# SASB/ED/2026/1 Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance

Exposure draft issued by the ISSB in March 2026

Comments from ACCA
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## OVERALL COMMENTS

ACCA welcomes the opportunity to respond to the ISSB's exposure draft (ED) on proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance (IBG).

We appreciate the efforts that have gone into these projects, and provide our comments below on areas which we consider most important or where we have perspectives to add.

Our response to the ED has been shaped by input from ACCA members and stakeholders across a diverse range of jurisdictions, including Australia, Bangladesh, Hungary, Malaysia, Singapore, and Sri Lanka, gathered during a virtual roundtable in May. We hope that our comments, which include feedback from our ACCA Global Forum for Corporate Reporting and Global Forum for Sustainability, are a helpful contribution to this process.

ACCA has consistently advocated for a global approach to the development of principles-based reporting standards which provide a high-quality comprehensive baseline for corporate reporting. We fully support and commend the ISSB's role and continued efforts in setting a consistent and comparable global baseline to sustainability reporting around the world.[1]

ACCA also supports the stated objectives of the amendments to the SASB Standards – namely, to enhance international applicability, improve interoperability with other frameworks, align language and concepts, and promote clarity, conciseness, and cost-effectiveness for preparers. However, we reiterate[2] our concerns with the current approach and priority given to amending the industry-specific SASB Standards over the IFRS S2 IBG and development of principles-based, industry-agnostic topical standards that address critical sustainability areas already identified as requiring immediate action.

In this regard, more clarity is needed on the ISSB's intended standard-setting architecture and long-term strategy with respect to the SASB Standards. Our view is that priority should be to **first amend the ISSB's IBG in supporting implementation of IFRS S2 – followed by consequential amendments to the SASB Standards** for the express purpose of maintaining alignment with the IBG as the respective markets and sustainability-related topics mature and relevant metrics become available. Further, the ISSB may wish to consider a 'thinking small first' approach[3] in developing proportionality mechanisms.

We also think[4] that the SASB Standards should evolve to eventually be subsumed and fully integrated into the IFRS Sustainability Disclosure Standards following the appropriate IFRS

[1] ACCA *Principles of good corporate reporting* https://www.accaglobal.com/gb/en/professional-insights/global-profession/good-corporate-reporting.html

[2] ACCA's response to ISSB exposure drafts on proposed amendments to the SASB Standards (SASB/ED/2025/1) and the Industry-based Guidance on Implementing IFRS S2 (ISSB/ED/2025/2) https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2025/November/acca-response-issb-ed-2025-2-ifrs-s2-amendments.html

[3] ACCA *Thinking small first: Towards better auditing standards for the audits of less complex entities* https://www.accaglobal.com/gb/en/professional-insights/global-profession/thinking-small-first.html

[4] ACCA's response to ISSB Exposure Draft on Enhancing the International Applicability of the SASB Standards https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2023/August/ed-methodology-for-enhancing-the-international-applicability-of-.html

Foundation standard-setting due process. In the interim, the current approach should continue – where the SASB Standards support implementation in the form of non-mandatory guidance.

As standard-setting progresses, it is important to ensure that the reporting continues to catalyse the necessary systemic change: that operational changes take place in the entities making these disclosures; better quality of information becomes available to investors, who will then use these disclosures to allocate capital more efficiently and responsibly. We believe that for this to happen, widespread application of integrated thinking by entities[5] as well as integrative thinking by finance professionals[6] are necessary, where information connections lead to quality decision-making and sustainable value creation[7].

Our detailed responses to the specific questions asked are set out below. We have provided our comments on areas which we consider most important or where we have perspectives to add.

## RESPONSES TO SPECIFIC QUESTIONS RAISED

**Question 1 – *Agricultural Products* SASB Standard**
This Exposure Draft includes proposals to enhance the Agricultural Products SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Agricultural Products* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Agricultural Products industry description;
- to expand the scope of the Agricultural Products industry as classified in the Sustainable Industry Classification System® (SICS®) to include direct farming operations;
- to revise one activity metric FB-AG-000.A, remove activity metrics FB-AG-000.C and FB-AG-000.D and add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Energy Management disclosure topic and associated metric;
- to revise the Water Management disclosure topic and associated metrics, remove metric FB-AG-140a.3 and add new metric FB-AG-140a.4 *Total water discharged by (1) destination and (2) level of treatment*;
- to add a Food Loss & Food Waste disclosure topic and two associated metrics:

[5] ACCA *Invisible threads: Communicating integrated thinking* https://www.accaglobal.com/gb/en/professional-insights/global-profession/Invisible-threads-communicating-integrated-think.html

[6] ACCA *Integrative thinking: The guide to becoming a value-adding CFO* https://www.accaglobal.com/gb/en/professional-insights/global-profession/integrative-thinking.html

[7] ACCA *Making information connections for sustainable value creation* https://www.accaglobal.com/gb/en/professional-insights/global-profession/sustainability-reporting/making-connections-for-decision-making-and-sustainable-value-creation.html

- FB-AG-150a.1 *(1) Total food loss generated, (2) quantity diverted*; and
- FB-AG-150a.2 *Description of strategies to address opportunities related to food loss and food waste throughout the value chain*;

