

International Sustainability Standards Board
Columbus Building
7 Westferry Circus
Canary Wharf
London
E14 4HD

28 November 2025

Dear ISSB Board members,

Invitation to comment – Exposure Draft of Proposed Amendments to the SASB Standards

Ernst & Young Global Limited, the central coordinating entity of the global EY organisation, welcomes the opportunity to offer its views on the International Sustainability Standards Board's (ISSB or the Board) Exposure Draft of Proposed Amendments to the SASB Standards (or the Standards).

We appreciate the opportunity to provide our comments on the proposed amendments to the SASB Standards. We are supportive of the efforts made to enhance the clarity and applicability of the SASB Standards, as well as the alignment of these Standards with other frameworks. However, we also note the global environment is continually evolving in response to sustainability-related risks and opportunities, resulting in ongoing changes to regulations, reporting frameworks and related standards. This means that the project of enhancing the SASB Standards is an ongoing project that will require continuous updates to maintain the relevance of its Standards, which would involve time and resource commitment from the ISSB and its staff. Such maintenance should be factored in for any future agenda planning.

We agree with the objective of the proposed amendments to the SASB Standards. We have included specific comments however where we think that there are some material issues/metrics that have not been included. For example, there are no air quality metrics proposed to be included in the Coal SASB Standard. Similarly for the Construction SASB Standard, there are no metrics proposed to be included about potential human rights violations.

We support the efforts to enhance interoperability with other frameworks for the efficiencies and cost savings for entities that this can deliver. This is especially helpful for multinational entities where there may be different jurisdictional sustainability reporting requirements.

A glossary would be helpful for terms that appear to be similar between the SASB Standards and the IFRS Sustainability Disclosure Standards (or ISSB Standards), particularly where specific terms are defined in the ISSB Standards, for example, value chain vs. supply chain, and substantial vs. material.

Please note that our comments on one industry SASB Standard may also be relevant to other SASB Standards, due to the similar nature of topics and metrics addressed across these Standards. We have not raised the same comments numerous times, to avoid being repetitive.

Detailed responses to the questions are included in Appendix A. Should you wish to discuss the contents of this letter with us, please contact Michiel van der Lof at the above address, or on +44 (0) 20 7951 3152.

Yours faithfully

Ernst & Young Global Limited

Appendix A – Responses to specific questions

PART A: Questions for respondents—Proposed approach to the amendments

Question 1—Objective

The ISSB is proposing to amend the SASB Standards with the objective of providing timely support to entities applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The proposed amendments have been drafted under the assumption that an entity would apply the SASB Standards alongside IFRS Sustainability Disclosure Standards. This assumption allows the SASB Standards to remain targeted and proportionate while avoiding unnecessary duplication of requirements already included in IFRS S1 and IFRS S2. The proposed amendments aim:

- to further enhance the international applicability of:
 - industry groupings, including to reflect value chains in emerging markets and developing economies;
 - disclosure topics in those industry groupings; and
 - metrics and supporting technical protocols;
 - to improve interoperability with other sustainability-related standards and frameworks, while ensuring continued focus on the needs of investors in order to serve as a global baseline of sustainability-related disclosures to meet the needs of capital markets;
 - to amend the disclosure topics and metrics in the SASB Standards related to biodiversity, ecosystems and ecosystem services (BEES) and human capital, to align the SASB enhancements with the ISSB's research projects on those topics and to enable feedback on this Exposure Draft to provide input to those research projects;
 - to align the language and concepts in the SASB Standards with IFRS Sustainability Disclosure Standards; and
 - to enhance the SASB Standards' clarity, conciseness and cost-effectiveness for preparers.
- (a) Do you agree with the objective of the proposed amendments to the SASB Standards and related areas of focus?
- (b) Do the proposed amendments meet this objective? Why or why not?

We agree with the objective of the proposed amendments to the SASB Standards. However, we have included specific comments under the responses to specific questions where we think that there are some material issues/metrics that have not been included. For example, there are no air quality metrics proposed to be included in the Coal SASB Standard; similarly for the Construction SASB Standard, there are no proposed metrics about potential human rights violations.

Question 2—Enhancements to interoperability with other standards and frameworks

In considering necessary amendments to the SASB Standards, the ISSB has identified possible amendments that would enhance the interoperability and alignment of the SASB Standards with other sustainability-related standards and frameworks, such as those of the Global Reporting Initiative (GRI), European Sustainability Reporting Standards, and the guidance published by the Taskforce on Nature-related Financial Disclosures (TNFD).

Paragraphs BC33–BC41 of the Basis for Conclusions explain the approach taken to improving interoperability and alignment with other sustainability-related standards and frameworks. Appendix B of the Basis for Conclusions provides a list of some of the proposed amendments that would enhance interoperability with the GRI Standards and alignment with TNFD disclosure recommendations, while maintaining a focus on the needs of primary users of general purpose financial reports.

- (a) Do you agree with the proposed approach to enhancing interoperability and alignment with other sustainability-related standards and frameworks? Why or why not?
- (b) Do you agree that the proposed amendments to the nine priority industries and targeted amendments to other SASB Standards will result in improved interoperability and thus achieve the objectives of improving the decision-usefulness of disclosed information for primary users and cost-effectiveness for preparers? Why or why not?
- (c) Could the interoperability and alignment of any disclosure topics or metrics be further enhanced while achieving the objectives of improving the decision-usefulness and cost-effectiveness of the information? What amendments would you propose and why?

We support the concept of interoperability with other sustainability reporting frameworks for the efficiencies and cost saving for entities that this can deliver. This is especially helpful for multinational entities where there may be different jurisdictional sustainability reporting requirements that apply. Where we have comments on specific disclosure topics and metrics that have been amended because of interoperability and alignment considerations, we have added those under the detailed responses to the specific questions.

Question 3—Amendments to the climate-related content in the SASB Standards

The ISSB is proposing to enhance the nine priority industries comprehensively, including the climate-related content in the priority industries. The ISSB also is proposing targeted amendments to some climate-related metrics in other SASB Standards. The proposed amendments are intended to assist preparers in identifying climate-related risks and opportunities and to enhance the decision-usefulness of industry-specific information about these risks and opportunities.

The Industry-based Guidance on Implementing IFRS S2 (IFRS S2 industry-based guidance) is derived from, and is largely identical to, the climate-related content in the SASB Standards. The ISSB has maintained alignment between the SASB Standards and the IFRS S2 industry-based guidance. Therefore, the ISSB considered that the proposed amendments to the climate-related content in the SASB Standards could have implications for preparers who are implementing IFRS S2. The ISSB decided that it should propose making consequential amendments to the IFRS S2 industry-based guidance should it amend the climate-related content in the SASB Standards. That proposal is set out in the separate Exposure Draft Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2. The ISSB also considered how it could use the effective date of the final amendments to ensure that they would not negatively affect preparers' implementation of IFRS S1 and IFRS S2.

- (a) Do you agree that the ISSB should amend the climate-related content in the SASB Standards for the priority industries and make targeted amendments to the climate-related content in the SASB Standards for other industries, as proposed in this Exposure Draft? Why or why not?
- (b) Do you agree that the proposed amendments would enhance the decision-usefulness of the industry-specific information about climate-related risks and opportunities? Why or why not?
- (c) Do you agree that the proposed amendments would further clarify how the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance relates to the requirements in IFRS S2?

We agree that the ISSB should amend the climate-related content in the SASB Standards for all the industries – both targeted and other – as part of this enhancement process. Since the process is already underway, it is logical to include those amendments. Any points that we may have about the proposed amendments to climate-related content are raised in our responses to the specific questions.

Question 4—Information related to biodiversity, ecosystems and ecosystem services and human capital

The ISSB proposes to amend disclosure topics and metrics in the SASB Standards related to biodiversity, ecosystems and ecosystem services (BEES) and human capital. The ISSB is pursuing research projects on BEES and human capital.

The ISSB seeks to understand the extent to which the SASB Standards, and the proposed amendments, meet user needs for information on risks and opportunities related to BEES and human capital.

- (a) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their BEES-related risks and opportunities to users of general purpose financial reports? Why or why not?
- (b) In the nine industries that the ISSB has prioritised for enhancement in the Exposure Draft, are there other BEES-related disclosures not addressed through the proposed amendments that would be useful for users of general purposes financial reports in their decision-making? If so, please explain which disclosures and why.
- (c) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their human capital-related risks and opportunities to users of general purpose financial reports? Why or why not?
- (d) In the nine industries that the ISSB has prioritised for enhancement in the Exposure Draft, are there other human capital-related disclosures not addressed through the proposed amendments that would be useful for users of general purposes financial reports in their decision-making? If so, please explain which disclosures and why.

