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Basis for Conclusions on Proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance

Comments to be received by 24 July 2026

International Sustainability Standards Board

SASB/ED/2026/1

Basis for Conclusions on Proposed Amendments to the SASB Standards and the IFRS S2 Industry-based Guidance

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Basis for Conclusions on Proposed Amendments to the SASB Standards and the IFRS S2 Industry-based Guidance

This Basis for Conclusions accompanies, but is not part of, the Exposure Draft of Proposed Amendments to the SASB Standards and the IFRS S2 Industry-based Guidance published March 2026. 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

BC1 The SASB Standards are an important source of guidance for entities applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. As part of its 2024–2026 work plan, the ISSB is enhancing the SASB Standards to provide timely support to preparers applying 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 in stages instead of proposing amendments to all the Standards simultaneously. This Basis for Conclusions accompanies the Exposure Draft *Proposed Amendments to the SASB Standards and the IFRS S2 Industry-based Guidance* (Exposure Draft) proposing amendments to three SASB Standards identified as an initial priority:[2]

(a) the *Agricultural Products* SASB Standard;

(b) the *Meat, Poultry & Dairy* SASB Standard; and

(c) the *Electric Utilities & Power Generators* SASB Standard.

BC3 In July 2025, the ISSB published the Exposure Draft *Proposed Amendments to the SASB Standards* (July 2025 Exposure Draft) that set out enhancements to nine other prioritised SASB Standards.[3] Its comment period ended on 30 November 2025.

BC4 The ISSB is also consulting on whether to make consequential amendments to the *Industry-based Guidance on Implementing IFRS S2* (IFRS S2 industry-based guidance) when it makes amendments to these three SASB Standards. The amendments would align climate-related content in the SASB Standards and the IFRS S2 industry-based guidance. Currently, the IFRS S2 industry-based

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 educational materials, available at https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1/.

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

3 The Exposure Draft *Proposed Amendments to the SASB Standards* (July 2025 Exposure Draft) is available at https://www.ifrs.org/content/dam/ifrs/project/enhancing-the-sasb-standards/sasb-ed-2025-1-proposed-amends.pdf.

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guidance and the climate-related content in the SASB Standards are essentially identical.[4] The ISSB proposes to maintain the alignment between these two sets of industry-based materials.

Why the project is necessary

BC5 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, in 2023 the ISSB made narrow-scope amendments to the SASB Standards to enhance their international applicability. The Standards and resulting information are used by thousands of preparers and investors globally. Regularly maintaining the Standards ensures their continued usefulness for users and preparers of general purpose financial reports because sustainability-related risks and opportunities, and related measurement methods and disclosure practices, change over time.

BC6 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 users;[5]

(b) give the ISSB's stakeholders an opportunity to provide comprehensive feedback on the SASB Standards, including their international applicability;

(c) help further align the concepts and terminology in the SASB Standards with those in IFRS Sustainability Disclosure Standards, particularly IFRS S1; and

(d) help the ISSB improve interoperability with other sustainability-related standards and frameworks, where appropriate, while ensuring that such enhancements meet the information needs of users and are consistent with the remit and focus of the ISSB and the IFRS Sustainability Disclosure Standards.

Background

About the SASB Standards

BC7 IFRS S1 does not require that entities apply the SASB Standards, but it does require that entities refer to and consider the SASB Standards when:

(a) identifying the sustainability-related risks and opportunities, beyond those that are climate-related, that could reasonably be expected to affect the entity's prospects; and

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

5 This document uses 'users' as a general term to mean 'users of general purpose financial reports' and 'investors'. See Appendix A to IFRS S1 for a definition of 'primary users of general purpose financial reports'.

(b) preparing disclosures related to those risks and opportunities.

BC8 IFRS S2 requires entities to refer to and consider the applicability of the IFRS S2 industry-based guidance, which is aligned with the climate-related content in the SASB Standards.

BC9 The SASB Standards were developed with similar objectives to IFRS S1. In particular, the SASB Standards:

(a) were designed with primary users in mind;

(b) identify sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects; and

(c) include disclosure requirements that help entities to provide decision-useful information about those sustainability-related risks and opportunities to primary users.

BC10 The SASB Standards, therefore, assist an entity in disclosing industry-specific information that is relevant to primary users because it sets out disclosure topics and metrics that will typically be applicable for an entity with the business model and associated activities of specific industries. IFRS Sustainability Disclosure Standards require an entity to disclose industry-specific information associated with its identified sustainability-related risks and opportunities.[6] However, the Standards do not set out what particular industry-specific information the entity is required to disclose. The SASB Standards are, therefore, expected to reduce application costs for entities and assist them in making materiality judgements by focusing on the disclosure of information identified as being likely to be useful for primary users. In addition, the guidance is expected to improve comparability between entities by reducing diversity in reporting practice.

BC11 The 77 industry-specific SASB Standards:

(a) include industry descriptions, disclosure topic summaries, and associated metrics and their technical protocols; and

(b) are applied by more than 4,600 entities operating in 90 jurisdictions, including approximately 78% of entities in the S&P Global 1200 Index.[7]

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

6 Paragraph 48 of IFRS S1 states that an entity 'shall include metrics associated with particular business models, activities or other common features that characterise participation in an industry'.

7 Figures provided for the three-year period ended 31 December 2025 to account for differences in sustainability reporting cycles.

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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] The ISSB decided that enhancing the SASB Standards would support its highest priority of supporting the application of IFRS S1 and IFRS S2. In the ISSB's view, enhancing the SASB Standards would also support its projects on human capital and nature-related disclosures.

BC14 In May 2024 the ISSB decided to continue to use the Sustainable Industry Classification System® (SICS®) to group entities into industries based on their shared sustainability-related risks and opportunities.[10] The ISSB noted the unique suitability of SICS as a basis of classification for the SASB Standards, which was designed to provide material information about sustainability-related risks and opportunities. The ISSB also decided to consider enhancing the industry groupings as part of enhancing the SASB Standards.

BC15 In June 2024 the ISSB discussed its approach to enhance the SASB Standards, including the project objectives and the criteria the ISSB could use to prioritise its work. In July 2024 the ISSB decided:

(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 a later assessment of the capacity of the ISSB and its stakeholders;

(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

8 More information on the project on International Applicability of the SASB Standards is available at https://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.

(ii) ways to enhance SICS.

BC16 In December 2024 the ISSB discussed the preliminary feedback on the prioritised Standards.[11] In March 2025 the ISSB discussed its approach to developing amendments to the prioritised Standards.[12]

BC17 In March 2025 the ISSB discussed first developing proposed amendments for nine of the 12 prioritised industries, with the intention of publishing an exposure draft for such amendments in mid-2025. The ISSB decided to continue to research an exposure draft of proposed amendments for the remaining three prioritised industries to gather additional input, 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 In June 2025 the ISSB ratified the Exposure Draft of proposed amendments to nine of the prioritised Industry Standards and in July 2025 published that exposure draft and accompanying Basis for Conclusions.

BC19 In September 2025 the ISSB discussed stakeholder feedback on the remaining three prioritised Standards, focusing on engagements with stakeholders undertaken since December 2024.

BC20 The ISSB ratified the Exposure Draft in February 2026.

Objective

BC21 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, focusing on:

(a) further enhancing the international applicability of:

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

(ii) disclosure topics in those industry groupings; and

(iii) metrics and supporting technical protocols;[13]

(b) exploring opportunities to improve interoperability with other sustainability-related standards and frameworks, while maintaining a focus on the needs of users;

11 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.

12 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.

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

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

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

Approach to developing proposed amendments to the SASB Standards

BC22 In preparing the Exposure Draft, the ISSB took the same approach as it did in preparing the July 2025 Exposure Draft. The Basis for Conclusions on the July 2025 Exposure Draft (the July 2025 Basis for Conclusions) contains greater detail on the ISSB's approach to the proposed amendments to the SASB Standards, such as:[14]

(a) the due process used to develop amendments to the SASB Standards;

(b) the ISSB's approach to stakeholder engagement and research;

(c) the ways in which the ISSB approached considerations related to interoperability and alignment with other sustainability-related standards and frameworks, including Memoranda of Understanding with the Global Reporting Initiative (GRI) and the Taskforce on Nature-related Financial Disclosures (TNFD);

(d) the ways in which the proposed amendments to the SASB Standards are intended to relate to the requirements in IFRS S1;

(e) the question of whether climate-related content should be a focus of the Exposure Draft; and

(f) the ISSB's approach to developing proposed amendments to the prioritised industries.

BC23 The ISSB encourages stakeholders to review the July 2025 Basis for Conclusions for more context about the project approach.

Stakeholder engagement

BC24 The proposals in this Exposure Draft have been developed with stakeholder input, consistent with the approach described in the July 2025 Basis for Conclusions. In addition to the dozens of joint outreach events conducted with colleagues working on the ISSB's projects on nature-related disclosures and human capital in the second half of 2024, the ISSB conducted more focused sector-specific engagements on the three prioritised industries throughout 2025. These engagements were typically bilateral meetings with preparers, investors and subject-matter experts. Staff held 149 bilateral

14 The Exposure Draft *Basis for Conclusions on Proposed Amendments to the SASB Standards* published in July 2025 (July 2025 Basis for Conclusions) can be accessed at: https://www.ifrs.org/content/dam/ifrs/project/enhancing-the-sasb-standards/sasb-ed-2025-1-bc-proposed-amends.pdf.

meetings with a diverse range of stakeholders and hosted nine industry-specific roundtable events in which individuals representing over 100 organisations participated.

BC25 Figures 1.1 and 1.2 provide greater detail on bilateral engagements conducted with stakeholders to support the development of the Exposure Draft.

Figure 1.1—Bilateral engagement, by region

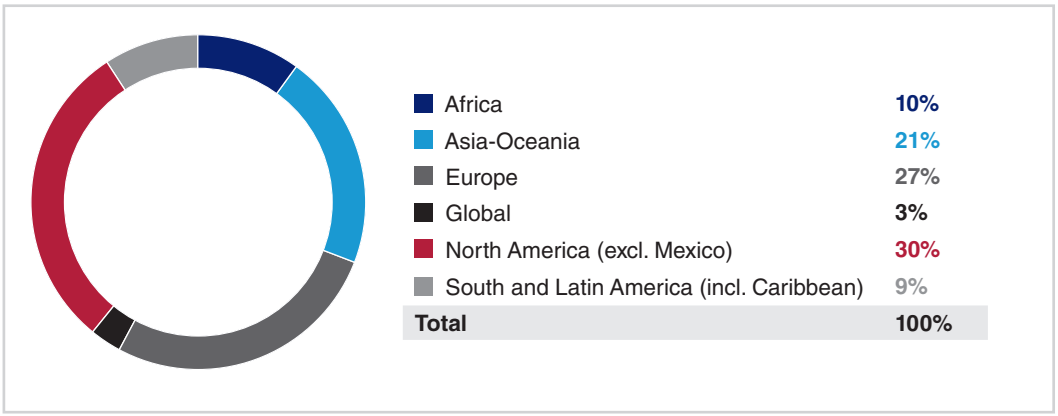
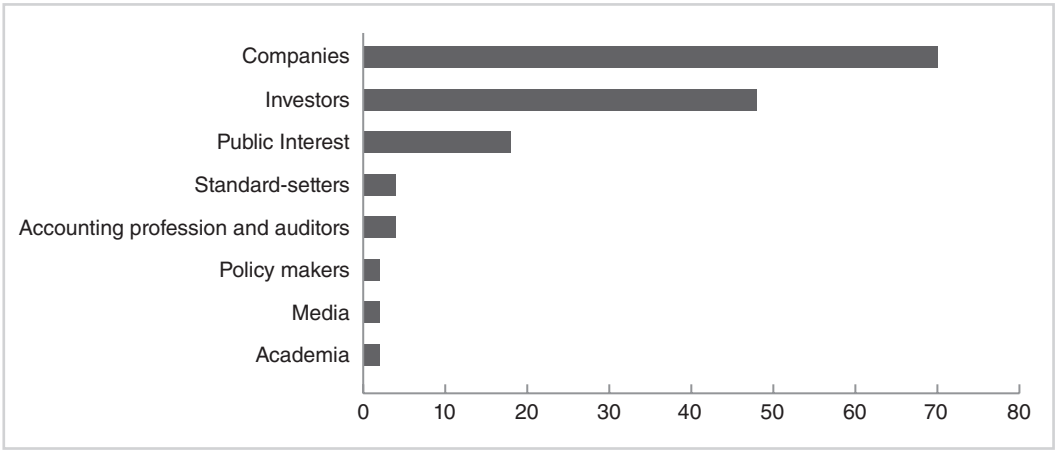


Figure 1.2—Number of bilateral engagements, by stakeholder type



Interoperability and alignment with other sustainability-related standards and frameworks

BC26 In its project to enhance the SASB Standards, the ISSB continues to explore opportunities to improve interoperability with other sustainability-related standards and frameworks, where these contribute to the identified information areas and address investor information needs in a manner consistent with the materiality definition and objective of IFRS S1.[15] The overall objective of considering interoperability with other

15 In particular, for consistency with paragraphs 1–4 of IFRS S1.

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sustainability-related standards and frameworks is to improve efficiency and to reduce the costs of reporting for preparers.[16]

BC27 The approach taken when considering interoperability and alignment in the enhancements process includes consideration of:

(a) the objective of meeting investors' needs for decision-useful information, while taking into account the cost for preparers (thus, for example, in 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 prioritised SASB Standards.

BC28 As a result, the proposed amendments to the SASB Standards include disclosure requirements or recommendations specified in other standards or frameworks in some areas. Appendix A 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 those organisations (see paragraphs BC30–BC31).

BC29 Throughout the project to enhance the SASB Standards, the ISSB has consulted with the EFRAG Secretariat to discuss the previously proposed European Sustainability Reporting Standards (ESRS) sector standards and to leverage the benefit of EFRAG's associated work and analysis. During the period in which the ISSB was developing proposed amendments to the three prioritised SASB Standards, ESRS was subject to a simplification process as part of the European Commission's Omnibus Package. EFRAG published a draft simplified ESRS in November 2025, following a public comment period. The ISSB continues to engage with EFRAG to understand what impact the simplification work will have on enhancing interoperability with the SASB Standards.[17] However, due to the timing of the ongoing simplification process, the ISSB has not incorporated ESRS interoperability considerations into the proposed amendments to the three prioritised Standards. Comments received on the Exposure Draft will inform the ISSB's approach to interoperability with ESRS, including where the requirements in ESRS could help address stakeholder feedback.

16 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.

17 Note reference to IFRS industry-based guidance in Draft ESRS 1, Application Requirement 5: 'In developing its entity-specific disclosures, the undertaking may use available best practices, frameworks or reporting standards, such as IFRS industry-based guidance and GRI Standards (including GRI topic and sector standards)'.

Memorandum of Understanding with the GRI

BC30 IFRS Sustainability Disclosure Standards and the GRI Standards have distinct but complementary purposes. IFRS Sustainability Disclosure Standards provide investors with material information with respect to the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. The GRI Standards, on the other hand, provide information to a range of stakeholders, including investors, about an organisation's most significant impacts on the economy, environment and people, and their contributions to sustainable development. In meeting these purposes, the respective disclosure requirements can overlap, in that information on an entity's most significant impacts might also enable primary users to understand the effects of sustainability-related risks and opportunities on an entity's prospects.

BC31 To improve efficiency and to reduce the costs of reporting for preparers, as announced in 2024, the ISSB and the 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'.[18] This commitment affirms the organisations' shared objective to reduce duplication, fragmentation and complexity in the sustainability disclosure landscape. Accordingly, one aspect of the project to enhance the SASB Standards has focused on the ISSB identifying common disclosures between the SASB Standards and the GRI Standards where these address investor information needs in a manner consistent with the materiality definition and objective of IFRS S1. Appendix A provides an overview of where and how the ISSB has integrated requirements from the GRI Standards into the proposed amendments. At this stage, the scope of this work has been determined and implemented by the ISSB. The ISSB will engage with the GRI on interoperability in future phases of the SASB enhancement project and will consider stakeholder feedback to assess how best to advance this work.

Alignment with the TNFD

BC32 In April 2025 the IFRS Foundation and the TNFD 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.[19] Many of the proposed amendments to the SASB Standards build on the work of the TNFD to improve efficiency for entities 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 A provides an

18 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/.

19 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/.

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overview of where and how the relevant TNFD recommendations have been integrated into the proposed amendments.

BC33 In November 2025, the ISSB decided to draw on the TNFD framework to meet users' common information needs about nature-related risks and opportunities, and to build on the requirements in IFRS S1 and IFRS S2. The ISSB also decided to undertake standard-setting to respond to the needs of users of general purpose financial reports for information on nature-related risks and opportunities. These requirements will supplement the requirements in IFRS S1 and IFRS S2 that apply to nature-related risks and opportunities. The ISSB noted the investor need for industry-specific information on these risks and opportunities. To meet these information needs, standard-setting will consider the SASB Standards and their role as a source of guidance for entities to meet the requirements of IFRS S1.

BC34 As indicated in Appendix A, the proposed amendments draw from the TNFD recommendations in a number of different areas. Feedback on alignment of the proposed amendments to the SASB Standards with the TNFD recommendations will therefore also inform the ISSB's approach to standard-setting to meet users' information needs about nature-related risks and opportunities.

Consistency with proposals in the July 2025 Exposure Draft

BC35 The Exposure Draft proposes amendments to the three remaining prioritised Standards that were not included in the July 2025 Exposure Draft. Various metrics appear across the 12 prioritised SASB Standards. For example, the July 2025 Exposure Draft contained proposed amendments to metrics on water management in eight prioritised SASB Standards and proposed making corresponding 'targeted amendments' to the water metrics in another 16 SASB Standards. All three of the SASB Standards in the Exposure Draft contain disclosure topics and associated metrics on water management.

BC36 The comment period for the July 2025 Exposure Draft closed in November 2025. Because of the amount of overlapping content in the Exposure Draft and the July 2025 Exposure Draft, the ISSB has received feedback on metrics and related matters that are relevant to this Exposure Draft.

