review, such as preparers from those industries or investors in those industries;

(e) stakeholders interested in commenting on one or more of the proposed targeted amendments to other SASB Standards beyond the priority industries, including, for example, those affecting nature- or human capital-related risks and opportunities or those affecting one or more other industries; and

(f) stakeholders interested in commenting on all the proposed amendments, such as national standard setters, audit firms, investors and regulators.

Why the project is necessary

BC8 The SASB Standards were last comprehensively updated in 2018. Since then, several industry Standards have been amended, first by the SASB Standards Board and later by the ISSB. Most recently, the ISSB made narrow-scope amendments to the SASB Standards to enhance their international applicability. The Standards are used by thousands of preparers and investors globally. Maintenance is important because sustainability-related risks and opportunities and related measurement methods and disclosure practices evolve. To date, the ISSB has consulted on aspects of the SASB Standards both through the *Exposure Draft IFRS S2 Climate-related Disclosures*, which included industry-specific metrics taken from the SASB Standards, and in the project to enhance the international applicability of the SASB Standards. However, the IFRS Foundation's stakeholders have not yet had the opportunity to comment comprehensively on individual SASB Standards.

BC9 The project on Enhancing the SASB Standards will:

(a) ensure that the disclosure topics and associated metrics continue to help preparers disclose material information about sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports;[5]

(b) provide the ISSB's stakeholders with an opportunity to provide comprehensive feedback on the content of the SASB Standards, including the international applicability of industry groupings, disclosure topics and associated metrics;

(c) strengthen the connections between the SASB Standards and IFRS Sustainability Disclosure Standards, particularly IFRS S1, by further aligning concepts and terminology; and

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

4 Entities interested in commenting on the proposed amendments to the SASB Standards due to the alignment to the IFRS S2 industry-based guidance should also consider the Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*, available at https://www.ifrs.org/content/dam/ifrs/project/amendments-ifrs-s2-industry-based-guidance/issb-ed-2025-2-s2-ibg.pdf.

5 See Appendix A to IFRS S1 for a definition of 'primary users of general purpose financial reports'. The terms 'users of general purpose financial reports', 'users' and 'investors' are used interchangeably in this document.

(d) provide the ISSB with an opportunity to improve interoperability with other sustainability-related standards and frameworks, if appropriate, while ensuring that such enhancements meet the information needs of investors and are consistent with the remit and focus of the ISSB and IFRS Sustainability Disclosure Standards.

Background

About the SASB Standards

BC10 The SASB Standards serve as a source of guidance for entities applying IFRS S1.[6] IFRS S1 does not require entities to apply the SASB Standards. However, the SASB Standards help entities develop decision-useful and comparable disclosures in the absence of specific IFRS Sustainability Disclosure Standards. IFRS S1 requires entities to refer to and consider the SASB Standards when identifying the sustainability-related risks and opportunities, beyond climate, that could reasonably be expected to affect the entity's prospects and when preparing disclosures related to those risks and opportunities. Similarly, IFRS S2 requires entities to refer to the IFRS S2 industry-based guidance, which is aligned with the climate-related content in the SASB Standards.

BC11 Although an entity must assess whether information is material, the SASB Standards support this assessment by focusing on disclosure of information likely to be useful for primary users for an entity carrying out particular activities. The 77 industry-specific SASB Standards:

(a) are applied by more than 3,900 entities operating in more than 80 jurisdictions, including approximately 78% of entities in the S&P Global 1200 Index;[7] and

(b) include industry descriptions, disclosure topic summaries and associated metrics and their technical protocols (disclosure guidance) to help entities identify sustainability-related risks and opportunities and provide material information about them to primary users of general purpose financial reports.

BC12 The ISSB has been responsible for maintaining and enhancing the SASB Standards since the Value Reporting Foundation was consolidated into the IFRS Foundation in 2022. In June 2023 the ISSB made consequential amendments to the SASB Standards to align the climate-related topics and associated metrics with the IFRS S2 industry-based guidance. In December 2023 the ISSB issued narrow-scope amendments to all 77 SASB Standards to enhance their international applicability.[8]

ISSB deliberations and project scope

BC13 In March 2024 the ISSB decided to enhance the SASB Standards as part of its 2024–2026 work plan based on the feedback on the ISSB's consultation on its agenda priorities.[9] In making this decision, the ISSB noted that enhancing the SASB Standards would contribute to its highest priority, which is supporting the application of IFRS S1 and IFRS S2. The ISSB also noted the ways in which enhancing the SASB Standards would support, and be supported by, its new research projects on the topics of human capital and biodiversity, ecosystems and ecosystem services (BEES).

BC14 An important consideration in industry standard-setting is how to group entities into industries based on shared sustainability-related risks and opportunities that could reasonably be expected to affect their prospects. At its May 2024 meeting, the ISSB discussed the Sustainable Industry Classification System® (SICS) and decided to continue to use SICS in order to group entities into industries based on these shared sustainability-related risks and opportunities.[10] The ISSB noted that SICS was uniquely suitable as a basis of classification for the SASB Standards because it was designed to provide information about sustainability-related risks and opportunities. However, the ISSB also decided to consider enhancing the industry groupings when it enhances the SASB Standards.

6 Supporting materials for IFRS S1 are available at www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1/.

7 Figures as of 31 May 2025 for a three-calendar-year moving figure to account for differences in sustainability reporting cycles.

8 More information regarding the project on International Applicability of the SASB Standards can be found at www.ifrs.org/projects/completed-projects/2023/international-applicability-of-the-sasb-standards/.

9 See Agenda Paper *Strategic direction and balance of the ISSB's activities*, March 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/march/issb/ap-2-issb-agenda-consultation-strategic-direction-and-balance-of-the-issbs-activities.pdf.

10 See Agenda Paper *Sustainable Industry Classification System® (SICS®) — Staff recommendations*, May 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/may/issb/ap6b-sics-recommendations.pdf.

BC15 At its June 2024 meeting, the ISSB discussed its approach to the project to enhance the SASB Standards, including the project objectives and the criteria the ISSB could use to prioritise its work.[11] At its July 2024 meeting, the ISSB discussed its approach to enhancing the SASB Standards based on those criteria and decided:[12]

(a) to use a phased approach;

(b) to start developing exposure drafts of enhancements to:

(i) all eight SASB Standards in the Extractives & Minerals Processing sector;

(ii) the *Electric Utilities & Power Generators* SASB Standard in the Infrastructure sector; and

(iii) three SASB Standards in the Food & Beverage sector—subject to assessing whether the ISSB and its stakeholders would have the capacity to do so (the ISSB noted that it would be 'highly desirable' for these three industries to be included in the initial phase of work);

(c) to consider making targeted amendments to other SASB Standards to ensure that measurement of common topics is consistent among industries, where appropriate; and

(d) to research:

(i) priorities for the second phase of the project; and

(ii) ways to enhance SICS.

BC16 At its December 2024 meeting, the ISSB discussed the preliminary feedback on the priority industry Standards.[13] At its March 2025 meeting, the ISSB discussed its approach to developing amendments to the priority industry Standards.[14]

BC17 At its March 2025 meeting, the ISSB discussed first developing proposed amendments for nine of the 12 industries prioritised in July 2024, with the intention of ratifying an exposure draft for such amendments in mid-2025. The ISSB expects to publish an exposure draft with proposed amendments for the remaining three prioritised industries in the fourth quarter of 2025. This is because additional input is needed on the remaining industries that were prioritised, particularly from stakeholders in emerging markets and developing economies, to determine the proposed structure of the industries, as well as related amendments to disclosure topics and metrics in the SASB Standards.

BC18 At its May 2025 meeting, the ISSB discussed its approach to consulting on the Exposure Draft. The ISSB also discussed educational material about the use of the SASB Standards with IFRS Sustainability Disclosure Standards, to be published soon after the Exposure Draft. While the educational material is not part of the consultation, stakeholders may find it helpful when responding to the Exposure Draft.

BC19 The ISSB ratified the Exposure Draft in June 2025.

Project objective

BC20 The objective of the project is to support the high-quality implementation and application of IFRS S1 and IFRS S2 through timely enhancements to the SASB Standards, including a focus on:

(a) further enhancing the international applicability of:

(i) industry groupings, including to reflect value chains in emerging markets and developing economies;

(ii) disclosure topics in those industry groupings;

(iii) metrics and supporting technical protocols;[15]

(b) exploring opportunities to improve interoperability with other sustainability-related standards and frameworks, while ensuring continued focus on the needs of investors in order to serve as a global baseline of sustainability-related disclosures to meet the needs of capital markets;

11 See Agenda Paper *Enhancing the SASB Standards*, June 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/june/issb/ap6-sasb-enhancements.pdf.

12 See Agenda Paper *Enhancing the SASB Standards*, July 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/july/issb/ap6-sasb-enhancements.pdf.

13 See Agenda Paper *Project update: Enhancing the SASB Standards*, December 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/december/issb/ap6-project-update-enhancing-sasb-standards.pdf.

14 See Agenda Paper *Update on project activities and approach*, March 2025, https://www.ifrs.org/content/dam/ifrs/meetings/2025/march/issb/ap6-project-update.pdf.

15 The term 'metrics' in the SASB Standards is used to describe disclosures and encompasses qualitative and quantitative information.

(c) exploring opportunities to amend the disclosure topics and metrics in the SASB Standards related to BEES and human capital, to align the SASB enhancements with the ISSB's research projects on those topics and to enable feedback on this Exposure Draft to provide input to those research projects; and

(d) exploring opportunities to align the language and concepts in the SASB Standards with IFRS Sustainability Disclosure Standards.

BC21 This objective is intended to produce an Exposure Draft to facilitate feedback from the ISSB's stakeholders on how the SASB Standards can best support the application of IFRS Sustainability Disclosure Standards and to ensure that the SASB Standards (particularly in the case of the priority industries, for which comprehensive feedback is sought) provide decision-useful information for primary users about how sustainability-related risks and opportunities could reasonably be expected to affect an entity's prospects.

Due process for amending the SASB Standards

BC22 When the ISSB assumed responsibility for the SASB Standards, it was focused on the development of IFRS S1 and IFRS S2. The SASB Standards are separate from IFRS Sustainability Disclosure Standards, and entities are not required to *apply* the SASB Standards to assert compliance with IFRS Sustainability Disclosure Standards. However, an entity applying IFRS S1 is required to *refer to and consider* the applicability of the SASB Standards when identifying sustainability-related risks and opportunities and in identifying appropriate disclosures. Thus, despite their non-mandatory nature, the SASB Standards have a unique and important role in IFRS S1 compared with standards and frameworks issued by other standard-setters.

BC23 Because of the unique content and status of the SASB Standards, it was necessary for the IFRS Foundation to establish an appropriate due process for their continued maintenance and enhancement. The due process established for the SASB Standards thus requires the ISSB, which has responsibility for the strategic direction of the SASB Standards, to make decisions in public meetings when finalising or proposing changes to the SASB Standards, just as it does for IFRS Sustainability Disclosure Standards. Furthermore, the ISSB is required to expose any proposed revisions to the SASB Standards for public comment, as is the case with IFRS Sustainability Disclosure Standards. The due process requirements related to an exposure draft of proposed amendments to SASB Standards, including the required comment period, are also identical to those for IFRS Sustainability Disclosure Standards.

BC24 The IFRS Foundation developed due process requirements that enable the ISSB to use its resources efficiently when developing proposed amendments to the SASB Standards. In particular, the due process for the SASB Standards allows the ISSB to use a subset of the ISSB, the SASB Standards Board Adviser Group, to develop amendments to the SASB Standards for ratification by the ISSB. To date, the SASB Standards Board Adviser Group has comprised five ISSB members. The staff works with this group of ISSB members in developing proposed amendments to the SASB Standards. The staff can also bring matters to the full board for discussion in public meetings.[16] A supermajority of board members is required to ratify any exposure draft or amendment—the same amount of support as is required for an amendment to an IFRS Sustainability Disclosure Standard. The ISSB ratifies amendments and proposed amendments to the SASB Standards in public meetings.

BC25 When developing the due process for the SASB Standards in 2022, the Due Process Oversight Committee (DPOC) of the Trustees of the IFRS Foundation drew on principles from the IFRS Foundation's established due process as described in the IFRS Foundation *Due Process Handbook*.[17] The DPOC sought to balance the need for a transparent and inclusive due process, given the importance of the SASB Standards in supporting the application of IFRS S1, with the fact that IFRS S1 does not require entities to apply the SASB Standards.

BC26 The requirements related to the content of an exposure draft and the length of its comment period are the same as those for amendments to IFRS Sustainability Disclosure Standards. Consistent with the process applicable to IFRS Sustainability Disclosure Standards, all comment letters and responses on the proposed amendments will be posted on the IFRS Foundation's website.

16 The staff has brought matters to the full board for discussion in public meetings on multiple occasions during the development of the proposed amendments in the Exposure Draft, as outlined earlier.

17 See the DPOC meeting summary for October 2022: https://www.ifrs.org/content/dam/ifrs/meetings/2022/october/dpoc/trustees-meeting-summary-with-dpoc.pdf.

Approach to developing proposed amendments to the SASB Standards

Stakeholder engagement

BC27 The proposals in this Exposure Draft have been developed with stakeholder input. In developing the proposed amendments in this Exposure Draft, the ISSB sought stakeholder feedback through roundtable group meetings, surveys and bilateral engagements. The ISSB's consultative bodies, including the Sustainability Standards Advisory Forum, the ISSB Investor Advisory Group and the Sustainability Reference Group, were consulted as a starting point. The ISSB also sought input from a broader range of jurisdictions, preparers, industry associations, users of general purpose financial reports, and various third-party service providers and experts.

