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Mr Emmanuel Faber
International Sustainability Standards
Board
Opernplatz 14
60313 Frankfurt am Main
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Our ref BOD/288

27 November 2025

Dear Mr Faber

Exposure Draft – Proposed amendments to the SASB Standards

We appreciate the opportunity to comment on the International Sustainability Standard Board's (ISSB's) Exposure Draft *SASB/ED/2025/1 Proposed amendments to the SASB Standards*. We have consulted with, and this letter represents the views of, the KPMG network.

We have not separately responded to the ISSB's Exposure Draft *ISSB/ED/2025/2 Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*. Our comments within this letter are equally applicable to that consultation.

SASB Standards have the potential to provide a global baseline for industry-specific sustainability reporting and as such we support the ISSB's efforts to update and improve them. We believe that industry-relevant information across a broad range of disclosure topics is necessary to meet investor information needs. However, this does not replace the need for industry-agnostic topical standards that drive consistency across industries.

Alignment with IFRS S1 and IFRS S2

Clear alignment between IFRS® Sustainability Disclosure Standards and SASB Standards is crucial to realise the important role that SASB Standards have within IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information (IFRS S1). Any misalignment increases the effort required to apply SASB Standards alongside IFRS Sustainability Disclosure Standards because it creates ambiguity and could lead to duplication.

However, SASB Standards currently have a dual role – being applied as standalone standards in addition to supporting application of IFRS Sustainability Disclosure Standards. Maintaining this dual role reduces the potential scope of alignment with both IFRS S1 and IFRS S2 Climate-related disclosures (IFRS S2).

We support the ISSB's efforts to align the metrics and technical protocols with language from IFRS S1 and IFRS S2 and recognise that there is significant improvement.

However, without jeopardising the dual role of the standards, we see clear opportunities to go further to avoid duplication of content, enhance the linkage from SASB metrics to requirements within IFRS S1 and IFRS S2 and adopt a more aligned structure. In our responses to the consultation questions, we suggest ways that we believe the alignment could be enhanced as part of this current phase of updates.

Clarity on future standards

We ask the ISSB to communicate a clear strategy for the future role of SASB Standards within the IFRS architecture. This would explain how:

- future industry-agnostic topical standards and guidance would interact with industry-based standards and guidance based on SASB Standards; and
- both industry-based and industry-agnostic materials would complement but not duplicate each other and the core content requirements in IFRS S1.

We welcome the recent commitment to build on the work of the Taskforce on Nature-related Financial Disclosure (TNFD) and undertake nature-related standard setting. However, we believe that some of the options for standard setting being considered could complicate rather than simplify the architecture of the IFRS Sustainability Standards.

A clear strategy for the future would support the transition towards a comprehensive and coherent suite of standards, as well as reduce the need for subsequent revisions. This can be communicated to stakeholders, even if a comprehensive restructure may not be possible whilst the SASB Standards retain their dual role and the ISSB has not yet prepared industry-agnostic topical standards outside of IFRS S2. As we noted in previous comment letters, greater clarity on the future strategy may also make it easier for other standard setters to refer to SASB when identifying relevant sources of industry-based guidance.

We expect that SASB Standards could be easiest to use in the future as industry-specific application guidance accompanied by non-mandatory technical measurement protocols that are incremental to the general and topical standards and mandatory application guidance within the IFRS Sustainability Disclosure Standards. Further enhancing the alignment of both sets of standards now would support the journey towards full integration, whilst still enabling separate adoption.

Interoperability with other sustainability reporting standards and frameworks

We recognise the significant progress made in aligning some metrics and definitions within the technical protocols, particularly with Global Reporting Initiative (GRI) Standards. We also understand the challenge of aligning metrics between sets of standards with different objectives and users.

Aligning standards is a two-way process, and we encourage the ISSB to work collaboratively with GRI, TNFD and EFRAG to achieve the greatest possible alignment across the frameworks. Whilst ESRS sector standards are not currently under development, there is an important opportunity to work together to build on the platform

created by SASB Standards and create a baseline of globally relevant industry-specific requirements and guidance that can be used alongside ESRS as well as IFRS Sustainability Disclosure Standards.

Phased approach to enhancements

We believe that it is important to make improvements to SASB Standards as soon as possible to encourage and support application of IFRS Sustainability Disclosure Standards. The phased approach undertaken by the ISSB is therefore necessary given the breadth of SASB Standards, even if multiple rounds of changes result in disruption to an otherwise stable platform.