It is difficult at this early stage of the ISSB's progress on the Biodiversity, Ecosystems and Ecosystem Services (BEES) and human capital research projects to assess whether the proposed amendments impact on the decision-usefulness of BEES, or human capital-related risks and opportunities, or whether there are other disclosures related to these topics that should be included. Any points that were raised about BEES and/or human capital during the preparation of this comment letter have been included under the detailed responses to the specific questions.

Question 5—Effective date

The ISSB proposes to set an effective date of the amendments that will occur between 12 and 18 months after their issuance and permits early application. The ISSB's rationale for this proposal can be found in paragraph BC161 of the Basis for Conclusions.

Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?

We agree with the proposal to set an effective date of the amendments for 12 – 18 months after the amendments are finalised and issued, to allow preparers time to prepare for changes in the SASB Standards. We also agree that early application should be permitted.

Question 6—Coal Operations SASB Standard

The Exposure Draft includes proposals to enhance the Coal Operations SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Coal Operations SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers

The ISSB proposes:

- to revise the Coal Operations industry description;
- to add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics and add metric EM-CO110a.3 Total Scope 1 methane emissions;
- to revise the Water Management disclosure topic and associated metrics, remove metric EM-CO-140a.2 and add three metrics:
 - EM-CO-140a.3 Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress;
 - EM-CO-140a.4 Total water discharged by (1) destination and (2) level of treatment; and
 - EM-CO-140a.5 Percentage of production from mine sites where acid and metalliferous drainage (1) has the potential to occur, (2) is actively mitigated or (3) is under treatment or remediation;
- to revise the Waste Management disclosure topic and associated metrics, including changing the disclosure topic name to Waste & Hazardous Materials Management;
- to revise the Biodiversity Impacts disclosure topic and associated metrics, including changing the disclosure topic name to Ecological Impacts, remove metric EM-CO-160a.2 and add metric EM-CO-160a.4 (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored;
- to revise the metrics in the Rights of Indigenous Peoples disclosure topic, relocate them to the Community Relations disclosure topic and rename the topic 'Community Relations & Rights of Indigenous Peoples', resulting in the metrics:
 - EM-CO-210b.3 Percentage of (1) proved and (2) probable coal reserves in or near Indigenous Peoples' land; and
 - EM-CO-210b.4 Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights;
- to add an Operations in Conflict Areas disclosure topic and two metrics:
 - EM-CO-210c.1 Percentage of (1) proved and (2) probable coal reserves in conflict-affected and high-risk areas; and
 - EM-CO-210c.2 Description of engagement processes and due diligence practices related to operating in conflict-affected and high-risk areas;
- to revise the Labour Relations disclosure topic and associated metrics, including changing the disclosure topic
- name to Labour Practices;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Reserves Valuation & Capital Expenditures disclosure topic and associated metrics, including
- changing the disclosure topic name to Climate Resilience; and
- to revise the Tailings Storage Facilities Management disclosure topic and associated metrics.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Coal Operations SASB Standard? Why or why not?
- (b) Do you agree with the Coal Operations industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Coal Operations SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Coal Operations SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to primary users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Do you agree with the proposed addition of metric EM-CO-110a.3 Total Scope 1 methane emissions? Why or why not? If not, what would you suggest instead and why?
- (f) Are there any jurisdictional considerations related to the Coal Operations SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (g) Do you have any comments on how the proposed amendments would affect the Coal Operations SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.

We broadly agree with the proposed amendments to the Coal Operations SASB Standard.

However, we note that there is no proposed amendment that addresses the Just Transition framework, which is affirmed in the Paris Agreement. This is a highly relevant area for disclosure for the Coal Industry and a topic of significant interest for primary users. We suggest that the Board reconsiders this topic for inclusion in the revised SASB Standards or provides an explanation in the Basis for Conclusions as to why it was not included at this time and whether it will be in the future.

We note that the term 'activity metrics' is defined in the *Introduction – Overview of SASB Standards* as those metrics "which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison." However, we suggest that the activity metrics that are stated in Table 2 of this Standard (and others) are further explained in the Standard, such as is done for disclosure topics and metrics in Table 1. This will help avoid any confusion for stakeholders when applying the Standards.

Comments on the specific metrics per topic:

- EM-CO-110a.3 Total Scope 1 methane emissions: we agree with the proposed addition of this metric, because methane is a significant contributor to emissions, and with a higher GWP than CO₂, and disclosed information will be of interest to primary users. It would also be useful to primary users for entities to report on the way their targets include methane and the strategies they have in place to reduce methane emissions.
- Water management metrics (which are also included in Metals & Mining and Oil & Gas: Exploration and Production SASB Standard): EM-EP-140a.6; EM-CO-140a.3, EM-MM-140a.4: We suggest requiring entities to provide this information unless gathering such information involves lengthy reporting for entities in these industries, which could be onerous for them to fulfil.
- We note that there are no metrics in the Coal SASB Standard that address air quality. Emission of substances such as coal dust particulates can be significant in the Coal industry and have an impact on air quality in the region, as well as potentially incurring regulatory costs in certain jurisdictions. We suggest that the ISSB consider including air quality metrics in the Coal SASB Standard.

- BC80(a) refers to ‘the spatial footprint (surface area) of the entity’s operational facilities’ under the sub-heading ‘Coal, mineral and petroleum reserves-related disclosures’, but we query whether this is a clear enough explanation, and does ‘operational facilities’ mean the same when it is used in other Standards, such as for Construction Materials? For consistency of application, we suggest that a clearer explanation of the term is included, for example in a Glossary of terms.
- Activity metric: ‘Total hours worked disaggregated by (1) employees and (2) non-employee workers’ – total hours worked is typically not reported unless it is used as part of the intensity metric (long-term injury frequency). We are not convinced reporting it would add much value, especially for non-employees.

Question 7—Construction Materials SASB Standard

The Exposure Draft includes proposals to enhance the Construction Materials SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Construction Materials SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Construction Materials industry description;
- to add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Air Quality disclosure topic and associated metric;
- to revise the Energy Management disclosure topic and associated metric;
- to revise the Water Management disclosure topic and associated metric;
- to revise the Waste Management disclosure topic and associated metric;
- to revise the Biodiversity Impacts disclosure topic and associated metrics, including changing the disclosure topic name to Ecological Impacts;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Product Innovation disclosure topic and associated metrics;
- to add a Supply Chain Management disclosure topic and associated metric EM-CM-430a.1 Description of the process to manage supply chain risks arising from environmental and social issues; and to revise the Pricing Integrity & Transparency disclosure topic and associated metric.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Construction Materials SASB Standard? Why or why not?
- (b) Do you agree with the Construction Materials industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Construction Materials SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Construction Materials SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to primary users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Do you agree with the proposed addition of the Supply Chain Management disclosure topic and associated metric? If you disagree, which aspects do you disagree with and what would you suggest instead?
- (f) Are there any jurisdictional considerations related to the Construction Materials SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (g) Do you have any comments on how the proposed amendments would affect the Construction Materials SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Construction Materials SASB Standard.

We note however that entities in this sector face exposure to potential human rights violations and operate in contexts where labour laws may be weak. Furthermore, local communities may express opposition to extraction and manufacturing activities due to concerns regarding pollution and displacement. For these reasons, we think the ISSB should consider adding further disclosure requirements in this Standard, such as the Labour Practices disclosure topic in the Coal SASB Standard (and other Standards).

Comments on the specific metrics per topic:

- With respect to EM-CM-110a.2 for GHG emissions metrics, we suggest introducing more detailed specific requirements for activities and investments to achieve targets relating to the reduction of GHG emissions (i.e., planning).
- With respect to EM-CM-130a.1 for Energy Management metrics, the list of renewable energy sources is only illustrative but, because this is a common conjecture area, it may be useful to make it an exhaustive list, if possible. Moreover, there are metrics where the requirement to include ratios or percentages has been removed; this is often useful information to primary users to save them from having to do their own calculations.
- The metric for Ecological Impacts could be expanded to address resource depletion at a site, encouraging entities to calculate and disclose estimates of resources and depletion percentages annually.
- In the Waste Management Section, there is no mention of asbestos, which is often raised in discussions about environmental issues and lawsuits related to construction materials. Although asbestos use is already banned in most countries, it has been recognised as a health hazard worldwide.