BC28 In engaging with stakeholders, the ISSB technical staff working on SASB enhancements collaborated with colleagues working on the ISSB's research projects on BEES and human capital. This collaboration included jointly participating in engagements and sharing notes, research material and written feedback. Many of the roundtable discussions had joint agendas covering both the research projects and enhancements to the SASB Standards. Stakeholder feedback often applied to both the research projects and the SASB enhancements.

BC29 Stakeholder engagement related to the SASB enhancements and the research projects on BEES and human capital comprised:

(a) more than 15 roundtable events, with more than 180 participants consisting mostly of investors (including asset managers, asset owners and banks); and

(b) more than 60 bilateral engagements, with participants consisting mostly of asset managers, asset owners, data providers and subject-matter experts.

BC30 Other sector-specific engagements with a more detailed focus on the priority industries comprised:

(a) more than 160 bilateral engagements with preparers, investors and subject-matter experts covering various jurisdictions; and

(b) 10 sector-specific roundtables involving more than 110 participants.

BC31 Engagements with stakeholders generally began with open-ended questions about potential enhancements to the priority industry Standards. The questions were intended to obtain information about the international applicability and relevance of the SASB Standards in question and to help the ISSB understand the decision-usefulness of information provided to investors and cost-effectiveness of disclosures for preparers. Stakeholders included both those that had experience with using the SASB Standards and those that had no previous experience using the Standards, neither as a preparer nor as an investor. As the project progressed, stakeholders were asked more targeted questions to inform specific amendments.

Desk research

BC32 Alongside stakeholder engagement, desk research helped identify opportunities to enhance the SASB Standards. This research included that carried out by the ISSB technical staff focused on the ISSB's research projects on human capital and BEES. Sources of input included:

(a) feedback from previous consultations, including feedback submitted to the ISSB during its consultations on its agenda priorities, the project on International Applicability of the SASB Standards and the exposure draft for IFRS S2. This feedback also included comments submitted to the SASB Standards Board during previous consultations dating back to the original development and codification of the SASB Standards. Feedback logged by the technical staff since the codification of the SASB Standards was also considered.

(b) available standards and frameworks, including those of the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS), the guidance published by the Taskforce on Nature-related Financial Disclosures (TNFD), CDP, the sector-specific guidance developed by the Transition Plan Taskforce and various industry-led reporting and disclosure initiatives.

(c) analysis of disclosures from preparers applying the SASB Standards, disclosures from preparers applying other standards and other preparer communications.

(d) external research and resources, including news articles, academic studies, financial and sustainability research platforms and investor-oriented research.

(e) materials issued by the International Accounting Standards Board (IASB), such as IFRS Accounting Standards and the IASB's *Conceptual Framework for Financial Reporting*.

Interoperability and alignment with other sustainability-related standards and frameworks

BC33 One focus of the project to enhance the SASB Standards is exploring opportunities to improve interoperability with other sustainability-related standards and frameworks, while ensuring the ISSB's continued focus on investor needs. The overall objective of considering interoperability with other sustainability-related standards and frameworks is to improve efficiency and to reduce the costs of reporting for entities.[18] In particular, some entities will be required or might choose to apply IFRS Sustainability Disclosure Standards with the GRI Standards or ESRS. These entities are likely to find reporting more efficient and cost-effective if they can provide the same disclosures on a topic for which information is material according to both IFRS Sustainability Disclosure Standards and GRI Standards or ESRS. The ISSB has also considered opportunities to align with the work of the TNFD.

BC34 The ISSB regularly engaged with the GRI, EFRAG and the TNFD to inform its consideration of interoperability and alignment in the enhancements. Specifically, these engagements explored opportunities to improve the alignment of various components in the SASB Standards—for example, the technical protocols underlying relevant metrics—with these other sustainability-related standards and frameworks. This work has focused on receiving specific input from the GRI, EFRAG and the TNFD on the particular disclosures identified by the ISSB that are proposed to be enhanced in the SASB Standards.

BC35 The approach taken when considering interoperability and alignment in the enhancements process includes consideration of:

(a) the objective of meeting investor needs for decision-useful information, while taking into account the cost for preparers (thus, for example, considering when a disclosure in another sustainability-related standard or framework could also be suitable for inclusion in the SASB Standards);

(b) relevance for the activities of entities in an industry;

(c) international applicability; and

(d) how other standards and frameworks could help address stakeholder feedback on possible improvements to the priority SASB Standards.

BC36 As a result, the proposed amendments to the SASB Standards include disclosure requirements or recommendations specified in those other standards or frameworks that are proposed to be used as part of the SASB Standards in some areas (for example, the metrics associated with the Water Management disclosure topic). The proposed amendments also include aligning the SASB Standards more closely with those materials in other areas (for example, by aligning definitions). Due to the approach taken, the opportunities for alignment differ in relation to different topics, so interoperability and alignment with other standards and frameworks have been a more significant consideration in some aspects of the enhancements while being less prominent in other areas. Appendix B provides an overview of the disclosure topics and metrics where interoperability and alignment considerations have played a more prominent role in the proposed amendments. These considerations focused on the GRI Standards and the TNFD recommendations, in the light of the Memoranda of Understanding the ISSB has signed with the GRI and TNFD (see paragraphs BC38 and BC41).

BC37 The ISSB has also consulted extensively with EFRAG technical staff to discuss the previously proposed ESRS sector standards and to leverage the benefit of EFRAG's associated work and analysis. ESRS is subject to a simplification process as part of the European Commission's Omnibus Package and, as a result, EFRAG has stopped work on its proposed sector standards. The ISSB continues to engage with EFRAG to understand what impact their simplification work will have on enhancing interoperability with the SASB Standards. Some elements of ESRS already align with some disclosure topics and metrics in the SASB Standards. Examples include ESRS Disclosure Requirement E5-5, which requires an entity to disclose the total waste and hazardous waste it generates and recycles, and ESRS Disclosure Requirement S1-14, which requires an entity to disclose its total recordable incident rate.

Memorandum of Understanding with the GRI

BC38 As announced in 2024, the ISSB and Global Sustainability Standards Board have signed a Memorandum of Understanding agreeing to 'jointly identify and align common disclosures that address information needs under the distinct scopes and purposes of their respective standards, for both thematic and sector-based standard-setting'.[19] Accordingly, one aspect of the project to enhance the SASB Standards has focused on

18 See Agenda Paper *Embedding interoperability in the ISSB's ongoing activities*, July 2024, https://www.ifrs.org/content/dam/ifrs/meetings/2024/july/issb/ap2a-interoperability.pdf.

19 See 'GRI and IFRS Foundation collaboration to deliver full interoperability that enables seamless sustainability reporting', https://www.ifrs.org/news-and-events/news/2024/05/gri-and-ifrs-foundation-collaboration-to-deliver-full-interoperability/.

identifying common disclosures between the SASB Standards and the GRI Standards when appropriate. This Exposure Draft includes proposed amendments that would align the SASB Standards with the corresponding disclosure requirements in the GRI Standards—specifically, where the ISSB has determined that such alignment:

(a) would meet the information needs of primary users of general purpose financial reports prepared in accordance with IFRS Sustainability Disclosure Standards; and

(b) would be relevant to a particular SASB Standard.

BC39 The proposed amendments to improve alignment between the SASB Standards and the GRI Standards are intended to identify common disclosure topics and to use the same disclosure requirements—including the same language, units of measurement and definitions—in the metrics and technical protocols to the greatest extent possible.

BC40 By aligning the language in the two sets of standards, the ISSB seeks to enable entities applying IFRS Sustainability Disclosure Standards (and SASB Standards) and GRI Standards to do so efficiently. If information about a matter is material in accordance with both the SASB Standards and the GRI Standards, entities will be able to use the same disclosures to meet at least some of the requirements in both sets of standards.[20] Before finalising the amendments to the SASB Standards, the ISSB will continue to engage with the GRI to identify further opportunities for common disclosures and full direct interoperability—that the same disclosure is used in both sets of Standards—taking into account feedback from stakeholders. To inform this feedback, Appendix B provides an overview of where and how the ISSB has integrated requirements from the GRI Standards into the proposed amendments. The 'Proposed amendments to the SASB Standards' section of this document further explains how the ISSB has considered GRI requirements in proposing amendments to particular topics and metrics in the priority industries.

Memorandum of Understanding with the TNFD

BC41 As announced in April 2025, the IFRS Foundation and the TNFD have signed a Memorandum of Understanding signalling both parties' commitment to building upon the TNFD recommendations in the ISSB's ongoing work, to enable nature-related financial disclosures for use by capital markets.[21] Many of the proposed amendments to the SASB Standards build on the work of the TNFD and the disclosures and metrics set out in the TNFD recommendations. The ISSB proposes alignment with the TNFD recommendations and related metrics when appropriate, to improve efficiency for companies that are already using or plan to use the TNFD recommendations and to benefit from the work that the TNFD has undertaken to develop nature-related disclosures. Appendix B provides an overview of where and how the relevant TNFD recommendations have been integrated into the proposed amendments. Feedback on these considerations will also be helpful for the ISSB's research project on BEES.

How SASB Standards relate to requirements in IFRS S1

BC42 During engagements, many stakeholders said they agreed with the proportionate nature of the SASB Standards and the specific focus of the disclosure topics and associated metrics in the SASB Standards. Others suggested that the ISSB amend the SASB Standards to reduce the degree of specificity to accommodate a broader variety of circumstances, such as the variety of jurisdictional environments in which the ISSB Standards (and, in turn, the SASB Standards) will be applied. At its December 2024 meeting, the ISSB discussed the importance of ensuring that disclosures are relevant and can be applied in diverse jurisdictions. However, it also discussed the benefits of relatively specific disclosures (for example, quantitative information) in helping entities to understand what is likely to provide decision-useful information and to result in comparable information. The proposed amendments are intended to achieve a balance between international applicability and comparability. The ISSB decided to maintain the proportionate focus of the SASB Standards, identifying the industry-specific disclosure topics and guidance that will enable an entity to provide information on its sustainability-related risks and opportunities that will inform primary users' understanding of its prospects.

BC43 The proposed amendments have been drafted under the assumption that an entity would apply the SASB Standards alongside IFRS Sustainability Disclosure Standards. This approach allows the SASB Standards to remain targeted and proportionate and avoids unnecessary duplication of requirements that are already included in IFRS S1 and IFRS S2. This is possible because IFRS S1 and the SASB Standards are designed to be complementary. However, it is important to note that the *complementary* role of the SASB Standards does not mean the SASB Standards require *incremental* disclosure on top of what IFRS S1 already requires. IFRS S1 requires the provision of

20 Appendix B explains cases where disclosure requirements in the SASB Standards and GRI Standards may not be the same for different reasons, including the different remits of each standard.

21 See 'IFRS Foundation and TNFD formalise collaboration to provide capital markets with high-quality nature-related information', https://www.ifrs.org/news-and-events/news/2025/04/ifrs-foundation-tnfd-formalise-collaboration/.

industry-specific information and information that enables primary users to understand the effects of sustainability-related risks and opportunities on an entity's prospects. Thus, although they are not mandatory to assert compliance with IFRS S1, the SASB Standards can serve as a useful means by which companies can meet the requirements of IFRS S1, by supporting the provision of decision-useful and comparable sustainability-related disclosures that are industry-specific. To that end, the proposed amendments:

(a) do not repeat the 'core content' (governance, strategy, risk management, metrics and targets) in IFRS S1 for every sustainability-related risk and opportunity identified in the disclosure topics.

(b) do not repeat disclosures already required by IFRS S1 and IFRS S2. For example, the requirement in IFRS S2 for an entity to provide information about greenhouse gas emissions is not repeated in the SASB Standards.

(c) are intended to complement IFRS Sustainability Disclosure Standards by identifying industry-specific information related to the core content for sustainability-related risks and opportunities that are likely to be relevant for a particular industry.

(d) set out particular disaggregation of disclosures required within IFRS S1 or IFRS S2 that are likely to be relevant to an industry, given feedback from investors and preparers in that industry (for example, for some industries, emphasising the provision of information about methane emissions as a particular disaggregation of the requirements in IFRS S2 related to greenhouse gas emissions).

BC44 In this way, the SASB Standards and the IFRS S2 industry-based guidance are intended to remain a source of proportionate guidance for entities preparing their disclosures in accordance with IFRS S1 and IFRS S2.[22] Although complementary to the requirements in IFRS S1 and IFRS S2, the proposed amendments are not intended to restrict the reporting of entities that apply the SASB Standards without also applying IFRS Sustainability Disclosure Standards. To limit the effect of these proposed amendments on the ability of such entities to apply the SASB Standards, and to ensure the SASB Standards continue to support entities in providing decision-useful information to their investors, important aspects of IFRS Sustainability Disclosure Standards have been included in the SASB Standards (primarily through cross-reference).

Climate-related content

BC45 In its deliberations on the project, the ISSB discussed whether to propose amendments to the climate-related content in the SASB Standards given the potential implications for the IFRS S2 industry-based guidance. The ISSB decided that the priority industries should be enhanced comprehensively—including considering enhancements to climate-related content—and that it should also consult on making consequential amendments to the IFRS S2 industry-based guidance to maintain alignment with the climate-related content in the SASB Standards.[23] In making these decisions, the ISSB considered that the effective date of the amendments could be established in a manner that ensures that preparers' implementation of IFRS S1 and IFRS S2 would not be negatively affected by any amendments.

Comprehensive approach to enhancing priority industries

BC46 The ISSB took a comprehensive approach to developing the proposed amendments to the nine priority industries set out in the Exposure Draft. Specifically, the review considered whether:

(a) the industry description was appropriate and internationally applicable—including whether any changes to the industry classification under SICS would be necessary;

(b) the disclosure topics in each industry described the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of most entities in the industry—including whether to add or remove disclosure topics;

(c) the metrics and technical protocols were likely to result in material information across a variety of jurisdictions for users of general purpose financial reports;

(d) known challenges in applying the metrics could be resolved through better alignment with IFRS S1 or IFRS S2, or through improved interoperability or alignment with other sustainability-related standards and frameworks; and

(e) the metrics and technical protocols could be simplified or clarified.