- to add a Land Use & Ecological Impacts disclosure topic and six associated metrics:
  - FB-AG-160a.1 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*;
  - FB-AG-160a.2 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations*;
  - FB-AG-160a.3 *Total area of land that is sustainably managed, by product*;
  - FB-AG-160a.4 *Percentages of agricultural products produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress*;
  - FB-AG-160a.5 *Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks*; and
  - FB-AG-160a.6 *Description of strategies to manage environmental resources and implement sustainable agriculture practices in direct farming operations;*
- to revise the Food Safety disclosure topic and associated metric, remove metrics FB-AG-250a.1 and FB-AG-250a.2 and add two new metrics:
  - FB-AG-250a.4 *Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) intermediaries; and*
  - FB-AG-250a.5 *Processes, controls and procedures to ensure food safety throughout the value chain;*
- to add a Labour Conditions disclosure topic and associated metric FB-AG-310a.1 *Processes, controls and procedures to manage labour conditions, including forced labour and child labour, in direct operations;*
- to revise the Workforce Health & Safety disclosure topic and associated metric;
- to remove the GMO Management disclosure topic and associated metric;
- 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-AG-430c.1 *Percentages of sourced agricultural products determined to be deforestation- or conversion-free, including any targets set to monitor progress*;
  - FB-AG-430c.2 *Priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain*; and
  - FB-AG-430c.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-AG-430d.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence*;
  - FB-AG-430d.2 *Percentages of sourced agricultural products certified to internationally recognised standards that trace the path of products through the supply chain*; and
  - FB-AG-430d.3 *Percentage of high-risk suppliers subject to an independent third-party audit or verification in the previous three years, with description of non-conformances and corrective actions*.

Paragraphs BC51–BC102 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

(a) Do you agree with the proposed Agricultural Products industry description? Does it accurately describe the business activities of entities in this industry? Why or why not?

(b) Do you agree with the proposed inclusion of direct farming operations in the scope of activities included in the industry classification? Why or why not?

(c) Do you agree that the proposed industry description makes it clear that the intended scope of entities in the industry classification includes entities with direct farming operations, entities that source products from farms (including, for example, outgrowers, contract farmers and co-operatives), and entities that do both? Why or why not?

(d) Do you agree that the proposed disclosure topics in the *Agricultural Products* SASB Standard would accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

(e) Do you agree that the proposed metrics and technical protocols in the *Agricultural Products* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

(f) Do you agree that the proposed metrics in the Environmental Supply Chain Management and Social Supply Chain Management disclosure topics would support cost-effective disclosure of information that primary users need about sustainability-related risks and opportunities in the supply chain (for example, on soil health and water scarcity)? If not, what revisions would you suggest and why?

(g) Do you agree that the proposals would improve the international applicability of the *Agricultural Products* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of their jurisdiction? Why or why not?

(h) Do you agree that the proposed amendments would enhance the *Agricultural Products* SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? Why or why not? (Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

(i) Are there any proposed metrics in the *Agricultural Products* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47–BC48 of the Basis for Conclusions? If so, identify which metrics you believe would benefit from the introduction of such mechanisms and explain why.

**ACCA response**

**Proposed Agricultural Products industry description and classification**
(a) – (c): We generally agree with the proposed Agricultural Products industry description and classification as these reflect evolving agricultural value chains and vertically integrated operating models. We also note the rationale for excluding aquaculture, particularly farming of seaweed and other non-meat products, from this industry description [paragraph BC106 of the Basis for Conclusions].

However, we are concerned that the ISSB may seek to resolve this by developing a separate SASB Standard [paragraph BC107 of the Basis for Conclusions]. In this respect, it would be helpful for more clarity to be provided on the ISSB's intended standard-setting architecture and long-term strategy with respect to the SASB Standards. We also strongly reiterate our view[8] that priority should instead be to first amend the ISSB's IBG in supporting implementation of IFRS S2, followed by consequential amendments to the SASB Standards – see also our response to Question 4.

We further note that the description focuses on large industry operators – and believe that it would be helpful for the description to distinguish between large integrated multinational groups and smaller regional operators that rely heavily on third-party growers and intermediaries as the availability, reliability and cost of data collection can differ significantly across these models.

Reporting entities with fragmented operations – particularly in emerging markets – may also face challenges in collecting reliable data from dispersed farming activities. We thus recommend that the ISSB provides more guidance on the thought process in approaching and determining the appropriate reporting boundaries for entities using mixed sourcing arrangements and contract farming structures. In particular, more explicit guidance is needed on how value chain insights relate to and influence financial and sustainability-related disclosures respectively, as was discussed during the recent 2026 IFRS Foundation conference session on 'Connecting financial statements with other investor-focused financial disclosures'.

**Proposed disclosure topics, metrics and technical protocols**
(d) – (f), (i): We generally agree that the proposed disclosure topics would facilitate accurate identification of sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry.

However, we are concerned with the proposed removal of the following:

- FB-AG-140a.3 *Number of incidents of non-compliance associated with water quality permits, standards and regulations*.
  Though replaced with FB-AG-140a *Total water discharged by (1) destination and (2) level of treatment*, we believe that FB-AG-140a.3 provides important decision-useful context for boards, management, shareholders and stakeholders – particularly in locations with seasonality factors such as drought and rainy cycles/episodes which may extend beyond a 12-month period. This metric would also be relevant to the Meat, Poultry & Dairy and Electric Utilities & Power Generators industries.