We believe that the ISSB should remain open to making subsequent targeted amendments – including to the standards that have already undergone a comprehensive review – whilst remaining mindful of any disruption to existing reporters. Information obtained from subsequent activities may be relevant to this first set of industries – for example from later phases of amendments, future collaboration activities with other standard setters, the completion of the biodiversity, ecosystems and ecosystem services (BEES) and human capital research projects or any future standard setting activity or guidance.

Consideration of the value chain as part of industry-based guidance

We recognise that the level and type of industry-specific information required from the value chain for industries covered by this exposure draft may be seen as precedent setting for all SASB standards and for application of IFRS Sustainability Disclosure Standards more generally. We note that many of the value chain requirements are high-level and/or narrative in nature. Some do not specify additional detail beyond what is included in IFRS S1 and S2.

We ask the ISSB to provide additional guidance that deals with reporting industry-specific information about the value chain, including for example, the expectation for quantitative data and the reporting boundary for metrics.

Please contact Brian O'Donovan at brian.odonovan@kpmgifrg.com or Mark Vaessen at vaessen.mark@kpmg.nl if you wish to discuss any of the issues raised in this letter.

Yours sincerely

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Appendix

KPMG's responses to the specific questions raised in the exposure draft

Question 1 – Objective
<p>The ISSB is proposing to amend the SASB Standards with the objective of providing timely support to entities applying IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and IFRS S2 <i>Climate-related Disclosures</i>. 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:</p> <ul style="list-style-type: none">• to further enhance the international applicability of:<ul style="list-style-type: none">– 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. <p>(a) Do you agree with the objective of the proposed amendments to the SASB Standards and related areas of focus?</p> <p>(b) Do the proposed amendments meet this objective? Why or why not?</p>

Alignment with IFRS S1 and S2

We support the ISSB's efforts to align the metrics and technical protocols with IFRS Sustainability Disclosure Standards and recognise that there is significant improvement.

However, we see clear opportunities to go further to avoid duplication of content, adopt a more aligned structure and enhance the linkage from metrics within SASB Standards to requirements within IFRS S1 and IFRS S2. This would make it easier for preparers to refer to and consider SASB Standards when applying IFRS Sustainability Disclosure Standards.

We believe that the following changes can be made in the near-term without creating confusion for those adopting SASB Standards on a standalone basis:

- Make a clearly referenced link between the requirements and guidance in SASB Standards and the corresponding paragraphs in the IFRS Sustainability Disclosure Standards to demonstrate where they are relevant (e.g. FB-PF-430b.1 below); and
- Clearly label what is incremental, industry-specific detail that goes beyond the general requirements and what duplicates IFRS S1 or S2 content.

For example, some of the proposed narrative metrics contain requirements that essentially summarise content from the IFRS Sustainability Disclosure Standards rather than being additive requirements. To illustrate this: metric EM-MM-140a.4 paragraph 4 states the following, without reference to the equivalent IFRS S1 disclosures (e.g. IFRS S1.34):

An entity shall disclose quantitative and qualitative information about how water-related risks and opportunities have affected, and are anticipated to affect, the entity's financial position, financial performance and cash flows both for the reporting period and over the short, medium and long term.

In other cases, the narrative requirements of SASB Standards already make the relationship with IFRS S1 clear and include additive details. An example of this is in Metric FB-PF-430b.1 in relation to targets:

An entity shall disclose information about any targets it has set to monitor progress towards achieving its strategic goals related to deforestation or conversion, and any targets it is required to meet by law or regulation.

In preparing this disclosure, the entity shall apply the requirements in paragraphs 51-53 of IFRS S1 that are applicable to the entity's deforestation or conversion targets.

We are aware that a more comprehensive restructure of the SASB standards could undermine the dual role that SASB Standards currently play. We therefore ask the ISSB to communicate and execute a clear strategy for the future role of SASB Standards within the IFRS architecture. This would explain how:

- future industry-agnostic topical standards and guidance would interact with industry-based standards and guidance based on SASB Standards; and
- both industry-based and industry-agnostic materials would complement but not duplicate each other and the core content requirements in IFRS S1.

A clear strategy for the future would support the transition towards a comprehensive and coherent suite of standards, as well as reduce the need for subsequent revisions. This can be communicated, even if a comprehensive restructure may not be possible whilst the SASB Standards retain their dual role and the ISSB has not yet prepared industry-agnostic topical standards outside of IFRS S2.