BC37 In preparing the Exposure Draft, the ISSB considered whether to make changes to topics and metrics in response to feedback on the July 2025 Exposure Draft. The ISSB decided that it would not take a significantly different approach to the topics and metrics in the Exposure Draft based on feedback received on the July 2025 Exposure Draft because:

(a) the proposals in the Exposure Draft were largely developed alongside those in the July 2025 Exposure Draft and should be considered part of the same phase of the SASB enhancements project, even though publication occurred later;

(b) the ISSB has not yet had an opportunity to review and redeliberate the feedback provided on the July 2025 Exposure Draft, making significant changes in approach premature; and

(c) there are efficiencies both for the ISSB and for stakeholders in maintaining a consistent approach to common metrics—for example, making adjustments to metrics similar to those in the July 2025 Exposure Draft could increase translation costs and place an additional burden on stakeholders who have already reviewed and provided input on those metrics.

BC38 In voting to ratify the Exposure Draft in February of 2026, the ISSB noted the factors listed above in paragraph BC37.

BC39 Appendix B contains a table illustrating metrics in the Exposure Draft that are similar or identical to metrics proposed in the July 2025 Exposure Draft. The ISSB believes this table can enable a more efficient review of the Exposure Draft for stakeholders who have already provided input on the July 2025 Exposure Draft.

The relationship between requirements in the IFRS Sustainability Disclosure Standards and the SASB Standards

BC40 In developing the proposed amendments to the 12 industries prioritised in the first phase of this project, the ISSB considered how the SASB Standards relate to the IFRS Sustainability Disclosure Standards. The proposed amendments have been drafted under the assumption that an entity would apply the SASB Standards with the IFRS Sustainability Disclosure Standards (see paragraph BC43 of the July 2025 Basis for Conclusions). This approach allows the SASB Standards to remain targeted and proportionate and avoids unnecessary duplication of requirements already included in IFRS S1 and IFRS S2.

BC41 For example, IFRS S2 requires an entity to disclose its greenhouse gas emissions, classified as Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2004). An entity applying IFRS S2 is required to disclose material information about its Scope 1, Scope 2 and Scope 3 greenhouse gas emissions even if the SASB Standard relevant to its activities does not specifically include greenhouse gas emissions metrics.

BC42 The proposed amendments aim to provide incremental useful guidance to IFRS S2 complementing Scope 1, Scope 2 and Scope 3 cross-industry metrics in IFRS S2. For example, currently, the SASB Standards and the IFRS S2 industry-based guidance for some industries include a metric on gross Scope 1 greenhouse gas emissions within disclosure topics that are related to regulatory and reputational risks associated with direct emissions. The proposed amendments update the existing Scope 1 greenhouse gas emissions metrics to include a proposed new sub-metric regarding the percentage of Scope 1 greenhouse gas emissions subject to emissions-limiting regulations. This sub-metric is intended to provide useful information alongside the gross

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Scope 1 greenhouse gas emissions disclosure to help users of general purpose financial reports understand related regulatory risks for entities with relevant activities.

BC43 The SASB Standards and the IFRS S2 industry-based guidance could be amended to provide entities explicit guidance on when cross-industry metrics —such as Scope 1, Scope 2 and Scope 3 greenhouse gas emissions—are likely to provide material information for entities in a specific industry, but the ISSB has not proposed to do so in the Exposure Draft. The ISSB also chose not to remove existing greenhouse gas emissions metrics in the SASB Standards because removing existing Scope 1 greenhouse gas emissions metrics:

(a) could unintentionally signal that the ISSB has determined that the metrics are unlikely to provide material information;

(b) would not be consistent with findings from previous consultations on the SASB Standards, which suggest that users of general purpose financial reports find the Scope 1 greenhouse gas emissions metrics particularly relevant in the specified industries, because they provide material information on direct regulatory risks faced by entities in those industries; and

(c) would affect the ISSB's ability to propose new metrics with industry-specific tailoring on topics such as methane or where entities otherwise face regulatory risks from direct emissions.[20]

BC44 Historically, the SASB Standards have not included many disclosures on Scope 2 and Scope 3 emissions metrics, so there will be some inconsistency between the way the Standards approach Scope 1 emissions metrics and the way they approach Scope 2 and Scope 3 emissions metrics. However, for disclosure topics addressing risks and opportunities associated with an entity's Scope 2 or Scope 3 greenhouse gas emissions, the proposed metrics in the Exposure Draft are intended to complement the requirements in IFRS S2 to provide information about the underlying drivers of, and risks associated with, those emissions and the entity's management of those risks. For example, within the proposed new Environmental Supply Chain Management disclosure topic in the *Meat, Poultry & Dairy* SASB Standard, there are proposed metrics on deforestation in the supply chain for sourced livestock and animal feed, and sourced livestock from farms with nutrient management plans (see paragraphs BC134–BC135). These metrics provide information about an entity's sourcing decisions and relationships with suppliers that can influence the entity's Scope 3 greenhouse gas emissions and therefore its performance in relation to related risks and opportunities. In such cases, the cross-industry metric category of Scope 3 greenhouse gas emissions required by IFRS S2 could be particularly relevant for disclosure in an industry even though the proposed amendments would not add a Scope 3 metric to the associated SASB Standard. Thus, entities applying IFRS Sustainability Disclosure Standards should not regard the absence of repetition of a disclosure requirement in

20 For example, see proposed metric FB-MP-110a.1 *(1) Gross Scope 1 emissions, (2) percentage methane and (3) percentage subject to emissions-limiting regulations*.

IFRS S2 as confirmation that a disclosure was assessed as unlikely to be material for an entity with activities in that industry.

BC45 The proposed amendments include some narrative disclosures that are closely related to the core content areas of governance, strategy, risk management and targets in IFRS S1. This is only in cases where the ISSB's research in developing the Exposure Draft indicated that disclosure of those areas of core content would provide important context to other metrics associated with a disclosure topic, often in an industry-specific manner. For example, metric FB-AG-160a.4 *Percentages of agricultural products produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress* includes information about deforestation-related targets that might be particularly useful in the context of that industry.

BC46 In the cases of both greenhouse gas emissions metrics and narrative disclosures, as discussed in the July 2025 Basis for Conclusions, another objective of the proposed amendments is to align the language and measurement approaches in the SASB Standards with IFRS S1 and IFRS S2, including through cross-references to IFRS S1 and IFRS S2 where those are particularly helpful in understanding the metrics.[21]

Proportionality mechanisms

BC47 When the ISSB issued IFRS S1 and IFRS S2, it introduced the concept of 'all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort'. The ISSB considered that, by introducing this concept, entities that would otherwise be unable to comply with particular requirements in IFRS Sustainability Disclosure Standards would be able to do so. (See paragraphs BC10–BC17 and BC56–BC58 of the *Basis for Conclusions on IFRS S1* General Requirements for Disclosure of Sustainability-related Financial Information for more information.) The ISSB applied this concept in relation to particular aspects of IFRS S1 and IFRS S2 that involve a high level of judgement or uncertainty. For example, IFRS S1 and IFRS S2 introduced this concept regarding:

(a) identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects (see paragraph B6(a) of IFRS S1);

(b) determining the scope of the entity's value chain, including its breadth and composition, in relation to each of those sustainability-related risks and opportunities (see paragraph B6(b) of IFRS S1);

(c) measuring Scope 3 greenhouse gas emissions (see paragraph B39 of IFRS S2); and

(d) providing information about particular climate-related cross-industry metrics (see paragraph 30 of IFRS S2).

21 For the avoidance of doubt, a preparer applying SASB Standards independently from IFRS Sustainability Disclosure Standards would not be expected to apply IFRS Sustainability Disclosure Standards beyond the specific requirements referenced in the SASB Standards.

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BC48 When an entity applying IFRS Sustainability Disclosure Standards provides disclosures with reference to the SASB Standards, this concept will apply when relevant. For example, in making determinations in relation to an entity's value chain, an entity would use 'all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort'. In other circumstances this concept is not applicable in relation to the SASB Standards.

The development of the SASB Standards

BC49 The Exposure Draft primarily focuses on the ISSB's rationale for proposed amendments to three priority SASB Standards, as opposed to detailing the rationale for all the content currently in those Standards. Stakeholders interested in gaining a deeper understanding of how the SASB Standards were developed from their inception in 2013—including the rationale for inclusion of disclosure topics and associated metrics—can find information in the SASB standard-setting archive. While the ISSB considered, and is consulting on, all aspects of the prioritised Standards as part of this project, the proposals in the Exposure Draft focus on those disclosure topics and metrics where research and initial outreach suggest that industry circumstances, evidence of the financial effects of sustainability-related risks and opportunities, and investor interest have changed since the current Standards were published.

BC50 Specific documents in the SASB standard-setting archive relevant to this Exposure Draft include:

(a) industry research briefs, which accompanied the provisional version of each Standard (published on a rolling basis between 2013 and 2016) and provide a summary of evidence supporting the inclusion of disclosure topics and associated metrics for:

  (i) Agricultural Products;

  (ii) Meat, Poultry & Dairy; and

  (iii) Electric Utilities & Power Generators;

(b) due-process documents for developing the provisional version of each Standard, including a list of industry working-group participants, public comment letters and responses to comment letters;

(c) a summary of comment letters provided to the SASB Standards Board on the proposed amendments to the provisional standards; and

(d) the Basis for Conclusions which accompanied each codified SASB Standard in 2018 for:

  (i) Agricultural Products;

  (ii) Meat, Poultry & Dairy; and

  (iii) Electric Utilities & Power Generators.

Proposed amendments to the SASB Standards

Proposed amendments to the *Agricultural Products* SASB Standard

Industry structure

BC51 The Agricultural Products industry as currently classified by SICS focuses on entities that process, trade and distribute vegetables, fruits and other agricultural commodities and perform other value-adding activities such as processing and milling. The *Agricultural Products* SASB Standard includes disclosures on sustainability-related risks and opportunities that arise from entities' sourcing of products from farms.

BC52 The scope of the industry does not include direct farming operations, so the *Agricultural Product*s SASB Standard does not include disclosure topics or metrics that relate to direct farming activities. Stakeholders provided the ISSB with feedback that the current scope of the industry reflects the operations of entities primarily in developed economies and that some entities in the industry, particularly in emerging markets and developing economies, own or operate farms directly. The extent of these direct farming operations varies by crop and region. Entities with direct farming operations therefore manage sustainability-related risks and opportunities, such as risks associated with deforestation, through their own operations and through engagement and partnership with their suppliers.

BC53 The proposed amendments would expand the scope of the industry as classified in SICS and amend the industry description to explicitly recognise that some entities in the industry conduct direct farming operations. This proposed amendment is intended to include relevant disclosure topics for the entities that have direct farming operations to support the provision of investor-relevant information. As discussed in paragraphs BC57–BC61, this proposed amendment has implications on the content of the *Agricultural Products* SASB Standard and on how the disclosure topics and metrics in the Standard are organised.[22]

BC54 In making these proposed amendments, the ISSB considered creating a new SICS industry and corresponding SASB Standard for farming operations separate from the *Agricultural Products* SASB Standard. Stakeholders in emerging and developing economies supported expanding the scope of the industry to recognise that some entities in the industry conduct direct farming operations in addition to the core activities described in the current industry description. Research and stakeholder feedback suggested that a small number of listed entities solely operate farms, and that these activities are generally undertaken by smallholder farmer associations or other local

22 The ISSB notes that the provisional version of the *Agricultural Products* SASB Standard included what it referred to as 'on-farm' operations in the scope of the industry. However, the Standard was amended to remove references to 'on-farm' operations and related metrics during the codification process in 2017–2018 based on feedback and analysis of the largest entities in the US market, which found that only a small percentage of those entities' revenue was derived from direct farming operations.

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entities that are not direct participants in capital markets and therefore are unlikely to report sustainability-related financial information directly. Therefore, the ISSB decided to expand the scope of the industry instead of creating a new SICS industry and corresponding SASB Standard for farming operations.

BC55 The proposed amendments to the industry description would align the scope of the Agricultural Products industry with that of the Meat, Poultry & Dairy industry as classified by SICS, which recognises that entities in that industry are vertically integrated to various degrees depending on the region(s) in which they operate and the type of animal product(s) they produce.

Reference to animal feed in the industry description

BC56 Preparers told the ISSB that the inclusion of animal feed within the industry description was unhelpful because the activity is also mentioned in the industry description for Meat, Poultry & Dairy, which could potentially suggest that all entities that produce animal feed should refer to and consider the applicability of all topics and metrics in both Standards. Many entities in the Meat, Poultry & Dairy industry produce feed for the animals they raise, and the related risks and opportunities are included in the scope of the *Meat, Poultry & Dairy* SASB Standard. The ISSB therefore proposes removing 'animal feed' from the industry description in the *Agricultural Products* SASB Standard. Entities that produce animal feed can still refer to and consider the *Agricultural Products* SASB Standard if they determine that it more accurately reflects their business model compared to the *Meat, Poultry & Dairy* SASB Standard.

Approach to direct farming operations and supply chain disclosures

BC57 Because of the proposed expansion of the scope of the industry (see paragraphs BC51–BC55), the proposed amendments contain new disclosure requirements on the sustainability-related risks and opportunities that arise from direct farming operations. In making the proposed amendments, the ISSB considered two options for structuring these disclosure requirements in the *Agricultural Products* SASB Standard:

(a) adding new disclosure topics and associated metrics focused on risks and opportunities arising from direct farming operations on topics such as ecological impacts and labour conditions (in addition to disclosure requirements on entities' relationships with suppliers); or

(b) taking an integrated approach to disclosures on risks and opportunities associated with topics such as ecological impacts and labour conditions, through including risks and opportunities associated with direct farming operations and with entities' relationship with suppliers in a combined disclosure topic.

BC58 In the ISSB's view, the choice between these options is not a judgement on how the related information should be disclosed. It is instead a choice about how to structure the disclosures in the SASB Standards to best help preparers identify sustainability-related risks and opportunities and related information.

BC59 The ISSB decided to pursue the option described in paragraph BC57(a) and to specify, in the topic summaries for the new disclosure topics, that the topics are only applicable to direct farming activities. The proposed amendments would add two new disclosure topics, Land Use & Ecological Impacts and Labour Conditions, and their associated metrics (for further details, see paragraphs BC77–BC83 and BC87–BC91, respectively).

BC60 The option described in paragraph BC57(a) permits entities without direct farming operations—a majority of entities in the industry by number and by market capitalisation—to more easily refer to and consider the applicability of the new topics, thus simplifying application. Conversely, an approach like that described in paragraph BC57(b) would require entities to refer to and consider the applicability of each metric (or sub-metric), which would make preparation of disclosures more burdensome for preparers without direct farming operations.

BC61 The ISSB also considered that the SASB Standards generally favour a structure in which supply chain-related disclosures are presented in separate disclosure topics, because the nature of sustainability-related risks and opportunities can vary depending on where in the value chain they arise and the entity's level of control over suppliers. Strategies to manage the risks and opportunities arising in the supply chain are therefore typically distinct from the strategies an entity uses when it manages a risk or opportunity directly.[23]

Amendments to activity metrics

BC62 The proposed amendments would:

(a) revise activity metric FB-AG-000.A *Production by principal crop*:

(i) to refer to 'agricultural products' and 'priority products' for consistency with terminology introduced in other proposed amendments to the *Agricultural Products* SASB Standard; and

(ii) to disaggregate production from direct farming operations and production sourced from third parties, to provide users with a better understanding of an entity's business model and appropriate context for other metrics relating to direct farming operations and sourcing practices;

23 There are exceptions to this approach—for example, when the related information could be identical, or entities have a greater degree of control or influence over suppliers' activities. For example, the Food Safety disclosure topic in the *Agricultural Products* SASB Standard includes metrics that request information about activities directly conducted by entities and aspects that relate to their relationships with suppliers.

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(b) remove activity metric FB-AG-000.C *Total land area under active production* because it duplicates information in the proposed new metric FB-AG-160a.1 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*;

(c) remove activity metric FB-AG-000.D *Cost of agricultural products sourced externally* because it overlaps with the proposed amendment to FB-AG-000.A *Production by principal crop*, which is intended to provide a more consistent and comparable picture of an entity's business activities when combined with information about entities' production from direct farming operations; and

(d) add activity metrics FB-AG-000.E *Total number of (1) employees and (2) non-employee workers* and FB-AG-000.F *Total hours worked disaggregated by (1) employees and (2) non-employee workers*, which would normalise the information required to be disclosed by proposed Workforce Health and Safety metric FB-AG-320a.1 *(1) Number of fatalities and (2) total recordable incident rate for (a) employees and (b) non-employee workers*, improving comparability. This proposed amendment is consistent with proposals in the July 2025 Exposure Draft.

Greenhouse gas emissions

BC63 The Greenhouse Gas Emissions disclosure topic provides information about the risks and opportunities arising from emissions generated from core agricultural activities. As emissions-related regulations, market expectations and trade requirements evolve, entities can face increased operational costs or restricted market access.

BC64 The proposed amendments to the Greenhouse Gas Emissions topic summary would add language about potential sources of greenhouse gas emissions associated with direct farming operations, such as soil-management practices and land-use change.

BC65 The proposed amendments to metrics FB-AG-110a.1 *Gross global Scope 1 emissions* and FB-AG-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* would align them with the proposed amendments to similar metrics in the July 2025 Exposure Draft. The proposed amendments are intended to avoid unnecessary duplication with IFRS S2. See paragraphs BC55–BC57 of the July 2025 Basis for Conclusions for the ISSB's rationale for these changes.

BC66 The proposed amendments to metric FB-AG-110a.3 *Fleet fuel consumed, percentage renewable* would:

(a) align the definition of renewable fuel with the proposed amendments to similar metrics EM-IS-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable* (see paragraphs BC65–BC68 of the July 2025 Basis for Conclusions) and EM-SV-110a.1 *Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment* (see paragraph BC130(d) of the July 2025 Basis for Conclusions) in the July 2025 Exposure Draft; and

(b) change the unit of measure of the renewable fuel consumed sub-metric from a percentage to an absolute number.

BC67 The proposed amendments would not change the metric's industry-specific focus on fuel consumed by an entity's fleet vehicles. The objective of this metric is to provide users with insight into how entities' fuel use contributes to their direct emissions. Specifically, this information enables users to understand how entities are managing energy efficiency and responding to climate-related transition risks, because fleet fuel use often represents a significant share of such entities' Scope 1 greenhouse gas emissions.

Energy management

BC68 The Energy Management disclosure topic provides information about how entities' use of purchased electricity, energy generated on-site, and alternative energy influences the long-term cost and reliability of an entity's energy supply and the extent of regulatory risk from direct and indirect emissions.