Question 8—Iron & Steel Producers SASB Standard

The Exposure Draft includes proposals to enhance the Iron & Steel Producers SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Iron & Steel Producers SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Iron & Steel Producers industry description;
- to revise the activity metric EM-IS-000.A, add two activity metrics relating to workforce composition and add one activity metric to disaggregate recycled steel production;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Air Quality disclosure topic and associated metric;
- to revise the Energy Management disclosure topic and one associated metric, and remove one metric;
- to revise the Water Management disclosure topic and associated metric;
- to revise the Waste Management disclosure topic and associated metric;
- to add a Labour Practices disclosure topic and two associated metrics:
 - EM-IS-310a.1 Percentage of employees covered by collective agreements; and
 - EM-IS-310a.2 (1) *Number of work stoppages* and (2) *the total days idle*;
- to revise the Workforce Health & Safety disclosure topic and associated metric; and
- to revise the Supply Chain Management disclosure topic and associated metric.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

(a) Do you agree with the proposed amendments to the Iron & Steel Producers SASB Standard? Why or why not?

(b) Do you agree with the Iron & Steel Producers industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?

(c) Do you agree with the disclosure topics in the Iron & Steel Producers SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?

(d) Do you agree with the metrics and technical protocols in the Iron & Steel Producers SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?

(e) Are there any jurisdictional considerations related to the Iron & Steel Producers SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.

(f) Do you have any comments on how the proposed amendments would affect the Iron & Steel Producers SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Iron & Steel Producers SASB Standard.

We note that the Iron & Steel industry is expected to undergo significant changes in the future (e.g., new technological innovations related to carbon neutrality) and therefore, close monitoring of these

developments will be needed and flexibility in revisions to this description may be necessary in the near future.

Comments on the specific metrics per topic:

Although the proposed metrics are generally clear, we believe there is not a full coverage of risks and opportunities:

- For Water Management, it may be appropriate to establish indicators that take the recycling rate into account, since many steel manufacturers recycle and reuse water resources.
- EM-IS-130a.1: this metric could be expanded to include consumption of renewable fuels (e.g., hydrogen, biogas), which are relevant for emerging production models focusing on low-carbon steelmaking.
- There is still room for further alignment with region-specific regulations. It is understood that the SASB Standards are designed to align with regulatory frameworks of major countries (e.g., the US), but under certain aspects, these do not directly align with the laws of other countries like Japan. In particular, SASB Standards require reporting the "Total Recordable Incident Rate (TRIR)" based on OSHA standards, whereas in Japan, such reporting is done based on the "Industrial Safety and Health Act" and the Ministry of Health, Labour and Welfare's "Occupational Accident Statistics." This means that the definitions and calculation methods of indicators may differ, and multinational comparisons may be affected.

Question 9—Metals & Mining SASB Standard

The Exposure Draft includes proposals to enhance the Metals & Mining SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Metals & Mining SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Metals & Mining industry description;
- to revise the activity metrics and add one activity metric relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Air Quality disclosure topic and associated metric;
- to revise the Water Management disclosure topic and one associated metric, remove one metric and add three metrics:
 - EM-MM-140a.3 *Total water discharged by (1) destination and (2) level of treatment;*
 - EM-MM-140a.4 *Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress; and*
 - EM-MM-140a.5 *Percentage of production from mine sites where acid and metalliferous drainage (1) has the potential to occur, (2) is actively mitigated or (3) is under treatment or remediation;*
- to revise the Waste & Hazardous Materials Management disclosure topic and associated metrics;
- to revise the Biodiversity Impacts disclosure topic and associated metrics, including changing the disclosure topic name to Ecological Impacts, and to remove one metric and add metric EM-MM-160a.4 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored;*
- to revise the Security, Human Rights & Rights of Indigenous Peoples disclosure topic and associated metrics through separating them into two disclosure topics: a revised Community Relations disclosure topic titled Community Relations & Rights of Indigenous Peoples, and a new disclosure topic, Operations in Conflict Areas.

Revisions to the metrics would include:

- revising metrics EM-MM-210a.2 and EM-MM-210a.3 and relocating them to the revised Community Relations & Rights of Indigenous Peoples disclosure topic with new metrics EM-MM-210b.3 and EM-MM-210b.4;
- revising metric EM-MM-210a.1 and relocating it to the proposed Operations in Conflict Areas disclosure topic as metric EM-MM-210c.1; and
- adding new metric EM-MM-210c.2 to the proposed Operations in Conflict Areas disclosure topic;
- to revise the Labour Practices disclosure topic and associated metrics;
- to revise the Workforce Health & Safety disclosure topic and associated metric and add metric EM-MM-320a.2 *Description of management systems used to foster a safe working environment;*
- to add a Supply Chain Management disclosure topic and associated metric EM-MM-430a.1 *Description of the process to manage supply chain risks arising from environmental and social issues;*
- to revise the Business Ethics & Transparency disclosure topic, including changing the disclosure topic name to Business Ethics, and associated metrics; and
- to revise the Tailings Storage Facilities Management disclosure topic and associated metrics.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

(a) Do you agree with the proposed amendments to the Metals & Mining SASB Standard? Why or why not?

(b) Do you agree with the Metals & Mining industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?

(c) Do you agree with the disclosure topics in the Metals & Mining SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?

(d) Do you agree with the metrics and technical protocols in the Metals & Mining SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?

(e) Do you agree with the proposed addition of a Supply Chain Management disclosure topic and associated metric? Why or why not? If not, what would you suggest instead and why?

(f) Are there any jurisdictional considerations related to the Metals & Mining SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.

(g) Do you have any comments on how the proposed amendments would affect the Metals & Mining SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Metals & Mining SASB Standard.

We broadly agree with the proposed amendments to the industry description. However, we recommend that the industry description should also include:

- exploration activities,
- the activities related to discovery/location of minerals,
- product recycling, especially the recycling of precious metals and base metals from e-scrap,
- Responsibilities for site closures and post-closure phases of the mining lifecycle with respect to community relations and rights of indigenous people.

It appears that the proposed disclosures do not include metrics from 'best practice' sector standards and practices, for example:

- For Water Management, we understand that there has been some misalignment between the CDP/GRI descriptions for sources, etc., compared to those of the ICMM water standards. Whilst alignment is encouraged between ISSB Standards and GRI and TNFD, if the ICMM water standards are more commonly used due to their 'best practice' status, we think that inclusion of metrics from these standards would also be useful enhancements to the SASB Standards. Useful metrics about some known material issues are also excluded, e.g., Artisanal Mining and mine closure/rehabilitation.
- Disclosures around mine/facility closure and ongoing/at closure land rehabilitation would be useful. Closure is often an area of significant financial consideration, because mine/facility land rehabilitation and nature/biodiversity impacts can bear a significant cost. Closure is only briefly referenced in EM-MM-160a.1 and EM-MM-540a.2.
- Inclusion of a disclosure topic and metrics for product recycling (especially the recycling of precious metals and base metals from e-scrap) would be useful.
- We suggest including within the metric EM-MM-160a.4, a requirement to provide details for any regulatory requirements for financing related to rehabilitation, e.g., ring-fenced funds. For example, whether these must be secured up front or provided afterwards, and an entity should indicate whether these funds are available and the value of these funds. Also, we suggest that disclosure of any jurisdictional responsibility timelines, e.g., 100 years post-closure, should be provided.

Comments on the specific metrics per topic:

- **Greenhouse Gas Emissions:**

- Metrics:

- EM-MM-110a.1.

- 1.1 “In preparing this disclosure, the entity shall apply the measurement and disclosure requirements in paragraph 29(a) of IFRS S2 that are applicable to Scope 1 greenhouse gas emissions”:
 - we suggest specifying which categories fall under Scope 1 as per GHG Protocol: stationary combustion, mobile combustion, and fugitive emissions.
 - 2. “The entity shall disclose (2) the percentage of its gross Scope 1 greenhouse gas emissions subject to applicable jurisdictional greenhouse gas laws, regulations or programmes intended to limit or reduce greenhouse gas emissions directly [...]”:
 - We recommend that, in addition to the calculation of the percentage of its gross Scope 1 GHG emissions subject to applicable jurisdictional GHG laws, the entity also discloses the amount of gross Scope 1 GHG emissions subject to applicable jurisdictional GHG laws, regulations or programmes intended to limit or reduce GHG emissions directly, such as cap-and-trade schemes, carbon tax or fee systems, and other emissions control and permit-based regulations or programs.