- GMO Management disclosure topic and the associated metric FB-AG-430b.1 *Discussion of strategies to manage the use of genetically modified organisms (GMOs)*.

Live bans and evolving regulatory and policy developments around the use of GMOs – such as in several African markets – constitute material information for users (investors) decision-making on sustainability-related risks and opportunities. Standards and requirements need to acknowledge varying regulatory dynamics across regions that may impact materials sourcing and by extension, the value chain.

For example, Algeria, Zimbabwe and Madagascar have enforced varying degrees of bans and regulations on the importation and cultivation of GMO seeds citing biodiversity risks among others, while Burkina Faso is gradually moving away from it. Other jurisdictions such as South Africa, Ghana, Kenya and Nigeria currently permit or are exploring the controlled permission of its use, amid ongoing intense discussions about trials and levels of approval.[9]

In the event that the ISSB proceeds with removing GMO management as a separate disclosure topic, we recommend that GMO-related disclosure metrics or descriptions be included instead under the Environmental Supply Chain Management and Social Supply Chain Management disclosure topic – given that most of the regulatory tension around the use of genetically modified seeds relate to biodiversity issues and social concerns around traditional agricultural sovereignty.

At the same time, we caution that some disclosures may create significant reporting burden for first-time adopters and/or smaller, lesser-resourced entities. While the proposed metrics and technical protocols would indeed help provide users with decision-useful information about sustainability-related risks and opportunities, factors such as data availability, supplier traceability and technical capacity constraints may limit consistent implementation – especially in emerging markets.

This includes the proposed supply chain management metrics: though largely relevant, certain requirements may not be cost-effective for smaller, lesser-resourced entities. Reporting entities often rely on smallholders and suppliers that lack digital traceability systems, certification coverage or audit capacity – necessitating a more informal engagement approach.[10]

For just transition**,** consideration must be given to regions that account for a critical supply of agricultural produce to the global economy such as Africa, where 80% of its products are farmed by smallholder farmers according to World Bank data.[11] As much as the focus is on providing users with decision-useful information, it's just as important to balance evolving information needs with the preparers' capabilities and operational feasibility to ensure that reporting requirements remain practical and cost-effective.

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[8] ACCA's response to ISSB proposed amendments to the SASB Standards (SASB/ED/2025/1) https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2025/November/acca-response-issb-ed-2025-2-ifrs-s2-amendments.html

[9] Business Insider Africa (2025), *African countries that have banned GMO imports and cultivation*. https://africa.businessinsider.com/local/markets/african-countries-that-have-banned-gmo-imports-and-cultivation/2s5pdjj

[10] ACCA *Sustainability reporting: Track your progress* – Video: Approaches to identifying and working with stakeholders https://stories.accaglobal.com/sustainability-reporting-progress/case-studies-and-guidance/regional-case-study-sri-lanka/index.html

[11] International Finance Corporation (2023), *Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains (Third Edition)* https://openknowledge.worldbank.org/handle/10986/40177

We thus emphasise that disclosures should be prioritised based on materiality and operational influence, especially where entities rely on third-party suppliers to provide the necessary data. Metrics – for example those related to supplier traceability, deforestation-free sourcing, land restoration, biodiversity-sensitive locations, supplier audits and value-chain labour conditions – would benefit from proportionality mechanisms.

It is worth considering whether a global baseline metric – such as FB-AG-430d.2 *Percentages of sourced agricultural products certified to internationally recognised standards that trace the path of products through the supply chain* which is very likely to result in undue cost and effort to a group of farmers – should be revised in a way that accommodates established industry regulations where agriculture products are sourced (and not limiting it to international certifications). In this regard, entities should similarly be required to disclose the standard used, type of certification and its rationale for selecting those certification standards. Such measures that factor in proportionality will enable investors' access to critical traceable information to the source of produce at much lower cost to the larger population of farmers in a critical region for this sector.

A practical example is Ghana's established Cocoa Board (COCOBOD) whose Cocoa traceability system uses farmers' ID and GPS-mapped farms to create nationally integrated data sets at little to no cost to the farmers. Allowing certifications from such systems affords investors access to data sets that link farm registration to child labour and deforestation assessments and so on.

Phased implementation guidance, safe harbour provisions, transition reliefs, risk-based reporting boundaries, and practical expedients would also be pragmatic and practical to support better-quality reporting – particularly for entities that do not yet have complete value-chain traceability systems.

**Improving international applicability, interoperability and alignment**
(g) – (h): We generally agree that the proposed amendments would improve international applicability, interoperability and alignment with other sustainability-related standards or frameworks – and strongly encourage the ISSB to continue efforts in this direction, particularly with mandatory standards such as the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This will assist in maximising global consistency and comparability and reduce the administrative burden for entities operating in multiple jurisdictions.

However, implementation consistency may vary due to differences in sustainability expertise, reporting infrastructure, and regulatory maturity across jurisdictions. Care is needed to pragmatically ensure that alignment efforts result in proportionate, scalable requirements that considers the reporting capabilities and avoids excessive compliance burden for smaller, lesser-resourced entities.