22 For more information, please refer to the ISSB's educational materials, available at https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1/.

23 The ISSB is consulting on proposed amendments to the IFRS S2 industry-based guidance in a separate exposure draft, available at: https://www.ifrs.org/content/dam/ifrs/project/amendments-ifrs-s2-industry-based-guidance/issb-ed-2025-2-s2-ibg.pdf.

Targeted amendments to other SASB Standards

BC47 In addition to the proposed amendments to the nine priority industries, the ISSB also proposes targeted amendments to 41 other SASB Standards in the Exposure Draft. These targeted amendments result from the proposed amendments for the priority industries and are intended to result in consistent guidance for common topics across industries where appropriate. This approach seeks to ensure the SASB Standards have unique metrics that capture industry-specific nuances while enabling improved comparability across industries where disclosures for particular disclosure topics can be made more consistent. For example, the proposed amendments to the Water Management metrics set out in paragraphs BC69–72 would also be made in all SASB Standards that include these metrics.

BC48 The targeted amendments would:

(a) make it easier for investors 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 many important metrics in the SASB Standards are consistently updated in a timely manner in all the SASB Standards in which they appear, regardless of whether a specific Standard was initially prioritised by the ISSB.

(d) ensure that the information provided for many 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 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 IFRS Sustainability Disclosure Standards.

BC49 The disclosure topics subject to the proposed targeted amendments are:

(a) Greenhouse Gas Emissions;

(b) Energy Management;

(c) Water Management;

(d) Labour Practices; and

(e) Workforce Health & Safety.

BC50 A full list of SASB Standards and the metrics in those Standards that would be affected by the proposed targeted amendments can be found in Appendix A. The proposed targeted amendments would affect the metrics and technical protocols for existing disclosure topics in these other SASB Standards. The 41 other SASB Standards listed in Appendix A are not at this time subject to comprehensive review in a similar manner as described in paragraph BC46. Prioritisation of additional SASB Standards for comprehensive review is subject to further discussions and decisions of the ISSB. As the ISSB undertakes a comprehensive review for additional SASB Standards, the ISSB may therefore propose incremental updates to those Standards. However, considering the benefits of the proposed targeted amendments described in paragraph BC48, the ISSB concluded that the proposed targeted amendments in the Exposure Draft are warranted to provide timely improvements to the SASB Standards.

BC51 The ISSB is not proposing targeted amendments to any of the three remaining industries that the ISSB prioritised in July 2024. Those Standards will be subject to comprehensive consultation, including considering the matters addressed in this Exposure Draft, in the context of the exposure draft planned for later in 2025.

Proposed amendments to the SASB Standards

Proposed amendments to SASB Standards in the Extractives & Minerals Processing sector

BC52 This section outlines the proposed amendments to the eight SASB Standards in the Extractives & Minerals Processing sector included in this Exposure Draft. Because many of the proposed amendments would affect more than one of the SASB Standards in the Extractives & Minerals Processing sector, the amendments themselves are shown separately in the Exposure Draft, while the descriptions of these amendments and the discussion of the rationale have been grouped together in this document.

BC53 Some of the proposed amendments described here are reflected in the targeted amendments to the SASB Standards included in this Exposure Draft. A full list of SASB Standards and metrics that would be affected by the targeted amendments can be found in Appendix A.

Industry descriptions

BC54 In developing the proposed amendments to the SASB Standards in the Extractives & Minerals Processing sector, the ISSB did not identify necessary structural changes to the industry groupings in SICS. The proposed amendments, however, update the industry descriptions for the SASB Standards in the Extractives & Minerals Processing sector to more clearly describe the activities of entities in the industry, based on desk research and stakeholder feedback.

Greenhouse gas emissions disclosure topics

BC55 All eight SASB Standards in the Extractives & Minerals Processing sector contain metrics relating to Scope 1 greenhouse gas emissions. Entities that manage their Scope 1 emissions can realise operational efficiencies, reduce fuel costs and respond to regulatory risks stemming from limits to or prices on carbon emissions. The greenhouse gas emissions metrics are similar in all industries but sometimes require industry-specific information. Examples of these metrics include those titled as follows in the SASB Standards:

(a) *Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations*; and

(b) *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets*.

BC56 The proposed amendments would:

(a) replace many of the technical protocols in these metrics with a reference to IFRS S2 to simplify disclosure and ensure the SASB Standards directly integrate with and complement IFRS S2 requirements (for example, by aligning the measurement of greenhouse gas emissions with the measurement requirements in IFRS S2); and

(b) narrow the scope of the qualitative metrics to focus on targets, target-setting and performance against those targets to avoid unnecessary duplication of other requirements in IFRS S2.

BC57 As set out in the Exposure Draft, besides the proposed amendments to the eight SASB Standards in the Extractives & Minerals Processing sector, the ISSB proposes making targeted amendments to 12 other SASB Standards to align greenhouse gas emissions metrics and technical protocols throughout the SASB Standards. For example, one proposal is to add the sub-metric 'percentage [of greenhouse gas emissions] subject to emissions-limiting regulations' to seven SASB Standards to maintain consistent disclosures about greenhouse gas emissions, because these are all industries facing varying levels of direct regulatory risk associated with their Scope 1 emissions.

Methane emissions metrics

BC58 The *Oil & Gas—Exploration & Production* and *Oil & Gas—Midstream* SASB Standards contain metrics that provide information about methane emissions from processing activities and fugitive methane emissions. Examples of metrics pertinent to disclosures on methane emissions include:

(a) *Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations*;

(b) *Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions and (5) fugitive emissions*; and

(c) *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*.

BC59 During engagements, stakeholders said that an absolute measure of methane emissions in metric tonnes would provide a clearer alternative indicator of entity risks such as lost revenue, regulatory risk and reputational risk than the current metrics, which capture methane as a percentage of total greenhouse gas emissions measured in carbon dioxide equivalents. Investors are also interested in further information about oil and gas entities' membership in methane management frameworks like the Oil and Gas Methane Partnership (OGMP) 2.0 to help them determine the quality of an entity's management of methane emissions and disclosure practices.

BC60 The proposed amendments would add:

(a) a new metric disclosing the quantity of methane emissions in metric tonnes and whether an entity participates in a methane management framework, such as OGMP 2.0; and

(b) a technical protocol to the qualitative metric described in paragraph BC58(c), regarding targets that explicitly include methane abatement targets.

BC61 Stakeholder feedback and supporting research show there is widespread investor interest in how entities in the coal operations industry are managing methane emissions. The proposed amendments would add a new metric EM-CO-110a.3 *Total Scope 1 methane emissions* to the *Coal Operations* SASB Standard. The proposed metric does not include a reference to OGMP 2.0 and instead seeks disclosure regarding how entities calculate methane emissions, the frequency of facility inspections, and the technologies used to detect methane emissions.

Air quality disclosure topics

BC62 Except for the *Coal Operations* and the *Oil & Gas—Services* SASB Standards, the SASB Standards in the Extractives & Minerals Processing sector contain a disclosure topic and associated metrics relating to air quality-related risks and opportunities. The disclosure topic captures information related to emissions of air pollutants, which can have significant localised human health and environmental impacts. Entities that proactively manage air quality issues can limit the impact of regulations and legal proceedings while realising cost savings from technological innovations and operational efficiencies. The disclosure topics generally include one metric for entities to disclose their emissions of various air pollutants, depending on the industry. Examples of metrics included in the SASB Standards are:

(a) EM-EP-120a.1 *Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})*; and

(b) EM-MM-120a.1 *Air emissions of the following pollutants: (1) CO, (2) NO_x (excluding N_2O), (3) SO_x, (4) particulate matter (PM_{10}), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)*.

BC63 The proposed amendments would:

(a) match the air pollutant categories with the broader, simpler set of pollutant categories provided in *GRI 305-7: Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions* while maintaining industry-specific variations in air pollutant categories. Stakeholder feedback indicated that the industry-specific disaggregation of individual air pollutants such as lead and mercury could be too detailed to provide material information and could potentially result in disclosures that are difficult for entities to provide in full, resulting in incomplete disclosure.

(b) include both PM_{10} and $PM_{2.5}$ in the metrics, which would more accurately reflect many jurisdictional laws and regulations on the associated risk to operations for industries in which $PM_{2.5}$ emissions are prevalent.

BC64 These amendments would improve interoperability with *GRI 305: Emissions 2016* by aligning pollutant categories with *GRI 305-7*. The resulting metrics are also better aligned with TNFD metrics and indicators on non-GHG air pollutants.

Energy management disclosure topics

BC65 The *Construction Materials, Iron & Steel Producers* and *Metals & Mining* SASB Standards contain disclosure topics specific to energy management-related risks and opportunities. These disclosure topics broadly provide information about how entities consume various energy forms from different sources—including use of purchased or renewable electricity—which, depending on the decisions made by entities, can mitigate exposure to volatile or high energy costs and unreliable access to energy. The exposure to these risks is driven by climate-related transition risks, as well as by pollution and other environmental and human health considerations. The disclosure topic includes one metric that requires the disclosure of: *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*.

BC66 The proposed amendments would:

(a) revise the sub-metric 'percentage grid electricity' to an absolute measure of 'purchased electricity consumed' (in gigajoules):[24]

(i) to provide investors with a more thorough understanding of entities' electricity use and reliance on third-party energy providers; and

(ii) to respond to stakeholder feedback that the original requirement was unclear and the term 'grid electricity' was ambiguous;

24 'Electricity' in this Exposure Draft refers to electricity, heating, cooling or steam.

(b) revise the metric on percentage of energy consumed that was renewable to focus instead on renewable electricity that was either self-generated or delivered by direct contract, which would provide incremental information on the operational decisions entities make about renewable electricity procurement;

(c) revise the definition of 'self-generated energy' to improve clarity and align it more closely with the definition used in the Greenhouse Gas Protocol's *GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard* (2015);

(d) revise the requirement to calculate energy from fuels consumed by entities to use lower heating values (LHV) instead of higher heating values to respond to stakeholder feedback that the original requirement was inaccurate;

(e) revise the requirement to calculate energy from fuels consumed to permit entities to use values other than LHV if they are required by a jurisdictional authority or an exchange to use that value, to respond to preparer comments that some jurisdictions require entities to use heating values other than LHV; and

(f) improve the alignment with and ensure the metrics and technical protocols complement those in IFRS S2 —for example, by aligning disclosures on purchased electricity with the activity data entities use to provide information about their Scope 2 greenhouse gas emissions, as required by paragraph 29(a)(i)(2) of IFRS S2.

BC67 These amendments would also improve interoperability with *GRI 103: Energy 2025* by:

(a) requiring disclosure of the same quantitative data on purchased electricity consumed;

(b) using a similar approach in relation to self-generated electricity from fuel already consumed and energy stored that is later consumed;

(c) applying a similar approach to calculate renewable energy consumed—for example, using the same explanation about how to treat self-generated renewable electricity for which the associated contractual instruments have been sold and a similar approach for the quality criteria applied to renewable electricity purchased through a contractual instrument;

(d) using the same definition of renewable energy sources; and

(e) requiring disclosure of absolute measures instead of percentages.

BC68 As set out in the Exposure Draft, the ISSB proposes making targeted amendments to 21 other SASB Standards, reflecting the changes proposed in paragraph BC66, to align metrics and technical protocols related to energy management throughout the SASB Standards.

Water management

BC69 Except for the *Oil & Gas — Midstream* SASB Standard, all of the SASB Standards in the Extractives & Minerals Processing sector contain disclosure topics relating to water-related risks and opportunities. These disclosure topics provide information about entities' access to water and their management of risk because the availability and quality of this resource are increasingly threatened by a changing climate, severe weather events, competition from surrounding communities and impacts on ecosystems and increasingly stringent regulations. Water mismanagement can result in disruptions to operations, increased operational costs, regulatory fines and penalties, threats to an entity's social licence to operate and reputational risks. These disclosure topics in the SASB Standards include up to three metrics that measure an entity's water withdrawal, consumption, exposure to water stress, non-compliance associated with water quality permits and narrative disclosure requirements relating to water-related risks and opportunities:[25]

(a) *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*;

(b) *Number of incidents of non-compliance associated with water quality permits, standards and regulations*; and

(c) *Description of water management risks and discussion of strategies and practices to mitigate those risks*.

25 Although these three metrics are similar among industries, their language, sub-metrics and technical protocols might vary to capture industry-specific nuance based on stakeholder feedback. Furthermore, not every industry contains all three metrics—some contain one or two out of the three metrics to capture industry-specific risks and opportunities.

BC70 The proposed amendments would:

(a) require an entity to disaggregate water withdrawal by source to enable users of general purpose financial reports to understand factors such as (i) whether an entity is dependent on a particular water source; (ii) how the entity's withdrawn water can affect water resources available for local communities and surrounding ecosystems; and (iii) whether additional treatment (such as desalination) is required, thereby potentially affecting ongoing costs and capital expenditure. All these factors might increase in importance as the availability of water from various sources changes, especially in water-stressed locations.

(b) revise the definition of 'water stress' to respond to stakeholder feedback that the World Resource Institute's *Aqueduct Water Risk Atlas* tool—which the current metrics rely on to define water stress—does not always accurately reflect local water stress conditions.

(c) require an entity to disclose the locations of any operating facilities where water-related risks are concentrated to respond to input from users who emphasised the importance of location data in assessing water-related risks, such as water stress and water availability.

(d) remove the *Number of incidents of non-compliance associated with water quality permits* metric. Feedback suggests that this metric does not provide enough information for users to understand the risks associated with water discharges. Furthermore, the metric focuses on 'incidents that resulted in formal enforcement actions', and such actions often occur years after the original incident, diminishing the value of the information because it is often out of date.