- EM-MM-110a.2. Description of Scope 1 GHG emissions targets and an analysis of performance against those targets:

- When referring to targets, establishing a baseline enables tracking progress over time. For consistency in disclosure, a baseline for the entity should be defined when targets are reported. We suggest that entities should also disclose these targets, as well as a timeline and intermediate milestones in achieving the target.

- **Air Quality:**

- Topic Summary: “[...]as well as lower long-term costs achieved through more efficient production methods.”: It may be useful to mention reputational factors and the growing expectation from primary users for transparent pollutant management.

- **Energy Management:**

- Metrics:

- EM-MM-130a.1.

- ‘natural gas consumed’ is referenced in the title of the metric, but there is no individual metric listed that addresses natural gas consumed. We think that this would be useful information to disclose.
 - 1.3:
 - The disclosure metric has been amended to disclose net calorific values to calculate energy consumed from fuels and biofuels, instead of gross calorific values. We think that this provides less transparency of information and that the current wording of the Standard should be retained.
 - Proposed use of the ‘2006 IPCC Guidelines for National Greenhouse Gas Inventories (Table 1.2 Default Net Calorific Values (NCVs) [...]’: default NCVs might vary depending on the region and fuel quality. Section 1.3.1 provides exemption from the defaults only if the entity is required by authorities to use specific NCVs. Allowing the use of

country-specific, supplier-specific or plant-specific net calorific values would provide more flexibility.

- 2. “An entity shall disclose (2) the quantity of purchased or acquired electricity it consumed (in GJ) [...]”: If an entity is required to disclose information regarding the quantity of purchased or acquired electricity, this should be expressed either in GJ or in kWh or MWh (as appropriate in each case) to align with the standard units used for measuring electricity.
- 3. “An entity shall disclose the quantity of electricity from renewable energy it consumed (in GJ) [...]”: Similar to the above, if an entity is required to disclose information regarding the quantity of electricity from renewables, this should be expressed either in GJ or in kWh or MWh (as appropriate in each case) to align with the standard units used for measuring electricity.

- **Water Management:**

- Metrics:

- EM-MM-140a.3.
 - 2.5 “The entity shall disclose how it determines the appropriate level of treatment for water discharges.”: We suggest also including disclosures about whether the quality of the discharged water is monitored and reported against local environmental permits and/or national regulations and standards.
 - EM-MM-140a.4.
 - 4. We recommend also including disclosures around whether the entity considers future water pricing risks and physical climate risks (e.g., drought-induced shutdowns or regulatory water curtailment) in its scenario analysis.
 - EM-MM-140a.4.1.1.1: suggest including sensitive ecosystems within the list of types of environmental constraints.

- **Waste & Hazardous Materials Management**

- Metrics:

- EM-MM-150a.8.
 - 1.3.1 “Energy Recovery is defined as the use of combustible waste[...]”: We recommend that entities disclose the amount (mass) of waste left behind after energy generation, along with the percentage of that waste that has been recovered for energy recovery.
 - EM-MM-150a.9.
 - 1.1 “The disclosure includes incidents of mishandling of hazardous materials and improper disposal of hazardous waste [...]”: We recommend that entities also disclose any fines and penalties incurred as a result of these incidents. This disclosure should include details on the nature of the violations, the financial implications, and any corrective actions taken to prevent future occurrences.
 - 1.1.1 “a meaningful concentration is defined as a concentration that exceeds the limits of applicable jurisdictional law or regulation or industry-accepted codes [...]”: We recommend that entities disclose specific examples of applicable codes, such as the EU Mining Waste Directive (D2006/21/EC), Aluminium Stewardship Initiative (ASI), Consolidated Mining Standards Initiative (CMSI), and GRI Mining Sector Standard.
 - 2.1 “If the entity defines and manages its hazardous materials and waste using the strictest compliance guidelines from applicable legal, regulatory or voluntary trade association frameworks in all jurisdictions in which it operates, it shall disclose that fact, and if so, which framework it uses.” We recommend that, in addition to disclosing the framework it uses for managing hazardous materials and waste, entities should also disclose the justification for their

choice of that particular framework. This justification should include the rationale behind selecting the framework, how it aligns with the entity's operational practices, and any considerations regarding legal, regulatory, or industry standards.

- EM-MM-150a.10.
 - 1.1 “The disclosure includes policies and procedures for the entity’s active and inactive operations”: We recommend that the Standard explicitly defines the distinction between active and inactive operations. Active operations may include sites currently engaged in extraction, processing, or exploration activities, while inactive operations could refer to sites where mining activities have ceased. However, there may be unique cases that warrant further explanation, such as sites where mining activity is no longer undertaken, but are still utilised for transport, storage, or other ancillary functions. Additionally, the definitions of active and inactive operations may differ across various legislation, codes, and standards, highlighting the need for clarity in this area.
- EM-MM-150a.10
 - 4.2 “approach to assessing risks risk associated with handling and use of hazardous materials”; 4.3 “policies and procedures to mitigate the risk of spills, seepage, poisoning, accidents and incidents that could have severe adverse effects on human health, local communities or the environment;”: We recommend that this disclosure includes a description of any climate scenario analysis assessments for risk assessment and mitigation of waste and how many years were considered.
- **Ecological Impacts**
 - Topic Summary
 - “[...] The development, operation, decommissioning closure and remediation of mines can have a range of ecological impacts on landscapes, vegetation and wildlife habitats. The ecological impacts of mining operations can affect the valuation of reserves and create operational risks. [...]”: We recommend that the wording includes reference to ecosystem degradation and that it may also impact the long-term usability of land post-mining, reducing its value for future productive or community use. This ties into stakeholder concerns about land rehabilitation.
 - Metrics:
 - EM-MM-160a.1.
 - 1.1 The entity shall disclose information about its environmental management policies and practices [...] including the life cycle stages to which the plans apply [...]”: We recommend that entities should disclose whether closure and post-closure monitoring phases are also included in environmental management plans.
 - 1.2 “the types of ecological impacts included in the plans [...]”: We think it would be helpful if the metric distinguishes between direct ecological impacts (such as habitat loss and species displacement) and indirect ecological impacts (including noise, dust, and light pollution).
 - EM-MM-160a.3
 - (5) Given the fact that mining operations tend to impact surrounding land beyond just the operation’s footprint via dust, water discharges, etc., the concepts of ‘area’ and ‘near’ should be more specifically defined to be less limiting.
 - EM-MM-160a.4.
 - 1.1 “The total spatial footprint of the entity’s operations includes the cumulative area disturbed [...]”: We recommend that entities disclose whether temporary disturbances (e.g., exploratory access roads, temporary camps)

are included, and under what conditions they remain part of the disturbed footprint.

- 3.1 “An area is no longer part of the entity’s spatial footprint of operations once post-closure restoration and remediation efforts are complete as defined by applicable jurisdictional law or regulation [...]”: We recommend that entities disclose if progressive rehabilitation is practiced (i.e., restoration during operations, not only post-closure).

- **Community Relations & Rights of Indigenous Peoples**

- Topic Summary:

- “[...] following international guidelines like obtaining free, prior and informed consent from Indigenous Peoples [...]”: We recommend that specific international guidance should be referenced - the Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining 1.0–Supplementary Guidance on Indigenous Peoples and Free, Prior, and Informed Consent (FPIC).

- Metrics:

- There is no explicit metric for disclosing information related to grievance mechanisms, which are typically required under OECD, IFC PS1 and the International Council on Mining and Metals (ICMM), with the exception of metric EM-MM-210b.4, but this is related to Indigenous People only. We recommend including a requirement to disclose information related to how entities ensure the availability of accessible, transparent, and culturally appropriate grievance mechanisms for affected communities.
 - EM-MM-210b.1: Processes used to manage risks and opportunities associated with community rights and interests:
 - 7. “An entity shall disclose relevant quantitative information to characterise its exposure to community-related risks, such as the entity’s estimated value at risk”: The proposed wording is broader than the existing wording, and we think that this may result in disclosure of information which is inconsistent across different organisations. We recommend that the original wording is retained.
 - EM-MM-210b.2: (1) Number of non-technical delays and (2) the total days idle:
 - There is no guidance provided on what types of delays are categorised as ‘idle delays’, which could mean that inconsistent information is disclosed across different entities.
 - 4. “An entity shall provide information about the delays [...]”: A specific disaggregation should be required, between regulatory-related delays and those related to communities (such as protests).
 - EM-MM-210b.3: Percentage of (1) proved and (2) probable mineral reserves in or near Indigenous Peoples’ land
 - Metrics only require disclosures on proven or probable mineral reserves near Indigenous People’s lands and no disclosure requirement for non-Indigenous communities. Mining operations in such areas could also mean destruction of land with cultural or historic value for non-Indigenous communities as well and we recommend that a metric is added to cover this additional disclosure.
 - 2. “The area of an entity’s operational facilities is defined by the facility’s spatial footprint of operations [...]”: We think it is better to consider here the modelled footprint of reserves/resources within XX km of Indigenous land that can be reasonably expected to be extracted, because this gives a clearer picture to primary users about the potential loss of value, should permits be denied.
 -