BC69 The proposed amendments to metric FB-AG-130a.1 *(1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable* would align it with proposed amendments to similar metrics (see FB-PF-130a.1 *(1) Total energy consumed, (2) purchased electricity consumed and (3) renewable electricity consumed from (a) self-generation and (b) direct contracts*) in the July 2025 Exposure Draft (see paragraphs BC65–BC68 of the July 2025 Basis for Conclusions). The current metric excludes fleet fuel consumption from the calculation because that information is separately provided through metric FB-AG-110a.3. The proposed amendments would remove this carve-out of fleet fuel consumption so that the information provided by metric FB-AG-130a.1 is more easily comparable with similar metrics in other SASB Standards.

Water management

BC70 The Water Management disclosure topic provides information about an entity's performance in managing water-related risks and opportunities. Water is a critical input for crop production, and the availability of water directly influences yields and operational continuity.

BC71 The proposed amendments to metric FB-AG-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC69–BC72 of the July 2025 Basis for Conclusions). The proposed amendments include removing metric FB-AG-140a.3 *Number of incidents of non-compliance associated with water quality permits, standards and regulations* and replacing it with metric FB-AG-140a.4 *Total water discharged by (1) destination and (2) level of treatment*.

Food loss and food waste

BC72 The proposed amendments would add a new disclosure topic, Food Loss & Food Waste, and two associated metrics to the *Agricultural Products* SASB Standard, based on ISSB research and initial feedback from users and preparers. The proposed new topic and metrics are intended to capture

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quantitative and qualitative information about how entities are approaching risks and opportunities associated with food loss and food waste.

BC73 Research and initial stakeholder feedback suggest that food loss and food waste management can improve operational efficiency, reduce costs, create new revenue streams, and increase an entity's brand value through positive effects on its reputation. Specifically, the ISSB heard from preparers and users that:

(a) food loss in primary production represents avoidable operating costs and negatively affects yield;

(b) reducing food loss can improve margins and enhance supply reliability;

(c) diverting food loss and food waste to higher-value destinations can reduce disposal costs and support circular economy or value-added revenue models; and

(d) food loss and food waste-related regulations present potential regulatory risks to entities.

BC74 The proposed amendments would add new metrics:

(a) FB-AG-150a.1 *(1) Total food loss generated, (2) quantity diverted*; and

(b) FB-AG-150a.2 *Description of strategies to address opportunities related to food loss and food waste throughout the value chain*.

BC75 In developing these new metrics, the ISSB considered the challenges that entities face in measuring food loss and food waste. Research also indicates that the definitions of food loss and food waste vary across jurisdictions. The ISSB proposes referencing the food loss definition developed by the Food and Agricultural Organization (FAO), which research indicated is widely used globally.

BC76 The ISSB also considered the extent to which information about food loss and food waste in the value chain should be included. Food loss and food waste occur at multiple stages of the food value chain, and entities in the industry have varying levels of visibility and control over business partners. Given these constraints and the related variance in calculation methodologies, the ISSB proposes a quantitative metric focused on food loss in an entity's direct operations. The ISSB also proposes a supporting narrative metric that includes value chain activities within its scope, to provide information on an entity's strategies and actions across the value chain, including where performance may depend on collaboration with farmers and logistics providers.

Land use and ecological impacts

BC77 The proposed amendments would add a new disclosure topic, Land Use & Ecological Impacts, and six associated metrics to the *Agricultural Products* SASB Standard. The proposed amendments would expand the scope of the industry as classified in SICS and the industry description to explicitly recognise that some entities in the industry are engaged in direct farming operations (see paragraphs BC57–BC61). Research and initial stakeholder feedback suggest

that this disclosure topic is relevant for entities in the industry, especially for entities with direct farming operations.

BC78 The proposed new topic summary explains how entities' land use practices and the resultant impacts on natural resources and ecosystem services can affect crop yields, land valuation and operational costs, and lead to regulatory and reputational effects.

BC79 The proposed amendments would:

(a) add metrics FB-AG-160a.1 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored* and FB-AG-160a.2 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations* to capture risk exposure from an entity's dependence on land and ecosystems. These metrics also capture risk exposure from operations in or near environmentally sensitive locations where there might be potential for detrimental impacts from the entity's activities and associated physical, reputational and regulatory risks. This metric is consistent with similar metrics on land use and ecological impacts in the July 2025 Exposure Draft.

(b) add metric FB-AG-160a.3 *Total area of land that is sustainably managed, by product*, which is intended to capture industry-specific information about opportunities associated with an entity's use of innovative practices, technologies and robust management systems that can support improved yields and revenues.

(c) add metric FB-AG-160a.5 *Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks* to capture physical risk exposure from pressures on ecosystems and climate change that could affect products essential to an entity's business.

(d) add metrics FB-AG-160a.4 *Percentages of agricultural products produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress* and FB-AG-160a.6 *Description of strategies to manage environmental resources and implement sustainable agriculture practices in direct farming operations*, to capture an entity's strategies and activities to manage risk exposure and capitalise on opportunities. These metrics are based on similar proposals in the July 2025 Exposure Draft (see paragraph BC155 of the July 2025 Basis for Conclusions for the ISSB's rationale on those proposals).

BC80 Together, these metrics are intended to provide information about an entity's performance in relation to its risks and opportunities arising from land use and ecological impacts in direct farming operations, including progress towards deforestation-related targets that the ISSB's research and engagement show are likely to be relevant for an entity in the Agricultural Products industry. The metrics together highlight an entity's potential exposure to risks arising from land use and ecological impacts related to direct farming operations, the potential effects on the entity's financial performance, and the strategies and practices the entity uses to mitigate these risks.

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BC81 This disclosure topic captures information about nature-related risks and opportunities. Proposed metrics FB-AG-160a.1, FB-AG-160a.2 and FB-AG-160a.3 are all adapted from the TNFD recommendations and Food and agriculture sector guidance. The ISSB drew from TNFD recommendations and sector guidance in response to initial feedback that the ISSB should update the terminology and references used in the SASB Standards to reflect the TNFD recommendations for nature-related information, where relevant, to meet users' information needs.

BC82 Proposed metrics FB-AG-160a.4, FB-AG-160a.5 and FB-AG-160a.6 all have similar corresponding metrics in the Environmental Supply Chain Management disclosure topic. However, each focuses on sourced products and supply chain management practices, corresponding to metrics the ISSB proposes removing in the Environmental & Social Impacts of Ingredient Supply Chain topic.

BC83 Proposed metric FB-AG-160a.5 uses different terminology to the similar proposed metric FB-PF-430b.2 *Priority commodities and products that are sensitive to environmental risks in the supply chain* from the July 2025 Exposure Draft except that FB-AG-160a.5 requests disclosure of information on products that are sensitive to 'nature- and climate-related physical risks', whereas FB-PF-430b.2 requests disclosure on products that are sensitive to 'environmental risks'. The language used for the *Agricultural Products* SASB Standard is intended to better reflect the type of information entities must disclose without changing the intent of the metric.

Food safety

BC84 The Food Safety disclosure topic provides information about an entity's performance in managing contamination risks and maintaining product quality. Food safety is a fundamental aspect of this industry because agricultural products are consumed directly in raw form or used as inputs into a wide range of processed foods, making the safety and integrity of these products critical to an entity's prospects.

BC85 The proposed amendments would:

(a) remove metrics FB-AG-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* and FB-AG-250a.2 *Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme*;

(b) amend metric FB-AG-250a.3 *Number of recalls issued and total amount of food product recalled*; and

(c) add new metrics FB-AG-250a.4 *Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) intermediaries* and FB-AG-250a.5 *Processes, controls and procedures to ensure food safety throughout the value chain*.

BC86 These proposed amendments are consistent with the proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft (see paragraphs BC135–BC137 of the July 2025 Basis for Conclusions), with an adjustment made to account for differences between industries. Specifically, the proposed metric FB-AG-250a.4 requires disaggregation of production volume from sites certified to internationally recognised food safety standards between own operations and 'intermediaries', whereas proposed 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* in the July 2025 Exposure Draft requests disaggregation between own operations and 'co-packing operations'.

Labour conditions

BC87 The *Agricultural Products* SASB Standard includes disclosures on risks associated with forced and child labour in the supply chain but does not contain similar disclosures for entities' direct operations. Consistent with the approach described in paragraphs BC57–BC61, the proposed amendments would add a new Labour Conditions disclosure topic and an associated metric on the risks and opportunities associated with forced and child labour that arise from direct operations.

BC88 Users told the ISSB that they require information about entities' processes, controls and procedures to manage labour conditions. Agricultural workers face high risks of labour rights violations, particularly forced labour, because their work is characterised by informality, seasonality and insecurity. Agriculture also accounts for a large share of child labourers globally.[24] Research and initial stakeholder feedback indicate forced and child labour can lead to regulatory risks, reputational risks and import bans.

BC89 The proposed amendments would add a new metric, FB-AG-310a.1 *Processes, controls and procedures to manage labour conditions, including forced labour and child labour, in direct operations*, intended to provide narrative information about how an entity monitors and manages labour conditions—for example, through human rights due diligence. The metric also requires disclosure of how its mechanisms vary by location and agricultural product, in response to stakeholder feedback on the importance of these factors in shaping appropriate controls, as well as information about specific agricultural products with a heightened risk of forced or child labour.

BC90 The proposed addition of the Labour Conditions disclosure topic and associated metric has been informed by the ISSB's research project on human capital, including findings on human rights due diligence processes and the use of internationally recognised terms and definitions.[25]

24 International Labour Organization and United Nations Children's Fund, *Child Labour: Global estimates 2024, trends and the road forward*, 2025.

25 The proposed definitions of forced labour and child labour are aligned with International Labour Organization (ILO) conventions (ILO *Forced Labour Convention, 1930 (No.29)* and *ILO Minimum Age Convention, 1973 (No.138)*) to support entities in providing consistent and comparable information.

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BC91 Proposed metric FB-AG-310a.1 has a corresponding metric, FB-AG-430d.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence* in the Social Supply Chain Management disclosure topic, which focuses on sourced products and supply chain management practices.

Workforce health and safety

BC92 The Workforce Health & Safety disclosure topic provides information on the potential effects of workplace incidents on an entity's prospects, including reduced productivity, legal liabilities, regulatory fines and reputational risks.

BC93 The proposed amendments to metric FB-AG-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* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC91–BC95 of the July 2025 Basis for Conclusions).

GMO management

BC94 The *Agricultural Products* SASB Standard includes a disclosure topic and associated metric related to risks and opportunities arising from entities' use or cultivation of genetically modified organisms (GMOs). During the 2010s, when the *Agricultural Products* SASB Standard was developed, GMOs were a major focus of public debate and regulatory activity worldwide,[26] but research and initial stakeholder feedback suggest that user interest in GMO-related disclosures has declined since then. Users and preparers told the ISSB that they view GMO management as a relatively straightforward issue of market segmentation, because GMO regulations have been stable in recent years and are well-established globally. In the ISSB's view, potential effects on entities' prospects from GMO-related risks and opportunities have decreased due to a more neutral attitude from consumers and regulatory stability.

BC95 The proposed amendments would remove the GMO Management disclosure topic and its associated metric. These amendments are consistent with proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft, in which the ISSB proposed removing the metric related to GMOs (see paragraphs BC140–BC141 of the July 2025 Basis for Conclusions).

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

BC96 The *Agricultural Products* SASB Standard contains two disclosure topics on risks and opportunities associated with supply chains and sourcing practices:

(a) Environmental & Social Impacts of Ingredient Supply Chain, which contains disclosures about risks and opportunities arising from screening, monitoring and engaging with supplier entities; and

26 SASB Standards Board, *Basis for Conclusions: Agricultural Products*, October 2018, available in the SASB standard-setting archive at https://d3flraxduht3gu.cloudfront.net/archives/agricultural-products-bfc.pdf.

(b) Ingredient Sourcing, which contains disclosures about risks arising from commodity- and ingredient-sourcing challenges, such as climate change and scarcity of water and other resources.

BC97 The proposed amendments would replace these 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 nature- and climate-related impacts and dependencies when sourcing agricultural products; 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 including Indigenous Peoples.

BC98 These proposals are consistent with the proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft (see paragraphs BC148–BC152 of the July 2025 Basis for Conclusions). The proposed amendments to the *Agricultural Products* SASB Standard are intended to help entities provide 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.

Supply chain management

BC99 Consistent with feedback provided on the *Processed Foods* SASB Standard noted in paragraph BC149 of the July 2025 Basis for Conclusions, stakeholders expressed confusion about the division of supply chain topics in the *Agricultural Products* Standard referenced in paragraph BC96.

BC100 Consistent with the proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft, the proposed amendments would replace the current disclosure topics with two new disclosure topics. Specifically, the proposed amendments would:

(a) add a new Environmental Supply Chain Management disclosure topic and three associated metrics:

(i) FB-AG-430c.1 *Percentages of sourced agricultural products determined to be deforestation- or conversion-free, including any targets set to monitor progress*;

(ii) FB-AG-430c.2 *Priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain*; and

(iii) FB-AG-430c.3 *Description of strategies to manage environmental resources and implement sustainable agricultural practices in the supply chain*; and

(b) add a new Social Supply Chain Management disclosure topic and three associated metrics:

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(i) FB-AG-430d.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence*;

(ii) FB-AG-430d.2 *Percentages of sourced agricultural products certified to internationally recognised standards that trace the path of products through the supply chain*; and

(iii) FB-AG-430.d.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*.

BC101 These proposed new metrics are intended to capture decision-useful information about risks and opportunities related to environmental and social aspects in the supply chain. The proposed metrics associated with the new Environmental Supply Chain Management disclosure topic are similar to the metrics in the proposed new Land Use & Ecological Impacts disclosure topic (see paragraphs BC77–BC83) but focus on an entity's relationships with its suppliers. For example, the proposed amendments would use the term 'sourced agricultural products' instead of 'agricultural products produced'.

BC102 The proposed new metrics for the Social Supply Chain Management disclosure topic are consistent with the July 2025 Exposure Draft (see paragraphs BC157–BC160 of the July 2025 Basis for Conclusions).

Proposed amendments to the *Meat, Poultry & Dairy* SASB Standard

Industry structure and description

BC103 The proposed amendments to the *Meat, Poultry & Dairy* SASB Standard would update the industry description to clarify the scope of business activities.

Amendments to activity metrics

BC104 The proposed amendments would:

(a) revise activity metric FB-MP-000.B *Animal protein production, by category; percentage outsourced* to be consistent with terminology introduced in other proposed amendments; and

(b) add activity metrics FB-MP-000.C *Total number of (1) employees and (2) non-employee workers* and FB-MP-000.D *Total hours worked disaggregated by (1) employees and (2) non-employee workers*, which would normalise the information required to be disclosed by the Workforce Health and Safety metric FB-MP-320a.1 *Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees*, improving comparability.

BC105 These amendments are consistent with proposals in the July 2025 Exposure Draft.

Aquaculture and fishing activities

BC106 During the development of the Exposure Draft, some stakeholders raised concerns about the absence of aquaculture and fishing activities in SICS and queried whether such activities could or should be included in the industry description of the *Meat, Poultry & Dairy* SASB Standard. Even though fish and seafood production are a form of animal protein production, the ISSB's research suggests that the business activities and related risks and opportunities associated with aquaculture and fishing differ significantly from the other types of animal products included in the Standard, like poultry and pork.

BC107 The ISSB therefore decided that expanding the scope of the *Meat, Poultry & Dairy* SASB Standard would not be the best solution to resolving the lack of aquaculture and fishing in SICS and the SASB Standards at this time. Instead, the ISSB's view is that this issue could be resolved by developing a separate SASB Standard. The need for a new industry classified under SICS to cover direct aquaculture and fishing activities, and therefore a related new Standard, should be considered alongside other potential enhancements to SICS and the SASB Standards in a future phase of work.

Greenhouse gas emissions

BC108 The *Meat, Poultry & Dairy* SASB Standard contains a disclosure topic and two associated metrics on greenhouse gas emissions. The proposed amendments would:

(a) revise metrics FB-MP-110a.1 *Gross global Scope 1 emissions* and FB-MP-110a.2 *Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets* to align them with the proposed amendments to similar metrics in the July 2025 Exposure Draft which are aimed at avoiding unnecessary duplication with IFRS S2 (see paragraphs BC55–BC57 of the July 2025 Basis for Conclusions).

(b) add a new sub-metric to metric FB-MP-110a.1 *Gross global Scope 1 emissions* on the percentage of Scope 1 greenhouse gas emissions from methane emissions, in response to user demand. This is an example of the SASB Standards identifying a particular form of disaggregation to complement the requirements in IFRS S1 and IFRS S2. The ISSB's research suggests that a majority of the industry's emissions stem from animal husbandry through the release of methane during enteric fermentation and from manure management. Those activities represent a significant portion of global methane emissions.[27] Initial feedback and supporting research suggest that the expansion of climate mitigation policies is creating additional regulatory risk, such as heightened compliance costs, for entities in the industry. The new metric therefore intends to provide users with information about entities' management of the related transition risks.

27 Food and Agriculture Organization of the United Nations, *Methane emissions in livestock and rice systems: sources, quantification, mitigation and metrics*, 2023, https://doi.org/10.4060/cc7607en.

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Energy management

BC109 The Energy Management disclosure topic provides information about potential effects on an entity's prospects arising from volatility in energy costs, evolving regulations and the strategic choices entities make regarding energy efficiency. Efficient energy management can help entities reduce operating costs and improve the reliability of their energy supply.

BC110 The proposed amendments to metric FB-MP-130a.1 *(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC65–BC68 of the July 2025 Basis for Conclusions).

Water management

BC111 The Water Management disclosure topic and associated metrics are intended to help users understand how entities are managing sustainability-related risks and opportunities that arise from their water use. Animal rearing, slaughtering and meat processing require substantial volumes of water and generate significant quantities of effluents.

BC112 The proposed amendments to metric FB-MP-140a.1 *(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC69–BC72 of the July 2025 Basis for Conclusions). The proposed amendments include removing metric FB-MP-140a.3 *Number of incidents of non-compliance associated with water quality permits, standards and regulations* and replacing it with metric FB-MP-140a.4 *Total water discharged by (1) destination and (2) level of treatment*.

Land use and ecological impacts

BC113 The Land Use & Ecological Impacts disclosure topic provides information on how entities manage risks and opportunities that arise from pressures on ecosystems, land use change and nutrient management, as these factors can influence an entity's production efficiency and operating costs.

