

## IFRS Sustainability Developments

# ISSB proposes amendments to SASB Standards & IFRS S2 Industry- based Guidance

### What you need to know

- On 3 July 2025, the ISSB published the Exposure Draft *Proposed Amendments to the SASB Standards* and the Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*.
- The ISSB is seeking feedback on its proposed amendments to an initially identified set of nine priority SASB Standards and targeted amendments to another 41 SASB Standards to maintain consistent disclosures on the common topics among industries.
- The ISSB also consults on whether to make consequential amendments to the IFRS S2 industry-based guidance.
- The comment period for both EDs ends on 30 November 2025.

### Highlights

On 3 July 2025, the International Sustainability Standards Board (the ISSB or the Board) issued two Exposure Drafts: the Exposure Draft *Proposed Amendments to the SASB Standards* (SASB ED); and the Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2* (Consequential amendments ED).

In the SASB ED, the ISSB is seeking public comment on proposed amendments to an initially identified set of nine priority SASB Standards, as well as proposing targeted amendments to another 41 SASB Standards to maintain consistent disclosures on the common topics among industries.

The proposed amendments aim to support the high-quality implementation and application of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) through timely enhancements to the SASB Standards. Entities are required by IFRS S1 to refer to and consider the applicability of the SASB Standards when identifying sustainability-related risks and opportunities and disclosing sustainability-related information.

In the Consequential amendments ED, the ISSB is seeking public comment on whether to make consequential amendments to the industry-based guidance in IFRS S2 *Climate-related Disclosures* (IFRS S2), that are triggered as a result of the proposed amendments to the climate-related guidance in the SASB Standards.

The comment period for both EDs ends on 30 November 2025.



## Background

In August 2022, the ISSB took on the responsibility for maintaining and enhancing the SASB Standards. The SASB Standards comprise 77 industry-specific standards, each of which includes disclosure topics that are focused on sustainability-related risks and opportunities within a particular industry, along with metrics associated with each disclosure topic. Although IFRS S1 does not require entities to apply the SASB Standards, they serve as a primary source of guidance for entities to identify sustainability-related risks and opportunities and material information about them.

As part of its 2024-2026 work plan, the ISSB decided to implement a project to enhance the SASB Standards. This initiative aims to support the application of IFRS S1 and IFRS S2 and will also aid its research projects on human capital and biodiversity, ecosystems, and ecosystem services (BEES). One of its approaches is to develop exposure drafts of enhancements to the SASB Standards using a phased approach, considering that the SASB Standards were last comprehensively updated in 2018.

The proposed amendments aim to: (i) further enhance the international applicability of industry groupings, disclosure topics and metrics and supporting technical protocols; (ii) improve interoperability with other sustainability-related standards and frameworks; (iii) aid the research projects on human capital and BEES by aligning the proposed SASB enhancements with the ISSB's research projects on those topics and incorporating insights from the feedback on the Exposure Drafts; and (iv) align the language and concepts in the SASB Standards with IFRS S1 and IFRS S2.

## Proposed amendments to the SASB Standards

Instead of revising all 77 SASB Standards at once, the ISSB has prioritised comprehensive updates for nine industries. The proposed amendments cover eight standards in the Extractives sector and one standard in the Food and Beverage sector, including:

- i. The Coal Operations SASB Standard
- ii. The Construction Materials SASB Standard
- iii. The Iron & Steel Producers SASB Standard
- iv. The Metals & Mining SASB Standard
- v. The Oil & Gas - Exploration & Production SASB Standard
- vi. The Oil & Gas - Midstream SASB Standard
- vii. The Oil & Gas - Refining & Marketing SASB Standard
- viii. The Oil & Gas - Services SASB Standard
- ix. The Processed Foods SASB Standard

These updates are accompanied by targeted amendments to 41 additional SASB Standards to ensure consistency in disclosures on common topics including:

- i. Greenhouse Gas Emissions
- ii. Energy Management
- iii. Water Management
- iv. Labour Practices
- v. Workforce Health & Safety

One of the key focuses of this project is interoperability. The ISSB has collaborated closely with standard-setting bodies such as the Global Reporting Initiative (GRI), the Taskforce on Nature-related Financial Disclosures (TNFD), and the EFRAG to align definitions, metrics, and disclosure protocols. This alignment aims to reduce the reporting burden for companies and enhance the comparability of sustainability disclosures globally.

## **Consequential amendments to the IFRS S2 industry-based guidance**

The current industry-based guidance in IFRS S2 was originally derived from climate-related content in the SASB Standards. When this industry-based guidance was issued as part of IFRS S2 in June 2023, the ISSB also made consequential amendments to the climate-related guidance in the SASB Standards, so as to keep both sets of industry-based materials aligned. This was done in order to simplify sustainability-related disclosures as far as possible and to avoid confusion and extra costs for preparers. The proposed amendments to the SASB Standards described above include climate-related metrics and topics, which, if changed, will mean that the guidance in the SASB Standards and in IFRS S2's industry-based guidance is no longer aligned. The ISSB therefore proposes to make consequential amendments to IFRS S2's industry-based guidance, in line with the changes to the climate-related guidance in the SASB Standards, to ensure that both sets of guidance remain aligned. The ISSB decided that the consequential amendments should be housed in a separate ED, the Consequential amendments ED, to streamline the consultation process.

## **Implementation timeline**

The ISSB proposes to set an effective date that will occur 12 to 18 months after issuance, once the amendments to the SASB Standards and the consequential amendments to IFRS S2's industry-based guidance have been finalised. Early application is permitted.

## **Next steps**

The comment period ends on 30 November 2025. After its analysis of the feedback from the comment letters, the ISSB will redeliberate the proposals and plans to issue amendments to the SASB Standards and to IFRS S2's industry-based guidance in a timely manner.

### How we see it

We support the ISSB's efforts to enhance the SASB Standards, recognising their significance as a primary source of guidance on IFRS S1. We note that the proposals in the SASB ED affect not only an initially identified set of nine priority SASB Standards, but also an additional 41 SASB Standards related to the five disclosure topics mentioned above. The SASB ED has also led to the publication of the Consequential amendments ED, proposing to align IFRS S2's industry-based guidance with the revised climate-related content of the SASB Standards. Given the broad remit of this consultation, we encourage entities and stakeholders across various industries to participate in the comment letter process and share their perspectives.

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