**Question 2 – *Meat, Poultry & Dairy* SASB Standard**
This Exposure Draft includes proposals to enhance the *Meat, Poultry & Dairy* SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and

opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Meat, Poultry & Dairy* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Meat, Poultry & Dairy industry description;
- to revise activity metric FB-MP-000.B and add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions disclosure topic and associated metrics;
- to revise the Energy Management disclosure topic and associated metric;
- to revise the Water Management disclosure topic and associated metrics, remove metric FB-MP-140a.3 and add new metric FB-MP-140a.4 *Total water discharged by (1) destination and (2) level of treatment*;
- to revise the Land Use & Ecological Impacts disclosure topic and associated metric, remove metrics FB-MP-160a.1 and FB-MP-160a.2 and add five metrics:
    - FB-MP-160a.5 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*;
    - FB-MP-160a.6 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations*;
    - FB-MP-160a.7 *Percentages of livestock produced from direct farming operations determined to be deforestation- or conversion-free, including any targets set to monitor progress*;
    - FB-MP-160a.8 *Priority products from direct farming operations that are sensitive to nature- and climate-related physical risks*; and
    - FB-MP-160a.9 *Percentage of livestock production from direct farming operations that implement and maintain a written nutrient management plan*;
- to revise the Food Safety disclosure topic and associated metrics, remove metrics FB-MP-250a.1 and FB-MP-250a.2 and add two new metrics:
    - FB-MP-250a.5 *Percentage of production volume from sites certified to internationally recognised food safety standards for (1) own operations and (2) co-packing operations*; and
    - FB-MP-250a.6 *Processes, controls and procedures to ensure food safety throughout the value chain*;
- to revise the Antibiotic Use in Animal Production disclosure topic and associated metric;
- to revise the Workforce Health & Safety disclosure topic and associated metrics;
- to revise the Animal Care & Welfare disclosure topic and associated metric, including changing the disclosure topic name to Animal Health & Welfare, remove metrics FB-MP-410a.1 and FB-MP-410a.2 and add two metrics:
    - FB-MP-410a.4 *Description of animal welfare strategy, including targets, procedures and value chain integration*; and
    - FB-MP-410a.5 *Description of risks and opportunities related to biosecurity, including strategies for disease management*;
- to add a Product Innovation disclosure topic and associated metric FB-MP-410b.1 *Use of innovation in food products to address sustainability-related risks and opportunities*;

- to remove the Environmental & Social Impacts of Animal Supply Chain and Animal & Feed 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 four metrics to the proposed Environmental Supply Chain Management disclosure topic:
  - FB-MP-430b.1 *Percentages of sourced (1) livestock and (2) animal feed determined to be deforestation- or conversion-free, including any targets set to monitor progress*;
  - FB-MP-430b.2 *Priority sourced livestock and animal feed that are sensitive to nature- and climate-related physical risks in the supply chain*;
  - FB-MP-430b.3 *Percentage of sourced livestock from farms implementing and maintaining a written nutrient management plan*; and
  - FB-MP-430b.4 *Percentage of animal protein sourced from confined animal feeding operations*;
- to add three metrics to the proposed Social Supply Chain Management disclosure topic:
  - FB-MP-430c.1 *Processes, controls and procedures for managing labour conditions and impacts on local communities in the supply chain, including human rights due diligence*;
  - FB-MP-430c.2 *Percentages of sourced animal feed certified to internationally recognised standards that trace the path of products through the supply chain*; and
  - FB-MP-430c.3 *Percentage of high-risk suppliers subject to an independent third-party audit or verification in the previous three years, with description of non-conformances and corrective actions*.

Paragraphs BC103–BC137 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

(a) Do you agree with the proposed Meat, Poultry & Dairy industry description? Does it accurately describe the business activities of entities in this industry? Do you agree with the scope of activities included in the industry classification? Why or why not?

(b) Do you agree that the proposed disclosure topics in the *Meat, Poultry & Dairy* SASB Standard would accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

(c) Do you agree that the proposed metrics and technical protocols in the *Meat, Poultry & Dairy* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

(d) Do you agree that the proposed metrics in the Environmental Supply Chain Management and Social Supply Chain Management disclosure topics would support cost-effective disclosure of information that primary users need about sustainability-related risks and opportunities in the supply chain (for example, on soil health and water scarcity)? If not, what revisions would you suggest and why?

(e) Do you agree that the proposals would improve the international applicability of the *Meat, Poultry & Dairy* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of their jurisdiction? Why or why not?

(f) Do you agree that the proposed amendments would enhance the *Meat, Poultry & Dairy* SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? Why or why not? (Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

(g) Are there any proposed metrics in the *Meat, Poultry & Dairy* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47–BC48 of the Basis for Conclusions? If so, identify which metrics you believe would benefit from the introduction of such mechanisms and explain why.

**ACCA response**

**Proposed Meat, Poultry & Dairy industry description and classification**
(a): We generally agree with the proposed industry description and classification. However, further guidance on the thought process in determining the appropriate reporting boundaries for hybrid business models that rely on outsourced farming, contract growers or imported feed supply chains would be helpful.

**Proposed disclosure topics, metrics and technical protocols**
(b) – (d), (g): We partially agree with the proposed disclosure topics, metrics and technical protocols, and are concerned that certain disclosures may be too exhaustive and detailed – requiring capabilities and monitoring systems that are not yet widely available, especially among smaller, lesser-resourced entities.

Further, we disagree that the proposed supply chain management metrics support cost-effective disclosure. We caution that the proposed supply chain-related disclosures would necessitate significant investment in traceability systems and supplier monitoring in order to collect the requisite data.