- **Labour Practices**

- Metrics:

- Similar to the communities aspect mentioned above, there is no explicit metric/requirement for disclosing information related to grievance mechanisms for workers, which are strongly emphasised under the UNGPs and OECD Guidelines. There should be a requirement to disclose information about how entities ensure the availability of grievance mechanisms or other types of worker engagement processes.
 - EM-MM-310a.1.: Percentage of employees covered by collective agreements
 - We recommend that a requirement is added regarding whether the entity ensures the right to freedom of association across all operations/jurisdictions. This could be done by requiring entities to disaggregate the information by countries of operation.
 - EM-MM-310a.2.: (1) Number of work stoppages and (2) the total days idle
 - 'Work-stoppages' under Labour Practices metrics does not cover any delays or stoppages from environmental reasons (natural disasters such as earthquakes, heatwaves, flood). We recommend that disclosures about these stoppages/delays are also required.

- **Workforce Health & Safety:**

- Topic summary

- We recommend including wording about other possible causes of fatalities and injuries, such as not wearing the safety equipment provided and lack of workers' awareness regarding a hazardous working environment.

- Metrics:

- EM-MM-320a.1. (1) Number of fatalities and (2) total recordable incident rate for (a) direct employees and (b) non-employee workers; (3) average hours of health, safety and emergency response training
 - 1. "An entity shall separately disclose (1) the number of fatalities resulting from work-related injuries and work-related illnesses for (a) employees and (b) non-employee workers": Useful to provide absolute number and % rate of fatalities and recordable incidents to allow comparison for entities of different sizes.
 - 4.2 "[...]Incidents that occur while a worker is travelling are work-related [...]": We recommend that this metric also requires information about incidents or accidents that occurred during the worker's commuting from home to the workplace and back.
 - 5. "An entity shall disclose (3) the average number of training hours provided to its workforce for health, safety and emergency preparedness management training." Clarity is needed over the nature of this training, noting that sometimes safety training may be provided on a 1-to-1 basis in an ad-hoc or informal manner. Is the intention that this information should only be related to formal training, e.g., recordings, attendance in safety workshops with certifications, etc.?

- **Tailings Storage Facilities Management:**

- Metrics:

- EM-MM-540a.3. Development of emergency preparedness and response plans for tailings storage facilities
 - 2.1.2 "how often it carries out emergency response plan tests and evacuation exercises to minimise the consequences of a potential failure.": We recommend that entities should report whether EPRPs are made accessible to communities (e.g., translated, publicly posted), as this is essential for stakeholder preparedness and GISTM alignment.

Question 10—Oil & Gas – Exploration & Production SASB Standard

The Exposure Draft includes proposals to enhance the Oil & Gas – Exploration & Production SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Oil & Gas – Exploration & Production SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Oil & Gas – Exploration & Production industry description;
- to revise the activity metrics and add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics and add metric EM-EP-110a.4 Total Scope 1 methane emissions;
- to revise the Air Quality disclosure topic and associated metric.
- to revise the Water Management disclosure topic and associated metrics and add two new metrics:
 - EM-EP-140a.5 Total water discharged by (1) destination and (2) level of treatment; and
 - EM-EP-140a.6 Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress;
- to revise the Biodiversity Impacts disclosure topic and associated metrics, including changing the disclosure topic name to Ecological Impacts, and to add metric EM-EP-160a.4 (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored;
- to revise the Security, Human Rights & Rights of Indigenous Peoples disclosure topic and associated metrics through separating them into two disclosure topics: a revised Community Relations disclosure topic titled Community Relations & Rights of Indigenous Peoples, and a new disclosure topic, Operations in Conflict Areas. Revisions to the metrics would include:
 - revising metrics EM-EP-210a.2 and EM-EP-210a.3 and relocating them to the revised Community Relations & Rights of Indigenous Peoples disclosure topic as new metrics EM-EP-210b.3 and EM-EP-210b.4;
 - revising metric EM-EP-210a.1 and relocating it to the proposed Operations in Conflict Areas disclosure topic as metric EM-EP-210c.1; and
 - adding new metric EM-EP-210c.2 to the proposed Operations in Conflict Areas disclosure topic;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Reserves Valuation & Capital Expenditures disclosure topic and associated metrics—including changing the disclosure topic name to Climate Resilience;
- to revise the Business Ethics & Transparency disclosure topic and associated metrics—including changing the disclosure topic name to Business Ethics;
- to revise the Management of the Legal & Regulatory Environment disclosure topic and associated metric;
- to revise the Critical Incident Risk Management disclosure topic and associated metrics;

The section on ‘Proposed amendments to the SASB Standards’ in the Basis for Conclusions sets out the ISSB’s reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Oil & Gas – Exploration & Production SASB Standard? Why or why not?
- (b) Do you agree with the Oil & Gas – Exploration & Production industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?

- (c) Do you agree with the disclosure topics in the Oil & Gas – Exploration & Production SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Oil & Gas – Exploration & Production SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Do you agree that the proposed amendments to the Water Management disclosure topic would provide useful information to primary users in a cost-effective manner for preparers?
- (f) Do you agree with the proposed addition of metric EM-EP-160a.4 (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored and with the content of that metric? Why or why not? If not, what do you recommend and why?
- (g) Are there any jurisdictional considerations related to the Oil & Gas – Exploration & Production SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (h) Do you have any comments on how the proposed amendments would affect the Oil & Gas – Exploration & Production SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Oil & Gas – Exploration & Production SASB Standard.

We broadly agree with the proposed amendments to the industry description. However, we are unsure if the use of the term 'value chain' here - 'upstream' portion of the oil and gas value chain - is meant to mean the same as the 'value chain' concept in IFRS S1. We suggest clarifying this to avoid confusion.

We suggest also including soil pollution under "Ecological Impacts", because there is potential for hydrocarbons and heavy metals to decrease soil fertility. This could affect agricultural productivity, as well as influence the entity's social licence to operate in local communities.

We note that the topic of reducing carbon intensity is not included. This is a significant issue in the Oil & Gas industry, and we suggest that the ISSB considers including this topic and associated metrics in the four Oil & Gas SASB Standards.

In terms of jurisdictional considerations, certain jurisdictions, such as those regulated by the Alberta Energy Regulator in Canada, have specific legislation that mandates work stoppages when induced seismic activity exceeds defined magnitudes. To generally enhance the relevance and usefulness of the SASB Standards, we recommend including a metric that captures specific regulatory requirements. Such a metric would provide primary users with valuable insights into the potential financial impacts and implications for an entity's social licence to operate in regions impacted by specific jurisdictional regulatory requirements.

Comments on the specific metrics per topic:

Greenhouse Gas emissions

- We suggest requiring the disclosure of volume of GHG emissions injected for carbon capture and storage.
- *EM-EP-110a.1. (1) Gross Scope 1 emissions, (2) percentage methane and (3) percentage subject to emissions-limiting regulations*
 - 3.1.1. It should be clarified how to prevent double-counting emissions when calculating the percentage of Scope 1 GHG emissions covered by jurisdictional laws, regulations or programmes, if emissions fall under multiple frameworks.

- *EM-EP-110a.2. Quantity of gross Scope 1 emissions from: (1) flaring, (2) other combustion, (3) vented emissions and (4) fugitive emissions*
 - 1.2. The term “other entity-owned or leased vehicles” in the definition of emissions from other combustion is not sufficiently neutral given the different organisational boundaries that can be applied under IFRS S2.
- *EM-EP-110a.3. Description of Scope 1 greenhouse gas emissions targets and analysis of performance against those targets*
 - 1.1. Since the disclosure requirement pertains to Scope 1 GHG emissions “targets,” it is necessary to clarify whether each target should be reported individually. Additionally, the phrasing used to describe the target should align with IFRS S1.51, specifically “to monitor progress towards achieving its strategic goals,” rather than “for itself.”
 - 4. The disclosure requirements about the activities and investments required to achieve the entity’s targets and any risks and or limiting factors that might affect achievement of those targets should be put in context of IFRS S1 or IFRS S2 requirements as they include similar requirements (IFRS S1.51, IFRS S2.14(v), 33-34).