(e) replace the *Number of incidents of non-compliance associated with water quality permits* metric with a new metric *Total water discharged by (1) destination and (2) level of treatment* to better meet users' information needs relating to:

(i) the quantity of discharged water, potential flood risks, water quality and availability to adjacent communities and ecosystems, an entity's readiness to adapt to emerging regulations focused on water discharges and net use (or production) of water; and

(ii) the quality of effluent being discharged, which, depending on treatment level, can affect surrounding communities and ecosystems, with potential implications for operational costs, capital expenditures, regulatory compliance costs and reputation.

BC71 These amendments would also improve interoperability with *GRI 303: Water and Effluents 2018* by:

(a) requiring the same quantitative data to be disclosed about (1) water withdrawals disaggregated by source, (2) water consumption in water-stressed locations and (3) water discharge disaggregated by destination and treatment level;

(b) using the same definitions of water withdrawals, water sources, water consumption and water stress; and

(c) using the same guidance for assessing water stress and identifying water-stressed locations.

BC72 As set out in the Exposure Draft, the ISSB proposes to make targeted amendments to 16 other SASB Standards, reflecting the proposed amendments in paragraph BC70, to align water management metrics and technical protocols throughout the SASB Standards.

Biodiversity and ecological impact disclosures

BC73 The *Construction Materials*, *Coal Operations*, *Oil & Gas – Exploration & Production*, *Oil & Gas – Midstream* and *Metals & Mining* SASB Standards include various metrics associated with the Biodiversity Impacts and Ecological Impacts disclosure topics. Examples of these metrics (whose names can vary slightly across industries) include:

(a) *Description of environmental management policies and practices for active operations*;

(b) *Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat*;

(c) *(1) Number and (2) aggregate volume of hydrocarbon spills, (3) volume in Arctic, (4) volume impacting shorelines with ESI rankings 8–10, and (5) volume recovered*; and

(d) *(1) Terrestrial land area disturbed, (2) percentage of impacted area restored*.

BC74 Stakeholders recommended that the ISSB update the terminology and references used in the SASB Standards to reflect the TNFD recommendations, where necessary to meet investors' information needs. Stakeholder feedback also suggested that the SASB Standards inadequately cover marine environmental risks.

BC75 The proposed amendments would:

(a) rename the Biodiversity Impacts disclosure topic as Ecological Impacts to better reflect the variety of risks and opportunities described in the disclosure topic summaries;

(b) replace the term 'sites with protected conservation status or endangered species habitat' with 'environmentally sensitive locations', derived from the 'sensitive locations' definition in the TNFD recommendations, to better capture the variety of locations that could present risks to entities;

(c) replace the term 'arctic' with 'environmentally sensitive locations' to better capture a broader variety of relevant risks;

(d) refer to 'bodies of water' (wetlands, tidal flats, riverine, navigable waterways, littoral or ocean) instead of 'shorelines with ESI rankings 8–10', because the latter covers only a narrow range of wetlands, tidal flats and other highly sensitive shoreline features on the Environmental Sensitivity Index (ESI);

(e) add a reference to the Ocean+ Habitats 'Protected Areas' (marine and coastal) database to help preparers identify environmentally sensitive marine locations;

(f) revise the *Terrestrial land area…* metric and supporting definitions of 'area disturbed' and 'area restored' to align with the core global disclosure indicators metric number C1.0 'Total spatial footprint' and associated definitions in the TNFD recommendations; and

(g) add the revised *Terrestrial land area…* metric to the *Coal Operations*, *Oil & Gas – Exploration & Production* and *Metals & Mining* SASB Standards to respond to stakeholder feedback that total spatial footprint (surface area), area disturbed and area restored are decision-useful metrics increasingly being used by entities in the Extractives & Minerals Processing sector that operate in environmentally sensitive locations.

Acid and metalliferous drainage disclosures

BC76 The *Coal Operations* and *Metals & Mining* SASB Standards include a quantitative metric in the Biodiversity Impacts disclosure topic about an entity's risk of exposure to 'acid rock drainage' (ARD)—a wastewater effluent that presents risks to communities, water resources and the environment. Entities reporting to these Standards are required to disclose separately the percentages of mine sites in which ARD is predicted to occur, is actively mitigated or is under treatment or remediation.

BC77 The proposed amendments would:

(a) replace references to ARD with 'acid and metalliferous drainage' (AMD) because research and stakeholder feedback suggest that many entities and jurisdictions are adopting this more comprehensive phrasing to describe contaminated wastewater effluents draining from mines.

(b) move the revised AMD metric to the Water Management disclosure topic as a wastewater effluent. Stakeholders said that AMD poses a broader risk to water resources, communities and the environment than its inclusion in the Biodiversity Impacts disclosure topic might imply.

(c) replace the *Percentage of mine sites…* metric with a *Percentage of total production…* metric as a proxy for an entity's value at risk from AMD. This proposed change responds to stakeholder feedback that the percentage of sites (an ambiguous phrase) is less decision-useful than the percentage of production put at risk should the entity lose its regulatory permitting and social licence to operate because of AMD.

Coal, mineral and petroleum reserves-related disclosures

BC78 The *Coal Operations*, *Metals & Mining* and *Oil & Gas – Exploration & Production* SASB Standards include 13 metrics that use coal, mineral or petroleum reserves as a proxy for an entity's asset value at risk in the context of various risks and opportunities in diverse disclosure topics. Some typical examples of metrics related to coal, mineral or petroleum reserves include:

(a) *Percentage of (1) proved and (2) probable reserves in or near … (… sites with protected conservation status or endangered species habitat, … areas of conflict, … indigenous land)*;

(b) *Sensitivity of … reserve levels to future price projection scenarios that account for a price on carbon emissions* (coal or petroleum reserves); and

(c) *Estimated carbon dioxide emissions embedded in proven … reserves* (coal or petroleum reserves).

BC79 Stakeholders said that periodic reserves determinations introduce variability and ambiguity into the information an entity discloses.

BC80 The proposed amendments would:

(a) revise the reserves-related proximity metrics to measure the distance from areas related to specific types of sustainability-related risks (endangered species, conflict or Indigenous Lands) to the spatial footprint (surface area) of an entity's operational facilities. The metrics currently measure these distances to the estimated boundaries of the entity's coal, mineral or petroleum reserves associated with those facilities.

(b) revise the definitions of reserves to require the use of the same data, assumptions and calculation methods the entity uses in its coal, mineral and petroleum reserves reported in the related general purpose financial reports, to the extent possible, consistent with the principles of connected information set out in paragraphs 21–24 of IFRS S1. This change is proposed to support understanding by users of general purpose financial reports by more clearly linking the information provided to that provided elsewhere in the general purpose reporting package.

Conflict-affected and high-risk area metrics

BC81 The *Metals & Mining* and *Oil & Gas – Exploration & Production* SASB Standards each include two metrics in the Security, Human Rights & Rights of Indigenous Peoples disclosure topic related to the risks and opportunities entities face when operating in or near areas of conflict. These areas are identified using criteria referenced in the Uppsala Conflict Data Program (UCDP).

BC82 The proposed revisions would replace the reference to the UCDP with a reference to the 2016 OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, Third Edition, which stakeholders have said provides clearer guidance on how to define conflict and high-risk areas and is more widely used.

Security, Human Rights & Indigenous Peoples' Rights and Community Relations disclosure topics

BC83 The *Metals & Mining* and *Oil & Gas – Exploration & Production* SASB Standards each contain a Security, Human Rights & Rights of Indigenous Peoples disclosure topic and a Community Relations disclosure topic. The *Coal Operations* SASB Standard contains a Rights of Indigenous Peoples disclosure topic and a Community Relations disclosure topic. Research identified the opportunity to better articulate the risks and opportunities related to security separately from the risks and opportunities associated with operating in or near Indigenous Land and with the rights of Indigenous Peoples, as these are very different and distinct risks and opportunities. (Risks related to security are described in these Standards as risks related to entities using private or government security forces to protect their workers or assets that potentially contribute to human rights violations, including the use of excessive force.) Therefore, an entity's management of its engagement with Indigenous Peoples and the risks and opportunities associated with the rights of Indigenous Peoples is better characterised within the Community Relations disclosure topic, with metrics related to the particular rights and interests of a specific local community —Indigenous Peoples.

BC84 Accordingly, the proposed amendments to the *Metals & Mining* and *Oil & Gas—Exploration & Production* SASB Standards would revise the Security, Human Rights & Rights of Indigenous Peoples and Community Relations disclosure topics and associated metrics to:

(a) rename the Community Relations disclosure topic as Community Relations & Rights of Indigenous Peoples, and revise and relocate metrics *Percentage of (1) proved and (2) probable reserves in or near Indigenous Peoples' land* and *Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights* to the renamed topic; and

(b) add a new disclosure topic, Operations in Conflict Areas, and revise and relocate metrics *Percentage of (1) proved and (2) probable reserves in conflict-affected and high-risk areas* and *Description of engagement processes and due diligence practices related to operating in conflict-affected and high-risk areas* to the new topic.

BC85 The proposed amendments to the *Coal Operations* SASB Standard would:

(a) revise and relocate the metrics in the Rights of Indigenous Peoples disclosure topic to the Community Relations disclosure topic, which would be renamed Community Relations & Rights of Indigenous Peoples. These changes would result in the addition of metrics EM-CO-210b.3 *Percentage of (1) proved and (2) probable coal reserves in or near Indigenous Peoples' land* and EM-CO-210b.4 *Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights* to the revised and renamed topic of Community Relations & Rights of Indigenous Peoples. This would ensure consistency with the proposed approach for the *Metals & Mining* and *Oil & Gas—Exploration & Production* SASB Standards.

(b) add a new disclosure topic, Operations in Conflict Areas, with new associated metrics EM-CO-210c.1 *Percentage of (1) proved and (2) probable coal reserves in conflict-affected and high-risk areas* and EM-CO-210c.2 *Description of engagement processes and due diligence practices related to operating in conflict-affected and high-risk areas*. These new metrics are based on those in the *Metals & Mining* SASB Standard. The addition of this new topic responds to stakeholder feedback and supporting research that showed Coal Operations entities can face similar sustainability-related risks and opportunities.

Labour Practices disclosure topics

BC86 The *Coal Operations* and *Metals & Mining* SASB Standards each include disclosure topics regarding risks and opportunities related to labour practices. These disclosure topics enable entities to provide information about how they manage relationships with organised labour to avoid disruptions and pursue opportunities to improve productivity. The metrics in these two Standards are:

(a) EM-CO-310a.1 and EM-MM-310a.1 *Percentage of active workforce employed under collective agreements*; and

(b) EM-CO-310a.2 and EM-MM-310a.2 *(1) Number and (2) duration of strikes and lockouts*.

BC87 The proposed amendments would:

(a) revise EM-CO-310a.2 and EM-MM-310a.2, changing these to *(1) Number of work stoppages and (2) the total days idle* to align them with similar metrics in the SASB Standards, thereby improving the comparability of information provided by entities operating in different industries;

(b) revise the definition of 'collective agreements' to align with that in the International Labour Organization's *Collective Agreements Recommendation* (1951, No. 91) and *GRI 2: General Disclosures 2021* in response to stakeholder feedback that the current definition was incomplete;

(c) revise the definition of 'employee' to align with that in the Exposure Draft *Standard Interpretation 1 to GRI 2: General disclosures 2021, Control of work*, thereby reducing ambiguity in how an entity determines which individuals are employees;

(d) revise the definition of 'work stoppage' and the technical protocols on how to determine a work stoppage in response to stakeholder feedback that the requirement is not proportional for entities with fewer than 1,000 employees; and

(e) revise the calculation of 'total days idle' to count only the number of days of work stoppages, thereby making the disclosure more cost effective.

BC88 These amendments would improve interoperability with *GRI 2: General Disclosures 2021* by revising the definitions of 'collective agreements' and 'employees' to align with the definitions in the exposure draft of proposed amendments to that standard.

BC89 The proposed amendments to the Labour Practices disclosure topic have been informed by the ISSB's research project on human capital. The ISSB will consider further findings from the research project and stakeholder feedback from the consultation on this Exposure Draft in finalising the proposed amendments related to labour practices.

BC90 As set out in the Exposure Draft, the ISSB proposes making targeted amendments to four other SASB Standards, reflecting the proposals in paragraph BC87, to align labour practices disclosure requirements throughout the SASB Standards.

Workforce Health & Safety disclosure topics

BC91 Seven of the SASB Standards in the Extractives & Minerals Processing sector include a Workforce Health & Safety disclosure topic. The disclosure topics include various quantitative and qualitative metrics about how an entity manages the health and safety of its workforce. Although some unique industry-specific variants are included, the workforce health and safety metrics generally have three main themes: quantitative disclosure regarding fatalities, recordable incidents, near misses and workforce training; narrative descriptions of associated safety management systems; and narrative descriptions of efforts to manage acute and chronic workforce health hazards. Not all SASB Standards containing the Workforce Health & Safety disclosure topic include all these metrics, but some examples of more commonly included metrics are:

(a) *(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety and emergency response training for (a) direct employees and (b) contract employees*;

(b) *Discussion of management systems used to integrate a culture of safety*;

(c) *Discussion of management of accident and safety risks and long-term health and safety risks*; and

(d) *Number of road accidents and incidents*.

