



Sustainability Adviser Alert

ISSB publishes amendments to enhance international applicability of SASB standards

January 2024

Executive summary

The International Sustainability Standards Board (ISSB) has published amendments to the Sustainability Accounting Standards Board (SASB) standards which aim to strengthen their international applicability. The amendments are intended to help reporting entities apply the SASB standards regardless of the jurisdiction they are in or the generally accepted accounting principles (GAAP) they report under. However, the amendments are not intended to significantly alter the structure or intent of the SASB Standards.

In Canada, the Canadian Sustainability Standards Board (CSSB) continues to work with the ISSB to drive the adoption of the ISSB standards in Canada. Refer to the “Latest development in Canada” section for more details in a recent activity of the CSSB.

Overview

The SASB standards consist of 77 industry-based sustainability-related disclosure standards and include over 1,000 metrics. While the ISSB has not developed the standards, it has been responsible for the maintenance and enhancement of the SASB standards since the consolidation of the Value Reporting Foundation (VRF) with the IFRS Foundation in August 2022.

The SASB standards are required to be considered when applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, when evaluating sustainability-related risks and opportunities in the absence of another IFRS Sustainability Disclosure Standard. Therefore, it is important for the SASB standards to be globally appropriate. Prior to these amendments, the SASB standards contained certain references to jurisdiction-specific laws and regulations, which were not globally applicable.

The amendments

The ISSB split the project into two parts, resulting in two sets of changes. It initially published amendments in June 2023 to address the climate-related disclosure topics covered within IFRS S2. The additional amendments, published in December 2023, aim to remove the jurisdiction-specific references from non-climate related disclosure topics and metrics to assist reporting entities when



applying IFRS S1. There are approximately 650 non-climate related metrics and, from these, 220 metrics are impacted by these revisions.

The amendments have been drafted using a combination of the following revision approaches, in order of priority:

1. Replacing jurisdiction-specific terms with globally applicable references;
2. Providing general descriptions to replace jurisdiction-specific terms;
3. Permitting the application of local jurisdiction laws or regulations that comply with the preparer's legal and regulatory environment to replace jurisdiction-specific terms that are not appropriate;
4. Removing certain jurisdiction-specific metrics that were unsuitable for international application; and
5. Replacing certain jurisdiction-specific metrics if a relevant replacement could be found that preserved the intention of the original metric.

Effective date

The amended SASB standards are effective for annual reporting periods beginning on or after January 1, 2025, with early application being permitted. This means the impact of the amendments will be initially seen in 2026 for reporting entities applying the standards to their December 31, 2025 reporting cycles.

Transitional provisions

While the amendments do not set out any specific transition relief provisions, the ISSB considered the following when determining the effective date:

- The ISSB expects that preparers already applying the SASB standards should be able to continue to use most of the same data sources, processes, and reporting;
- An effective date of January 1, 2025 allows preparers a full year to assess whether they would be impacted by the changes and to implement those changes;
- IFRS S1 included transitional relief in the first year of application from reporting information about sustainability-related risks and opportunities beyond those relating to climate-related risks and opportunities. An effective date of January 1, 2025 for the amendments provides consistency with this IFRS S1 transitional relief.

Next steps for preparers

While the goal of the ISSB was to avoid changing the structure, completeness and intent of the SASB standards, these amendments could still potentially require changes to internal data systems and the changes to certain metrics may result in changes to data collection, aggregation, or validation. As this will depend on the metrics in use by each individual entity as well as local jurisdictional requirements, it is important that preparers review the changes and ensure that the metrics utilized are not impacted or to ensure that the metrics are updated appropriately, if applicable.

Our thoughts

We welcome the publication of these amendments because they help to achieve greater international applicability of the SASB standards when reporting entities are applying IFRS S1. Global consistency and clarity of the requirements of the standards are critical to a reporting entity's ability to provide



useful sustainability reporting, and we are pleased to see that the ISSB is continuing to work towards that goal.

Latest development in Canada

On January 9, 2024, representatives of the CSSB and the Sustainability Standards Board of Japan (SSBJ) held their inaugural bilateral meeting in Montreal. The [press release](#) issued following the meeting mentions that the members of the Boards provided an update on their respective activities and discussed subjects of common interest, including issues related to the implementation of the ISSB standards.

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