If their use on a standalone basis is not retained in the long term, then SASB Standards could be restructured to remove the current repetition of requirements between them and IFRS S1 and S2. This would result in industry-specific disclosure topics, metrics and application guidance that are complementary to IFRS S1, IFRS S2 and any future topical standards rather than duplicative.

We expect that SASB Standards could be easiest to use in the future as industry-specific application guidance and technical measurement protocols that are incremental to the general and topical standards and mandatory application guidance within the IFRS Sustainability Disclosure Standards. Further enhancing the alignment of both sets of standards now would support the journey towards full integration, whilst still enabling separate adoption.

Ultimately, whilst we acknowledge that SASB Standards currently have a dual purpose, we do not believe that this should be used as a reason not to structure the standards in a way that best facilitates use as part of IFRS Standards. We ask the ISSB to consider the future strategy and potential structure when finalising these updates and undertaking any potential industry-agnostic standard setting activity, to ensure that everything possible is done to create coherent sets of standards.

International applicability

We agree with the objective to further enhance the international applicability of SASB Standards and believe that the language simplification and alignment with IFRS Sustainability Disclosure Standards enhances the international applicability.

We support that the ISSB has taken jurisdictional differences into account and reflected language introduced via the exposure draft *Amendments to Greenhouse Gas Emissions Disclosures: Proposed amendments to IFRS S2* that supports companies when there are jurisdiction-specific measurement requirements that might contradict measurement protocols within SASB Standards. This approach balances specificity and pragmatism.

Interoperability

We support that the ISSB has explored opportunities to improve interoperability with other sustainability-related standard setters, whilst ensuring a continued focus on the needs of investors. Aligning standards is a two-way process, and we encourage the

ISSB to work collaboratively with GRI, TNFD and EFRAG. Whilst ESRS sector standards are not currently under development, there is an important opportunity to work together to build on the platform created by SASB Standards and create a baseline of globally relevant industry-specific requirements and guidance that can be used alongside ESRS as well as IFRS Sustainability Disclosure Standards.

However, to achieve this baseline and the important efficiencies it brings, it is essential that SASB Standards are aligned to the greatest extent possible with other frameworks.

We recognise the significant progress made in aligning definitions within the technical protocols and aligning some metrics, particularly with GRI Standards. We understand the challenge of aligning at the level of required disclosures (i.e. the metrics themselves) between sets of standards with different objectives and users, but note that the number of fully aligned disclosures remains low. In addition to future collaborative alignment work, we encourage the ISSB to provide additional commentary to enable users and preparers to understand the reasons behind the remaining differences.

Refer to more detailed responses in *Question 2*.

BEES & human capital

Due to the timing of this consultation ending before it is clear what form any standard setting resulting from the BEES and human capital research projects would take, it is difficult to comment on whether the ISSB's objectives relating to these topics are achieved.

We welcome the recent commitment to build on the work of TNFD and undertake nature-related standard setting. However, we do highlight that some of the options for standard setting being considered could complicate rather than simplify the architecture of the IFRS Sustainability Disclosure Standards.

We highlight that many of the disclosure requirements associated with nature- and human capital-related disclosure topics are high-level compared with TNFD, GRI and ESRS (as currently applicable). This is particularly relevant for value chain information. Some metrics do not provide significant guidance beyond the requirements of IFRS S1.

Refer to more detailed responses in *Question 4*.

Clarity, conciseness and cost-effectiveness for preparers

SASB Standards need to strike a balance between being prescriptive and allowing flexibility for practice to develop and for companies to apply the ISSB's principles in a way that reflects their facts and circumstances. This balance affects the relevance of information provided by companies and the comparability of disclosures between companies. Our collated feedback indicated that detailed measurement protocols can help preparers understand how to measure a metric, but only where the content is relevant. Where the facts and circumstances of a company mean that it does not clearly fit within any one standard, the level of prescriptiveness of some metrics can be unhelpful.

One way to enhance conciseness of the SASB Standards and allow for evolution and innovation in reporting would be to extract the detailed measurement protocols into non-mandatory application guidance. The resulting set of standards containing only the overall principles, requirements and definitions would allow greater flexibility in measurement. Detailed guidance would still be available for those companies who want it. This restructure would mean that preparers could state compliance with SASB Standards without needing to apply all the prescriptive measurement methods, for example if they were not the most relevant or cost-effective methods. It would also more closely align the SASB Standards with the more principles-based approach of the IFRS Sustainability Disclosure Standards themselves.