BC92 The proposed amendments would:

(a) replace the term 'direct employees' with 'employees' and the term 'contract employees' with 'non-employee workers', and redefine these terms in response to stakeholder feedback that the current definitions are too simplistic and open to misinterpretation;

(b) replace the 'fatality rate' sub-metric with an absolute number of fatalities based on stakeholder feedback and disclosure analysis emphasising the importance of information about such events;

(c) remove the 'near miss frequency rate' sub-metric to (i) respond to stakeholder concerns that the rate cannot be compared between entities because the underlying criteria for determining such incidents are preparer-determined and (ii) improve interoperability with ESRS Disclosure Requirement S1-14 health and safety metrics, which do not include this rate;

(d) add a new requirement for an entity to disclose any leading indicators it has developed to manage safety performance (such as near miss frequency rate) in the qualitative disclosure metrics to address investor interest in additional information regarding preparers' internal management processes;

(e) revise the *All-incidence rate…* metric unique to the *Coal Operations* and *Metals & Mining* SASB Standards to *(1) Number of fatalities and (2) total recordable incident rate…* in response to stakeholder feedback that the rate is neither internationally applicable nor comparable with the recordable incident rate metrics in other SASB Standards; and

(f) add new activity metrics for the number of employees and non-employee workers and hours worked in SASB Standards that have Workforce Health & Safety disclosure topics that include fatality and incident rate metrics, thereby facilitating normalisation of that data and providing context.

BC93 The revised workforce definitions are derived in part from definitions in Appendix A to IFRS 2 *Share-based Payment*. The revised definitions of 'employee' and 'non-employee worker' also mirror elements of the proposed Exposure Draft *Standard Interpretation 1 to GRI 2: General disclosures 2021, Control of work* (for example, the aspects of 'control of work'), thereby improving interoperability with the GRI Standards.

BC94 As with labour practices, while the proposed amendments to this disclosure topic have been informed by the ISSB's research project on human capital, the ISSB will consider further findings from the research project and stakeholder feedback from the consultation on this Exposure Draft in finalising the proposed amendments related to workforce health and safety.

BC95 As set out in the Exposure Draft, the ISSB proposes to make targeted amendments to 13 other SASB Standards, reflecting the proposals in paragraph BC92, to align disclosure requirements related to workforce health and safety throughout the SASB Standards. The proposed targeted amendments would not override industry-specific variations in the workforce health and safety quantitative metrics used in the SASB Standards. For example, not all the workforce health and safety metrics in the SASB Standards include the 'fatality rate' sub-metric. The proposed amendments would not add the 'number of fatalities' sub-metric to a SASB Standard without the 'fatality rate' sub-metric.

Product Innovation disclosure topics

BC96 The *Construction Materials* and *Oil & Gas – Refining & Marketing* SASB Standards include a disclosure topic focused on product innovation. These topics include metrics requiring an entity to disclose information about the 'total addressable market' for innovative products and its own market share. The metrics are:

(a) EM-CM-410a.2 *Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production*; and

(b) EM-RM-410a.2 *Total addressable market and share of market for advanced biofuels and associated infrastructure*.

BC97 The proposed amendments would replace the technical protocol for an entity to disclose its total addressable market and market share with a technical protocol to disclose information about the revenue it recognised during the reporting period from the sale of these products. Stakeholders noted that the current metric requires entities to estimate the size of the market and their share of that market. Stakeholders also noted that entity-generated estimates of addressable market and market share lack comparability among entities and would be difficult for entities lacking suitably qualified staff to produce. Furthermore, preparers said that this information would probably be considered commercially sensitive. By requiring the disclosure of information

about revenue, the proposed amendment would enable information included in the sustainability-related financial disclosures by those using IFRS Sustainability Disclosure Standards to be connected with information in the accompanying financial statements, facilitating connections in that information.

Supply Chain Management disclosure topics

BC98 The *Iron & Steel Producers* SASB Standard includes a disclosure topic on supply chain management. The topic is intended to capture information about how entities manage the environmental and social risks associated with their suppliers when sourcing raw materials to manufacture products. Stakeholders said that entities in the Construction Materials and Metals & Mining industries frequently source raw materials from upstream suppliers and face similar sustainability-related risks and opportunities. Additional desk research confirmed this feedback.

BC99 Thus the proposed amendments would add a new Supply Chain Management disclosure topic and an associated qualitative metric to the *Construction Materials* and *Metals & Mining* SASB Standards based on the disclosure requirement in the *Iron & Steel Producers* SASB Standard.

Business Ethics & Transparency disclosure topics

BC100 The *Metals & Mining*, *Oil & Gas – Exploration & Production* and *Oil & Gas – Services* SASB Standards include a disclosure topic focused on business ethics and transparency (or payments transparency). This disclosure topic exists in these three SASB Standards and uses various measures of an entity's value at risk '*… in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index*' (CPI). The measures of an entity's value at risk include:

(a) *production (mineral ores and concentrates)*;

(b) *percentage of (1) proved and (2) probable reserves (petroleum)*; and

(c) *net revenue*.

BC101 The proposed amendments would replace these measures of an entity's value at risk with information about the revenue recognised by the entity from the transfer of promised goods produced or sold, or services provided, in countries with low CPI rankings. The term 'net revenue' would be replaced with a reference to 'revenue', a term defined in accounting standards. This reference is intended to facilitate comparability between entities using the same accounting standards. It also will facilitate connections in the information provided in sustainability-related financial disclosures with information in the accompanying financial statements for those using IFRS Sustainability Disclosure Standards.

Critical Incident Risk Management disclosure topics

BC102 The *Oil & Gas – Exploration & Production*, *Oil & Gas – Midstream* and *Oil & Gas – Refining & Marketing* SASB Standards include a Critical Incident Risk Management disclosure topic (titled Operational Safety, Emergency Preparedness & Response in *Oil & Gas – Midstream*) and associated metrics related to how entities manage hazardous material spills and other significant accidents.

BC103 The metrics associated with the Critical Incident Risk Management disclosure topic in these SASB Standards vary significantly. Stakeholders said that using varying sets of metrics for substantially the same sustainability-related risks and opportunities throughout the oil and gas value chain reduces comparability of entities' information for users of general purpose financial reports. It also increases the reporting cost burden for vertically integrated oil and gas entities. Stakeholders also noted that the metric EM-MD-540a.1 *(1) Number of reportable pipeline incidents, (2) percentage significant* relies on jurisdiction-specific language about 'reportable' and 'significant' incidents.

BC104 The proposed amendments would:

(a) add a Tier 2 sub-metric (incidents of lesser consequence) to EM-EP-540a.1 to improve comparability with the *Oil & Gas – Refining & Marketing* SASB Standard metric EM-RM-540a.1.

(b) replace metric EM-MD-540a.1 with a Process Safety event (PSE) Tier 1 and Tier 2 metric (incidents of greater and lesser consequence) to improve international applicability and comparability with the equivalent metrics in the *Oil & Gas – Exploration & Production* and *Oil & Gas – Refining & Marketing* SASB Standards. The proposed amendments mirror metric EM-EP-540a.1.

(c) remove EM-RM-540a.2 *Challenges to Safety Systems indicator rate (Tier 3)* because this metric is regarded as being generally unsuitable for peer-to-peer benchmarking and unlikely to provide material information to investors.

(d) integrate a requirement for information about the PSE Tier 3 indicator into *Discussion of measurement of … Tier 4 Indicators* qualitative metric in the *Oil & Gas – Refining & Marketing* SASB Standard. The revised metric would enable an entity to provide a complete disclosure about how it identifies, measures and manages these safety performance leading indicators.

Tailings Storage Facilities Management disclosure topics

BC105 The *Coal Operations* and *Metals & Mining* SASB Standards include the Tailings Storage Facilities Management disclosure topic and associated metrics. The *Tailings storage facility inventory table…* metric includes 'current amount of tailings stored', measured in metric tonnes.

BC106 Stakeholder feedback suggested that the total metric tonnes of tailings is less decision-useful for assessing the relative risk an entity manages than the volume of tailings managed. Piled tailings stack differently depending on the type of mineral and the type of tailings. Larger volumes of tailings indicate higher levels of risk for the entity.

BC107 The proposed amendments would change the unit of measure for stored tailings in the *Coal Operations* and *Metals & Mining* SASB Standards from metric tonnes to multiples of cubic metres. Using volume as the unit of measure for stored tailings also improves alignment with guidance in the Global Tailings Review *Global Industry Standard on Tailings Management*, which is the underlying intention of the metric.

Other amendments to the *Coal Operations* SASB Standard

BC108 The *Coal Operations* SASB Standard includes a water management disclosure topic and two associated quantitative metrics. The proposed amendments would add a new qualitative metric EM-CO-140a.3, based on the revised version of the metric previously described in paragraph BC69(c). This proposed amendment responds to stakeholder feedback that users of general purpose financial reports need more contextual information about how entities in water-intensive industries manage water-related risks and opportunities.

BC109 The proposed amendments would rename the Reserves Valuation & Capital Expenditures disclosure topic as Climate Resilience and revise the associated metrics to align the metrics, technical protocols, concepts and terminology more closely with those in IFRS S2. Doing so would improve clarity about how these disclosures contribute to meeting the disclosure requirements in IFRS S2.

Other amendments to the *Construction Materials* SASB Standard

BC110 The *Construction Materials* SASB Standard includes a Product Innovation disclosure topic with an associated metric EM-CM-410a.1 *Percentage of products that qualify for credits in sustainable building design and construction certifications*.

BC111 The proposed amendments would permit an entity to use environmental product declarations (EPDs) to identify products that qualify for credits in sustainable design and construction certifications. Disclosure analysis and stakeholder feedback suggest that the certification of specific products that qualify for such credits has improved over the past decade. EPDs have been developed using independently verified life cycle assessments under established product category rules. Consumer and regulatory interest in construction products that meet such environmental standards has enhanced the relevance of this certification. Information about products with this certification is expected to provide information relevant to users' understanding of Construction Materials entities' prospects.

Other amendments to the *Iron & Steel Producers* SASB Standard

BC112 The Energy Management disclosure topic and associated revisions (which apply to more than one SASB Standard, including the *Iron & Steel Producers* SASB Standard) are summarised in paragraphs BC65–BC68. The metrics associated with this disclosure topic are:

(a) EM-IS-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*; and

(b) EM-IS-130a.2 *(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable*.

BC113 The proposed amendments would remove metric EM-IS-130a.2 and add new sub-metrics to EM-IS-130a.1 related to coal consumed and natural gas consumed. This change would simplify the disclosure requirements by limiting fuel consumption to the absolute quantities of coal and natural gas consumed. Stakeholder feedback suggested that the current delineation in the EM-IS-130a.2 metric is ambiguous, and that an entity disaggregating total fuel consumed does not provide decision-useful information.

BC114 Stakeholders suggested that entities in the Iron & Steel Producers industry are exposed to operational disruptions resulting from labour disputes, and that this disclosure topic should be included in this SASB Standard to ensure that decision-useful information is provided to users of general purpose financial reports. The proposed amendments would add a new Labour Practices disclosure topic and metrics, modelled on the metrics described in paragraphs BC86-BC90, based on this feedback and additional research.

Other amendments to the *Metals & Mining* SASB Standard

BC115 The Exposure Draft proposes that a sub-metric be added to metric EM-MM-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable* requiring an entity to disclose information about the quantity of natural gas it has consumed. The proposed sub-metric responds to stakeholder feedback that this disclosure would provide decision-useful information related to the risks and opportunities associated with energy costs and the reliability of various energy sources that is important to understand the prospects of entities in this industry.

Other amendments to the *Oil & Gas – Exploration & Production* SASB Standard

BC116 The Greenhouse Gas Emissions disclosure topic includes metric EM-EP-110a.2 *Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions and (5) fugitive emissions*. This metric supplements the other greenhouse gas emissions disclosure requirements in the *Oil & Gas – Exploration & Production* SASB Standard. The proposed amendments would remove:

(a) 'process emissions'—because this category replicates content covered by the other categories; and

(b) the word 'other' from 'other vented emissions'—because process emissions are ultimately either flared or vented, and the current wording could result in confusing and inconsistent disclosures.

BC117 The proposed amendments would also add a new qualitative water management metric EM-EP-150a.6 to this Standard, which would be consistent with the revised version of the metric set out in paragraph BC69(c). Stakeholders expressed a need for more contextual information about how entities in water-intensive industries manage water-related risks and opportunities.

BC118 Finally, the proposed amendments would rename the Reserves Valuation & Capital Expenditures disclosure topic as Climate Resilience and revise the associated metrics to align their requirements, concepts and terminology more closely with those in IFRS S2.

Other amendments to the *Oil & Gas – Midstream* SASB Standard

BC119 The *Oil & Gas – Midstream* SASB Standard does not currently contain a Workforce Health & Safety disclosure topic. Entities in the Oil & Gas—Midstream industry face significant workforce health and safety risks associated with working in harsh environments; handling crude oil, natural gas and refined petroleum products; managing large fleets of transport vehicles; and working with heavy machinery and rotating equipment. All these examples represent sustainability-related risks that could be reasonably expected to affect the prospects of entities in this industry, thereby justifying the inclusion of a Workforce Health & Safety disclosure topic to ensure decision-useful information is provided to users of general purpose financial reports. Stakeholder feedback supported this proposed amendment.

BC120 The proposed amendments would:

(a) add a Workforce Health & Safety disclosure topic to the *Oil & Gas – Midstream* SASB Standard and a new associated quantitative metric EM-MD-320a.1 *(1) Number of fatalities and (2) total recordable incident rate for (a) employees and (b) non-employee workers; (3) average hours of health, safety and emergency response training* based on metric EM-EP-320a.1 in the *Oil & Gas – Exploration & Production* SASB Standard.

(b) move metric EM-MD-540a.4 *Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles* from the Critical Incident Management disclosure topic to the proposed new Workforce Health & Safety disclosure topic as a new metric EM-MD-320a.2. The amendments would enhance comparability for investors and support efficiency of disclosure for vertically integrated Oil & Gas sector entities. Furthermore, the new metric would be revised to make it consistent with the nearly identical qualitative metric EM-EP-320a.2 in the *Oil & Gas – Exploration & Production* SASB Standard.