Air Quality

- *EM-EP-120a.1. Air pollutant emissions of (1) NO_x (excluding N₂O), (2) SO_x, (3) volatile organic compounds and (4) particulate matter*
 - 1.1. It should be clarified that “operational” in “air pollutants associated with the entity’s operational activities and sources of emissions” does not mean operational control as defined in GHG reporting.
 - 1.4. We recommend including the same disclosure requirements even if an entity does not define or manage air pollutant emissions under the strictest compliance guidelines in all jurisdictions, as this information is valuable regardless of which guideline is applied.
 - 6.3. With respect to the disclosure requirements pertaining to “calculations based on published emission factors,” we recommend integrating the measurement framework approach as set forth in IFRS S2, specifically regarding Scope 3 measurement guidance on prioritising inputs and assumptions.

Water Management

- *EM-EP-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*
 - 1.2.4. The term “entity’s boundary” in the phrase “water that enters an entity’s boundary by extraction” should be clarified. Also, the reference to “sugar cane processing” is not appropriate for an example related to the Oil & Gas industry.
 - 1.2.5. It is not clear how the third-party water is relevant to Oil & Gas – Exploration & Production industry.
 - 2. The term “direct operations” in the phrase “the volume of water consumed in its direct operations” should be clarified.
 - 2 and 3. Given that “water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period”, the main differences between water withdrawn and water consumed should be clarified.
 - 4 (an entity shall disclose the volume of water consumed from water-stressed locations as a percentage of the total water consumed). We suggest more details be added to understand the level of water quality deterioration rather than only percentages of water consumed.
 - 5. If there are some cases where an entity estimates or models the disclosure, similar approach to the Scope 3 GHG emissions measurement framework should be introduced.

- *EM-EP-140a.2. (1) Volume of produced water and flowback generated; (2) percentage (a) injected and (b) recycled; and (3) hydrocarbon content in discharged water*
 - 1.1. It should be clarified why the definition of “produced water” is not identical to its definition in EM-EP-140a.1, 1.2.4.
 - 2. It should be clarified if percentage disclosure is needed for produced water and flowback separately, or both. Additionally, it is recommended to clearly specify the denominator used for the percentage calculation.
 - 3. For “hydrocarbon contained in water discharged to the environment”, we suggest changing “quantity” to “volume” and “metric tonnes” to “megalitres” for consistency with other amendments.
 - 3.1. We suggest defining “Water discharged” as in EM-EP-140a.5.
- *EM-EP-140a.4. Percentage of wells using hydraulic fracturing where ground or surface water quality deteriorated compared to a baseline*
 - 1.2. Concerning hydraulic fracturing disclosures, clarification is recommended regarding the denominator for the percentage of wells disclosed—specifically, whether this refers to all wells or only those monitored for water quality—since a similar disclosure is required for the number of wells not being monitored in paragraph 2.
 - 3. It should be clarified how the disclosure requirements for communicating with legal or regulatory authorities and nearby residents or business owners differ from the public disclosure requirements under EM-EP-140a.3.
- *EM-EP-140a.5. Total water discharged by (1) destination and (2) level of treatment*
 - 1.1. The term “organisation” should be clarified to specify whether it refers to the entity itself or a third party.
 - 1.2. We suggest changing the reference from “the scope of disclosure” to “the scope of meaning of water discharge” for clarification.
 - 2.3. Regarding the disclosure requirement for water discharges that an entity determines do not require treatment, we recommend clarifying the approach for reporting instances where water required treatment but was not treated (for example, due to overflow or flooding) within this disclosure requirement.

Ecological Impacts

- *EM-EP-160a.4. (1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*
 - Whilst we believe the addition of the proposed metric may provide information that could be useful, there are doubts about whether it can be aggregated and calculated at a reasonable cost, and there is a possibility of practical variations in interpretation. Therefore, it is advisable to reconsider the disclosure requirements from a cost-benefit perspective.
 - Additionally, “the area disturbed” would need more clarification. For instance, it needs to be clarified whether this to be the wellhead area (limited extent), the surface expression of the drill path, or include the area that could reasonably be disturbed to include areas that could be impacted by excessive and repeated heavy transport along roads, etc.
 - Similarly, for marine exploration (e.g., geotechnical studies) conducted directly by the Oil & Gas entity, this metric would be challenging information to measure. Instead, number of marine mammals observed during acquisition and total hours of resulting downtime, area of seabed disturbed for geotechnical investigations could be added.
- There should be additional metrics pertaining to induced seismicity. Suggested metrics might be: number of 12Hz seismic geophones positioned around hydraulic fracture area, number of 4Hz seismic geophones positioned around hydraulic fracture area (and perhaps an explanation of why these weren't deployed given their importance for detecting larger induced seismic events), number of recorded induced seismic events (e.g. magnitude >3.0 - NB: magnitude threshold could

be defined based on local regulation), related shutdown time (as per regulations in operating area for exceeding seismic threshold), perhaps recorded financial damages to local communities from such events.

Workforce Health & Safety

- *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*
 - This metric may need definition of safety training to clarify whether this should be formal training or the “informal” on-the-job type safety training that often happens daily.

Climate Resilience

- *EM-EP-420a.2. Estimated carbon dioxide emissions latent in proved petroleum reserves*
 - While the unit of measurement is specified as “Metric tonnes (t) CO₂-e,” the accompanying text refers only to CO₂ emissions. To avoid ambiguity, the scope of this metric should be clarified. We recommend explicitly including other greenhouse gases, such as methane, within the definition of CO₂-e for this metric.

General (for all four Oil & Gas industries)

Organisational boundary:

- In IFRS S1 BC55, it is noted that specific ISSB Standards provide requirements and guidance about the disclosure of information about the sustainability-related risks and opportunities arising throughout an entity’s value chain, but SASB Standards do not provide such guidance. Instead, SASB standards refer to organisational boundaries that entities should apply in reporting metrics, while this is not a concept that has been included as a principle in ISSB Standards which incorporate the principle of value chain (e.g., investments in joint ventures and associates are considered part of the entity’s value chain). Although, the Basis for Conclusions clarifies the fact that SASB Standards serve as a source of guidance for applying ISSB Standards, further clarification is necessary to explain the fact that, when an entity applies ISSB Standards and uses SASB standards as source of guidance, it still needs to apply the requirements of ISSB Standards, even though SASB Standards include guidance on similar areas.
- Moreover, for entities applying SASB Standards that do not apply ISSB Standards, it should be further clarified what kind of organisational boundary entities should apply in reporting metrics.

Question 11—Oil & Gas – Midstream SASB Standard

The Exposure Draft includes proposals to enhance the Oil & Gas – Midstream SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Oil & Gas – Midstream SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Oil & Gas – Midstream industry description;
- to add two activity metrics relating to workforce composition and one activity metric for the total operational pipeline under management;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics and add metric EM-MD-110a.3 Total Scope 1 methane emissions;
- to revise the Air Quality disclosure topic and associated metric;
- to revise the Ecological Impacts disclosure topic and associated metrics;
- to add a Workforce Health & Safety disclosure topic and two associated metrics:
 - EM-MD-320a.1 (1) Number of fatalities and (2) total recordable incident rate for (a) employees and (b) non-employee workers; (3) average hours of health, safety and emergency response training; and
 - EM-MD-320a.2 Description of management systems used to foster a safe working environment;
- to revise the Competitive Behaviour disclosure topic and associated metric; and
- to revise the Operational Safety, Emergency Preparedness & Response disclosure topic and associated metrics, including changing the disclosure topic name to Critical Incident Risk Management, and to remove two metrics and add two metrics:
 - EM-MD-540a.5 Process safety event rates for loss of primary containment (1) events of greater consequence (Tier 1) and (2) events of lesser consequence (Tier 2); and
 - EM-MD-540a.6 Description of management systems used to identify and mitigate low-probability, serious accidents.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Oil & Gas – Midstream SASB Standard? Why or why not?
- (b) Do you agree with the Oil & Gas – Midstream industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Oil & Gas – Midstream SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Oil & Gas – Midstream SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Do you agree with the proposed addition of metric EM-MD-110a.3 Total Scope 1 methane emissions? Why or why not? If not, what would you suggest instead and why?
- (f) Are there any jurisdictional considerations related to the Oil & Gas – Midstream SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.

(g) Do you have any comments on how the proposed amendments would affect the Oil & Gas – Midstream SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Oil & Gas – Midstream SASB Standard.