BC114 The proposed amendments would:

(a) remove metrics FB-MP-160a.1 *Amount of animal litter and manure generated, percentage managed according to a nutrient management plan* and FB-MP-160a.2 *Percentage of pasture and grazing land managed to conservation plan criteria* (see paragraphs BC116–BC117);

(b) revise metric FB-MP-160a.3 *Animal protein production from confined animal feeding operations* by changing the unit of measure from an absolute number in metric tonnes to a percentage in response to feedback from users that they would prefer this information to be provided as a percentage—this amendment would also require the code FB-MP-160a.3 to be changed to FB-MP-160a.4; and

(c) add new metrics:

(i) FB-MP-160a.5 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*;

(ii) FB-MP-160a.6 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations*;

(iii) FB-MP-160a.7 *Percentages of livestock produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress*;

(iv) FB-MP-160a.8 *Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks*; and

(v) FB-MP-160a.9 *Percentage of livestock production from direct farming operations that implement and maintain a written nutrient management plan*.

BC115 The proposed metrics would provide information about an entity's management of risks and opportunities arising from land use and ecological impacts in animal husbandry that the ISSB's research and initial feedback indicate are likely to be relevant to entity prospects in the Meat, Poultry & Dairy industry. Proposed new metrics FB-MP-160a.5, FB-MP-160a.6, FB-MP-160a.7 and FB-MP-160a.8 are consistent with the proposed amendments to the *Agricultural Products* SASB Standard described in paragraphs BC79–BC83 and proposed new metrics in the *Processed Foods* SASB Standard in the July 2025 Exposure Draft.

BC116 Initial feedback from users and preparers suggested that manure management is an important aspect of land use that can present risks for entities in this industry, because related practices can affect soil health and land productivity. However, preparers told the ISSB that providing the quantitative information requested in metric FB-MP-160a.1 *Amount of animal litter and manure generated, percentage managed according to a nutrient management plan* would be costly and difficult. Proposed new metric FB-MP-160a.9 *Percentage of livestock production from direct farming operations that implement and maintain a written nutrient management plan* is intended to provide users with similar information about how entities are managing the risks and opportunities related to manure management but in a more feasible, cost-effective way.

BC117 The proposed amendments would remove metric FB-MP-160a.2 *Percentage of pasture and grazing land managed to conservation plan criteria*. Preparers noted that the term 'conservation plan' lacks a clear and consistent definition across jurisdictions, and the metric's design is closely tied to the United States' regulatory frameworks, limiting its global applicability. Users also suggested that other elements of land use-related risks and opportunities—such as deforestation, nutrient management plans and confined animal feeding operations—would more effectively capture the ecological impacts associated with animal production.

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Food safety

BC118 The Food Safety disclosure topic provides information on an entity's performance in managing contamination risks and maintaining product quality. Entities handle highly perishable products that are susceptible to contamination. Such events can result in product recalls, increased regulatory scrutiny and market restrictions, which can affect an entity's prospects.

BC119 The proposed amendments would:

(a) remove metrics FB-MP-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* and FB-MP-250a.2 *Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification programme*;

(b) revise metrics FB-MP-250a.3 *(1) Number of recalls issued and (2) total weight of products recalled* and FB-MP-250a.4 *Discussion of markets that ban imports of the entity's products*; and

(c) add new metrics FB-MP-250a.5 *Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) co-packing operations* and FB-MP-250a.6 *Processes, controls and procedures to ensure food safety throughout the value chain*.

BC120 These proposed amendments are consistent with the proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft (see paragraphs BC135–BC137 of the July 2025 Basis for Conclusions).

Antibiotic use in animal production

BC121 The Antibiotic Use in Animal Production disclosure topic provides information on how an entity addresses the use of medically important antibiotics that could contribute to antimicrobial resistance. Antibiotic use in this context can present regulatory risks and reputational risks that affect consumer demand. The metric helps users understand the extent to which an entity controls antibiotic administration within its value chain, and whether it implements procedures and controls that support compliance with regulatory requirements.

BC122 The proposed amendments would:

(a) make minor amendments to clarify the topic summary;

(b) specify that the unit of measure for metric FB-MP-260a.1 *Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type* is live weight, consistent with other metrics in the *Meat, Poultry & Dairy* SASB Standard; and

(c) add a narrative disclosure requirement to metric FB-MP-260a.1 on the processes, controls and procedures that entities have in place on antibiotic use throughout the value chain, intended to complement the quantitative information already included in the metric.

BC123 As discussed in paragraphs BC126–BC130, the proposed amendments would expand the scope of the current Animal Care & Welfare disclosure topic to include aspects of animal health and biosecurity. Related strategies for managing animal health include the administration of antibiotics. The ISSB therefore considered whether the Antibiotic Use in Animal Production disclosure topic should be combined with the Animal Care & Welfare disclosure topic. Ultimately, the ISSB determined that these topics should be kept separate, because the Antibiotic Use in Animal Production topic focuses on risks and opportunities related to the effects of antibiotic administration on human health through the effects of growing antimicrobial resistance, whereas the Animal Care & Welfare disclosure topic focuses on risks and opportunities related to entities' practices related to animal welfare.

Workforce health and safety

BC124 The Workforce Health & Safety disclosure topic provides information on the potential effects on an entity's prospects arising from workplace incidents, including reducing productivity, legal liabilities, regulatory fines and reputational risks. The proposed amendments to metric FB-MP-320a.1 *(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC91–BC95 of the July 2025 Basis for Conclusions).

BC125 The proposed amendments would amend metric FB-MP-320a.2 *Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions* to include other types of work-related health conditions beyond respiratory health conditions that can affect an entity's financial performance. Research and initial stakeholder feedback suggest that workers in the Meat, Poultry & Dairy industry are exposed to risks associated with musculoskeletal disorders and hearing loss as well as to acute and chronic respiratory conditions.

Animal care and welfare

BC126 The Animal Care and Welfare disclosure topic provides information on how an entity manages risks related to animal welfare that can affect an entity's prospects, such as animal supply shortages, operational disruptions, regulatory action, and loss of customer contracts because of reputational damage.

BC127 The proposed amendments would:

(a) rename the disclosure topic from Animal Care & Welfare to Animal Health & Welfare to reflect the inclusion of a new metric related to biosecurity and associated risks and opportunities;

(b) remove metrics:

  (i) FB-MP-410a.1 *Percentage of pork produced without the use of gestation crates*; and

  (ii) FB-MP-410a.2 *Percentage of cage-free shell egg sales*;

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(c) amend metric FB-MP-410a.3 *Percentage of production certified to a third-party animal welfare standard*; and

(d) add metrics:

(i) FB-MP-410a.4 *Description of animal welfare strategy, including targets, procedures and value chain integration*; and

(ii) FB-MP-410a.5 *Description of risks and opportunities related to biosecurity, including strategies for disease management*.

BC128 Initial feedback from users suggested limited interest in metrics FB-MP-410a.1 and FB-MP-410a.2. Users noted that although these metrics can suggest how entities approach some specific practices, they only capture a subset of relevant livestock species and therefore do not consistently provide decision-useful information about entities' overall financial exposure to animal welfare-related risks and opportunities. The proposed amendments would therefore replace these two metrics with metric FB-MP-410a.4 *Description of animal welfare strategy, including targets, procedures and value chain integration*, which is intended to more comprehensively meet users' information needs regarding animal welfare management and strategy across species and production systems.

BC129 The proposed amendments to metric FB-MP-410a.3 *Percentage of production certified to a third-party animal welfare standard* would:

(a) clarify the unit of measurement through providing greater detail on which weight to use for different business models;

(b) update the list of referenced certifications based on stakeholder feedback (although the list is not intended to be exhaustive or viewed as an endorsement by the ISSB); and

(c) specify that entities should disaggregate by type of livestock and type of certification to improve the decision-usefulness of information for users by clarifying which certifications are being used by an entity in its calculations.

BC130 The proposed amendments would add metric FB-MP-410a.5 *Description of risks and opportunities related to biosecurity, including strategies for disease management* to respond to users' information needs regarding entities' disease management practices. Users, preparers and research suggest that disease outbreaks can have significant financial implications for entities through effects on operations, lost revenue and supply continuity. The proposed metric would provide information about how entities identify and manage biosecurity risks, including monitoring of notifiable diseases in accordance with jurisdictional law and the World Organisation for Animal Health lists, and require an entity to describe the financial effects of outbreaks that occur during the reporting period.

Supply chain management

BC131 The *Meat, Poultry & Dairy* SASB Standard contains two disclosure topics related to risks and opportunities associated with supply chain sourcing practices:

(a) Environmental & Social Impacts of Animal Supply Chain, which provides information on risks and opportunities arising from environmental and social practices of an entity's suppliers; and

(b) Animal & Feed Sourcing, which provides information on risks that may affect an entity's animal feed sourcing, such as climate change and water scarcity.

BC132 Consistent with the proposed amendments to the *Agricultural Products* SASB Standard described in paragraphs BC99–BC102 and the proposed amendments to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft, the proposed amendments to the *Meat, Poultry & Dairy* SASB Standard would replace the Environmental & Social Impacts of Animal Supply Chain disclosure topics with two new disclosure topics and associated metrics. Specifically, the proposed amendments would:

(a) add a new Environmental Supply Chain Management disclosure topic and four associated metrics:

  (i) FB-MP-430b.1 *Percentages of sourced (1) livestock and (2) animal feed determined to be deforestation- or conversion-free, including any targets set to monitor progress*;

  (ii) FB-MP-430b.2 *Priority sourced livestock and animal feed that are sensitive to nature- and climate-related physical risks in the supply chain*;

  (iii) FB-MP-430b.3 *Percentage of sourced livestock from farms implementing and maintaining a written nutrient management plan*; and

  (iv) FB-MP-430b.4 *Percentage of animal protein sourced from confined animal feeding operations*; and

(b) add a new Social Supply Chain Management disclosure topic and three associated metrics:

  (i) FB-MP-430c.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence*;

  (ii) FB-MP-430c.2 *Percentages of sourced animal feed certified to internationally recognised standards that trace the path of products through the supply chain*; and

  (iii) FB-MP-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*.

BC133 These proposed new metrics are intended to capture decision-useful information about risks and opportunities related to environmental and social aspects in the supply chain.

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BC134 The proposed metrics associated with the new Environmental Supply Chain Management disclosure topic are similar to the proposed metrics in the Land Use & Ecological Impacts disclosure topic discussed in paragraphs BC113–BC117, but the scope of disclosure focuses on an entity's relationships with its suppliers. For example, the proposed amendments would use the term 'sourced livestock' instead of 'livestock produced'. As noted in paragraph BC44, the proposed amendments to the Environmental Supply Chain Management disclosure topic include aspects related to an entity's Scope 3 emissions, including deforestation and soil management.

BC135 The proposed new metrics for the Social Supply Chain Management disclosure topic are consistent with the proposed amendments to the *Agricultural Products* SASB Standard and the July 2025 Exposure Draft (see paragraphs BC157–BC160 of the July 2025 Basis for Conclusions).

Product innovation

BC136 The proposed amendments would add a new disclosure topic and associated metric 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, similar to the new topic proposed to be added to the *Processed Foods* SASB Standard in the July 2025 Exposure Draft (see paragraphs BC144–BC147 of the July 2025 Basis for Conclusions).

BC137 Research and initial stakeholder feedback suggest 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. In recent years, many entities in the Meat, Poultry & Dairy industry have developed or acquired assets that produce more sustainable products in order to better access these market segments. Entities can also mitigate risks associated with the production of more resource-intensive products. Such risks include resource scarcity, climate change, price volatility, supply disruptions and shifting consumer demand patterns.

Proposed amendments to the *Electric Utilities & Power Generators* SASB Standard

Industry structure and description

BC138 The Electric Utilities & Power Generators industry, as classified by SICS, focuses on entities which generate, transmit, distribute, retail and trade electricity. Electricity generation includes generation from a variety of energy sources, such as coal, natural gas, nuclear energy, hydropower, solar and wind. The industry's scope includes entities operating under varying regulatory and competitive structures, ranging from vertically integrated utilities to independent power producers to pure-play transmission and distribution (T&D) entities and retailers.

BC139 The proposed amendments respond to initial stakeholder feedback that the description of regulatory structures under which entities in the industry operate could be clarified and could better reflect the liberalisation of the industry in some jurisdictions. The proposed amendments also revise the industry description to recognise industry developments and clarify the inclusion of electricity trading within the industry's scope.

BC140 During the development of the Exposure Draft, preparers involved in a single industry activity—including many pure-play T&D entities—suggested it would be useful to have a separate Standard that focused on a single industry activity. According to those preparers, such a Standard would:

(a) more clearly specify the relevant topics for reference and consideration in the disclosure of material information about sustainability-related risks and opportunities; and

(b) be more tailored to their business model and probably include fewer disclosure topics and associated metrics, because several disclosure topics in the *Electric Utilities & Power Generators* SASB Standard are based on risks and opportunities associated with a specific activity within the value chain, such as electricity generation.

BC141 The ISSB considered several options regarding the structure of the *Electric Utilities & Power Generators* SASB Standard:

(a) disaggregating the Standard into two or more Standards based on discrete business activities—for example, electricity generation and T&D;

(b) maintaining a single Standard, but providing additional guidance regarding the likely applicability of disclosure topics to specific activities within the value chain; and

(c) maintaining a single Standard while relying on existing requirements, guidance and educational materials.

BC142 Ultimately, the ISSB decided to maintain a single Standard while relying on existing requirements, guidance and educational materials and not to make changes to the Electric Utilities & Power Generators industry structure because:

(a) users stated that they tend to evaluate the industry using the current structure, while acknowledging that entities may engage in one or more industry activities, and that some disclosure topics may be more or less relevant based on an entity's activities.

(b) preparers expressed mixed views. In contrast to pure-play T&D entities, vertically integrated entities said that disaggregating the current Standard could negatively affect the ease of understanding and simplified application as it would require them to refer to and consider multiple Standards with some duplication of topics.

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(c) research suggested that pure-play T&D entities are a smaller segment of the industry than vertically integrated entities or pure-play generation entities, therefore the current structure of the Standard is appropriate for a large portion of entities in this industry globally.

(d) the proposed amendments improve the relevance of the Standard to single-activity entities (including pure-play T&D entities) through the proposed addition of disclosure topics such as Ecological Impacts (see paragraphs BC163–BC165) and the proposed amendments to other disclosure topics, such as expanding the scope of Coal Ash Management (see paragraphs BC158–BC162).

BC143 The ISSB also decided not to provide additional guidance on the applicability of disclosure topics for entities engaged in specific activities and instead continue to rely on existing requirements, guidance and educational materials, because the responsibility for making materiality judgements ultimately rests with the reporting entity.[28]

BC144 Furthermore, providing additional guidance to one Standard might have implications on the broader SASB Standards, because it could be interpreted as the ISSB affirming that some topics (those with additional guidance) are more applicable than others for some entities. The ISSB also considered the fact that in July 2025 it released additional educational materials on using the SASB Standards and on using the IFRS S2 industry-based guidance with IFRS S1 and IFRS S2.[29]

Amendments to activity metrics

BC145 The proposed amendments would:

(a) revise metric IF-EU-000.D *Total electricity generated, percentage by major energy source, percentage in regulated markets* because the ISSB's research suggests that the percentage of electricity generated in regulated markets may not be as decision-useful as the percentage of electricity generated by major energy source, especially given the function of activity metrics to normalise the information disclosed when applying the metrics in the SASB Standards; and

(b) add metrics IF-EU-000.F *Total number of (1) employees and (2) non-employee workers* and IF-EU-000.G *Total hours worked disaggregated by (1) employees and (2) non-employee workers*, which would normalise the information that would be required to be disclosed by proposed amendments to metric IF-EU-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*

28 In accordance with paragraph 55(a) of IFRS S1, an entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards, meaning that it considers its circumstances and assesses whether the disclosure topics in the SASB Standards assist it in identifying sustainability-related risks and opportunities that could reasonably be expected to affect its prospects. An entity might conclude that the disclosure topics in the SASB Standards are not applicable in its circumstances.

29 The educational material *Using ISSB Industry-based Guidance when applying ISSB Standards* is available at https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/issb-industry-based-guidance-applying-issb-standards.pdf.

employees, improving comparability. These amendments are consistent with proposals in the July 2025 Exposure Draft.

Greenhouse gas emissions and energy resource planning

BC146 The Greenhouse Gas Emissions & Energy Resource Planning disclosure topic provides information on an entity's management of climate-related transition risks and opportunities and effects on its prospects that could arise from regulatory, legal and reputational risks and from customer demand for lower-carbon electricity.

BC147 The proposed amendments respond to stakeholder feedback, especially from users, that the disclosure topic and associated metrics should provide more decision-useful information on climate-related transition risks and opportunities, including information about current and planned generation capacity and how related risks and opportunities influence an entity's capital strategy and investments. This is designed to complement requirements in IFRS S2 by specifying particular information relevant to generation, T&D, retail and trade activities when providing information about climate-related risks and opportunities in accordance with IFRS S2. This would also assist entities in meeting the requirement in IFRS S2 to provide industry-based information.[30] Information about how an entity has considered climate-related transition risks and opportunities when planning its investments in energy resources and infrastructure—including energy mix and technology choices—is decision-useful because such investments can provide a competitive advantage for entities and help them mitigate unexpected regulatory costs, delays in obtaining permits, or potential asset impairment.

BC148 The proposed amendments would:

(a) revise the disclosure topic summary to clarify the topic's focus on climate-related transition risks and opportunities and how these can affect entities' prospects;

(b) revise metrics:

  (i) IF-EU-110a.1 *(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations*; and

  (ii) IF-EU-110a.2 *Greenhouse gas (GHG) emissions associated with power deliveries*;

(c) add metrics:

  (i) IF-EU-110a.5 *Installed capacity, disaggregated by (1) major energy source and (2) energy storage*;

  (ii) IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*; and

  (iii) IF-EU-110a.7 *Description of how climate-related transition risks and opportunities influence capital strategy and investments*; and

30 See paragraph 32 of IFRS S2.

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(d) remove metric IF-EU-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*.

BC149 The proposed amendments would revise metric IF-EU-110a.1 to align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC55–BC57 of the July 2025 Basis for Conclusions). The amendments include removing a sub-metric to maintain consistent disclosure requirements between industries. In addition, the ISSB's research suggests that this sub-metric may not be decision-useful for users because entities' greenhouse gas emissions in locations subject to emissions-reporting regulations reveal less about entities' exposure to climate-related transition risk than emissions in locations subject to emissions-limiting regulations.