BC121 The proposed amendments would also add new activity metric EM-MD-000.B *Total operational pipeline* in response to stakeholder feedback that this information is important in facilitating data normalisation. This additional information would provide context for the size of an entity's operations to enable better understanding of its disclosures.

Other amendments to the *Oil & Gas – Refining & Marketing* SASB Standard

BC122 Metric EM-RM-120a.2 *Number of refineries in or near areas of dense population* in the Air Quality disclosure topic references the NASA Socioeconomic Data and Applications Center's *Gridded Population of the World*, based on 2014 data. Stakeholders suggested that knowing the number of an entity's refineries is less decision-useful than understanding the magnitude of its value at risk if those refineries are unable to operate at full capacity because of their proximity to areas of dense population. Furthermore, the criteria jurisdictions use to define dense populations (urban areas) can vary widely and are sometimes based on administrative decisions (such as sectoral employment, or infrastructure and services provision), not statistical population assessments.

BC123 The proposed amendments to metric EM-RM-120a.2 would:

(a) replace the requirement for an entity to provide the number of refineries with a requirement to provide the total production capacity of the entity's refineries at risk based on the aggregate nameplate crude oil processing capacity (barrels per day); and

(b) replace the reference to *Gridded Population of the World* with a reference to the Statistical Office of the European Union's Degree of Urbanisation database, which is updated annually, provides global coverage and was recommended during engagements as a current and reliable source of data for preparers.

BC124 Metric EM-RM-150a.2 includes a sub-metric related to the percentage of an entity's underground storage tanks (USTs) located in jurisdictions that have established UST financial assurance funds. These funds are typically used to remediate leaking USTs at retail fuel marketing locations in specific jurisdictions. The proposed amendments would remove the sub-metric related to UST financial assurance funds because feedback and research show that these assurance funds are not common outside the US. Therefore, this disclosure is not expected to be internationally applicable.

BC125 Stakeholders requested that metric EM-RM-410a.3 *Volumes of renewable fuels for fuel blending: (1) net amount produced, (2) net amount purchased* include a requirement to disclose the incremental operating costs associated with compliance with applicable jurisdictional renewable fuel blending laws or regulations. The proposed amendments would add a '… cost of compliance with applicable jurisdictional fuel blending law or regulation' sub-metric to EM-RM-410a.3 to enable an entity to provide decision-useful information about its cost structure and any potential effects on its prospects.

Other amendments to the *Oil & Gas – Services* SASB Standard

BC126 The *Oil & Gas – Services* SASB Standard includes many metrics associated with controlling field operations when the service-provider entities are 'on-contract' serving oil and gas exploration and production customers. However, these service providers typically follow the planning, design, licensing, permitting, site determination and operational decisions and direction of their customers. Some examples of these metrics include:

(a) EM-SV-110a.1 *Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment*;

(b) EM-SV-110a.2 *Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts*;

(c) EM-SV-110a.3 *Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions*;

(d) EM-SV-140a.1 *(1) Total volume of water handled in operations, (2) percentage recycled*;

(e) EM-SV-150a.1 *(1) Volume of hydraulic fracturing fluid used, (2) percentage hazardous*; and

(f) EM-SV-160a.1 *Average disturbed land area per (1) oil and (2) gas well site*.

BC127 The disclosure topics and associated metrics in the SASB Standards are intended to provide decision-useful information focused on the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects due to its activities. In this context, many of these metrics inaccurately portray the degree of control service-provider entities have over field operations while on-contract, because their customers make most of the planning, design and operational decisions. Therefore, in the ISSB's view, the *Oil & Gas – Services* SASB Standard should focus on the products, technologies and services offered to customers by entities providing these services to capture sustainability-related risks and opportunities related to on-contract operations. This proposed approach is consistent with feedback from stakeholders.

BC128 While off-contract, service-provider entities can manage significant transport fleets, heavy machinery, manufacturing and maintenance activities and large operational facilities. Stakeholder feedback and supporting research suggested that off-contract activities and facilities result in a different set of sustainability-related risks and opportunities from on-contract activities—specifically, risks and opportunities related to greenhouse gas emissions, air quality, water management, waste management and ecological impacts. These risks and opportunities could be better captured by including more generalised metrics in this Standard consistent with those in other oil and gas-related SASB Standards.

BC129 The Standard also includes other metrics that may now be outdated. For example, the Standard includes disclosures regarding the use of different quality fuels for on-road and off-road equipment. Stakeholder feedback and desk research suggested that information about these fuels was a regulatory concern in the past due to fuel sulphur content. However, these concerns are now largely resolved, and such information is unlikely to be material to users of general purpose financial reports.

BC130 The proposed amendments would:

(a) revise the industry description and disclosure topic summaries to describe and distinguish on-contract and off-contract operations and the risks and opportunities that arise from them more clearly.

(b) add a new metric EM-SV-110a.4 *(1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting* regulations to capture service-provider fleet and manufacturing emissions when off-contract.

(c) revise the four *Discussion of strategy or plans to address …* metrics (greenhouse gas emissions, water management, hazardous materials management and environmental impacts) to focus the metrics on the service offerings and business solutions provided to customers. The revised metrics would also focus on the risks, opportunities and trade-offs associated with offering those services and improve the relevance of the information provided by entities operating in this industry.

(d) revise metric EM-SV-110a.1 *Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment*:

(i) to remove the on-road and off-road disaggregation to respond to preparer feedback that this disaggregation is not feasible or cost-effective.

(ii) to otherwise align the metric with the more general fuel consumption metric described in paragraphs BC65–BC68 to reflect the now general use of ultra-low-sulphur diesel (ULSD) for both on- and off-road equipment. The widespread use of ULSD means that the current metric is no longer expected to provide material information to users of general purpose financial reports.

(e) replace metric EM-SV-110a.3 *Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions* with the more generalised Air Quality disclosure topic and associated metric explained in paragraphs BC62–BC64. This replacement would improve the comparability of information provided by entities exposed to similar sustainability-related risks and opportunities and would reflect typical off-contract fleet and manufacturing operations.

(f) replace metric EM-SV-140a.1 *(1) Total volume of water handled in operations, (2) percentage recycled* with the more generalised water management metrics described in paragraphs BC69–B72 to reflect risks and opportunities arising from typical off-contract operations currently not covered. This would result in new metrics EM-SV-140a.3 *(1) Total water withdrawal, by source; (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water-stressed locations* and EM-SV-140a.4 *Total water discharged by (1) destination and (2) level of treatment*.

(g) remove the *Volume of hydraulic fracturing fluid …* and *Average disturbed land area …* metrics, which are more relevant to entities applying the *Oil & Gas – Exploration & Production* SASB Standard than service-provider entities.

(h) add a new activity metric EM-SV-000.F *Total kilometres driven by road transport fleet* to facilitate normalisation of road accident data and provide context to metric EM-SV-320a.3.

BC131 The *Oil & Gas – Services* SASB Standard also contains a fuel consumption metric. Emissions regulations expose entities to regulatory risks, such as regulatory costs, and can affect the cost of capital, operating costs and operational efficiency of entities. These risks can be mitigated through improved fuel efficiency and the use of renewable or alternative sources of fuel.

BC132 The proposed amendments would:

(a) revise the definition of 'renewable fuel' to be consistent with the definition used in the *Biofuels* SASB Standard because stakeholder feedback suggested that the requirements to determine 'renewable fuel' were not applicable or cost-effective to apply;

(b) revise the sub-metric on renewable fuel consumed to an absolute measure; and

(c) revise the unit of measure in the metric to use heating values to calculate energy consumed from fuels in accordance with paragraph BC66(d).

BC133 These amendments would improve interoperability with *GRI 103: Energy 2025* by:

(a) removing additional requirements from the definition of 'renewable fuel' that are not specified in *GRI 103: Energy 2025*; and

(b) requiring an entity to disclose an absolute measure instead of a percentage.

Proposed amendments to the *Processed Foods* SASB Standard

Industry description

BC134 The proposed amendments to the *Processed Foods* SASB Standard would update the industry description, expanding it to specify that the industry includes activities to supply other businesses including restaurants, cafeterias, hotels and airlines.

Food Safety disclosure topic

BC135 The Food Safety disclosure topic is intended to provide information about how entities ensure food safety in their own operations and throughout their value chain. Food safety issues related to production quality, spoilage, contamination, supply chain traceability and allergy labelling might impair an entity's brand value. These issues might also reduce an entity's revenues and increase costs associated with recalls, fines, lost inventory or litigation. The current disclosure topic includes four metrics:

(a) FB-PF-250a.1 *Global Food Safety Initiative (GFSI) audit (1) non-conformance rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances*;

(b) FB-PF-250a.2 *Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme*;

(c) FB-PF-250a.3 *(1) Total number of notices of food safety violation received, (2) percentage corrected*; and

(d) FB-PF-250a.4 *(1) Number of recalls issued and (2) total amount of food product recalled*.

BC136 The proposed amendments would:

(a) remove requirements for non-conformance and corrective action rates and combine the two metrics on GFSI certifications and replace them with a new metric, FB-PF-250a.5 *Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) co-packing operations*. This amendment responds to stakeholder feedback that disclosures about entities' direct and co-packing operations—and whether these operations are certified—would produce more comparable, useful information for investors that is less burdensome for preparers to report.

(b) permit entities applying proposed metric FB-PF-250a.5 to disclose data on their use of other standards that are benchmarked to GSFI to manage food safety risks. Permitting entities to disclose this data would improve the international applicability of the Standard.

(c) add a new qualitative metric, FB-PF-250a.6 *Processes, controls and procedures to ensure food safety throughout the value chain*. Stakeholders said this metric would be more likely to lead to decision-useful information than metric FB-PF-250a.2, which requires entities to provide quantitative data on supplier certifications.

(d) remove metric FB-PF-250a.3, which relates to notices of food safety violations. Research showed a lack of evidence of investor interest in this information.

(e) revise metric FB-PF-250a.4 to focus on descriptions of major recalls instead of the number of recalls, because the severity of a recall and its effects on an entity's prospects vary significantly depending on the size and nature of the recall. Therefore, focusing simply on the number of recalls provides less relevant information.

BC137 These amendments would also improve interoperability with *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022* by:

(a) requiring the same quantitative data on percentage of production volume from sites certified to internationally recognised food safety standards. Note, however, that the proposed amendments would require an entity to disaggregate data between owned and co-packing sites, which is not required by the GRI Standard.

(b) permitting entities to report a percentage based on the use of internationally recognised food safety standards, instead of only GFSI certifications.

Health & Nutrition disclosure topic

BC138 The Health & Nutrition disclosure topic includes metrics on how entities respond to health and nutrition interests and concerns from consumers. Entities are also required to disclose information on their exposure and response to regulation related to the health and nutrition qualities of their products. These issues can affect an entity's reputation and licence to operate. Regulations related to health and nutrition can affect profitability for an entity in this industry and pose long-term risks in the form of reduced demand for the entity's products. Entities that adapt to changing consumer preferences by developing and promoting healthier, more nutritious offerings are better positioned to access new market segments. They are also likely to be better placed to pursue opportunities and manage risks associated with potential regulation. The disclosure topic currently has two metrics:

(a) FB-PF-260a.1 *Revenue from products labelled or marketed to promote health and nutrition attributes*; and

(b) FB-PF-260a.2 *Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers*.

BC139 The proposed amendments would:

(a) remove metric FB-PF-260a.1 in response to feedback from investors that they do not find the information provided in accordance with this metric useful. Entities use inconsistent approaches to define health and nutrition attributes, making it difficult for users to compare entities' information.

(b) add metric FB-PF-260a.4 *Revenue from products classified as healthy by a recognised nutrient profile model*. Nutrient profile models are increasing in use and acceptance internationally. Investors said these models present a more rigorous and comparable measurement approach than the previous metric (… *products labelled or marketed to promote health and nutrition*) or alternative measurements, such as proprietary company nutrition scores.

(c) add metric FB-PF-260a.5 *Revenue from products sold (1) in jurisdictions that require health warning labels and (2) that are required to carry a health warning label*. Jurisdictions increasingly require health warning labels on products that are considered to be unhealthy or that contain high amounts of calories, sugar, sodium or saturated fat. Research suggests that these labels affect consumer purchasing decisions. Therefore, disclosures about an entity's exposure to such labelling would be expected to provide information about the potential risks and opportunities arising for the entity.

(d) replace qualitative metric FB-PF-260a.2 with a new metric, FB-PF-260a.3 *Approach and strategy for managing health and nutrition attributes of product portfolio, including any targets set to monitor progress*. The new metric would enable an entity to provide more forward-looking information about opportunities associated with health and nutrition, including its efforts to expand its range of healthy products. The current metric focuses solely on an entity's efforts to manage products and ingredients subject to health concerns.

Product Labelling & Marketing disclosure topic

BC140 The Product Labelling & Marketing disclosure topic includes metrics about the transparency of ingredients communicated by product labels, the nutritional value of products, the methods used in manufacturing and the presentation of products in marketing materials. Labelling and marketing practices are often regulated by jurisdictions, and entities can face fines or litigation related to false or misleading representations. Marketing practices that target children are of particular concern for regulators—for example, whether such marketing promotes healthy products, diets or lifestyles and whether it presents accurate or potentially misleading nutritional information. Management of labelling and marketing practices can improve an entity's brand value, generate revenue growth and reduce the risk of penalties or litigation. The disclosure topic includes four metrics:

(a) FB-PF-270a.1 *Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines*;

(b) FB-PF-270a.2 *Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO*;

(c) FB-PF-270a.3 *Number of incidents of non-compliance with industry or regulatory labelling or marketing codes*; and

(d) FB-PF-270a.4 *Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices*.