Comments on the specific metrics per topic:

Greenhouse Gas Emissions

- The scope of GHG reporting seems very limited and there is no metric related to Scope 3 GHG emissions and carbon intensity.
- *EM-MD-110a.1. (1) Gross Scope 1 emissions, (2) percentage methane and (3) percentage subject to emissions-limiting regulations*
 - We suggest requiring the disclosure of GHG emissions from acid gas and CO₂ removal processes to be required separately because they are significant contributors to Scope 1 GHG emissions and their profiles differ from combustion-related emissions.

Critical Incident Risk Management

- *EM-MD-540a.3. Number of (1) accident releases and (2) non-accident releases from rail transport*
 - This metric is less relevant in regions such as Europe, where transportation is more commonly done via pipeline or via marine vessels, rather than rail. A focus on disclosure of rail-related accidents only may also unfairly disadvantage certain entities, so we suggest that the ISSB considers amending this metric to make it less specific and to cover disclosure of accidents from all modes of transport.
- *EM-MD-540a.5. Process safety event rates for loss of primary containment (1) events of greater consequence (Tier 1) and (2) events of lesser consequence (Tier 2)*
 - The number of Tier 1 process safety events and Tier 2 process safety events should be disclosed in addition to the event rates to provide more useful information.

Question 12—Oil & Gas – Refining & Marketing SASB Standard

The Exposure Draft includes proposals to enhance the Oil & Gas – Refining & Marketing SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Oil & Gas – Refining & Marketing SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Oil & Gas – Refining & Marketing industry description;
- to revise the activity metrics and add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Air Quality disclosure topic and associated metrics;
- to revise the Water Management disclosure topic and one associated metric, remove one metric and add metric
 - EM-RM-140a.3 Total water discharged by (1) destination and (2) level of treatment;
- to revise the Hazardous Materials Management disclosure topic and associated metrics;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Product Specifications & Clean Fuel Blends disclosure topic and associated metrics;
- to revise the Pricing Integrity & Transparency disclosure topic and associated metric;
- to revise the Management of the Legal & Regulatory Environment disclosure topic and associated metric; and
- to revise the Critical Incident Risk Management disclosure topic and associated metrics and remove one metric.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Oil & Gas – Refining & Marketing SASB Standard? Why or why not?
- (b) Do you agree with the Oil & Gas – Refining & Marketing industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Oil & Gas – Refining & Marketing SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Oil & Gas – Refining & Marketing SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Are there any jurisdictional considerations related to the Oil & Gas – Refining & Marketing SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (f) Do you have any comments on how the proposed amendments would affect the Oil & Gas – Refining & Marketing SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Oil & Gas – Refining & Marketing SASB Standard.

However, we are not certain that the exposure draft fully reflects the considerations for the sector, for example, there are no metrics addressing Just Transition activities (also noted in our response to questions about the Coal Operations SASB Standard), or upgrades to downstream infrastructure to integrate electric vehicles, especially for petrol stations.

Comments on the specific metrics per topic:

Climate change

- The scope of GHG reporting seems very limited and there is no metric related to Scope 3 GHG emissions and carbon intensity.

Management of the Legal & Regulatory Environment

- *EM-RM-530a.1. Description of entity positions related to government regulations or policy proposals affecting the industry*
 - The proposed metrics on positioning and/or influence on key environmental and social legislation are still very broad and there is no specific requirement to disclose financial contributions and/or lobbying efforts, which would be valuable for primary users.

Critical Incident Risk Management

- *EM-RM-540a.1 (Process safety event rates for loss of primary containment (1) events of greater consequence (Tier 1) and (2) events of lesser consequence (Tier 2)) and EM-RM-540a.3 (Measurement of Tier 3 and Tier 4 key performance indicators)*
 - We suggest confirming whether using Tier 2 to 4 defined in “*American Petroleum Institute (API) Recommended Practice 754 - Process Safety Performance Indicators for the Refining and Petrochemical Industries (API-RP 754)*” is appropriate and does not impose significant costs on entities. This is especially important because Tier 2 is less frequently used by entities than Tier 1, and Tier 3 and 4 were developed for internal entity use rather than for public reporting.

Question 13—Oil & Gas – Services SASB Standard

The Exposure Draft includes proposals to enhance the Oil & Gas – Services SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Oil & Gas – Services SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Oil & Gas – Services industry description;
- to revise one activity metric, remove three activity metrics and add two activity metrics relating to workforce composition;
- to revise the Emissions Reduction Services & Fuels Management disclosure topic and one associated metric, including changing the disclosure topic name to Greenhouse Gas Emissions, and to remove metric EM- SV-110a.3 and add metric EM-SV-110a.4 (1) Gross Scope 1 emissions and (2) percentage subject to emissions-limiting regulations;
- to add an Air Quality disclosure topic and associated metric EM-SV-120a.1 Air pollutant emissions: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds and (4) particulate matter;
- to revise the Water Management Services disclosure topic and an associated metric, including changing the disclosure topic name to Water Management, and to remove metric EM-SV-140a.1 and add two metrics:
 - EM-SV-140a.3 (1) Total water withdrawal, by source, (2) total water consumed; (3) percentages of water withdrawn and (b) consumed from water-stressed locations; and
 - EM-SV-140a.4 Total water discharged by (1) destination and (2) level of treatment; to revise the Chemicals Management disclosure topic and an associated metric, including changing the disclosure topic name to Hazardous Materials Management, and remove metric EM-SV-150a.1;
- to revise the Ecological Impact Management disclosure topic and associated metrics, including changing the disclosure topic name to Ecological Impacts, and remove metric EM-SV-160a.1;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Business Ethics & Payments Transparency disclosure topic and associated metrics, including changing the disclosure topic name to Business Ethics;
- to revise the Management of the Legal & Regulatory Environment disclosure topic and associated metric; and
- to revise the Critical Incident Risk Management disclosure topic and associated metric.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Oil & Gas – Services SASB Standard? Why or why not?
- (b) Do you agree with the Oil & Gas – Services industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Oil & Gas – Services SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Oil & Gas – Services SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks

and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?

- (e) The proposed amendments discussed in paragraphs BC126–BC130 would revise, add and remove a series of metrics in the Oil & Gas – Services SASB Standard to better reflect an entity's business activities while 'off- contract'. Do you agree with these proposed amendments? Why or why not? If not, what would you suggest instead and why?
- (f) Are there any jurisdictional considerations related to the Oil & Gas – Services SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (g) Do you have any comments on how the proposed amendments would affect the Oil & Gas – Services SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Oil & Gas – Services SASB Standard.

It is, however, unclear how Oil & Gas SASB Standards would apply to integrated multinational oil and gas entities. Additionally, it is not clear how to apply the SASB Standards to entities in the oil and gas sector that engage in B2B sales when fuel processing is done by a third party while the product owner remains the trading entity.

Question 14—Processed Foods SASB Standard

The Exposure Draft includes proposals to enhance the Processed Foods SASB Standard, with a focus on ensuring that the Standard enables entities applying IFRS Sustainability Disclosure Standards internationally to provide decision-useful information to users of general purpose financial reports. The information provided should enable users to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity engaging in activities associated with this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the Processed Foods SASB Standard as a whole. The ISSB is particularly interested in feedback related to whether the proposed amendments result in a Standard that achieves the objective of meeting the needs of users in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Processed Foods industry description;
- to revise the Energy Management disclosure topic and associated metric;
- to revise the Water Management disclosure topic and associated metrics, remove metric FB-PF-140a.2 and add new metric FB-PF-140a.4 Total water discharged by (1) destination and (2) level of treatment;
- to revise the Food Safety disclosure topic and an associated metric, remove metrics FB-PF-250a.1, FB-PF-250a.2 and FB-PF-250a.3, and add two new metrics:
 - 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; and
 - FB-PF-250a.6 Processes, controls and procedures for ensuring food safety throughout the value chain;
- to revise the Health & Nutrition disclosure topic and associated metrics by removing metrics FB-PF-260a.1 and FB-PF-260a.2, and adding three new metrics:
 - FB-PF-260a.3 Approach and strategy for managing health and nutrition attributes of product portfolio, including any targets set to monitor progress;
 - FB-PF-260a.4 Revenue from products classified as healthy by a recognised nutrient profile model; and
 - FB-PF-260a.5 Revenue from products sold (1) in jurisdictions that require health warning labels and (2) that are required to carry a health warning label;
- to revise the Product Labelling & Marketing disclosure topic and associated metrics by removing metrics FB-PF-270a.1, FB-PF-270a.2 and FB-PF-270a.4, and adding two new metrics:
 - FB-PF-270a.5 Description of marketing policy and related governance and oversight processes; and
 - FB-PF-270a.6 Revenue from products sold (1) in jurisdictions that restrict the advertising of specific products to children and (2) subject to regulations that restrict the advertising of specific products to children;
- to revise the Packaging Lifecycle Management disclosure topic and associated metrics;
- to add a Product Innovation disclosure topic and associated metric FB-PF-410b.1 Use of innovation in food products to address sustainability-related risks and opportunities;
- to remove the Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing disclosure topics and all associated metrics, and replace them with new Environmental Supply Chain Management and Social Supply Chain Management disclosure topics;
- to add three metrics to the proposed Environmental Supply Chain Management disclosure topic:
 - FB-PF-430b.1 Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress;
 - FB-PF-430b.2 Priority commodities and products that are sensitive to environmental risks in the supply chain;
 - FB-PF-430b.3 Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain;