BC150 The proposed amendments would revise metric IF-EU-110a.2 *Greenhouse gas (GHG) emissions associated with power deliveries* to provide users with a more complete understanding of how T&D and retail and trade activities contribute to an entity's greenhouse gas emissions and the related risks and opportunities. For example:

(a) for an entity with T&D activities but no generation activities, T&D losses can comprise a substantial portion of its Scope 2 greenhouse gas emissions. Understanding greenhouse gas emissions associated with T&D losses can provide insights into how entities manage these losses and related regulatory risks and operational opportunities, such as through improvements to transformer efficiency.

(b) for an entity with retail and trade activities, net electricity purchased can comprise a substantial portion of the entity's Scope 3 Category 3 greenhouse gas emissions, which can provide insight into how the entity is responding to regulatory risks as well as end-user demand for lower-carbon electricity. For example, in jurisdictions that mandate a specific percentage of electricity be generated by renewable energy, an entity's ability to manage its purchased electricity mix can affect its compliance costs and exposure to penalties.

(c) the industry-specific disaggregation of greenhouse gas emissions provides users with a more complete understanding of an entity's performance in relation to its risks and opportunities, because some of these activities could be classified as Scope 1, Scope 2 or Scope 3 emissions depending on an entity's activities.[31] It also complements Scope 1 greenhouse gas emissions disclosed when applying metric IF-EU-110a.1 and removes the duplication of Scope 1 greenhouse gas emissions information between the current version of metrics IF-EU-110a.1 and IF-EU-110a.2.

31 For example, if an entity generates electricity and then transmits and distributes that same electricity, its T&D losses would be included in its Scope 1 greenhouse gas emissions. Conversely, if an entity solely performs T&D, its T&D losses would be classified as Scope 2 greenhouse gas emissions.

BC151 The proposed amendments would also align the measurement and disclosure requirements with paragraph 29(a) of IFRS S2 to respond to initial user concerns about a lack of broad international use of The Climate Registry's Electric Power Sector Protocol (June 2009).[32]

BC152 Proposed new metrics IF-EU-110a.5 *Installed capacity, disaggregated by (1) major energy source and (2) energy storage* and IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage* respond to initial feedback, especially from users, that information about an entity's installed and planned capacity by energy source is useful in understanding how an entity is planning its future generation capacity within its regulatory and demand-driven contexts, as well as its current and future exposure to risks that could lead to a circumstance such as stranded assets.

BC153 Proposed new metric IF-EU-110a.7 *Description of how climate-related transition risks and opportunities influence capital strategy and investments* is intended to facilitate the disclosure of narrative information that would provide context to the quantitative information disclosed when applying the proposed new metrics IF-EU-110a.5 and IF-EU-110a.6 and would provide entities with industry-specific guidance for applying the requirements in IFRS S2. The proposed metric also provides narrative information about entities that perform other activities within the industry, responding to user interest in this information. For example, the metric would facilitate disclosure of information about:

(a) how an entity has developed investment and retirement plans in relation to its planned capacity, to understand how related risks and opportunities influence its decision-making;

(b) how an entity will procure low-carbon electricity to resell to end-users, to understand how related risks and opportunities influence its strategy;

(c) any greenhouse gas emissions targets an entity has set and targets it is required to meet by law or regulation; and

(d) any climate-related transition plan an entity has, to understand how it plans to achieve the greenhouse gas emissions targets it has set or is required to meet.

BC154 The proposed amendments would remove metric IF-EU-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* because it duplicates information captured by proposed new metric IF-EU-110a.7. Although the ISSB proposed amendments to metrics similar to IF-EU-110a.3 for other SASB Standards in the July 2025 Exposure Draft, in the ISSB's view, information disclosed in accordance with proposed metric IF-EU-110a.7 would better meet users' need for industry-specific information.

32 The Climate Registry, *Electric Power Sector Protocol*, 2009, https://theclimateregistry.org/wp-content/uploads/2022/11/Protocol_062509.pdf.

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BC155 In developing the proposed metrics IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage* and IF-EU-110a.7 *Description of how climate-related transition risks and opportunities influence capital strategy and investments*, the ISSB acknowledged the connections between the information required in these metrics and information required by IFRS Accounting Standards.[33] Information about an entity's planned capacity and how climate-related transition risks and opportunities influence its capital strategy and investments is intended to complement information in the related financial statements. For an entity applying IFRS Accounting Standards, related information in the financial statements could include information about:

(a) capital expenditure, provided in accordance with IAS 16 *Property, Plant and Equipment*. For example, the amount of contractual commitments for the acquisition of property, plant and equipment disclosed in the financial statements could include an amount related to the acquisition of generation assets included in the entity's planned capacity for electricity generation disclosed in the sustainability-related financial disclosures in accordance with the proposed metric IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*.

(b) non-current assets held for sale, provided in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. For example, the amount of assets held for sale presented in the financial statements could include an amount related to the planned sale of a coal-fired generation facility. The planned sale of this asset could be reflected in the entity's planned capacity in the sustainability-related financial disclosures in accordance with the proposed metric IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*.

(c) asset decommissioning obligations, provided in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. For example, the amount of an asset decommissioning obligation related to the retirement of a coal-fired power plant by a specified future date as required by law or regulation would be recognised as a provision in the financial statements and the entity would disclose information about it. The planned retirement of the power plant could be reflected in the entity's planned capacity in the sustainability-related financial disclosures in accordance with the proposed metric IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*.

Air quality

BC156 The Air Quality disclosure topic provides information about emissions of air pollutants, which can have significant localised human health and environmental impacts and are often strictly regulated, posing regulatory risks to entities in the industry. The proposed amendments to metric

33 Entities applying IFRS Sustainability Disclosure Standards (and SASB Standards) may apply IFRS Accounting Standards or other generally accepted accounting principles or practices (GAAP).

IF-EU-120a.1 *Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) particulate matter (PM_{10}), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC62-BC64 and BC122-BC123 of the July 2025 Basis for Conclusions). Specifically, the proposed amendments:

(a) respond to initial user feedback that disaggregating lead and mercury pollution may provide too much detail to be useful information;

(b) respond to initial user demand for information about emissions of both $PM_{2.5}$ and PM_{10}; and

(c) match the air pollutant categories with the broader, simpler set of pollutant categories provided in *GRI 305: Emissions 2016*, in particular 'Disclosure 305-7: Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions'.

Water management

BC157 The Water Management disclosure topic provides information about entities' access to water and how they manage related risks, given the substantial use of water by some types of electricity generation as well as lower availability and quality of water because of climate change, regulation and competition. The proposed amendments to these metrics align them with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC69–BC72 of the July 2025 Basis for Conclusions). The topic summary would also be updated to reflect the proposed amendments to the metrics.

Coal ash management

BC158 The Coal Ash Management disclosure topic provides information about how an entity manages the coal ash produced by coal-fired electricity generation, which can be a substantial source of hazardous waste because it contains heavy metal contaminants that can affect human health and the surrounding environment, posing regulatory and legal risks to entities.

BC159 While the risks and opportunities associated with coal ash management are generally well understood by stakeholders, research and initial feedback suggest that other types of hazardous waste generated by entities in the Electric Utilities & Power Generators industry could also reasonably be expected to affect these entities' prospects. Additional hazardous waste streams include spent nuclear fuel, polychlorinated biphenyls (PCBs) in transformers and spent batteries used in energy storage systems. These hazards can lead to incidents if inadequately managed, which can result in regulatory, litigation and remediation costs. Stakeholders, including users, suggested broadening the disclosure topic's scope to better account for the transition to and development of a diverse mix of energy sources in the industry and the range of activities included in the industry's value chain.

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BC160 The proposed amendments would:

(a) revise the scope of the Coal Ash Management disclosure topic and rename it Hazardous Waste Management, as well as revise the topic summary to reflect this proposed amendment and expanded scope of disclosure.

(b) replace metric IF-EU-150a.1 *(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled* with metric IF-EU-150a.4 *(1) Hazardous waste generated, (2) hazardous waste stored and (3) hazardous waste recycled*. Stakeholders emphasised the usefulness of entities disclosing information about both hazardous waste generated and hazardous waste stored, because an entity may generate a small amount of hazardous waste during the reporting period but store a large amount of it from previous years.

(c) replace metric IF-EU-150a.3 *Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations* with metric IF-EU-150a.6 *Hazardous waste management policies and procedures for active and inactive operations* to reflect the expanded topic scope.

(d) add metric IF-EU-150a.5 *Number of significant incidents associated with hazardous waste management* to provide users with an understanding of performance in relation to associated regulatory and legal risks, as well as potential remediation costs.

BC161 The proposed amendments to the metrics draw upon some of the metrics included in the July 2025 Exposure Draft (specifically, proposed amendments to the *Coal Operations* SASB Standard and the *Metals & Mining* SASB Standard) to provide decision-useful quantitative and narrative information that produces comparable disclosures between industries.

BC162 Because coal ash management is relevant to the Electric Utilities & Power Generators industry, the proposed technical protocols in metrics IF-EU-150a.4 and IF-EU-150a.6 provide guidance on disaggregating specific information about coal combustion products when applicable.[34] Similarly, these metrics provide guidance on disaggregating radioactive waste because of its unique risks, opportunities and regulatory paradigm.

Ecological impacts

BC163 The proposed amendments would add a new disclosure topic, Ecological Impacts, and three associated metrics to the *Electric Utilities & Power Generators* SASB Standard in response to initial feedback from preparers and users that the related risks and opportunities could reasonably be expected to affect the prospects of entities in the industry. Activities of entities in the industry, such as the generation and transmission of electricity, can affect various aspects of the natural environment. Furthermore, the industry's physical footprint is expected to grow to meet increasing electricity demand and to facilitate the transition to more diverse energy sources. These factors can pose regulatory,

34 The definition of 'coal combustion products' is adapted from the World Wide Coal Combustion Products Network's definition, http://www.wwccpn.org/ccp_basics.html.

legal and reputational risks for entities, such as fines or penalties for violations of environmental regulations, and can disrupt or postpone operations. For example, the development of new projects, including any necessary permitting, in or near environmentally sensitive locations may increase project costs or cause delays. To mitigate the regulatory, legal, operational and reputational risks associated with this topic, entities can implement environmental management plans—for example, to mitigate the impacts on birds from transmission lines or wind turbines.

BC164 The proposed amendments would add metrics:

(a) IF-EU-160a.1 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored* to provide information about an entity's physical operational footprint and the extent to which it has disturbed or restored the natural environment.

(b) IF-EU-160a.2 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations* to provide information about an entity's potential exposure to risks related to operating in or near environmentally sensitive areas.

(c) IF-EU-160a.3 *Description of environmental management policies and practices for operational facilities* to provide narrative information about how an entity manages the associated risks and opportunities. The metric also provides information about whether an entity has different management policies and practices for different activities, locations or types of operation. For example, a hydropower dam that affects a riparian ecosystem can have a distinct set of risks and opportunities compared to a transmission line that affects a specific type of terrestrial ecosystem.

BC165 The proposed metrics are consistent with the proposed new metrics in the July 2025 Exposure Draft, which consider the TNFD recommendations, as appropriate, to meet users' information needs. Information about these proposed amendments is included in paragraphs BC73–BC75 of the July 2025 Basis for Conclusions. The proposed metrics support comparability between industries, specifically the Coal Operations, Construction Materials, Metals & Mining, Oil & Gas – Exploration & Production and Oil & Gas – Midstream industries.

Community relations and rights of Indigenous Peoples

BC166 The proposed amendments add a new disclosure topic, Community Relations & Rights of Indigenous Peoples, and four associated metrics to the industry based on initial feedback from preparers and users that the related risks and opportunities could reasonably be expected to affect the prospects of entities in the industry. Activities associated with the Electric Utilities & Power Generators industry can affect the communities and traditional landholders close to their operations, which can pose legal, regulatory and reputational risks and can disrupt or postpone operations. A new project can face delays if communities or traditional landholders oppose its development, for example, due to concerns about public health and safety, real estate values or

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environmental degradation. Entities that proactively engage with Indigenous Peoples and local communities may be better positioned to mitigate regulatory, legal, operational and reputational risks associated with this topic and pursue related opportunities.

BC167 The proposed amendments would add metrics:

(a) IF-EU-210a.1 *Processes used to manage risks and opportunities associated with community rights and interests* and IF-EU-210a.4 *Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights* to provide information about how entities manage risks and opportunities associated with community and Indigenous rights through governance, strategy and risk management processes. Stakeholders, including users, emphasised the usefulness of narrative information about this topic as it relates to an entity's processes and practices, and particularly to due diligence practices.

(b) IF-EU-210a.2 *(1) Number of non-technical delays and (2) the total days idle* and IF-EU-210a.3 *Percentage of operations in or near Indigenous Peoples' land* to provide information about how an entity's activities—largely through its physical infrastructure footprint, expected growth to meet increasing demand for electricity and transition to more diverse energy sources—can pose regulatory, legal, operational and reputational risks to the entity.

BC168 The proposed amendments align with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC83–BC85 of the July 2025 Basis for Conclusions).

Energy affordability

BC169 The Energy Affordability disclosure topic provides information about how an entity manages the cost of electricity for end-users, which can expose the entity to financial and regulatory risks. Rising expenditures to mitigate climate-related risks can lead to higher consumer costs, heightening public concern about energy affordability that can erode an entity's revenue collection and investment capabilities. Managing affordability through efficient operations and collaboration with stakeholders, including end-users, regulators and policymakers, on rate structures and affordability assistance can support customer retention and revenue growth, thereby creating further investment opportunities.

BC170 The proposed amendments would:

(a) revise the topic summary to better describe the risks and opportunities related to energy affordability.

(b) remove metrics IF-EU-240a.1 *Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers*, IF-EU-240a.3 *(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days* and IF-EU-240a.4 *Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory* based on initial stakeholder feedback that the

metrics do not capture a sufficiently broad variety of related risks and opportunities and the strategies used to manage them. For example, customer electric disconnections are seasonally prohibited in some jurisdictions, so focusing on disconnections alone would result in an incomplete understanding of how entities manage the related risks and opportunities.

(c) add metric IF-EU-240a.5 *Description of energy affordability-related risks and opportunities and strategies to manage them* to respond to initial stakeholder demand, especially from users, for information that provides a more complete understanding of the different strategies that entities use to manage risks and opportunities related to energy affordability and how they plan to fund such strategies.

(d) add metric IF-EU-240a.6 *(1) Number of active participants and (2) number of eligible participants in energy affordability-related actions or programmes, disaggregated by (a) residential, (b) commercial and (c) industrial participants* to provide quantitative information about an entity's use of energy affordability programmes and related actions.[35]

BC171 In developing the proposed amendments to the Energy Affordability disclosure topic included in the *Electric Utilities & Power Generators* SASB Standard, the ISSB considered the International Accounting Standards Board's forthcoming IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities* (forthcoming IFRS Accounting Standard).[36]

BC172 Both the *Electric Utilities & Power Generators* SASB Standard and the forthcoming IFRS Accounting Standard include requirements for entities subject to rate regulation. Rate regulation is a form of regulation that sets the regulated rates (sometimes called the prices or tariffs) that entities can charge customers for goods or services. However, the scopes of the *Electric Utilities & Power Generators* SASB Standard and forthcoming IFRS Accounting Standard differ. The *Electric Utilities & Power Generators* SASB Standard is primarily intended for entities in a specific industry—electric utilities and power generators—in which entities might be subject to rate regulation. The forthcoming IFRS Accounting Standard applies to entities that are subject to a specific type of rate regulation, regardless of their industry.

BC173 The forthcoming IFRS Accounting Standard applies to rate regulation that creates differences in timing—when compensation for regulatory goods or services supplied in a period is included in the regulated rates charged to customers in a different period. The objective of the forthcoming IFRS Accounting Standard is to require an entity to provide information to users of financial statements about the effect of differences in timing on the entity's statement of financial position and financial performance. It does so by setting out requirements for the recognition, measurement, presentation and

35 While the proposed new metrics associated with this topic are similar in approach to those in the End-Use Efficiency & Demand disclosure topic, the related risks and opportunities are unique, as the Energy Affordability topic focuses on electricity costs and the End-Use Efficiency & Demand disclosure topic focuses on the amount of electricity demand.

36 Entities applying IFRS Sustainability Disclosure Standards (and SASB Standards) may apply IFRS Accounting Standards or other generally accepted accounting principles or practices (GAAP).

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disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

BC174 The *Electric Utilities & Power Generators* SASB Standard includes proposed new metric IF-EU-240a.5 *Description of energy affordability-related risks and opportunities and strategies to manage them*, which has a disclosure requirement focused on qualitative information about an entity's interactions with regulators, regulatory agencies, utility commissions, legislators and policymakers. This information is intended to complement information about an entity's regulatory assets, regulatory liabilities, regulatory income and regulatory expense that would result from the entity applying the forthcoming IFRS Accounting Standard.

Workforce health and safety

BC175 The Workforce Health & Safety disclosure topic provides information about how an entity manages the risks its workforce faces when performing tasks such as constructing and maintaining electric transmission and distribution lines or ensuring the operation of electric generation equipment. The proposed amendments to the topic summary would reflect the proposed amendments to the metrics.

BC176 The proposed amendments to metric IF-EU-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* would align it with proposed amendments to similar metrics in the July 2025 Exposure Draft (see paragraphs BC91–BC95 of the July 2025 Basis for Conclusions).

BC177 The proposed amendments would add metric IF-EU-320a.2 *Description of management systems used to foster a safe working environment* to provide narrative information about an entity's workforce health and safety management systems. Research and initial feedback suggested this will capture decision-useful information such as an entity's use of leading indicators to monitor and manage its safety performance, and its use of safety training to mitigate the risk of workplace accidents. This information will complement quantitative information provided by an entity applying the proposed amendments to metric IF-EU-320a.1.

Employee recruitment, development and retention

BC178 The proposed amendments would add the Employee Recruitment, Development & Retention disclosure topic and associated metrics to the *Electric Utilities & Power Generators* SASB Standard. The proposed disclosure topic provides information about how an entity manages potential labour and skill shortages in occupations that are important for the entity's prospects, such as engineers, critical infrastructure field staff, and digital and cybersecurity staff. Recruiting and retaining a highly skilled workforce is crucial to ensuring operational continuity and executing grid expansion or modernisation and climate-related transition plans in the industry.

