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## Cover Note

### ISSB SASB enhancement

#### Objective

1. This paper provides an update on the upcoming ISSB consultation of the SASB standards, as well as introduces the first insights from EFRAG Secretariat.
2. In the session the SR TEG will be asked to provide input on the proposed approach to responding to this consultation and comment on the first insights presented by EFRAG Secretariat.

#### Background

3. As part of its work plan, the ISSB is enhancing the SASB Standards. This is done in phased approach, beginning with an initial set of 12 prioritised industries. Nine of the twelve prioritised SASB Standards were consulted in 2025, in response to which EFRAG already issued a comment letter<sup>1</sup>. The other three standards are envisaged for consultation in 2026.
4. The remaining standards were ratified in the meeting of 26 February 2026<sup>2</sup> and ISSB is targeting to announce the 120-day public consultation in late March 2026, which will cover:
  - (a) the *Electric Utilities & Power Generators* SASB Standard;
  - (b) the *Agricultural Products* SASB Standard; and
  - (c) the *Meat, Poultry & Dairy* SASB Standard.
5. ISSB staff indicates<sup>3</sup> that approx. two-thirds of metrics concerned by the current consultation are similar or identical to metrics proposed in 2025, that EFRAG analysed already in its previous letter. EFRAG Secretariat considers that significant part of overarching comments from the previous letter are applicable also to the upcoming consultation.
6. In similar way to previous consultation, the proposed ISSB amendments aim to provide timely support to entities applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2). In line with that, the ISSB also introduces consequential amendments to the IFRS S2 industry-based guidance. Overall enhancements to SASB have particular focus on:
  - (a) international applicability of industry groupings and disclosure topics;
  - (b) interoperability with other standards and frameworks;
  - (c) synergies with BEES and human capital projects of ISSB;
  - (d) alignment of language and concepts with IFRS.

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<sup>1</sup> [EFRAG Comment Letter - SASB](#)

<sup>2</sup> [International Sustainability Standards Board meeting 26 February 2026](#)

<sup>3</sup> [IFRS Staff paper 6B : Ratification of proposed amendments to the SASB Standards](#)

### Why it is relevant for EFRAG to comment?

7. The relevance of SASB standards for EFRAG is reflected in ESRS, where ESRS 1 AR5 paragraph 12 indicates that in developing its entity-specific disclosures, the undertaking may use available best practices, frameworks or reporting standards, such as IFRS industry-based guidance.
8. In addition, stakeholders recognise the efforts in ensuring a very high degree of interoperability between the ESRS and standards such as the International Sustainability Standards Board (ISSB). Many stakeholders who argued that the requirement for the Commission to adopt sector-specific reporting standards should be deleted from the CSRD also highlighted that existing sustainability disclosure frameworks, such as SASB, provide guidance for sector-specific issues.<sup>4</sup>

### Consequences of the tentative direction of the ISSB Nature (formerly BEES) project

9. In the March 2026 ISSB Papers the staff is proposing to adopt a simplified approach to standard setting for the topical standard expected to be developed in the Nature (formerly BEES) ISSB project. Instead of issuing a separate standard (IFRS S3) there will be:
  - (a) a new mandatory application guidance appendix to IFRS S1 where key definitions and concepts for the topic would be introduced;
  - (b) no cross-industry (i.e. sector-agnostic) metrics, but a reference to the SASB metrics.
10. This approach was further discussed with members of the SSAF (public meeting) on the 25 March 2025.
11. If this direction is confirmed, the role of SASB standards for future interoperability for topics other than climate is even more important, as it is also the relevance of this consultation. The EFRAG Secretariat proposes to also comment on this aspect in the draft comment letter.