We encourage the ISSB to listen to feedback from preparers on the relevance and usefulness of prescribed methodology and the consistency with leading industry practices. As practice develops, we believe that the detailed protocols within SASB Standards need to be sufficiently principles-based to allow for continued development of reporting in practice.

Clarity for preparers could also be improved by the addition of industry-specific guidance on foundational topics from IFRS S1. For example, guidance relating to the reporting boundary on how to reflect different types of joint arrangements within quantitative and qualitative disclosures, would be particularly useful for Oil and Gas exploration and production (E&P) activities.

We suggest that the ISSB has an opportunity to incorporate this type of industry-specific implementation guidance to the general principles within SASB Standards or any non-mandatory application guidance. This would support companies to apply the general principles underpinning IFRS Sustainability Disclosure Standards in a consistent way across an industry.

Cost-effectiveness for preparers using more than one SASB Standard is increased if there is consistency between standards. We note that certain metrics are very similar between SASB Standards, but with some small differences.

We encourage the ISSB to review these metrics for consistency and verify that any differences are justified. Where relevant it may be useful to provide an explanation in the BC.

For example:

- Metric EM-MM-130a.1 requires the use of lower heating values (LHV) to calculate energy consumed from fuels and biofuels. However, RT-CH-130a.1 requires the use of higher heating values (HHV).
- Metric EM-MD-160a.4 in the Ecological Impacts disclosure topic requires (emphasis added):

Number and (2) aggregate volume of hydrocarbon spills, (3) volume in environmentally sensitive locations, (4) volume in bodies of water and (5) volume recovered

Other metrics in the Ecological Impacts disclosure topic require companies to disclose information about their operational footprint that is 'in or near' environmentally sensitive locations. It is unclear whether this difference is justified – as we expect that information about impacts (spills) 'near' environmentally sensitive locations may be equally relevant in both situations.

This metric is relevant in the Oil and Gas Midstream and E&P industries

- Metric EM-CO-420a.2. in the Ecological Impacts disclosure topic requires (emphasis added):

Estimated carbon dioxide emissions latent in proved reserves

Other metrics relating to a company's reserves require information about both proved and probable reserves, and it is unclear why this metric is different. We expect that investors would find consistency between reserve-related metrics useful.

This metric is relevant in the Coal Operations and Oil and Gas – E&P industries

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-reporting 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 an approach to enhancing interoperability that focuses on collaboration to pursue alignment where possible unless there is a clear reason why this is not appropriate. This alignment can be considered at the level of disclosure topics, definitions, technical measurement protocols and required disclosures.

We recognise the significant progress made in aligning definitions within the technical protocols and aligning some metrics, particularly with GRI Standards. However, some opportunities may remain. For example, the definition of '*environmentally sensitive areas*' within the SASB Standards is aligned with the definition of '*ecologically sensitive areas*' in GRI despite the difference in wording (i.e. *environmentally* vs *ecologically*).

We understand the challenge of aligning at the level of required disclosures (i.e. the metrics themselves) between sets of standards with different objectives and users.

We encourage the ISSB provide additional commentary in the basis for conclusions about where and why there are differences at the disclosure topic, metric and technical protocol level compared with other key frameworks. This would enable users to understand the differences and provide practical support to companies using SASB Standards alongside other frameworks.

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?

Climate-related risks and opportunities

We agree that the ISSB should amend the climate-related content in SASB Standards as well as make equivalent targeted amendments to the climate-related content in SASB Standards for other industries because this maintains alignment between industries. This is particularly important where companies refer to and consider more than one industry.

We agree that the amendments would enhance the decision-usefulness of industry-specific information about climate-related risks and opportunities. However, it is important that companies do not consider climate in isolation. Whilst the SASB Standards cover a wider range of topics, there is little content to support companies in providing information about the interconnectivity between different types of risk (e.g. the link between climate- and water-related risks).

Please refer to our response on alignment with IFRS S1 and S2 in Question 1.

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.

BEES and human capital

Due to the timing of this consultation ending before it is clear what form any standard setting resulting from the BEES and human capital research projects would take, it is difficult to comment on whether the ISSB's objectives relating to these topics are achieved.

We reflect that many of the technical requirements relating to nature- and human capital-related risks are high level compared with TNFD, GRI and ESRS (as currently applicable). This is particularly relevant for value chain information. It is therefore unclear how high-level requirements in SASB Standards would enhance or be additive compared with a topical standard when few metrics go beyond the requirements of IFRS S1. The duplication of requirements between the SASB Standards and IFRS Sustainability Disclosure Standards will increase if future topical standards or educational materials repeat the same requirements again without being additive.