BC179 The ISSB's research and initial stakeholder feedback suggest that labour and skills shortages in this industry can pose operational risks to entities, such as infrastructure failure, cybersecurity risks, supply chain disruption, project delays and increasing recruitment costs, which could reasonably be expected to affect an entity's prospects.

BC180 The proposed amendments would also:

(a) add metric IF-EU-330a.1 *Description of employee recruitment, development and retention-related risks and opportunities and strategies to manage them*, to provide information about an entity's identification, oversight and monitoring of related risks and opportunities, as well as its approach to ensuring it can recruit enough employees with the required skills.

(b) add metric IF-EU-330a.2 *(1) Voluntary and (2) involuntary employee turnover rate for (a) all employees and (b) occupational categories with a skill shortage*. Voluntary turnover rates are an indicator of the effectiveness of retention strategies and of potential labour or skills shortages. Involuntary turnover rates provide information about an entity's exposure to risks associated with employee layoffs and its approach to re- and up-skilling, both of which are relevant in the context of the energy transition.

BC181 Occupational categories are deemed to have a skill shortage if the entity's prospects could reasonably be expected to be affected by having fewer employees in that category than necessary. The ISSB discussed whether to specify the occupational categories in the metric (for example, by disaggregating a category for digital and cybersecurity staff). However, while research found that some entities are experiencing, or expect to experience, labour or skill shortages for specific occupational categories, stakeholders suggested that requiring entities to identify and define the relevant categories of occupation would better meet users' information needs. This approach ensures that the metrics can be applied by entities throughout the industry regardless of the segment(s) in which they operate and remain relevant as the industry's labour and skill needs evolve over time.

BC182 The proposed addition of this disclosure topic and associated metrics has been informed by the ISSB's research project on human capital, including users' stated information needs on the topic.

End-use efficiency and demand

BC183 The End-Use Efficiency & Demand disclosure topic provides information about how an entity manages electricity demand and associated greenhouse gas emissions through end-use efficiency. The metrics provide information about the deployment of smart grid technology and how much electricity end-users save through efficiency measures. End-use efficiency gives entities in the Electric Utilities & Power Generators industry an opportunity to reduce their operating costs through lower demand for electricity.

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BC184 Initial stakeholder feedback suggested that the current framing of the disclosure topic is too narrow, because end-use efficiency is one of a variety of strategies that can be pursued in the broader context of demand-side management. For example, entities may also use strategies related to demand response or load management and deploy technology such as smart meters or distribution grid management.

BC185 The proposed amendments would:

(a) revise the scope of the disclosure topic End-Use Efficiency & Demand, rename it Demand-side Management and make corresponding amendments to the topic summary, such as describing how balancing the demand for and supply of electricity is becoming more relevant over time, in part, because of the dependency of major renewable energy sources on nature and the growth in these energy sources and distributed energy resources more broadly.

(b) remove metrics IF-EU-420a.2 *Percentage of electric load served by smart grid technology* and IF-EU-420a.3 *Customer electricity savings from efficiency measures, by market* in response to initial feedback that the current metrics provide incomplete information about the topic due to their focus on a specific type of strategy.

(c) add metric IF-EU-420a.4 *Description of demand-side management-related risks and opportunities and strategies to manage them, including any targets set to monitor progress* to provide users with a more complete understanding of the different strategies that entities employ to manage risks and opportunities related to demand-side management and how they plan to fund such strategies.

(d) add metric IF-EU-420a.5 *(1) Number of active participants and (2) number of eligible participants in demand-side management-related actions or programmes, disaggregated by (a) residential, (b) commercial and (c) industrial participants* to provide information about the actions taken or programmes used by entities, alongside information about how entities are approaching these programmes for various end-user segments (with various needs).

(e) add metric IF-EU-420a.6 *Peak demand savings from demand-side management strategies* to provide quantitative information about the effectiveness of the various strategies an entity is pursuing.

Supply chain management

BC186 The proposed amendments would add a new disclosure topic, Supply Chain Management, and two associated metrics to the *Electric Utilities & Power Generators* SASB Standard. The proposed disclosure topic provides information about how entities manage supply chain risks arising from sustainability-related issues as the industry grows and transitions to meet increasing demand for lower-carbon electricity. The need to meet increasing demand for electricity means entities in the industry are competing for scarce critical materials and equipment, not only within their industry but also with entities in other industries as they modernise their operations.

BC187 Preparers and users emphasised how critical component and equipment scarcity—such as for transformers, circuit breakers or smart meters—can be a bottleneck to an entity's maintenance, growth and transition plans, and can affect the reliability of the supply of electricity. Material and equipment scarcity also exposes entities to supply chain risks arising from sustainability-related issues through the concentration of critical materials, some of which are in regions that have limited governance and regulatory structures or are subject to geopolitical tensions. These risks can arise from issues such as labour conditions, nature-related dependencies and impacts, and ethics, leading to delays in an entity's growth and transition plans and increased operating costs. Mitigation of these risks can be achieved through supply chain management processes, such as how an entity screens, monitors and engages with its suppliers.

BC188 The proposed amendments would add metrics:

(a) IF-EU-430a.1 *Description of the process to manage supply chain risks arising from sustainability-related issues* to provide narrative information about how an entity manages supply chain risks, such as codes of conduct and audits; and

(b) IF-EU-430a.2 *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* to provide quantitative information about how an entity manages social supply chain risks through its use of independent third-party audits or verifications and corrective actions taken for instances of non-conformance.

BC189 The proposed amendments align with proposed amendments to similar metrics in the July 2025 Exposure Draft to the Supply Chain Management disclosure topic (see paragraphs BC98 and BC159(c) of the July 2025 Basis for Conclusions).

Nuclear safety and emergency management

BC190 The Nuclear Safety & Emergency Management disclosure topic provides information about how an entity that generates electricity from a nuclear power plant manages the risks associated with a potentially severe nuclear accident, which could lead to regulatory and legal costs and even the loss of an entity's social licence to operate.

BC191 While acknowledging the importance of nuclear safety to the Electric Utilities & Power Generators industry, stakeholders suggested that entities that do not operate nuclear power plants also face a broad range of critical incidents that could reasonably be expected to affect their prospects. Critical incidents such as hydropower dam breaches, gas-fired power plant explosions, earthquakes and wildfires can not only damage critical infrastructure, disrupt operations and lead to prolonged electric supply outages; they can also affect the health and safety of surrounding communities, as well as degrade the surrounding environment. The effects of these critical incidents can result in substantial legal, regulatory and remediation costs. Stakeholders, supported by research, advocated broadening the scope of this topic to extend its relevance to more

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industry activities and provide users with a more complete understanding of the related risks and opportunities.

BC192 The proposed amendments would:

(a) revise the scope of the topic Nuclear Safety & Emergency Management and rename it Critical Incident Risk Management, as well as revise the topic summary to reflect this proposed amendment;

(b) revise metric IF-EU-540a.1 *Total number of nuclear power units, broken down by results of most recent independent safety review* to focus on safety reviews conducted by jurisdictional national regulatory safety authorities; and

(c) replace metric IF-EU-540a.2 *Description of efforts to manage nuclear safety and emergency preparedness* with metric IF-EU-540a.3 *Description of management systems used to identify and mitigate serious accidents* to reflect the revised disclosure topic scope.

BC193 The proposed new metric IF-EU-540a.3 includes some of the technical protocols from metric IF-EU-540a.2 to continue to provide information on how an entity manages nuclear safety and emergency preparedness. The proposed metric IF-EU-540a.3 also draws upon the proposed amendments to metric EM-EP-540a.2 *Description of management systems used to identify and mitigate catastrophic and tail-end risks*, enhancing comparability between industries.

Grid resiliency

BC194 The Grid Resiliency disclosure topic provides information about how entities in the industry, especially those focused on T&D, can be affected by a variety of risks to the resiliency of the electrical grid, ranging from extreme weather events to cybersecurity attacks that can disrupt the supply of electricity. The central role that electricity plays in the economy and in society means that these disruptions pose systemic risks to most if not all sectors. Major disruptions to the supply of electricity can affect an entity's prospects through a loss of revenue, additional operating costs and capital expenditures.

BC195 The proposed amendments would:

(a) rename the disclosure topic from Grid Resiliency to Operational Resilience & System Reliability and revise the topic summary to better reflect the proposed amendments to the metrics, which respond to initial stakeholder feedback requesting additional information about the reliability of the electrical power system alongside existing information about its resilience.

(b) revise metric IF-EU-550a.1 *Number of incidents of non-compliance with physical or cybersecurity standards or regulations* in response to initial stakeholder feedback that information about the number of cybersecurity incidents is more useful than information about incidents of non-compliance with related standards or regulations. The ISSB acknowledges that some jurisdictions said that information about cybersecurity incidents could be sensitive based on national security concerns. The metric is intended to be compatible with jurisdictional requirements on the disclosure of cybersecurity incidents. The ISSB

also notes that the Exposure Draft is based on the assumption that the SASB Standards are being applied with IFRS Sustainability Disclosure Standards and that paragraph 73 of IFRS S1 'relieves an entity from disclosing information otherwise required by an IFRS Sustainability Disclosure Standard if law or regulation prohibits the entity from disclosing that information'.

(c) revise metric IF-EU-550a.2 *(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days*. The proposed amendment provides guidance to disclose SAIDI, SAIFI and CAIDI both including and excluding major event days, responding to initial user feedback that the information is useful and more complete.

(d) move the disclosure requirement in the note to metric IF-EU-550a.2, which requests disclosure of 'notable service disruptions', to proposed new metric IF-EU-550a.5 *Description of strategies to manage operational resilience and system reliability-related risks and opportunities, including any targets set to monitor progress*, consolidating narrative disclosure requirements into a single metric.

(e) add metric IF-EU-550a.3 *Average availability factor for generation assets* in response to initial stakeholder feedback that specific information about generation assets will provide a more comprehensive set of quantitative data on this topic. The average availability factor would be complementary to the information disclosed when applying metric IF-EU-550a.2, which is more relevant to T&D activities.

(f) add metric IF-EU-550a.4 *Amount and percentage of assets vulnerable to climate-related physical risks, disaggregated by industry asset type and climate-related physical risk* to provide industry-specific guidance that complements the requirements of IFRS S2. Specifically, this metric is an industry-specific application of the cross-industry metric in paragraph 29(c) of IFRS S2 on climate-related physical risks. Disaggregating by generation, transmission and distribution assets helps users understand how climate-related physical risks can affect different asset types—for example, how changes in wind patterns can affect wind-powered generation compared to increasingly severe storms for T&D activities.

(g) add metric IF-EU-550a.5 *Description of strategies to manage operational resilience and system reliability-related risks and opportunities, including any targets set to monitor progress* in response to initial user feedback emphasising the importance of information about an entity's strategies and related investments in the resilience of its assets to climate-related physical risks, cybersecurity-related risks and other types of systemic-related risks to the electrical power system. The proposed new metric provides users with narrative information that, combined with the quantitative information in other proposed amendments, sets out a more complete set of information about an

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entity's performance in relation to the risks and opportunities described in the disclosure topic. The metric also includes disclosure requirements on related targets set by entities in alignment with the requirements in IFRS S1 and IFRS S2.

Proposed amendments to the IFRS S2 industry-based guidance

BC196 In the Exposure Draft, the ISSB proposes consequential amendments to the industry descriptions, disclosure topics and associated metrics in the IFRS S2 industry-based guidance to maintain alignment with the climate-related content in the three prioritised SASB Standards. This proposal is consistent with the proposal in the Exposure Draft *Proposed Amendments to the* Industry-based Guidance on Implementing IFRS S2, published alongside the July 2025 Exposure Draft of proposed amendments to the SASB Standards.[37]

BC197 In the ISSB's view, it is important that the IFRS S2 industry-based guidance and the climate-related content in the SASB Standards remain aligned, as explained in paragraphs BC11–BC14 of the Exposure Draft *Basis for Conclusions on Proposed Amendments to the* Industry-based Guidance on Implementing IFRS S2.[38] Specifically, misalignment would be contrary to the ISSB's objective of simplifying the reporting landscape and could lead to confusion and increased costs for preparers. Misalignment could also negatively affect users due to a lack of comparability between the climate-related disclosures of preparers that use the SASB Standards as a standalone resource and those of preparers that apply IFRS S2.

Effective date

BC198 The ISSB proposes to set an effective date for the amendments to the SASB Standards 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, so preparers might need time to adjust their internal controls and processes;

(c) jurisdictions that refer to the SASB Standards, particularly those that refer to translations, need time to prepare for the application of the proposed amendments; and

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

37 The Exposure Draft *Proposed Amendments to the* Industry-based Guidance on Implementing IFRS S2, published in July 2025, can be accessed at: https://www.ifrs.org/content/dam/ifrs/project/amendments-ifrs-s2-industry-based-guidance/issb-ed-2025-2-s2-ibg.pdf.

38 The Exposure Draft *Basis for Conclusions on Proposed Amendments to the* Industry-based Guidance on Implementing IFRS S2, published in July 2025, can be accessed at: https://www.ifrs.org/content/dam/ifrs/project/amendments-ifrs-s2-industry-based-guidance/issb-ed-2025-2-bc-s2-ibg.pdf.

BC199 The ISSB will decide the effective date of the amendments after considering feedback on the proposed amendments.

Next steps

BC200 Further enhancements to the SASB Standards will be informed by the comments received on the Exposure Draft, comments received on the July 2025 Exposure Draft, the outcomes of the ISSB's projects on nature-related disclosures 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.

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Alternative View of Dr Richard Barker on Exposure Draft *Proposed Amendments to the SASB Standards and the IFRS S2 Industry-based Guidance*

AV1 Richard Barker voted against the ratification of the Exposure Draft. In his view, the proposed amendments to the *Meat, Poultry & Dairy* SASB Standard would not improve sustainability-related financial reporting.

AV2 Dr Barker's view is set out in four sections:

(a) the first section provides an overview of the Meat, Poultry & Dairy industry's dependencies and impacts;

(b) the second section summarises how sustainability-related risks and opportunities arise from the industry's dependencies and impacts;

(c) the third section sets out the limitations of the Exposure Draft by evaluating the first two sections; and

(d) the fourth section concludes with an explanation of why these limitations constitute grounds for dissenting from the Exposure Draft.

AV3 As a matter of record, Dr Barker reiterates his strong support for industry-based standards and guidance, in particular for their role in capturing variation in sustainability-related material information across business models.

Dependencies and impacts

AV4 The inextricable links between cash flow generation over the short, medium and long term and interactions with stakeholders, society, the economy and the natural environment, throughout the value chain, are particularly strong for entities in the Meat, Poultry & Dairy industry (see paragraph 2 of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*).

AV5 The dependencies and impacts from these inextricable links can be illustrated with respect to the industry's greenhouse gas emissions, freshwater use and land use.

AV6 The global food system accounts for around 25% of global greenhouse gas emissions.[39] In the absence of mitigation, the global food system alone would account for the remaining carbon budget set out in the Paris Agreement for 1.5°C and probably also for 2°C of warming.[40] Yet, greenhouse gas emissions in the sector are expected to increase by 30%–40% by 2050.[41] Methane has a global warming potential over a 20-year period more than 80 times that of

39 This figure is a conservative estimate because it sits within the range for 100-year global warming potential, GWP100 (around 20–25%), but below that for GWP20 (35–45%). While GWP100 is used in the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2004), GWP20 is a more effective indicator of the global cooling effect from reducing methane emissions.

40 MA Clark, NGG Domingo, K Colgan, SK Thakrar, D Tilman, J Lynch, IL Azevedo, JD Hill, 'Global food system emissions could preclude achieving the 1.5° and 2°C climate change targets', *Science*, vol 370, no 6517, November 2020, 10.1126/science.aba7357, pages 705–708.

41 Intergovernmental Panel on Climate Change, *Climate Change and Land: An IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems*, 2019, page 440.

carbon dioxide.[42] Livestock farming is the largest source of global methane emissions, at 32% of the total.[43] Emissions from entities in the Meat, Poultry & Dairy industry are mostly upstream Scope 3 emissions.

AV7 Agriculture accounts for 70% of global freshwater consumption.[44] Of that amount, around 40% is used for livestock.[45] Current projections for water consumption in agriculture would require an increase of 10% by 2050.[46] Yet water scarcity is increasing.[47] The industry's vulnerability to water scarcity is high in Brazil, northern China and the south-western US, the three largest beef-producing regions globally, all of which have high levels of water stress.[48] Water is not only an issue of dependency but also of impact, because the industry is a leading source of water pollution globally.[49] As with greenhouse gas emissions, water dependencies and impacts mostly arise outside direct operations, elsewhere in the value chain.

AV8 Around 45% of total habitable land worldwide is agricultural, of which 80% is used for livestock.[50] As land use for livestock has expanded, forest cover has decreased—around 50% of global tropical deforestation is caused by beef production and animal feed.[51] The Kunming–Montreal Global Biodiversity Framework (GBF) recognises the threat to economic stability and growth from these trends.[52] The framework's target is to halt and reverse nature loss by 2030.[53] These land use pressures are predominantly upstream for entities in the Meat, Poultry & Dairy industry.

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42 See the International Energy Agency's *Understanding methane emissions – Global Methane Tracker*, available at https://www.iea.org/reports/global-methane-tracker-2024/understanding-methane-emissions.

43 United Nations Environment Programme and Climate and Clean Air Coalition, *Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions*, 2021, page 27.

44 United Nations Educational, Scientific and Cultural Organization, *The United Nations World Water Development Report 2024: water for prosperity and peace*, 2024, page 1.

45 J Heinke, M Lannerstad, D Gerten, P Havlík, M Herrero, AMO Notenbaert, H Hoff, C Müller, 'Water use in global livestock production—Opportunities and constraints for increasing water productivity', *Water Resources Research*, vol 56, no 12, November 2020, 10.1029/2019WR026995, unpaginated.

46 Food and Agriculture Organization, *The state of the world's land and water resources for food and agriculture (SOLAW) – Managing systems at risk*, 2011, page 8.

47 See the World Bank's chart 'Annual freshwater withdrawals, agriculture (% of total freshwater withdrawal)', available at https://data.worldbank.org/indicator/er.h2o.fwag.zs.

48 MJ Lathuillière, R Flach, L Wang-Erlandsson, V Ribeiro, EKHJ zu Ermgassen, CM Souza Jr, 'International reliance on Brazil's water through soy and beef supply chains', *Communications Earth & Environment*, vol 6, no 688, August 2025, 10.1038/s43247-025-00835-0, unpaginated.