- to add three metrics to the proposed Social Supply Chain Management disclosure topic:
 - 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;
 - FB-PF-430c.2 Percentages of sourced commodities certified to internationally recognised standards that trace the path of products through the supply chain; and
 - FB-PF-430c.3 Percentage of high-risk suppliers subject to an independent third-party audit or verification
- in the previous three years, with description of non-conformances and corrective actions.

The section on 'Proposed amendments to the SASB Standards' in the Basis for Conclusions sets out the ISSB's reasoning for these proposals.

- (a) Do you agree with the proposed amendments to the Processed Foods SASB Standard? Why or why not?
- (b) Do you agree with the Processed Foods industry description, and does it accurately describe the business activities of this industry? Do you agree with the industry classification that forms the basis of this Standard? Why or why not?
- (c) Do you agree with the disclosure topics in the Processed Foods SASB Standard? Do they accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry?
- (d) Do you agree with the metrics and technical protocols in the Processed Foods SASB Standard? Do the metrics help an entity to provide information about sustainability-related risks and opportunities that is useful to users in making decisions relating to providing resources to the entity? If not, what would you suggest instead and why?
- (e) Are there any jurisdictional considerations related to the Processed Foods SASB Standard that have not been addressed in the proposals that should be taken into account? If so, please explain.
- (f) Do you have any comments on how the proposed amendments would affect the Processed Foods SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? (Note that the ISSB is focused on providing material information for users about the effects of sustainability-related risks and opportunities on an entity's prospects.)

We broadly agree with the proposed amendments to the Processed Foods SASB Standard.

Comments on the specific metrics per topic:

Water management

- The removal of the metric *FB-PF-140a.2 "Number of incidents of non-compliance associated with water quality permits, standards & regulations"*: this metric addresses local concerns about drinking water quality and potential competition with local communities for access to water resources. We recommend retaining this metric as it serves as a leading indicator of potential reputational risks by signalling whether an entity continues to meet the conditions required to maintain its license to operate.
- *FB-PF-140a.4 "Total water discharged by (1) destination and (2) level of treatment"*: If interoperability with ESRS is one of the goals of the proposed amendments, then it would be advisable to remove the "by destination" and "level of treatment" and instead adopt the ESRS ED terminology, namely: "Total water discharged" and "total water recycled and reused".

Food safety

- While the removal of the two metrics - *FB-PF-250a.1* (Global Food Safety Initiative (GFSI) audit (1) non-conformance rates and 2) associated corrective action rates for a) major and b) minor non-conformances) and *FB-PF-250a.2* (Percentage of ingredients sourced from Tier 1 supplier facilities certified to a GFSI recognised food safety certification programme) – appears reasonable, BC135 does not adequately justify why the new metric *FB-PF-250a.5* (Percentage

of production volume from sites certified to internationally recognised food safety standards) fails to include “violations or non-compliance with food safety standards”.

- The metric FB-PF-250a.3 ((1) Total number of notices of food safety violation received, (2) percentage corrected) is proposed to be removed stating a lack of evidence of investor interest. This seems questionable given that the potential reputational risk associated with food safety violations cannot be overstated. If unsafe food reaches consumers, it can lead to significant public backlash, loss of consumer trust, and long-term damage to the brand's reputation. This metric serves as a critical early warning system, allowing entities to identify and address potential issues before they escalate.

Health & nutrition

- The new metric FB-PF-260a.4 (Revenue from products classified as healthy by a recognised nutrient profile model) raises the question of whether such models are likely to be applied widely, including in middle and low income countries. If they are not, it is suggested to require reporting this metric disaggregated by country.

Product Labelling & Marketing

- BC141 explains: “description of incidents of non-compliance” includes the amount of **fin**es or other expenses incurred. However, on page 447 it states that “non-compliance incidents include ...**civil penalties**”. Isn't there a difference between a “fine”, which usually refers to a financial penalty imposed by a court after a successful prosecution for a food safety offense; and “**civil penalties**” which are administrative sanctions, often imposed by regulatory bodies like local authorities, to address non-compliance with food safety regulations **without necessarily involving a court process**?

Environmental Supply Chain Management

- The metrics FB-PF-430b.1 (Percentages of sourced commodities determined to be deforestation- or conversion-free, including any targets set to monitor progress) and FB-PF-430b.2 (Priority commodities and products that are sensitive to environmental risks in the supply chain) lack a complete list of the commodities concerned. For example, is rubber one of those commodities? Including a comprehensive list of commodities is crucial to ensure comparability.

Social Supply Chain Management

- The metric FB-PF-430c.2 (Percentages of sourced commodities certified to internationally recognized standards that trace the path of products through the supply chain) is aligned with ESRS ED S2 and S3. However, it is not entirely clear what exactly is being traced, the traceability schemes in focus and how and whether it complements 430b.1 as a standalone metric. Without reading FB-PF-430c.1 (Processes, controls & procedures for managing labour conditions & impacts on local communities in the supply chain, including human rights due diligence), there is a risk of misunderstanding. It is suggested to include a list of traceability schemes and/or include in the metric description the overall “issues” that are in focus, if relevant.

PART B: Questions for respondents—Proposed targeted amendments to other SASB Standards

Question 15—Targeted amendments to the SASB Standards

Beyond the amendments proposed to the nine priority SASB Standards, the ISSB proposes that the corresponding metrics in other SASB Standards be aligned to maintain consistent disclosures on these common topics among industries where appropriate. Forty-one additional industries would be affected by the proposed targeted amendments.

Paragraphs BC47–BC48 of the Basis for Conclusions set out the ISSB’s reasoning for proposing the targeted amendments. The section on ‘Proposed amendments for the SASB Standards’ in the Basis for Conclusions sets out the reasoning for specific amendments to the topics noted above. Appendix A to the Basis for Conclusions contains a full list of SASB Standards and metrics within those that would be affected by the targeted amendments.

- (a) Do you agree with the proposal to align corresponding metrics in other SASB Standards beyond the nine priority industries to maintain consistent disclosures on these common topics in industries subject to equivalent disclosure requirements? Do you agree that doing so would improve the comparability of information? Why or why not?
- (b) Do you agree that these proposed targeted amendments should be implemented before completing a comprehensive review of each of the SASB Standards affected by these amendments? Do you agree that this approach would support the objective of enhancing the SASB Standards to provide timely support to entities in applying IFRS S1? Why or why not?
- (c) Do you agree with the proposed targeted amendments associated with greenhouse gas emissions? Why or why not?
- (d) Do you agree with the proposed targeted amendments associated with energy management? Why or why not?
- (e) Do you agree with the proposed targeted amendments associated with water management? Why or why not?
- (f) Do you agree with the proposed targeted amendments associated with labour practices? Why or why not?
- (g) Do you agree with the proposed targeted amendments associated with workforce health and safety? Why or why not?
- (h) Are the proposed targeted amendments to the additional 41 industries appropriate and relevant for the individual SASB Standards? Are there any jurisdictional considerations related to these SASB Standards that have not been addressed in the proposals for targeted amendments that should be taken into account? If so, please explain.
- (i) Do you agree that the proposed targeted amendments to the SASB Standards would enhance the interoperability and alignment with other sustainability-reporting standards and frameworks? Why or why not? (Note that the ISSB is focused on providing material information for users about the effects of sustainability- related risks and opportunities on an entity’s prospects.)

We agree with making the proposed targeted amendments to 41 other SASB Standards, for the reasons given in BC48(a)-(d). We do not have anything further to add apart from our responses to the specific questions in the Exposure Draft.