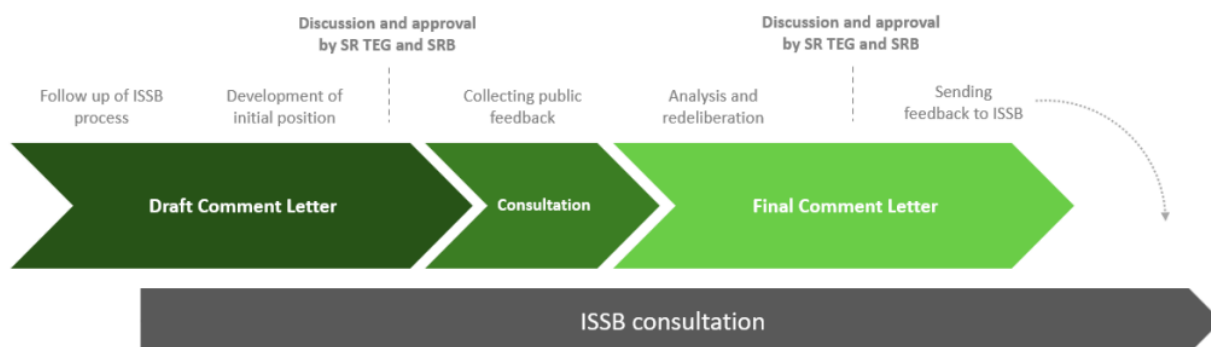
### EFRAG due process

12. EFRAG contribution to the upcoming SASB enhancement would follow the due process applicable to EFRAG commenting on the ISSB amendments. Usual practice foresees a public consultation on EFRAG's Draft Comment Letter (DCL), unless the timeline does not allow for it.
13. In this context, EFRAG Secretariat proposes to develop a Draft Comment Letter which will be subject to a public consultation, carried out within the ISSB consultation deadlines. The consultation deadline for the EFRAG draft comment letter will need to be shorter than ISSB consultation in order to ensure that EFRAG has sufficient time to analyse properly the feedback received and approve the final letter.
14. EFRAG Secretariat envisages the following steps:
  - (a) in preparatory phase, EFRAG Secretariat will follow the process and agenda papers published by ISSB and will carry out tentative analysis to facilitate the early drafting of the comment letter (until end of March 2026);
  - (b) after the announcement of ISSB consultation, EFRAG Secretariat will develop initial version of Draft Comment Letter and discuss it with EFRAG SR TEG and SRB with request for its approval for public consultation (expected in April 2026);

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<sup>4</sup> Commission staff working document of 26 February 2025 accompanying the Omnibus proposals

- (c) following the approval of SR TEG and SRB, EFRAG will publish its draft comment letter for stakeholders’ feedback, giving as much as possible time to constituents to revert. The feedback period (expected May-June 2026) will be shorter than ISSB consultation deadline to allow integration of the EFRAG constituents feedback into final position. During the consultation, EFRAG shall also organise outreaches and engagements with its sector communities.
  - (d) Received feedback will be analysed and summarised to EFRAG SR TEG and SRB. During the discussions with SR TEG and SRB the comment letter will be amended and approved for the issuance to the ISSB (expected in July).
  - (e) after the approval of EFRAG SR TEG and SRB, EFRAG will send its final comment letter to ISSB (expected end of July).
15. Given that approximately two-thirds of consulted metrics overlap with SASB July 2025 Exposure Drafts, to which EFRAG already submitted its response, EFRAG Secretariat proposes to leverage its earlier comments from 2025.
16. EFRAG Secretariat expects the ISSB consultation to last 120 days and EFRAG consultation would be half of that length.



### EFRAG Secretariat insights

17. The initial observations of EFRAG Secretariat are based on the close to final Exposure Drafts published and ratified for consultation by ISSB on 26 February 2026. These insights are presented in the Agenda Paper 01-03.

### Questions for SR TEG

Does the SR TEG agree with the project plan to issue the comment letter as described above?

Does the SR TEG have any comments related to the initial observations of EFRAG Secretariat:

- I) (a) Does the SR TEG agree that the ISSB should amend the 'Supply chain management' disclosures to differentiate clearly between E, S and G topics, but also between different social sub-topics in 'Social supply chain management'? (b) If yes, should that differentiation be done at the level of the level of topics or at the level of disclosures related to a topic?
- II) Any comments regarding the completeness of topics for the three sectors (e.g. food affordability)?