Setting out a clear path forwards will be important both when finalising these amendments and the findings from the BEES and human capital research projects. See our comments in the cover letter and Question 1 relating to clarity on future standards.

Currently, companies may refer to and consider sources of guidance named in paragraphs 55 and 58 of IFRS S1 when identifying sustainability-related risks and opportunities and material information. However, the ISSB has considered these sources of guidance (e.g. GRI Standards and ESRS) when updating the SASB Standards. We suggest that additional guidance is needed to explain whether the degree of reliance on these named external sources of guidance is expected to change after the SASB Standards are updated.

We recognise that the level and type of industry-specific information required from the value chain for industries covered by this exposure draft may be seen as precedent setting for all SASB Standards and for application of IFRS Sustainability Disclosure Standards more generally. We note that many of the value chain requirements are frequently high-level and/or narrative in nature. Some do not specify additional detail beyond what is included in IFRS S1 and S2.

We reflect that the nature of some proposed requirements could lead to inconsistency in reporting depending on how companies identify industry-specific disclosure topics and metrics in their value chain.

We encourage the ISSB to provide additional guidance or communication on the role of SASB Standards when it comes to value chain disclosures, including the expectation for quantitative data and the reporting boundary for metrics.

For example, we encourage the ISSB to clarify when companies may need to refer to SASB Standards aimed at companies in the value chain to provide sufficient detail about value chain risks and opportunities. We note that recently published educational materials on industry-based guidance indicate that referring to SASB Standards for activities in the value chain in addition to the standards for the entity's own activities may be useful when identifying relevant risks and opportunities, or relevant metrics when a risk is identified.

Human capital specific comments

We note that some metrics require disclosure of specific quantitative information about workforce safety and labour relations; however, many narrative disclosures do not go beyond the requirements of IFRS S1. This contrasts with significantly greater detail in GRI and ESRS (as currently applicable).

We believe that it would be useful for the ISSB to clearly indicate where and how the disclosure topics and metrics require sector-specific information incremental to what is required by IFRS S1 (refer to Question 1).

We observe that the human capital-related requirements in the priority industries only reflect some of the topics identified as investor-relevant by the ISSB's research project. It is unclear whether this is because they are not deemed relevant to these industries, or because they are intended to be covered by future topical standards or guidance. The following areas are not covered by the amendments, but were identified in our feedback as commonly relevant to the prioritised industries:

- working conditions and exploitation
- workforce composition
- diversity and inclusion
- pay and benefits.

Question 5 – Effective date

The ISSB proposes to set an effective date for 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 believe that flexibility will be important in the timing of first application of these amendments. This is because the reporting landscape is complicated by companies in many jurisdictions being mid-way through a transition from voluntary to mandatory reporting. Allowing companies to choose an appropriate first application date would avoid any unnecessary burden from transition.

It is important to allow:

- early application, particularly for those adopting ISSB Standards for the first time; and
- a sufficient period of transition, particularly for those already using SASB Standards who need time to adjust.

One way to support companies using SASB Standards on a standalone basis would be to extend the mandatory effective date while still permitting early adoption. This would allow some companies to wait for additional phases to be completed, while still permitting others to choose to use revised standards as soon as possible. This could be particularly helpful for industries affected by targeted amendments who might anticipate multiple rounds of updates.

Question 15 – Proposed 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.

The ISSB proposes targeted amendments to the metrics in other SASB Standards for:

- greenhouse gas emissions;
- energy management;
- water management;
- labour practices; and

- workforce health and safety.

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?

We agree that the ISSB should align the corresponding metrics in other SASB Standards because this maintains alignment between industries. This is particularly important where companies refer to and consider more than one industry.

We believe that it is important to make improvements to SASB Standards as soon as possible to encourage and support application of IFRS Sustainability Disclosure Standards. The phased approach undertaken by the ISSB is therefore necessary, given the breadth of SASB Standards, even if multiple rounds of changes result in disruption to an otherwise stable platform.

We believe that the ISSB should remain open to making subsequent targeted amendments – including to the standards which have already undergone a comprehensive review – whilst remaining mindful of any disruption to existing reporters. Information obtained from subsequent phases of amendments, future collaboration activities with other standard setters, the completion of the BEES and human capital research projects, and any future standard setting activity or guidance may be relevant to those industries.