Metrics – such as on animal feed traceability, deforestation-free sourcing, and nutrient management plans – may be especially challenging and costly for reporting entities with fragmented supplier bases, and so would benefit from explicit proportionality mechanisms. It's important to balance between meeting users' information needs and the needs of affordable and secure food availability.

We also note that smaller suppliers may lack formal audit systems and certifications – which can create implementation challenges. While the information is relevant, independent supplier verification and traceability requirements may result in significant compliance costs, particularly in jurisdictions where supplier certification systems are still developing. Where complete supplier-level information is not readily available, we propose that entities be permitted to apply reasonable estimates and rely on existing certifications, industry databases and risk-based supplier assessments. Phased implementation would also be helpful.

In addition, the ISSB may wish to consider a ['thinking small first' approach](https://www.accaglobal.com/gb/en/professional-insights/global-profession/thinking-small-first.html)[12] in developing proportionality mechanisms – where disclosure requirements begin with what every entity must do, followed by more elaborate requirements as size and complexity increases. This will help address concerns about how standards tend to scale down rather than scale up.

**Improving international applicability, interoperability and alignment**
(e) – (f): We generally agree that the proposed amendments would improve international applicability, interoperability and alignment with other sustainability-related standards or frameworks – and strongly encourage the ISSB to continue efforts in this direction, particularly with mandatory standards such as the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This will assist in maximising global consistency and comparability and reduce the administrative burden for entities operating in multiple jurisdictions.

However, implementation consistency may vary significantly due to differences in sustainability expertise, reporting infrastructure, assurance capacity, and regulatory maturity across jurisdictions. Care is needed to pragmatically ensure that alignment efforts result in proportionate, scalable requirements that considers the reporting capabilities and avoids excessive compliance burden for smaller, lesser-resourced entities.

**Question 3 – *Electric Utilities & Power Generators* SASB Standard**
This Exposure Draft includes proposals to enhance the *Electric Utilities & Power Generators* SASB Standard, with a focus on ensuring that the Standard helps entities applying IFRS Sustainability Disclosure Standards to provide decision-useful information to users of general purpose financial reports. The information provided should help users understand the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity in this industry.

The ISSB is interested in feedback on the amendments proposed in this Exposure Draft and on the *Electric Utilities & Power Generators* SASB Standard as a whole. The ISSB is particularly interested in feedback on whether the proposed amendments would result in the Standard meeting the needs of users of general purpose financial reports in a manner that is cost-effective for preparers.

The ISSB proposes:

- to revise the Electric Utilities & Power Generators industry description;
- to revise activity metric IF-EU-000.D and add two activity metrics relating to workforce composition;
- to revise the Greenhouse Gas Emissions & Energy Resource Planning disclosure topic and associated metrics, remove metric IF-EU-110a.3 and add three new metrics:
  - IF-EU-110a.5 *Installed capacity, disaggregated by (1) major energy source and (2) energy storage*;
  - IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*; and
  - IF-EU-110a.7 *Description of how climate-related transition risks and opportunities influence capital strategy and investments*;
- to revise the Air Quality disclosure topic and associated metric;

[12] ACCA *Thinking small first: Towards better auditing standards for the audits of less complex entities* https://www.accaglobal.com/gb/en/professional-insights/global-profession/thinking-small-first.html

- to revise the Water Management disclosure topic and associated metrics, remove metric IF-EU-140a.2 and add new metric IF-EU-140a.4 *Total water discharged by (1) destination and (2) level of treatment*;
- to revise the Coal Ash Management disclosure topic, including changing the disclosure topic name to Hazardous Waste Management, remove metrics IF-EU-150a.1 and IF-EU-150a.3 and add three metrics:
    - IF-EU-150a.4 *(1) Hazardous waste generated, (2) hazardous waste stored and (3) hazardous waste recycled*;
    - IF-EU-150a.5 *Number of significant incidents associated with hazardous waste management*; and
    - IF-EU-150a.6 *Hazardous waste management policies and procedures for active and inactive operations*;
- to add an Ecological Impacts disclosure topic and three associated metrics:
    - IF-EU-160a.1 *(1) Total spatial footprint of operations, (2) area disturbed and (3) area restored*;
    - IF-EU-160a.2 *Percentage of the total spatial footprint of operations in or near environmentally sensitive locations*; and
    - IF-EU-160a.3 *Description of environmental management policies and practices for operational facilities*;
- to add a Community Relations & Rights of Indigenous Peoples disclosure topic and four associated metrics:
    - IF-EU-210a.1 *Processes used to manage risks and opportunities associated with community rights and interests*;
    - IF-EU-210a.2 *(1) Number of non-technical delays and (2) the total days idle*;
    - IF-EU-210a.3 *Percentage of operations in or near Indigenous Peoples' land*; and
    - IF-EU-210a.4 *Description of engagement processes and due diligence practices related to upholding Indigenous Peoples' rights*;
- to revise the Energy Affordability disclosure topic, remove metrics IF-EU-240a.1, IF-EU-240a.3 and IF-EU-240a.4 and add two new metrics:
    - IF-EU-240a.5 *Description of energy affordability-related risks and opportunities and strategies to manage them*; and
    - IF-EU-240a.6 *(1) Number of active participants and (2) number of eligible participants in energy affordability-related actions or programmes, disaggregated by (a) residential, (b) commercial and (c) industrial participants*;
- to revise the Workforce Health & Safety disclosure topic and associated metric and add metric IF-EU-320a.2 *Description of management systems used to foster a safe working environment*;
- to add an Employee Recruitment, Development & Retention disclosure topic and two associated metrics:
    - IF-EU-330a.1 *Description of employee recruitment, development and retention-related risks and opportunities and strategies to manage them*; and
    - IF-EU-330a.2 *(1) Voluntary and (2) involuntary employee turnover rate for (a) all employees and (b) occupational categories with a skill shortage*;
- to revise the End-Use Efficiency & Demand disclosure topic, including changing the disclosure topic name to Demand-side Management, remove metrics IF-EU-420a.2 and IF-EU-420a.3 and add three metrics:
    - IF-EU-420a.4 *Description of demand-side management-related risks and opportunities and strategies to manage them, including any targets set to monitor progress*;
    - IF-EU-420a.5 *(1) Number of active participants and (2) number of eligible participants in demand-side management-related actions or programmes,*