49 J Poore, T Nemecek, 'Reducing food's environmental impacts through producers and consumers', *Science*, vol 360, no 6392, 2018, 10.1126/science.aaq0216, pages 987–992. Food and Agriculture Organization, International Water Management Institute, *More People, More Food, Worse Water? A Global Review of Water Pollution from Agriculture*, 2018.

50 H Ritchie, M Roser, 'Half of the world's habitable land is used for agriculture', 2024, available at https://archive.ourworldindata.org/20251125-173858/global-land-for-agriculture.html.

51 F Pendrill, UM Persson, J Godar, T Kastner, D Moran, S Schmidt, R Wood, 'Agricultural and forestry trade drives a large share of tropical deforestation emissions', *Global Environmental Change*, vol 56, 2019, 10.1016/j.gloenvcha.2019.03.002, pages 1–10.

52 The Kunming–Montreal Global Biodiversity Framework is available at https://www.cbd.int/gbf.

53 JW Bull, I Taylor, A de Valença, R IJspeert, B van Erve, P Modernel, JAC Poore, 'Towards positive net outcomes for biodiversity, and developing safeguards to accompany headline biodiversity indicators', *npj biodiversity*, vol 4, no 31, August 2025, 10.1038/s44185-025-00095-5, unpaginated.

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Sustainability-related risks and opportunities

AV9 In Dr Barker's view, these dependencies and impacts lead to sustainability-related risks and opportunities for entities in the Meat, Poultry & Dairy industry. The Exposure Draft illustrates these in referring to, for example, potential 'higher operating costs, reduced production capacity, or revenue loss' relating to water use, and the potential effect of physical risks on the 'price and quantity of (sourced livestock and animal feed) supply over the short, medium or long term'. Taking the example of water usage, which is an increasingly scarce and contested resource on which entities in the industry are heavily dependent, primary users need to understand how the industry's water demands will be met in the short, medium and long term, with what level of risk and with what implications for future operating costs.

AV10 Physical risks and resource constraints can also give rise to opportunities because they imply scope to improve efficiency and create value. The potential opportunity for disruptive innovation, and the corresponding risk to business-as-usual business models, is illustrated by the inefficiency that the 80% of agricultural land used for livestock provides only around 37% protein and 18% of the calories consumed by humans globally.[54] Potential opportunities are also illustrated by the fact that natural resource usage for dairy milk is considerably greater than for non-dairy alternatives, requiring 600 litres more freshwater and 14 times more land than soy-based alternatives, and causing three times as many greenhouse gas emissions and ten times the level of water pollution from the runoff of nutrients.[55]

AV11 As set out in IFRS S2 *Climate-related Disclosures* and the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), current and prospective physical risks and resource constraints can trigger transition risks. Some of these risks might be associated with current regulation (or other policy) that potentially affects operating costs, such as the Global Methane Pledge.[56] With respect to land use, regulation associated with the GBF is emerging in the EU Nature Restoration Law (2024) and China's ongoing revision of its Environmental Code, while the EU's Farm to Fork strategy targets the entire value chain, aiming for 50% reduction in the use of pesticides, 20% reduction in fertiliser use and 50% reduction in nutrient losses.[57] Transition risks can also take the form of litigation, for example over 'climate friendly' product claims or phosphorus pollution in waterways.

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54 J Poore, T Nemecek, 'Reducing food's environmental impacts through producers and consumers', *Science*, vol 360, no 6392, 2018, 10.1126/science.aaq0216, pages 987–992. In Dr Barker's view, the Exposure Draft also raises an issue of the costs and benefits of animal welfare initiatives—for example, the fact that low-stocking densities enhance animal welfare but reduce efficiency of land use. In his view, this fact further suggests that livestock farming is inefficient because, for example, protein per acre would be lower still if entities chose to operate with lower stocking densities.

55 J Poore, T Nemecek, 'Reducing food's environmental impacts through producers and consumers', *Science*, vol 360, no 6392, 2018, 10.1126/science.aaq0216, pages 987–992.

56 The Global Methane Pledge is available at https://www.globalmethanepledge.org/#about.

57 The EU's Farm to Fork strategy is available at https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en.

AV12 Exposure to transition risk does not depend only upon the presence of current or proximate regulation or litigation. IFRS S1 instead requires entities to disclose information about all sustainability-related risks (and opportunities) that could reasonably be expected to affect an entity's prospects over the short, medium or long term. The Meat, Poultry & Dairy industry is unusually exposed to such transition risks because of the scale of its dependencies and impacts. Information about transition risk could therefore potentially provide useful information to primary users, for example, by reconciling entities' assumptions about continued growth in livestock output with tightening carbon, water and land constraints.[58] As illustrated by the case of the Netherlands (which is Europe's largest meat exporter), under business-as-usual livestock trajectories, combinations of carbon budgets aligned with the Paris Agreement, biodiversity targets such as the GBF, and regional nitrogen and water caps cannot all be met simultaneously, such that some form of structural transition is required in addition to incremental efficiency gains.[59]

AV13 Issues of risk exposure are greater still when considering both physical and transition risks. This industry is particularly exposed to a combination of climate- and nature-related risks and opportunities, especially if it is to meet its expected rates of growth. Because the Paris Agreement climate targets require the food system's greenhouse gas emissions to decrease, an incomplete or inaccurate assessment of the industry's transition risk and mitigation planning could increase physical risks faced by entities, such as those from water stress and extreme weather.

AV14 The Meat, Poultry & Dairy industry's dependencies and impacts, and resulting sustainability-related risks and opportunities, are commonly concentrated upstream. These indirect activities are particularly high in relation not only to direct dependencies and impacts, but also in relation to the aggregate greenhouse gas emissions, freshwater use and land use of the global economy as a whole. For example, emissions from animal feed production and raising livestock account for as much as 95% of the industry's overall emissions, while those from activities such as processing and packaging are relatively small.[60] Such indirect emissions can create risks. In Europe the industry is particularly exposed to change in public policy, because animal feed absorbs around 50% of agricultural subsidies, while animal-based foods are associated with 84% of embodied greenhouse gas emissions.[61]

58 Alternative possible pathways have been proposed for the development of business models in the industry—for example, the World Bank's Climate-Smart Agriculture programme or the Food and Agriculture Organization's pathway analysis.

59 See, for example, C Coggin, 'The Dutch Nitrogen Crisis', *Fairr*, 2022, available at https://www.fairr.org/news-events/insights/the-dutch-nitrogen-crisis.

60 See the Food and Agriculture Organization's *Global Livestock Environmental Assessment Model* (GLEAM), available at https://www.fao.org/gleam/.

61 AJ Kortleve, JM Mogollón, H Harwatt, P Behrens, 'Over 80% of the European Union's Common Agricultural Policy supports emissions-intensive animal products', *Nature Food*, vol 5, 2024, pages 288–292.

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Limitations of the Exposure Draft

AV15 Following from his assessment of the industry's sustainability-related dependencies, impacts, risks and opportunities, as presented in AV4–AV14, it is Dr Barker's view that the proposed amendments to the *Meat, Poultry & Dairy* SASB Standard have limitations with respect to greenhouse gas emissions (including methane), freshwater use, land use and comparability.

Greenhouse gas emissions

AV16 The Exposure Draft duplicates the requirement in IFRS S2 to report Scope 1 greenhouse gas emissions, yet it does not include Scope 3 greenhouse gas emissions.

AV17 In Dr Barker's view, paragraph BC10 suggests that the ISSB has after careful consideration concluded that, for entities in the Meat, Poultry & Dairy industry, information is likely to be material for Scope 1 but not Scope 3 greenhouse gas emissions. While Dr Barker recognises that paragraph BC44 guides entities not to regard the absence of repetition of a disclosure requirement in IFRS S2 as confirmation that a disclosure was assessed to be unlikely to be material, he is of the view that entities may yet infer that Scope 3 emissions are likely not to be material.

AV18 Dr Barker recognises that paragraph BC44 acknowledges 'some inconsistency' in the approach to greenhouse gas emissions in the Exposure Draft, and that paragraph BC43 sets out the ISSB's reasons for why this inconsistency has not been addressed. Of the three reasons set out by paragraph BC43, Dr Barker's position is that:

(a) the risk of the ISSB 'unintentionally signalling' that it has determined that Scope 1 greenhouse gas emissions metrics are unlikely to provide material information is a reason to retain Scope 1 greenhouse gas emissions, but not a reason to exclude Scope 3 greenhouse gas emissions;

(b) evidence of users finding that Scope 1 greenhouse gas emissions metrics 'provide material information on direct regulatory risks' is also a reason to retain Scope 1 greenhouse gas emissions, but not a reason to exclude Scope 3 greenhouse gas emissions metrics; and

(c) the point that retaining existing Scope 1 greenhouse gas emissions metrics allows for 'industry-specific tailoring on topics such as methane' also applies to Scope 3 greenhouse gas emissions; his view is that, for example, the *Meat, Poultry & Dairy* SASB Standard would be improved by offering tailored guidance to reporting entities on which of the fifteen categories of Scope 3 greenhouse gas emissions they should apply in order to meet the requirements of IFRS S2.

AV19 Dr Barker's view is that emissions falling under Scope 3 Category 1 (Purchased Goods and Services), and possibly also Scope 3 Category 4 (Upstream Transportation and Distribution), are likely to provide users with material information. In his view, including these metrics would be consistent with the aim set out in paragraph BC108, providing 'an example of the SASB Standards

identifying a particular form of disaggregation to complement the requirements in IFRS S1 and IFRS S2'. Following this view, the *Meat, Poultry & Dairy* SASB Standard should also include any associated qualitative and quantitative greenhouse gas emissions targets that the entity has set for itself or is required to meet by law or regulation.

Methane

AV20 It is Dr Barker's view that the Exposure Draft is limited by the fact that it includes methane emissions under Scope 1 but not Scope 3 greenhouse gas emissions, despite most methane emissions falling under Scope 3 in this industry.

AV21 It is therefore Dr Barker's view that the *Meat, Poultry & Dairy* SASB Standard should include a metric that disaggregates Scope 3 Category 1 greenhouse gas emissions to show separately the CO_2 equivalents related to methane.

Freshwater use

AV22 Dr Barker notes that water consumption for animal production is mostly upstream, primarily in animal feed, yet the Exposure Draft specifies that an entity's disclosure of its water consumed should only relate to its direct operations.

AV23 Water is a critical dependency in the Meat, Poultry & Dairy industry. A given output involves a given amount of water, no matter what the ownership structure at different points in the supply chain. Dr Barker sees it as insufficient that the Exposure Draft includes metrics only for direct operations and that water stress is no more prominent than other items in a checklist of physical risks in the Exposure Draft, which also includes climate change, extreme weather, droughts, floods, storms, degradation of soil health, ecosystem change and biodiversity loss.

AV24 It is therefore Dr Barker's view that the *Meat, Poultry & Dairy* SASB Standard should include metrics relating to upstream water withdrawal and consumption.

Land use

AV25 Dr Barker notes that the metrics in the Exposure Draft relating to direct operations are slightly more expansive than for indirect operations, even though land use relates primarily to the latter.

AV26 It is Dr Barker's view that the Exposure Draft could better support primary users with a greater emphasis on quantitative metrics than on descriptive disclosures.[62] It is also Dr Barker's view that the disclosure of a percentage of an entity's products from farms that implement a written nutrient management plan would not, in itself, communicate information about that plan's credibility or ambition, and that it would not necessarily provide primary users with quantitative information to use directly as model inputs.

62 In Dr Barker's view, an example of guidance that achieves this goal is the Food and Agriculture Organization's *Guidance on core indicators for agrifood systems*, 2024.

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Such information might relate to metrics proposed by TNFD for pesticides, air pollution, or phosphorous and nitrate pollution.[63] These might have implications for long-term reputational, regulatory, legal or other risks, such as those arising from the EU Nitrates Directive or from China's Fertilizer Registration Guidelines.[64]

AV27 It is therefore Dr Barker's view that the *Meat, Poultry & Dairy* SASB Standard should include more specific metrics relating to land use.

Comparability of disclosures

AV28 One of an investor's core tasks is to compare investments, which ideally requires complete and transparent disclosure of material information concerning sustainability-related risks and opportunities throughout entities' value chains.

AV29 It is Dr Barker's view that, because the degree of direct ownership of livestock and feed production varies within the industry, a lack of disclosure requirements for indirect operations reduces comparability of greenhouse gas emissions and freshwater use between entities. Dr Barker acknowledges the importance of information for direct operations being disclosed separately because, for example, a jurisdictional carbon tax might apply only to Scope 1 greenhouse gas emissions. However, Dr Barker is of the opinion that comparability is compromised if there is no disclosure for indirect operations, because overall levels of greenhouse gas emissions and freshwater use will not be available and because differences relating to direct operations will result from differences in ownership structure and not just differences in efficiency of operations.

AV30 It is Dr Barker's view that the Exposure Draft's limitation with respect to comparability would be addressed if the issues he identifies with respect to greenhouse gases, methane and freshwater use are resolved.

Conclusion

AV31 Dr Barker's view is that the text in the Exposure Draft improves on the text in the current *Meat, Poultry & Dairy* SASB Standard but that this improvement does not constitute an overall improvement to financial reporting.

AV32 Dr Barker's reason for taking this view is that the approach to indirect activities in the SASB Standards was not originally developed by the ISSB and was not designed to be applied in the context of IFRS S1 and IFRS S2. He notes that the objective of the project, as stated in paragraph BC21, is 'to support the high-quality implementation and application of IFRS S1 and IFRS S2' and that, to that end, amendments to the Standard at this stage should ensure consistency with IFRS Sustainability Disclosure Standards. In the specific cases

63 Task Force on Nature-related Financial Disclosures, *Additional sector guidance: Food and agriculture*, 2024.

64 For the EU Nitrates Directive, see https://environment.ec.europa.eu/topics/water/nitrates_en#:~:text=Related%20links-,Objectives,evaluation%20of%20the%20Nitrates%20Directive. For China's Fertilizer Registration Guidelines, see the Ministry of Agriculture and Rural Affairs' *Guidelines for Fertilizer Registration, Fertilizer Renewal Registration, and Fertilizer Amendment Registration*, 2024.

he has identified, Dr Barker does not see this consistency as having been achieved, and it is his view that the Exposure Draft risks sending conflicting signals between IFRS Sustainability Disclosure Standards and SASB Standards with respect to value chain disclosures. These issues are especially consequential because of the importance of industry-based standards and guidance.

AV33 In Dr Barker's view, because the issues raised here concern the consistency between IFRS Sustainability Disclosure Standards and SASB Standards, they extend beyond consideration of the *Meat, Poultry & Dairy* SASB Standard alone. His view is that inconsistency should not be allowed to persist—neither for Scope 3 greenhouse gas emissions nor for potentially material information relating to other indirect activities—and that, by failing to take this opportunity to act, the ISSB would not be improving financial reporting.

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

Tables A1–A3 provide an overview of the metrics identified by the International Sustainability Standards Board (ISSB) in which interoperability with the Global Reporting Initiative (GRI) Standards and alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) disclosure recommendations have informed amendments to the SASB Standards. This appendix is not intended to give a comprehensive account of interoperability between the GRI Standards and the SASB Standards, or of alignment between TNFD disclosure recommendations and the SASB Standards.

GRI Standards

In the project to enhance the SASB Standards, the ISSB has focused on identifying common disclosures between the SASB Standards and the GRI Standards, including the use of verbatim language to the greatest extent possible, where these contribute to the identified information areas and address users' information needs in a manner consistent with the materiality definition and objective of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (Table A1).[65] The distinct but complementary purposes of the SASB and GRI standards mean that identification of common disclosures may not be expected for all disclosure requirements. In these instances, although the enhancement process seeks to improve interoperability between the disclosure requirements by using the same language where relevant (for example, for defined terms), the ISSB considers that opportunities for further alignment are likely to be limited (Table A2).

In some cases, aspects of the disclosure requirements in the GRI Standards have been incorporated into the proposed amendments to the SASB Standards. However, in response to initial stakeholder feedback, the proposed amendments include specific differences compared to the GRI Standards (for example, in the unit of measure) on the same disclosure topics. Proposed new metrics on hazardous waste management, outlined in paragraphs BC158–BC162, are an example of this form of alignment. The ISSB will continue to engage with the GRI on such disclosure topics and metrics to assess whether further interoperability with the GRI Standards can help to respond to stakeholder feedback.

Metrics including common disclosures

Table A1 lists the metrics where the proposed amendments to the SASB Standards include some common disclosures with the GRI Standards that the ISSB has identified at the technical protocol level. In these instances, the technical protocols include the same language as relevant GRI disclosures.[66] These common disclosures are supported by alignment in the underlying basis of disclosure, such as units of measurement, definitions, references and disclosure categories. Description of the proposed

65 At this stage, the scope of this work has been determined and implemented by the ISSB. It 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/.

66 The table includes information relating to metrics instead of technical protocols, for ease of reference.

amendments to these disclosure topics indicate how common disclosures help address stakeholder feedback on possible improvements to the SASB Standards to meet the information needs of users of general purpose financial reports.

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

Disclosure topic[67]	Metric code[68]	Metric	GRI disclosure references
Air Quality	IF-EU-120a.1	Air pollutant emissions of: (1) NO_x (excluding N_2O), (2) SO_x, (3) hazardous air pollutants and (4) particulate matter; percentage of each in or near areas of dense population	305-7 Nitrogen Oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions
Animal Health & Welfare	FB-MP-410a.3	Percentage of production certified to a third-party animal welfare standard, by type of livestock and certification	Additional sector disclosure to Topic 13.11, 13.11.2 Animal health and welfare certifications
Environmental Supply Chain Management	FB-AG-430c.1	Percentages of sourced agricultural products determined to be deforestation- or conversion-free, including any targets set to monitor progress	Additional sector disclosure to Topic 13.4, 13.4.3 Deforestation- and conversion-free sourcing

Differing disclosure requirements due to complementary but different remits

Table A2 lists the metrics in which, due to the different remits of the standards, the disclosure requirements differ between the SASB Standards and the GRI Standards, even if the sustainability topic is the same. An example might include a case in which 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. In these instances, achieving common disclosures may not be possible due to the different remits of the standards, as the SASB Standards focus on the information needs of investors about sustainability-related risks and opportunities that can reasonably be expected to affect an entity's prospects.