BC141 The proposed amendments would:

(a) remove metric FB-PF-270a.1 because stakeholder feedback suggests that this percentage (which includes the measurement of 'advertising impressions') is unfeasible for entities to measure reliably, particularly in the context of online advertising.

(b) remove metric FB-PF-270a.2, which both investors and preparers suggested does not lead to decision-useful information about how an entity manages a risk or opportunity that could affect its prospects.

(c) revise metric FB-PF-270a.3 to focus on describing incidents of non-compliance—including the amount of fines or other expenses incurred—instead of the number of incidents. This change in focus is proposed because the severity of an incident and its effects on an entity's prospects can vary significantly depending on its nature and the jurisdiction in which the incident occurred.

(d) remove metric FB-PF-270a.4 because stakeholder feedback suggested that the risk of monetary losses is highly variable depending on an entity's jurisdiction. Stakeholders also said this metric does not lead to useful information about how an entity manages sustainability-related risks and opportunities related to product labelling and marketing.

(e) add metric FB-PF-270a.5 *Description of marketing policy and related governance and oversight processes*, which would require information about an entity's marketing policy—often referred to as a 'responsible marketing policy'—and related governance controls. The addition of this metric responds to stakeholder feedback that such policies are an important component of managing risks and opportunities associated with marketing practices, especially related to advertising to children.

(f) add metric FB-PF-270a.6 *Revenue from products sold (1) in jurisdictions that restrict the advertising of specific products to children and (2) subject to regulations that restrict the advertising of specific products to children*. This metric would capture information about an entity's exposure to regulations limiting advertising of unhealthy foods to children. Such regulations can affect the potential revenue from the sale of particular products and expose entities to risks from fines and penalties.

Packaging Lifecycle Management disclosure topic

BC142 The Packaging Lifecycle Management disclosure topic includes metrics about how entities respond to risks and opportunities related to the business costs and environmental footprint of packaging. Each stage of a package's life cycle—including design, transportation and disposal—presents unique challenges and opportunities. Entities that successfully respond to these challenges and opportunities can reduce costs, improve brand reputation, increase revenue, mitigate compliance risks and reduce the environmental impact of their packaging. The current disclosure topic has two metrics:

(a) FB-PF-410a.1 *(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable*; and

(b) FB-PF-410a.2 *Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle*.

BC143 The proposed amendments would:

(a) rename the Packaging Lifecycle Management disclosure topic as Packaging Management to better reflect that some aspects of the packaging life cycle, such as greenhouse gas emissions, are not included in this topic.

(b) rename the 'percentage [of packaging] that is recyclable, reusable or compostable' sub-metric as 'percentage [of packaging] that is *designed to be* recyclable, reusable or compostable' (emphasis added). This revision would reflect the measurement challenges that entities—especially those operating in more than one jurisdiction—would face in calculating the percentage capable of being recycled, reused or composted because of widely differing regulations and practices affecting whether materials could be categorised as recyclable or compostable.

(c) revise metric FB-PF-410a.2 to require additional disclosures about management strategies, including information about trade-offs and any targets set. This revision responds to feedback from investors about the importance of this information.

Product Innovation disclosure topic

BC144 The proposed amendments would add a new disclosure topic on opportunities related to product innovation. This topic would result in entities providing information about how they use innovation in food products to develop and sell products with social and environmental benefits. Stakeholder feedback and research suggests that consumers in many markets are increasingly focused on the environmental and social impacts of the foods they eat and are changing their diets based on concerns related to issues like greenhouse gas emissions and animal welfare. Entities that develop or acquire assets that produce more sustainable products would be better positioned to access these market segments. These entities might also be able to minimise risks associated with the production of less sustainable and more resource-intensive products. Such risks include resource scarcity, climate change, price volatility and supply disruptions.

BC145 This topic was the subject of research and standard-setting projects by the SASB Standards Board between 2019 and 2022.[26] In 2022, before the Value Reporting Foundation was consolidated into the IFRS Foundation, the SASB Standards Board published recommended changes to three SASB Standards, including proposals related to the *Processed Foods* SASB Standard and product innovation in the Food & Beverage sector.[27] These recommended changes set out amendments the SASB Standards Board had planned to publish in exposure drafts. The proposed amendments included a new disclosure topic on production innovation in the *Processed Foods* SASB Standard with three associated metrics.

BC146 Many stakeholders, particularly investors, said that product innovation is a sustainability-related opportunity that could reasonably be expected to affect the prospects of entities operating in the processed foods industry. However, these stakeholders generally stated that they were interested in other types of product innovation as well as those identified by the SASB Standards Board's recommended changes in 2022. Those changes focused on 'alternative protein products', defined as those that are 'analogous to conventional animal products or intended to mimic conventional animal products'. Many stakeholders said that although this category of food innovation remains important, the growth in demand for some alternative protein products—specifically, those that use fermentation-enabled and cultivated meat technologies—has not increased to the extent previously expected. These stakeholders said that sustainability-related risks and opportunities related to other types of product innovation were also relevant for this industry.

BC147 Accordingly, the proposed amendments would add a new disclosure topic and associated metric, FB-PF-410b.1 *Use of innovation in food products to address sustainability-related risks and opportunities*. This topic and metric build on the SASB Standards Board's previous work but focus on broader categories of food innovation to reflect the changed market environment.

Organisation of disclosure topics related to risks and opportunities in the supply chain

BC148 The *Processed Foods* SASB Standard contains two disclosure topics related to risks and opportunities associated with supply chains and sourcing practices:

(a) Environmental & Social Impacts of Ingredient Supply Chain, which requires an entity to provide information about risks and opportunities arising from screening, monitoring and engaging with supplier entities; and

(b) Ingredient Sourcing, which requires an entity to provide information about risks arising from commodity and ingredient sourcing challenges, such as climate change, water scarcity and other considerations related to resource scarcity.

BC149 Many stakeholders expressed confusion about the division of these two topics because of the overlap between how entities think about sourcing challenges and engage with their suppliers in responding to these challenges. For example, the Ingredient Sourcing disclosure topic is focused on sourcing risks related to environmental and social considerations. However, common management strategies for responding to these risks, such as supply chain audits and third-party certifications of ingredients, are included in the other disclosure topic, Environmental & Social Impacts of Ingredient Supply Chain.

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26 See Alternative Products in Food & Beverage project page, https://sasb.ifrs.org/standards/process/projects/alternative-products-in-food-beverage/.

27 *Alternative Products in the Food & Beverage Sector: Recommended Changes to the SASB Meat, Poultry & Dairy; Processed Foods; and Food Retailers & Distributors Standards*, SASB Standards Board, 2022, https://sasb.ifrs.org/wp-content/uploads/2022/06/AltProductsRecommendedChangesvF.pdf.

BC150 The proposed amendments would replace the current disclosure topics with two new disclosure topics:

(a) Environmental Supply Chain Management, which would require an entity to provide information about how it manages risks and opportunities arising from environmental impacts and dependencies when sourcing ingredients; and

(b) Social Supply Chain Management, which would require an entity to provide information about how it screens, monitors and engages with suppliers on social topics such as labour practices, human rights, ethics, corruption and impacts on local communities or Indigenous Peoples.

BC151 The proposed division of these disclosure topics is intended to provide more clarity and better align with the nature of the risks and opportunities that entities face. However, the proposed topics still include some overlap, because management approaches to responding to environmental and social risks are not completely distinct.

BC152 The amended *Processed Foods* SASB Standard would be intended to guide entities in providing material information about the same underlying sustainability-related risks and opportunities as the current Standard; however, the proposed amendments would lead to significant changes in the information required by the Standard (see paragraphs BC153–BC160).

Environmental Supply Chain Management disclosure topic

BC153 The proposed disclosure topic on environmental supply chain management would require an entity to provide information about how it manages risks and opportunities related to environmental dependencies and impacts when sourcing ingredients. The industry's ability to source ingredients, and source them at specific price points, might be affected by climate change, water scarcity and land management. Other factors that might affect the ability to source ingredients include the degradation of soil quality, biodiversity, ecosystems and ecosystem services. Negative environmental impacts, especially related to issues like deforestation, can lead to regulation or affect an entity's reputation and licence to operate. Some of these environmental risks are independent of the impacts of an entity's supply chain operations and might be global or regional in nature, while others are more closely linked to impacts created by operations in entities' supply chains in specific locations.

BC154 The Ingredient Sourcing disclosure topic, which is similar to the proposed new topic, has two associated metrics:

(a) FB-PF-440a.1 *Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress*; and

(b) FB-PF-440a.2 *List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations*.

BC155 The proposed amendments would:

(a) add metric FB-PF-430b.1 *Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress*. The addition of this metric responds to strong investor interest in how entities are managing risks related to deforestation, including current and emerging regulation.

(b) add metric FB-PF-430b.2 *Priority commodities and products that are sensitive to environmental risks in the supply chain* (adapted from metric FB-PF-440a.2):

(i) to focus on information about risks arising from water stress and other risks, including information about time horizons, resilience of strategies and efforts to mitigate risks; and

(ii) to respond to stakeholder feedback that metric FB-PF-440a.1 is unfeasible to apply and unlikely to produce useful information for users of general purpose financial reports.

(c) add metric FB-PF-430b.3 *Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain*. The addition of this metric responds to stakeholder feedback that this aspect of environmental supply chain management is important for entities—especially large multinationals—to manage environmental risks in the short, medium and long term and thus that understanding of how that risk is being managed is important for users of general purpose financial reports.

BC156 These amendments would also improve interoperability by:

(a) aligning with metric 13.4.3 of *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022*, which requires an entity to disclose the percentage of its sourced volume that has been determined to be deforestation- or conversion-free;

(b) aligning with many of the additional sector recommendations about the management of the material topics in metric 13.4.1 of *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022*;

(c) aligning with disclosure 8.9 of *CDP Technical Note: Reporting progress on Deforestation- and Conversion-free value chains*, which asks an entity to provide information about the proportion of its disclosure volume that has been assessed and determined to be deforestation- and conversion-free;

(d) aligning with TNFD metrics and indicators on deforestation- and conversion-free products; and

(e) improving alignment with ESRS Disclosure Requirement E4-5, which requires an entity to report relevant metrics if it determines that it contributes to the impact drivers of land-use change, such as deforestation.

Social Supply Chain Management disclosure topic

BC157 The proposed disclosure topic on social supply chain management would require an entity to provide information about how it screens, monitors and engages with suppliers on social topics. Supply chain management issues related to labour practices, human rights, ethics, corruption and impacts on local communities or Indigenous Peoples might affect an entity's licence to operate. Even if these issues occur far upstream in an entity's value chain, they could result in regulatory fines or increased long-term operational costs. Entities can engage with suppliers to manage risks to improve supply chain resilience, mitigate reputational risks, potentially increase consumer demand or capture new market opportunities.

BC158 The Environmental & Social Impacts of Ingredient Supply Chain disclosure topic, which is similar to the proposed new disclosure topic, has two associated metrics:

(a) FB-PF-430a.1 *Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard*; and

(b) FB-PF-430a.2 *Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances*.

BC159 The proposed amendments would:

(a) add metric FB-PF-430c.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence*. The addition of this metric responds to investor interest in information about governance controls and management approaches in response to related risks, including practices that align with international frameworks.

(b) add metric FB-PF-430c.2 *Percentages of sourced commodities certified to internationally recognised standards that trace the path of products through the supply chain*. This metric is based on current metric FB-PF-440a.1 but with changes to improve interoperability (see paragraph BC160(a)) and with a proposed new requirement for an entity to disclose any related targets it has set, in response to investor interest in such information.

(c) add metric FB-PF-430c.3 *Percentage of high-risk suppliers subject to an independent third-party audit or verification in the previous three years, with description of non-conformances and corrective actions*. The addition of this metric responds to stakeholder feedback that the current quantitative metric relating to non-conformances and corrective actions is too nuanced to provide useful information for investors.

BC160 These amendments would improve interoperability by:

(a) aligning the wording in metric FB-PF-430c.2 with disclosure 13.23.3 of *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022*: 'Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards'; and

(b) improving alignment with ESRS Disclosure Requirements, in particular S2 and S3, which require an entity to disclose information about its policies, processes for engagement, processes and channels for remediation and targets related to impacts on workers in its value chain and communities affected by its value chain operations.

Effective date

BC161 The ISSB proposes to set an effective date for the amendments to the SASB Standards that will occur between 12 and 18 months after their issuance, and permits early application. The ISSB's rationale for these proposals is that:

(a) many preparers are either already applying the SASB Standards, or are in the process of applying them as part of their implementation of IFRS S1, and require time to prepare for changes to the Standards;

(b) the amendments to the priority industries are extensive, and therefore preparers might need time to adjust their internal controls and processes;

(c) jurisdictions that refer to the SASB Standards, including those who refer to translated versions of the SASB Standards, need time to prepare for the application of the proposed amendments; and

(d) the option of early application would allow preparers to use the amended SASB Standards from publication, which would support the timely implementation of IFRS S1.

BC162 The ISSB will decide the effective date for the amendments after considering the feedback on the proposed amendments.

Next steps

BC163 Further enhancements to the SASB Standards will be informed by the comments received on the Exposure Draft, the outcomes of the ISSB's research projects on BEES and Human Capital, feedback from the Transition Implementation Group and other consultative bodies and the ISSB's research in the second phase of this project to enhance the SASB Standards.