    - *disaggregated by (a) residential, (b) commercial and (c) industrial participants*; and
    - IF-EU-420a.6 *Peak demand savings from demand-side management strategies*;
- to add a Supply Chain Management disclosure topic and two associated metrics:
    - IF-EU-430a.1 *Description of the process to manage supply chain risks arising from sustainability-related issues*; and
    - IF-EU-430a.2 *Percentage of high-risk suppliers subject to an independent third-party audit or verification in the previous three years, with description of non-conformances and corrective actions*;
- to revise the Nuclear Safety & Emergency Management disclosure topic and associated metric, including changing the disclosure topic name to Critical Incident Risk Management, remove metric IF-EU-540a.2 and add metric IF-EU-540a.3 *Description of management systems used to identify and mitigate serious accidents*;
- to revise the Grid Resiliency disclosure topic and associated metrics, including changing the disclosure topic name to Operational Resilience & System Reliability, and add three metrics:
    - IF-EU-550a.3 *Average availability factor for generation assets*;
    - IF-EU-550a.4 *Amount and percentage of assets vulnerable to climate-related physical risks, disaggregated by industry asset type and climate-related physical risk*; and
    - IF-EU-550a.5 *Description of strategies to manage operational resilience and system reliability-related risks and opportunities, including any targets set to monitor progress*.

Paragraphs BC138–BC195 of the Basis for Conclusions set out the ISSB's reasoning for these proposals.

(a) Do you agree with the proposed Electric Utilities & Power Generators industry description? Does it accurately describe the business activities of entities in this industry? Do you agree with the scope of activities included in the industry classification? Why or why not?

(b) Do you agree that the proposed disclosure topics in the *Electric Utilities & Power Generators* SASB Standard accurately identify the sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of entities in this industry? If not, what revisions would you suggest and why?

(c) Do you agree that the proposed metrics and technical protocols in the *Electric Utilities & Power Generators* SASB Standard would help an entity provide primary users with decision-useful information about sustainability-related risks and opportunities? If not, what revisions would you suggest and why?

(d) Do you agree that the proposals would improve the international applicability of the *Electric Utilities & Power Generators* SASB Standard and would lead to the disclosure of decision-useful information from entities in the industry regardless of their jurisdiction? Why or why not?

(e) Do you agree that the proposed amendments would enhance the *Electric Utilities & Power Generators* SASB Standard's interoperability and alignment with other sustainability-related standards or frameworks? Why or why not? (Note that the ISSB is focused on providing material information for investors about the effects of sustainability-related risks and opportunities on an entity's prospects.)

(f) Are there any proposed metrics in the *Electric Utilities & Power Generators* SASB Standard that would benefit from the inclusion of specific proportionality mechanisms described in paragraphs BC47–BC48 of the Basis for Conclusions? If so, identify which metrics you believe would benefit from the introduction of such mechanisms and explain why.

**ACCA response**

**Proposed Electric Utilities & Power Generators industry description and classification**
(a) We generally agree with the revised industry description as it reflects the power sector's transition towards resilience and diversified energy systems. However, we recommend that the industry description should be expanded to include energy storage. The list of renewable energy examples should also include biomass.

**Proposed disclosure topics, metrics and technical protocols**
(b) – (c), (f): We generally agree that the proposed disclosure topics, metrics and technical protocols could provide decision-useful information to users. However, metrics relating to climate-related physical risk exposure (climate vulnerability assessments), indigenous peoples' rights, demand-side management and supply-chain audits may be resource intensive to implement and would benefit from proportionality mechanisms. In this regard, the ISSB may wish to clearly state which disclosure topics are relevant for specific activities.

In addition, in markets such as Australia, generation, transmission, distribution and retail are commonly undertaken by separate entities with different responsibilities, customer relationships and access to data. Metrics relating to energy affordability, customer participation and demand-side management may therefore have very different relevance across these activities. Clearer activity-level guidance would help entities assess applicability consistently.

Further, the proposed expansion from 'Grid Resiliency' to 'Operational Resilience & System Reliability' brings together concepts that may be defined and measured differently across generation, transmission and distribution activities. Generation asset availability, network reliability and broader operational resilience are related, but not directly equivalent. Clearer guidance on the objective, applicability and intended scope of the metrics would help avoid false comparability.

For the following metrics, we wish to highlight that:

- For IF-EU-110a.6, clarification is needed as to whether the suggested definition for 'planned capacity' includes contractually committed projects, or whether such projects should be considered as 'installed capacity'.