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

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

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

Disclosure topic[69]	Metric code[70]	Metric	GRI disclosure references
Community Relations & Rights of Indigenous Peoples	IF-EU-210a.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
Employee Recruitment, Development & Retention	IF-EU-330a.1	Description of employee recruitment, development and retention-related risks and opportunities and strategies to manage them	Employment – Exposure Draft[71] EMPL 3 Recruitment policies, EMPL 7 New hires and turnover Training and Education—Exposure Draft[72] TRED 1 Training and education policies, TRED 2 Types and content of training and education provided
Environmental Supply Chain Management	FB-AG-430c.2	Priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain	308-2 Negative environmental impacts in the supply chain and actions taken

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

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

71 GRI, *GRI Topic Standard Project for Labor—Employment—Exposure Draft*, April 2024, https://www.globalreporting.org/media/skhlonkx/item-02-gri-topic-standard-project-for-labor-employment.pdf.

72 GRI, *GRI Topic Standard Project for Labor—Training and Education—Exposure Draft*, January 2025, https://www.globalreporting.org/media/ygjfnb5a/item-04-gri-topic-standard-project-for-labor-training-and-education.pdf.

Alignment with the TNFD recommendations

Table A3 lists the metrics in which the recommended disclosures, metrics or guidance in the TNFD recommendations have been integrated into the proposed amendments to the SASB Standards and where disclosures are aligned. On the Land Use & Ecological Impacts disclosure topic,[73] 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 much as possible. The proposed amendments have sought to integrate disclosures contained in TNFD's additional sector guidance for food and agriculture to ensure alignment on the industry-specific aspects of this topic. On other topics (such as Air Quality and Environmental Supply Chain Management) also covered by the TNFD recommendations, the proposed amendments have prioritised common disclosures with the GRI Standards in response to stakeholder feedback on those particular topics or metrics. In some cases, this approach has also aligned the SASB Standards with TNFD recommendations (for example, IF-EU-120a.1 and FB-AG-430c.1).

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

Disclosure topic[74]	Metric code[75]	Metric	TNFD disclosure recommendations or metric references
Air Quality	IF-EU-120a.1	Air pollutant emissions of: (1) NO_x (excluding N_2O), (2) SO_x, (3) hazardous air pollutants and (4) particulate matter; percentage of each in or near areas of dense population	C2.4 Non-GHG air pollutants
Environmental Supply Chain Management	FB-AG-430c.1	Percentages of sourced agricultural products determined to be deforestation- or conversion-free, including any targets set to monitor progress	FA.C1.0 Deforestation and conversion-free products

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73 This topic includes disclosure of material information about physical risks with the potential to affect soil health, land productivity and crop yields in the short, medium and long term.

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

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

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Environmental Supply Chain Management	FB-AG-430c.2	Priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain	Recommended disclosures and guidance for all sectors: Strategy C, Risk and impact management B C3.1 Quantity of high-risk natural commodities sourced from land/ocean/freshwater FA.C3.0 Products from areas of water scarcity
Environmental Supply Chain Management	FB-AG-430c.3	Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain	Recommended disclosures and guidance for all sectors: Strategy B Risks and opportunities metrics: C7.0, C7.1, C7.3 Response metrics: A22.4
Food Loss & Food Waste	FB-AG-150a.1	(1) Total food loss generated, (2) quantity diverted	C2.2 Waste generation and disposal FA.A2.0 Food loss/ waste
Food Loss & Food Waste	FB-AG-150a.2	Description of strategies to address opportunities related to food loss and food waste throughout the value chain	Recommended disclosures and guidance for all sectors: Governance A, Governance B, Strategy B, Metrics and targets A, Metrics and targets C
Hazardous Waste Management	IF-EU-150a.4	(1) Hazardous waste generated, (2) hazardous waste stored and (3) hazardous waste recycled	C2.2 Waste generation and disposal EP.C2.2 Nuclear Waste Storage
Hazardous Waste Management	IF-EU-150a.6	Hazardous waste management policies and procedures for active and inactive operations	Recommended disclosures and guidance for all sectors: Strategy B, Risk and impact management B

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Land Use & Ecological Impacts	FB-AG-160a.1	(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	C1.0 Total spatial footprint
Land Use & Ecological Impacts	FB-AG-160a.2	Percentage of the total spatial footprint of operations in or near environmentally sensitive locations	Recommended disclosures and guidance for all sectors: Strategy D Glossary definition of sensitive locations
Land Use & Ecological Impacts	FB-AG-160a.3	Total area of land that is sustainably managed, by product	C1.1 Extent of land/freshwater/ocean-use change
Land Use & Ecological Impacts	FB-AG-160a.4	Percentages of agricultural products produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress	Recommended disclosures and guidance for all sectors: Metrics and targets C FA.C1.0 Deforestation and conversion-free products
Land Use & Ecological Impacts	FB-AG-160a.5	Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks	Recommended disclosures and guidance for all sectors: Strategy C, Risk and impact management B C3.1 Quantity of high-risk natural commodities sourced from land/ocean/freshwater FA.C3.0 Products from areas of water scarcity
Land Use & Ecological Impacts	FB-AG-160a.6	Description of strategies to manage environmental resources and implement sustainable agriculture practices in direct farming operations	Recommended disclosures and guidance for all sectors: Strategy B Risks and opportunities metrics: C7.0, C7.1, C7.3

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Appendix B—Metrics based on proposed amendments in the July 2025 Exposure Draft

As noted in paragraph BC22, the proposed amendments to the three Standards in the Exposure Draft were developed alongside the proposed amendments to nine Standards published in the Exposure Draft *Proposed Amendments to the SASB Standards* published in July 2025 (July 2025 Exposure Draft), and many proposed amendments to metrics in the Exposure Draft are either similar or identical to proposed amendments to metrics in the July 2025 Exposure Draft.

Tables B1–B3 provide details about metrics in the Exposure Draft that are based on 'exemplar' metrics in the July 2025 Exposure Draft. The purpose of these tables is to expedite the review process for stakeholders who have already provided input on the July 2025 Exposure Draft.

Table B1—Metrics in the proposed amendments to the *Agricultural Products* SASB Standard that are based on proposed metrics from the July 2025 Exposure Draft

Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-AG-110a.1. (1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations	EM-MM-110a.1. (1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations	
FB-AG-110a.2. Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets	EM-MM-110a.2. Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets	
FB-AG-110a.3. (1) Total fleet fuel consumed and (2) renewable fuel consumed	EM-SV-110a.1. (1) Total fuel consumed and (2) renewable fuel consumed	The exemplar 'fuel consumed from all sources' is reflected here as 'fuel consumed by its fleet vehicles'
FB-AG-130a.1. (1) Total energy consumed, (2) purchased electricity consumed and (3) renewable electricity consumed from (a) self-generation and (b) direct contracts	FB-PF-130a.1. (1) Total energy consumed, (2) purchased electricity consumed and (3) renewable electricity consumed from (a) self-generation and (b) direct contracts	
FB-AG-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	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	
FB-AG-140a.2. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	FB-PF-140a.3. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-AG-140a.4. Total water discharged by (1) destination and (2) level of treatment	FB-PF-140a.4. Total water discharged by (1) destination and (2) level of treatment	
FB-AG-160a.1. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	EM-MD-160a.3. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	
FB-AG-160a.2. Percentage of the total spatial footprint of operations in or near environmentally sensitive locations	EM-MD-160a.2. Percentage of the total spatial footprint of operations in environmentally sensitive locations	The language 'in or near' is taken from EM-MM-160a.3 Percentage of (1) proved and (2) probable mineral reserves in or near environmentally sensitive locations
FB-AG-160a.4. Percentages of agricultural products produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress	FB-PF-430b.1. Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	The exemplar 'sourced commodities' is reflected here as 'agricultural products produced from direct farming operations'
FB-AG-160a.5. Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks	FB-PF-430b.2. Priority commodities and products that are sensitive to environmental risks in the supply chain	The exemplar 'commodities and products' is reflected here as 'products from direct farming operations'; 'environmental risks' replaced with 'nature- and climate-related physical risks' to enhance specificity
FB-AG-160a.6. Description of strategies to manage environmental resources and implement sustainable agriculture practices in direct farming operations	FB-PF-430b.3. Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain	The exemplar 'the supply chain' is reflected here as 'direct farming operations'
FB-AG-250a.3. (1) Description of recalls issued for food safety reasons and (2) total weight of products recalled	FB-PF-250a.4. (1) Description of recalls issued for food safety reasons and (2) total weight of products recalled	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-AG-250a.4. Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) intermediaries	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	The exemplar 'co-packing operations' is reflected here as 'intermediaries'
FB-AG-250a.5. Processes, controls and procedures to ensure food safety throughout the value chain	FB-PF-250a.6. Processes, controls and procedures to ensure food safety throughout the value chain	
FB-AG-320a.1. (1) Number of fatalities and (2) total recordable incident rate for (a) employees and (b) non-employee workers	EM-EP-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	Training hours omitted
FB-AG-430c.1. Percentages of sourced agricultural products determined to be deforestation- or conversion-free, including any targets set to monitor progress	FB-PF-430b.1. Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	The exemplar 'commodities' is reflected here as 'sourced agricultural products'; technical protocol 3 is a new addition
FB-AG-430c.2. Priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain	FB-PF-430b.2. Priority commodities and products that are sensitive to environmental risks in the supply chain	The exemplar 'commodities and products' is reflected here as 'sourced agricultural products'; 'environmental risks' has been replaced with 'nature- and climate-related physical risks' to enhance specificity
FB-AG-430c.3. Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain	FB-PF-430b.3. Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain	
FB-AG-430d.1. Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence	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	Slight variation from exemplar technical protocol 5

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-AG-430d.2. Percentages of sourced agricultural products certified to internationally recognised standards that trace the path of products through the supply chain	FB-PF-430c.2. Percentages of sourced commodities certified to internationally recognised standards that trace the path of products through the supply chain	The exemplar 'commodities' is reflected here as 'sourced agricultural products'
FB-AG-430d.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	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	

Table B2—Metrics in the proposed amendments to the *Meat, Poultry & Dairy* SASB Standard that are based on proposed metrics from the July 2025 Exposure Draft

Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-MP-110a.1. (1) Gross Scope 1 emissions, (2) percentage methane and (3) percentage subject to emissions-limiting regulations	EM-EP-110a.1. (1) Gross Scope 1 emissions, (2) percentage methane and (3) percentage subject to emissions-limiting regulations	Technical protocol 1.2 is unique to the *Meat, Poultry & Dairy* SASB Standard
FB-MP-110a.2. Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets	EM-MM-110a.2. Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets	
FB-MP-130a.1. (1) Total energy consumed, (2) purchased electricity consumed and (3) renewable electricity consumed from (a) self-generation and (b) direct contracts	FB-PF-130a.1. (1) Total energy consumed, (2) purchased electricity consumed and (3) renewable electricity consumed from (a) self-generation and (b) direct contracts	
FB-MP-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	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	
FB-MP-140a.2. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	FB-PF-140a.3. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	
FB-MP-140a.4. Total water discharged by (1) destination and (2) level of treatment	FB-PF-140a.4. Total water discharged by (1) destination and (2) level of treatment	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-MP-160a.5. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	EM-MD-160a.3. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	
FB-MP-160a.6. Percentage of the total spatial footprint of operations in or near environmentally sensitive locations	EM-MD-160a.2. Percentage of the total spatial footprint of operations in environmentally sensitive locations	Technical protocol 4 contains industry-specific language; the term and definition of 'or near' was taken from EM-EP-160a.3 Percentage of (1) proved and (2) probable reserves in or near environmentally sensitive locations
FB-MP-160a.7. Percentages of livestock produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress	FB-PF-430b.1. Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	The exemplar 'sourced commodities' is reflected here as 'livestock produced from direct farming operations'
FB-MP-160a.8. Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks	FB-PF-430b.2. Priority commodities and products that are sensitive to environmental risks in the supply chain	Technical protocols 1.1–1.2 and 5 contain industry-specific variation; the exemplar 'commodities and products' is reflected here as 'products from direct farming operations'; 'environmental risks' has been replaced with 'nature- and climate-related physical risks' to enhance specificity
FB-MP-250a.3. (1) Description of recalls issued for food safety reasons and (2) total weight of products recalled	FB-PF-250a.4. (1) Description of recalls issued for food safety reasons and (2) total weight of products recalled	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-MP-250a.5. Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) co-packing operations	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	
FB-MP-250a.6. Processes, controls and procedures to ensure food safety throughout the value chain	FB-PF-250a.6. Processes, controls and procedures to ensure food safety throughout the value chain	
FB-MP-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	EM-EP-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	
FB-MP-410b.1. Use of innovation in food products to address sustainability-related risks and opportunities	FB-PF-410b.1. Use of innovation in food products to address sustainability-related risks and opportunities	
FB-MP-430b.1. Percentages of sourced (1) livestock and (2) animal feed determined to be deforestation- or conversion-free, including any targets set to monitor progress	FB-PF-430b.1. Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress	Technical protocols 1.3, 2–2.3 and 4 contain industry-specific variation; the exemplar 'commodities' is reflected here as '(1) livestock and (2) animal feed'
FB-MP-430b.2. Priority sourced livestock and animal feed that are sensitive to nature- and climate-related physical risks in the supply chain	FB-PF-430b.2. Priority commodities and products that are sensitive to environmental risks in the supply chain	Technical protocols 1.1–1.2 contain industry-specific variation; the exemplar 'commodities and products' is reflected here as 'sourced livestock and animal feed'; 'environmental risks' has been replaced with 'nature- and climate-related physical risks' to enhance specificity

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Metric code & title	Exemplar metric code & title	ISSB staff notes
FB-MP-430c.1. Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence	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	Slight variation from exemplar technical protocol 5
FB-MP-430c.2. Percentages of sourced animal feed certified to internationally recognised standards that trace the path of products through the supply chain	FB-PF-430c.2. Percentages of sourced commodities certified to internationally recognised standards that trace the path of products through the supply chain	Exemplar 'commodities' is reflected here as 'sourced animal feed'
FB-MP-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	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	

Table B3—Metrics in the proposed amendments to the *Electric Utilities & Power Generators* SASB Standard that are based on proposed metrics from the July 2025 Exposure Draft

Metric code & title	Exemplar metric code & title	ISSB staff notes
IF-EU-110a.1. (1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations	EM-MM-110a.1. (1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations	
IF-EU-110a.7. Description of how climate-related transition risks and opportunities influence capital strategy and investments	EM-EP-420a.4. Description of how climate-related risks and opportunities influence capital strategy and investments	The word 'transition' was added to metric title; technical protocols 1, 2–2.2, 3 and 4.1–4.5 are industry-specific
IF-EU-120a.1. Air pollutant emissions of: (1) NO_x (excluding N_2O), (2) SO_x, (3) hazardous air pollutants and (4) particulate matter; percentage of each in or near areas of dense population	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	Technical protocols 6.1–6.2 are copied from EM-RM-120a.2 Production capacity of refineries in or near areas of dense population
IF-EU-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	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	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
IF-EU-140a.3. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	FB-PF-140a.3. Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress	
IF-EU-140a.4. Total water discharged by (1) destination and (2) level of treatment	FB-PF-140a.4. Total water discharged by (1) destination and (2) level of treatment	
IF-EU-150a.4. (1) Hazardous waste generated, (2) hazardous waste stored and (3) hazardous waste recycled	EM-RM-150a.1. (1) Hazardous waste generated and (2) hazardous waste recycled	The *Electric Utilities & Power Generators* SASB Standard includes 'hazardous waste stored'; technical protocols 1.3–3.2 are industry-specific
IF-EU-150a.5. Number of significant incidents associated with hazardous waste management	EM-MM-150a.9. Number of significant incidents associated with hazardous materials and waste management	The exemplar 'hazardous materials and waste' is reflected here as 'hazardous waste'; slight industry variation in technical protocol 1.1; technical protocol 1.1.2 contains updated language, using 'workforce', instead of 'employees'
IF-EU-150a.6. Hazardous waste management policies and procedures for active and inactive operations	EM-MM-150a.10. Waste and hazardous materials management policies and procedures for active and inactive operations	The exemplar 'waste and hazardous materials' is reflected here as 'hazardous waste'; definition of hazardous waste is taken from EM-MM-150a.7 Total weight of hazardous waste generated
IF-EU-160a.1. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	EM-MM-160a.4. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored	

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Metric code & title	Exemplar metric code & title	ISSB staff notes
IF-EU-160a.2. Percentage of the total spatial footprint of operations in or near environmentally sensitive locations	EM-MM-160a.3. Percentage of (1) proved and (2) probable mineral reserves in or near environmentally sensitive locations	Exemplar '(1) proved and (2) probable mineral reserves' reflected here as 'the total spatial footprint of operations'; technical protocols 1–1.2 are industry-specific
IF-EU-160a.3. Description of environmental management policies and practices for operational facilities	EM-MM-160a.1. Description of environmental management policies and practices for operational facilities	
IF-EU-210a.1. Processes used to manage risks and opportunities associated with community rights and interests	EM-CO-210b.1. Processes used to manage risks and opportunities associated with community rights and interests	Technical protocol 2.1 is industry-specific
IF-EU-210a.2. (1) Number of non-technical delays and (2) the total days idle	EM-CO-210b.2. (1) Number of non-technical delays and (2) the total days idle	
IF-EU-210a.3. Percentage of operations in or near Indigenous Peoples' land	EM-CO-210b.3. Percentage of (1) proved and (2) probable coal reserves in or near Indigenous Peoples' land	The exemplar '(1) proved and (2) probable coal reserves' is reflected here as 'operations'; technical protocols 1–1.1 are industry-specific
IF-EU-210a.4. Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights	EM-CO-210b.4. Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights	
IF-EU-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	EM-EP-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	
IF-EU-320a.2. Description of management systems used to foster a safe working environment	EM-MM-320a.2. Description of management systems used to foster a safe working environment	The *Electric Utilities & Power Generators* SASB Standard omits 'long-term' references to health risks

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Metric code & title	Exemplar metric code & title	ISSB staff notes
IF-EU-430a.1. Description of the process to manage supply chain risks arising from sustainability-related issues	EM-CM-430a.1. Description of the process to manage supply chain risks arising from environmental and social issues	Technical protocols 1.2–1.2.1 are industry-specific; the exemplar 'environmental and social issues' is reflected here as 'sustainability-related issues'
IF-EU-430a.2. 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	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	
IF-EU-540a.3. Description of management systems used to identify and mitigate serious accidents	EM-EP-540a.2. Description of management systems used to identify and mitigate low-probability, serious accidents	Technical protocols 3–3.6 are industry-specific

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