Appendix A—Industry Standards and metrics affected by targeted amendments

Consumer Goods

Building Products & Furnishings

- CG-BF-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

E-Commerce

- CG-EC-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- CG-EC-130a.2 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*

Household & Personal Products

- CG-HP-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- CG-HP-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Multiline and Specialty Retailers & Distributors

- CG-MR-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Food & Beverage

Alcoholic Beverages

- FB-AB-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- FB-AB-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- FB-AB-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Food Retailers & Distributors

- FB-FR-110b.1 *Gross global Scope 1 emissions from refrigerants*
- FB-FR-310a.2 *Percentage of active workforce employed under collective agreements*

Non-Alcoholic Beverages

- FB-NB-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- FB-NB-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Restaurants

- FB-RN-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- FB-RN-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*

Health Care

Drug Retailers

- HC-DR-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Health Care Delivery

- HC-DY-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- HC-DY-320a.1 *Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees*

Infrastructure

Engineering & Construction Services

- IF-EN-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Home Builders

- IF-HB-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Real Estate

- IF-RE-140a.1 *Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector*
- IF-RE-140a.2 *(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector*
- IF-RE-140a.4 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Waste Management

- IF-WM-110a.1 *(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations*
- IF-WM-110a.3 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets*
- IF-WM-310a.1 *Percentage of active workforce employed under collective agreements*
- 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*

Water Utilities & Services

- IF-WU-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Renewable Resources & Alternative Energy

Biofuels

- RR-BI-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- RR-BI-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*
- RR-BI-140a.3 *Number of incidents of non-compliance associated with water quality permits, standards and regulations*

Fuel Cells & Industrial Batteries

- RR-FC-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- RR-FC-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Pulp & Paper Products

- RR-PP-110a.1 *Gross global Scope 1 emissions*
- RR-PP-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*
- RR-PP-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- RR-PP-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Solar Technology & Project Developers

- RR-ST-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- RR-ST-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- RR-ST-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*

Wind Technology & Project Developers

- RR-WT-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Resource Transformation

Aerospace & Defence

- RT-AE-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Chemicals

- RT-CH-110a.1 *Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations*
- RT-CH-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*

- RT-CH-130a.1 *(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy*
- RT-CH-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- RT-CH-140a.2 *Number of incidents of non-compliance associated with water quality permits, standards and regulations*
- RT-CH-140a.3 *Description of water management risks and discussion of strategies and practices to mitigate those risks*
- RT-CH-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Containers & Packaging

- RT-CP-110a.1 *Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations*
- RT-CP-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets*
- RT-CP-130a.1 *(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy*
- RT-CP-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- RT-CP-140a.2 *Description of water management risks and discussion of strategies and practices to mitigate those risks*
- RT-CP-140a.3 *Number of incidents of non-compliance associated with water quality permits, standards and regulations*

Electrical & Electronic Equipment

- RT-EE-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Industrial Machinery & Goods

- RT-IG-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- RT-IG-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*

Services

Casinos & Gaming

- SV-CA-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Hotels & Lodging

- SV-HL-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- SV-HL-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*

Leisure Facilities

- SV-LF-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- SV-LF-320a.1 *(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees*

Technology & Communications

Electronic Manufacturing Services & Original Design Manufacturing

- TC-ES-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*
- TC-ES-320a.1 *(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees*

Internet Media & Services

- TC-IM-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- TC-IM-130a.2 *(1) Total water withdrawn, (2) total water consumed; percentage of each in region with High or Extremely High Baseline Water Stress*

Semiconductors

- TC-SC-110a.1 *(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds*
- TC-SC-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*

- TC-SC-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- TC-SC-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*

Software & IT Services

- TC-SI-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*
- TC-SI-130a.2 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress*

Telecommunication Services

- TC-TL-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Transportation

Air Freight & Logistics

- TR-AF-110a.1 *Gross global Scope 1 emissions*
- TR-AF-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*
- TR-AF-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Airlines

- TR-AL-110a.1 *Gross global Scope 1 emissions*
- TR-AL-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*
- TR-AL-310a.1 *Percentage of active workforce employed under collective agreements*

Auto Parts

- TR-AP-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable*

Automobiles

- TR-AU-310a.1 *Percentage of active workforce employed under collective agreements*

Cruise Lines

- TR-CL-110a.1 *Gross global Scope 1 emissions*
- TR-CL-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*

Marine Transportation

- TR-MT-110a.1 *Gross global Scope 1 emissions*
- TR-MT-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*

Rail Transportation

- TR-RA-110a.1 *Gross global Scope 1 emissions*
- TR-RA-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*
- TR-RA-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*

Road Transportation

- TR-RO-110a.1 *Gross global Scope 1 emissions*
- TR-RO-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets*
- TR-RO-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*

Appendix B—Overview of interoperability and alignment with other sustainability-related standards and frameworks

Tables A1–A3 provide an overview of the metrics identified by the ISSB where interoperability with the GRI Standards and alignment with the TNFD disclosure recommendations have led to significant proposed amendments to the SASB Standards. This appendix is not intended to be a comprehensive accounting of interoperability between the GRI Standards and the SASB Standards nor alignment between TNFD disclosure recommendations and the SASB Standards.

GRI Standards

The project to enhance the SASB Standards has included a focus on the ISSB identifying common disclosures between the SASB Standards and the GRI Standards, including the use of verbatim language to the greatest extent possible (Table A1).[28] The different remits of the respective standards mean that identification of common disclosures may not be expected for all disclosure requirements—for example, due to complementary, but different, scopes. While the enhancement process in these instances seeks to improve interoperability between the disclosure requirements by using the same language where relevant (for example, for defined terms), opportunities for further alignment are likely to be limited (Table A2).

In some cases, proposed amendments with the SASB Standards based on stakeholder feedback have resulted in different disclosure requirements compared to the GRI Standards (for example, in the disaggregation of data) on the same topics. In these cases, where possible, the proposed amendments have sought to identify common information that entities can use to provide disclosures based on both standards (for example, alignment of defined terms and references). Disclosures on Food Safety, outlined in paragraphs BC135–BC137, are an example of this form of alignment. The ISSB will continue to engage with the GRI on such disclosure topics and metrics, considering stakeholder feedback received during consultation, to assess whether there are further opportunities to achieve full direct interoperability.

Metrics including common disclosures

Table A1 lists the metrics where the proposed amendments to the SASB Standards include common disclosures with the GRI Standards, identified at the technical protocol level. In these instances, the technical protocols include the same language as relevant GRI disclosures.[29] These common disclosures are supported by alignment in the underlying basis of disclosure, such as units of measurement, definitions, references and disclosure categories.

Table A1—Metrics including common disclosures between proposed amendments to the SASB Standards and the GRI Standards

Disclosure topic[30]	Metric code[31]	Metric	GRI disclosure references
Air Quality	EM-MM-120a.1	Air pollutant emissions of: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds, (4) hazardous air pollutants and (5) particulate matter	305-7 Nitrogen Oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions
Energy Management	FB-PF-130a.1	(1) Total energy consumed, (2) purchased electricity consumed, (3) renewable energy consumed, (a) self-generation and (b) direct contract	103-2 Energy Consumption and self-generation within an organization[32]
Environmental Supply Chain Management	FB-PF-430b.1	Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	Additional sector disclosures to Topic 13.4 Natural ecosystem conversion
Greenhouse Gas Emissions	EM-SV-110a.1	(1) Total fuel consumed and (2) renewable fuel consumed	103-2 Energy Consumption and self-generation within an organization[33]

continued...

28 This work has been conducted reflecting the agreement between GRI and IFRS Foundation to collaborate to deliver full direct interoperability that enables seamless sustainability reporting for both thematic and sector-based standard-setting. For further information see: https://www.ifrs.org/news-and-events/news/2024/05/gri-and-ifrs-foundation-collaboration-to-deliver-full-interoperability/.

29 The table includes information at a metric level, rather than for each supporting technical protocol, for ease of reference.

30 Note that the disclosure topic, metric code and metric refer to proposed amendments to the SASB Standards and not to current published SASB Standards.

31 Note that the metric codes listed refer to representative examples of metrics that may occur in more than one SASB Standard.

32 Disclosure included in GRI 103: Energy 2025, revised Standard for GSSB approval: item-05-gri-topic-standard-for-energy-final-draft-gssb-template.pdf.

33 Disclosure included in GRI 103: Energy 2025, revised Standard for GSSB approval: item-05-gri-topic-standard-for-energy-final-draft-gssb-template.pdf.

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Labour Practices	EM-MM-310a.1	Percentage of employees employed covered by collective agreements	2-30 Collective bargaining agreements
Water Management	FP-PF-140a.1	(1) Total water withdrawal, by source; (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water-stressed locations	303-3 Water withdrawal 303-5 Water consumption
Water Management	FP-PF-140a.4	Total water discharged by (1) destination and (2) level of treatment	303-4 Water discharge
Workforce Health & Safety	EM-EP-320a.1	(1) Number of fatalities; (2) total recordable incident rate for (a) direct employees and (b) non-employee workers; (3) average hours of health, safety and emergency response training	403-9 Work-related injuries 403-10 Work-related ill health Control of Work Standard Interpretation to GRI 2 – Exposure draft[34] TRED 3 Completed training and education – Training and Education exposure draft[35]

Differing disclosure requirements due to complementary but different remits

Table A2 lists the metrics where, due to the different remits of each standard, the disclosure requirements differ between the SASB Standards and the GRI Standards, even if the sustainability topic is the same. For example, this might be the case where the SASB Standards cover disclosure of information about risk exposure or risk and opportunity management for a particular sustainability topic, whereas the GRI Standards require disclosure of impacts and impact management associated with the same topic. As noted earlier, in these instances, the achievement of common disclosures may not be expected due to the different remits of the standards, as the SASB Standards focus on information needs of investors about sustainability-related risks and opportunities that are likely to affect entity prospects.

Table A2—Corresponding metrics that have a different focus due to different remits of the SASB Standards and the GRI Standards

Disclosure topic[36]	Metric code[37]	Metric	GRI disclosure references
Community Relations and Rights of Indigenous Peoples	EM-MM-210b.1	Processes used to manage risks and opportunities associated with community rights and interests	413 Topic management disclosures 413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities
Environmental Supply Chain Management	FB-PF-430b.2	Priority commodities and products that are sensitive to environmental risks in the supply chain	308-2 Negative environmental impacts in the supply chain and actions taken
Water Management	FB-PF-140a.3	Description of water-related risks and opportunities and strategies to manage them, including targets	303-3 Water withdrawal 303-5 Water consumption

34 See GRI *Item 05—GRI Topic Standard Project for Labor—Control of Work Standard Interpretation to GRI 2—Exposure draft*, April 2024, https://www.globalreporting.org/media/eblf0hf2/item-05-gri-topic-standard-project-for-labor-control-of-work-standard-interpretation-to-gri-2.pdf.

35 See GRI, *GRI Topic Standard Project for Labor – Training and Education exposure draft*, February 2025, https://www.globalreporting.org/media/4rdlhbwp/gri-topic-standard-project-for-labor-training-and-education.pdf.

36 Note that the disclosure topic, metric code and metric refer to proposed amendments to the SASB Standards and not to current published SASB Standards.

37 Note that the metric codes listed refer to representative examples of metrics that may occur in more than one SASB Standard.

Alignment with the TNFD Recommendations

Table A3 lists the metrics where the recommended disclosures, metrics and guidance in the TNFD recommendations have been incorporated into the proposed amendments to the SASB Standards and where disclosures are aligned. On the Ecological Impacts disclosure topic, the proposed amendments have directly incorporated TNFD recommendations to promote alignment between disclosure requirements and the underlying basis of disclosure, including definitions and disclosure categories, using the same language as far as possible. On other topics (such as Air Quality, Environmental Supply Chain Management and Water Management) also covered by the TNFD recommendations, the proposed amendments have prioritised full direct interoperability with the GRI Standards in response to stakeholder feedback. However, in some cases, this has also aligned the SASB Standards with TNFD recommendations (for example, EM-MM-120a.1 and FB-PF-430b.1).

Table A3 — Metrics in the proposed amendments to the SASB Standards aligned with TNFD recommendations

Disclosure topic[38]	Metric code[39]	Metric	TNFD disclosure recommendation or metric references
Air Quality	EM-MM-120a.1	Air pollutant emissions of: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds, (4) hazardous air pollutants and (5) particulate matter	C2.4 Non-GHG air pollutants Indicator: Non-GHG air pollutants
Ecological Impacts	EM-EP-160a.1	Description of environmental management policies and practices for operational facilities	Recommended disclosures and guidance for all sectors: Strategy B A23.0 Proportion of sites producing and effectively implementing nature action plans
Ecological Impacts	EM-MD-160a.2	Percentage of the total spatial footprint of operations in environmentally sensitive locations	Recommended disclosures and guidance for all sectors: Strategy D – definition of 'sensitive locations' OG.A1.3 Spatial footprint in or near sites with protected conservation status or endangered species habitat
Ecological Impacts	EM-EP-160a.2	(1) Number and (2) aggregate volume of hydrocarbon spills, (3) volume in environmentally sensitive locations, (4) volume in bodies of water and (5) volume recovered	OG.C2.0 Volume of hydrocarbon spills
Ecological Impacts	EM-MD-160a.3	(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	C1.0 Total spatial footprint
Environmental Supply Chain Management	FB-PF-430b.1	Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	FA.C1.0 Deforestation and conversion-free products
Water Management	FB-PF-140a.1	(1) Total water withdrawal, by source; (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water-stressed locations	A3.0 Total water consumption and withdrawal C3.0 Water withdrawal and consumption from areas of water scarcity
Water Management	FB-PF-140a.3	Description of water-related risks and opportunities and strategies to manage them, including targets	Recommended disclosures and guidance for all sectors: Strategy A, Strategy B, Strategy D, Metrics & Targets C
Water Management	FP-PF-140a.4	Total water discharged by (1) destination and (2) level of treatment	C2.1 Wastewater discharged

38 Note that the disclosure topic, metric code and metric refer to proposed amendments to the SASB Standards and not to current published SASB Standards.

39 Note that the metric codes listed refer to representative examples of metrics that may occur in more than one SASB Standard.

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

Tel **+44 (0) 20 7246 6410**
Email **customerservices@ifrs.org**

ifrs.org

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