  While the proposed definition appears broad enough to include projects at different stages of development and commitment, an early-stage or unapproved plan does not provide the same evidence of future capacity as an approved, funded or contracted project.

  In this regard, we propose that the definition should read as follows:

*'Planned capacity refers to the entity's investment and disposal plans approved by its relevant governing body, including contractually committed projects, plans to which the entity is not yet contractually committed, and plans to redeploy, repurpose, upgrade or decommission existing assets.'*

The ISSB could further consider disaggregating planned capacity – or requiring accompanying information – according to its level of approval or commitment, subject to proportionality considerations. Contractually committed projects should remain classified as planned rather than installed capacity until the relevant assets are operational.

- For the energy storage-related metrics under IF-EU-110a.5 (installed capacity) and IF-EU-110a.6 (planned capacity), while megawatts (MW) may be sufficient to describe energy production assets, energy capacity in megawatt hours (MWh) – currently proposed for removal from this ED – is a further relevant metric for energy storage assets.

- For IF-EU-160a.1, while hydro-power assets and thermal cycles located on riversides clearly have impacts on the rivers, they do not appear to have been defined in the metrics descriptions.

- Relating to IF-EU-550a.4, wider IFRS S2 guidance would be helpful on the measurement basis for 'amount', denominator used for the percentage, and the meaning of 'vulnerable'. Transparency regarding time horizons, assumptions and assessment methodology, to the extent required by the IFRS Sustainability Disclosure Standards, would also support more consistent and comparable reporting. This is particularly important because the disclosure will depend on the quality and integration of asset, risk, operational and financial information.

Where detailed quantitative information is not yet available – particularly for entities in developing markets – phased implementation, qualitative transitional disclosures or the ability to use reasonable estimates would be helpful in supporting continual improvement towards better-quality reporting.

**Improving international applicability, interoperability and alignment**
(d) – (e): We generally agree that the proposed amendments would improve international applicability, interoperability and alignment with other sustainability-related standards or frameworks – and strongly encourage the ISSB to continue efforts in this direction, particularly with mandatory standards such as the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This will assist in maximising global consistency and comparability and reduce the administrative burden for entities operating in multiple jurisdictions.

**Question 4 – Consequential amendments to the IFRS S2 industry-based guidance**
The ISSB proposes to make consequential amendments to the IFRS S2 industry-based guidance when it makes amendments to the SASB Standards to maintain alignment between the IFRS S2 industry-based guidance and the climate-related content in the SASB Standards.

Paragraphs BC196–BC197 of the Basis for Conclusions describe the reasons for this proposal.

Do you agree that the ISSB should make consequential amendments to the IFRS S2 industry-based guidance when it makes amendments to the SASB Standards as set out in this Exposure Draft? Why or why not?

**ACCA response**

We commend the efforts taken to maintain alignment between the IFRS S2 IBG and climate-related content in the SASB Standards, which are helpful towards ensuring consistency and achieving international applicability and interoperability.

However, more clarity is needed on the ISSB's intended standard-setting architecture and long-term strategy with respect to the SASB Standards. In particular, we reiterate[13] our concerns with the current approach and priority given to amending the industry-specific SASB Standards over the IFRS S2 IBG and development of principles-based, industry-agnostic topical standards that address critical sustainability areas already identified as requiring immediate action.

We think that priority should instead be to **first amend the ISSB's IBG in supporting implementation of IFRS S2, followed by consequential amendments to the SASB Standards** – to reflect paragraphs 54 and 55(a) of IFRS S1 which clearly set out that application of the IFRS Sustainability Disclosure Standards (topical) takes precedence over that of SASB Standards (industry-based), acknowledging that the disclosure topics in the SASB Standards may not always be relevant to an entity's circumstances. Paragraph BC41 of this ED further provides an example to this effect – where IFRS S2 requiring the disclosure of material information about all three scopes of greenhouse gas emissions would take precedence over the SASB Standard relevant to the entity's activities which does not specifically include greenhouse gas emissions metrics.

ACCA's 2025 survey findings[14] also confirm the urgent need for principles-based, globally applicable standards and guidance to support emerging areas where stakeholders are requesting more information such as about human capital and rights (43%), innovation (42%), climate (37%) and nature (32%)[15]. Given the potential overlap between the proposed amendments to the SASB Standards (eg labour conditions, workforce health & safety) and ongoing research projects (eg human capital), we believe that ISSB's resources would be better directed where work is already under way towards developing principles-based, industry-agnostic topical standards and requirements.

We further recommend that the ISSB provides clear mapping documents, implementation examples and transition guidance to facilitate consistent implementation of the proposed amendments.

[13] ACCA's response to ISSB proposed amendments to the SASB Standards (SASB/ED/2025/1) https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2025/November/acca-response-issb-ed-2025-2-ifrs-s2-amendments.html

[14] ACCA *Sustainability reporting: Track your progress* https://www.accaglobal.com/gb/en/professional-insights/global-profession/sustainability-reporting/sustainability-reporting-track-your-progress.html

[15] Respondents were allowed to select multiple options across all applicable areas.

**Question 5 – Relationship with IFRS Sustainability Disclosure Standards**
The proposed amendments to the SASB Standards have been drafted under the assumption that an entity would apply the SASB Standards as well as the IFRS Sustainability Disclosure Standards.

