



ISSB- Internationalisation of SASB Standards

- EFRAG FR TEG and CFSS meeting
- 4 July 2023



Overview and timeline

Overview

- Methodology Objective
- Overall methodology
- Revision approaches
- SASB Standards Taxonomy Update
- Future Standards SASB Refinements

Timeline



- EFRAG User Panel
- Joint outreach with ISSB
- DRSC public event
- EFRAG CFSS
- Community outreach
- 1 August SR TEG
- SRB – written approval



Methodology Objective

Methodology Objective

- Scope of the intended enhancements and the objective of the proposed methodology stated clearly?
 - Are the constraints of the objective appropriate?
 - Other objective(s) or constraint(s) to be added?
- a) Shortcomings in the methodology to be addressed:
 - **Ratification status** of internationally applicable references
 - Impact on **comparability** when integrating jurisdictional references.
 - b) View on **overall direction** of travel in Sustainability Reporting.
 - Future status of industry-based disclosures requirements need clearer specification
 - Overall view of the target universe of topical standards that will change the SASB disclosures is necessary.



Overall methodology

Overall methodology

- Agree with enhanced methodology?
- Any alternatives or suggestions?

EFRAG identified shortcomings in the methodology to be addressed:

- Need of increased **comparability** level when working with national references
 - EFRAG suggests reliance on internationally applicable regulations
- **Ratification status** of international references
 - EFRAG suggests ISSB to make a mapping available for all internationally applicable references, where this have been ratified.

Is ratification status of international reference of importance?



Revision approaches

Revision approaches

- Replacing jurisdiction-specific references with internationally recognised frameworks?
 - Opinions on Revision Approaches 2-4.
 - Could the revised metrics pose problems?
 - Agree with criteria for determining revision approach?
- a) Add a **mapping** of ratification status of international references and develop **replacement metrics or target** for important gaps.
 - b) Revision approaches 2 to 4 improve international applicability.
 - When using jurisdictional references (step 3) include description and reference.
 - c) Avoid metrics available behind **payment wall**.
 - Clearer process to support metrics selection.
 - d) EFRAG agrees.



SASB Standards Taxonomy Updates Objective

SASB Standards Taxonomy Updates Objective

- Agree with methodology to update the SASB Standards Taxonomy?
- EFRAG agrees to update the SASB XBRL Taxonomy to reflect the amended SASB standards.
- EFRAG invites ISSB to work together on **harmonisation** of the sector specific digital XBRL.
- Encourages ISSB to use **technical references** of ESRS standards as part of XBRL taxonomy.



Future Standards SASB Refinements

Future Standards SASB Refinements

- **Other useful methods, considerations or specific amendments?**
 - **Comments or suggestions?**
- Further improvements beyond internationalisation including updates through future topical standards.
 - Gap analysis between SASB standards and sustainability reporting frameworks.
 - Development of contextual narrative disclosures.
 - Examples of areas for improvement:
 - Quantification of scope 3 - use of sold products
 - Transition plans in biodiversity area
 - Expansion of metrics for social disclosures.

Any other areas to be improved?



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Thank you!