Paragraphs BC40–BC46 of the Basis for Conclusions explain the ISSB's reasons for this approach.

(a) Do you agree with the ISSB's proposed approach to amending the SASB Standards in relation to the content in IFRS Sustainability Disclosure Standards? Why or why not?

(b) Do you agree that, for preparers applying the SASB Standards as well as IFRS Sustainability Disclosure Standards, the relationship between their contents is sufficiently clear? Why or why not?

**ACCA response**

We generally agree with the ISSB's proposed approach, and note the assumptions that an entity would apply the SASB Standards with the IFRS Sustainability Disclosure Standards, with the proposed amendments providing incremental guidance to complement Scopes 1, 2 and 3 greenhouse gas emissions cross-industry metrics in IFRS S2.

We find that paragraphs 54 and 55(a) of IFRS S1 are sufficiently clear in setting out the application hierarchy, which is helpful in understanding the relationship between the IFRS Sustainability Disclosure Standards and the SASB Standards. However, it would be helpful for more clarity to be provided on the ISSB's intended standard-setting architecture and long-term strategy with respect to the SASB Standards.

We support the ISSB's decision in paragraph BC43 of the ED not to provide explicit guidance on when cross-industry metrics are likely to provide material information for entities in a specific industry. We caution that certain granular information may serve only niche groups of users. Accordingly, the level of granularity would more appropriately be determined based on the respective entity's materiality assessments.[16]

In particular, we recommend that the ISSB considers how granular disclosure requirements will interact with local or regional requirements which may restrict data collection efforts from the value chain. For example, the EU's voluntary reporting standard establishes a value chain cap where entities subject to the CSRD cannot require entities in their value chains to provide more information than what is covered by the voluntary standard.[17]

Further, in developing proportionality mechanisms, the ISSB may wish to consider a 'thinking small first' approach[18] where disclosure requirements begin with what every entity must do,

[16] ACCA *Principles of good corporate reporting* https://www.accaglobal.com/gb/en/professional-insights/global-profession/good-corporate-reporting.html

[17] Directorate-General for Financial Stability, Financial Services and Capital Markets Union (2026), *Commission adopts revised sustainability reporting standards to reduce administrative burdens for EU businesses while maintaining high-quality disclosures*. https://finance.ec.europa.eu/news/commission-adopts-revised-sustainability-reporting-standards-reduce-administrative-burdens-eu-2026-07-03_en

[18] ACCA *Thinking small first: Towards better auditing standards for the audits of less complex entities* https://www.accaglobal.com/gb/en/professional-insights/global-profession/thinking-small-first.html

followed by more elaborate requirements as size and complexity increases. This will help address concerns about how standards tend to scale down rather than scale up.

Ultimately, it's important to balance users' information needs with preparers' capabilities and operational feasibility to ensure that reporting requirements remain practical and cost-effective.

We also believe that alignment could be further improved between the IFRS Sustainability Disclosure Standards and the SASB Standards to facilitate consistent application. For example, the foundational concepts of materiality and proportionality currently embedded in the IFRS Sustainability Disclosure Standards should be more clearly aligned and embedded in the SASB Standards.

Further, while paragraph BC44 of the Basis for Conclusions explains that the absence of repetition of a disclosure requirement in IFRS S2 is not confirmation that a disclosure was assessed as unlikely to be material for an entity with activities in that industry, we are concerned that such inconsistencies may cause confusion and divergence in practice.

This ED still falls within Phase 1 of the ISSB's project to enhance the SASB Standards, and we are concerned that this will set a precedence for more of such inconsistencies as this project progresses. As such, we echo Dr Richard Barker's view in paragraph AV33 of the Basis for Conclusions that inconsistencies between the IFRS Sustainability Disclosure Standards and SASB Standards should not be allowed to persist – neither for Scope 3 greenhouse gas emissions nor for potentially material information relating to other indirect activities – as well as for future iterations of this project.

**Question 6 – 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 to permit early application.

Paragraphs BC198–BC199 of the Basis for Conclusions describes the reasons for this proposal.

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

**ACCA response**

We recommend a longer lead time – with an effective date of at least 24 to 36 months after any new requirements are issued – with early application permitted. This will better facilitate timely and coordinated alignment and adoption among jurisdictions which are currently subject to their respective regulatory approaches and timelines.

Entities will also require sufficient lead time to develop or adapt internal systems, processes, and training in order to gather and disclose new data and apply the proposed metrics effectively. Phased implementation support for more complex metrics, additional implementation guidance and illustrative examples, and practical expedients for value-chain and supplier-related disclosures would be helpful to facilitate adoption and manage the cost of doing business without reducing the quality of disclosures.

We further appreciate and commend that the ISSB is seeking feedback on metrics that would benefit from specific proportionality mechanisms. A proportionate approach that recognises the varying levels of maturity and capacity across jurisdictions and industries is essential for implementation. In particular, entities with less experience in sustainability reporting may require additional transitional reliefs or flexibility.

This is where the ISSB may wish to consider a 'thinking small first' approach[19] in developing proportionality mechanisms – where disclosure requirements begin with what every entity must do, followed by more elaborate requirements as size and complexity increases. This will help address concerns about how standards tend to scale down rather than scale up.

[19] ACCA *Thinking small first: Towards better auditing standards for the audits of less complex entities* https://www.accaglobal.com/gb/en/professional-insights/global-profession/thinking-small-first.html