Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

30 June 2026

International Sustainability Standards Board (ISSB)

Submitted via Submit a comment letter

Dear ISSB Secretariat,

Enhancing the SASB Standards Phase 1 continued – July 2026 (SASB/ED/2026/1)

The External Reporting Board thanks you for the opportunity to comment on the Exposure Draft *Proposed amendments to the SASB Standards and the IFRS S2 Industry-based Guidance* (March 2026).

We reiterate our position previously articulated in a prior XRB submission

The feedback in our November 2025 submission to the ISSB remains highly relevant to this Exposure Draft. In particular, our comments on the ISSB architecture, the role of SASB Standards within that architecture, the importance of interoperability with other frameworks, and the need for clear boundaries between non-mandatory guidance and mandatory requirements all apply to this Exposure Draft.

We faced challenges in obtaining feedback from stakeholders

We sought to engage with local stakeholders on the proposed changes, including participants from the dairy and meat sectors and electric utilities, but received limited to no feedback. However, we consider that this should not be interpreted as endorsement of the SASB Standards, or of their international applicability, by our jurisdiction. This is particularly so given the limited engagement received and the challenges stakeholders face in engaging with the Standards where the ISSB architecture remains unclear.

Observations on nature-related disclosures and overall direction

We support the ISSB's objective to enhance the SASB Standards by improving international applicability, strengthening decision-useful information for investors, and enhancing interoperability with other sustainability frameworks. We welcome the introduction of deforestation- and conversion-free metrics, the strengthened focus on supply chains and land-use impacts, and the broader incorporation of nature-related risks and opportunities. We would like to emphasise that it is important that all metrics have the flexibility to account for the wide variation in food and fibre production systems around the world.

However, we also note a more fundamental question regarding the materiality and decision-usefulness of the proposed metrics. We understand that the ISSB's approach is focused on information that is material to investors. However, in the context of nature-related matters, the most consequential issues from a planetary perspective often relate to ecological impacts, system thresholds and planetary boundaries. Metrics that focus primarily on exposure, location or management responses may therefore capture only a partial view of the long-term underlying risks. We encourage the ISSB to consider whether the proposed metrics provide sufficiently useful information to enable investors to assess nature-related risks and opportunities.

We encourage the ISSB to clarify how the proposed metrics will interact with its emerging work on nature and biodiversity, how this aligns with its focus on financially material information and how this interaction will be reflected in the evolving ISSB architecture.

Interoperability and international alignment

We strongly support the ISSB's continued focus on interoperability. Entities reporting across jurisdictions should be able to use the same basic data for multiple reporting processes. We encourage the ISSB to work closely with other standards bodies to develop common disclosures for deforestation, land use and supply chain matters.

We note that European frameworks including ESRS E4 Biodiversity and Ecosystems and GRI 101: Biodiversity 2024, include more extensive requirements on biodiversity impacts, such as ecosystem condition and species-level effects. In contrast, the proposed SASB metrics primarily focus on location and scale of land use, rather than including these elements of ecosystem condition or quality. We therefore query whether the proposed SASB metrics capture sufficient information for investors.

Internal consistency across SASB standards

We also emphasise the importance of internal consistency across the revised standards. Feedback from stakeholders, including EFRAG, highlights differences in how key topics and metrics are structured and presented across standards, including between the Electric Utilities and Power Generators Standard and the Agricultural Products and Meat, Poultry and Dairy Standards.

In particular, differences in the treatment and placement of climate-related disclosures, energy management topics, and supply chain metrics risk reducing comparability and increasing reporting complexity for preparers operating across multiple sectors. We encourage the ISSB to adopt a more consistent design approach across standards and to clearly explain any departures from that approach.

Summary

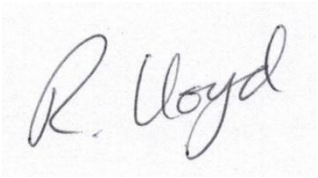
For clarity, our detailed responses to the ISSB's specific questions are provided in an appendix to this letter. These responses elaborate on the key themes outlined above and highlight where we consider further clarification or alignment is needed.

Overall, our comments focus on ensuring that the amendments deliver decision-useful, internationally comparable information while remaining operational for preparers in global supply chains.

Our key messages are that the proposed amendments represent a constructive step, but their effectiveness will depend on clarity of key concepts, interoperability with emerging global frameworks, and ensuring that requirements remain practical for preparers across jurisdictions. We also note the challenges of introducing or refining nature-related metrics when the ISSB's broader work on nature, including the development of a practice note or equivalent guidance, has not yet been finalised. More fundamentally, we encourage the ISSB to consider whether the proposed nature-related metrics capture information that is useful to investors, given that many focus on exposure and management. These considerations will also be important for future SASB consultations, where similar issues of architecture, clarity and operability are likely to arise.

We would be pleased to discuss any aspect of this submission further.

Yours sincerely,



Becky Lloyd
Chair Sustainability Reporting Board, External Reporting Board

Appendix – Responses to specific questions

Question 1 – Agricultural products standard

Support for proposed themes

We support the inclusion of disclosures on land use and ecological impacts, including deforestation- and conversion-free production (FBAG160a.4), environmental supply chain management such as deforestation-free sourcing (FBAG430c.1), and expanded supply chain due diligence. We would emphasise that it is important that all metrics have the flexibility to account for the wide variation in food and fibre production systems around the world.

Areas for improvement

We recommend further clarification of key definitions, particularly the meaning of "deforestation- or conversion-free". Introducing a common cut-off concept may improve comparability across jurisdictions. We also consider that the current requirement to disclose the "level of traceability" in FBAG430c.1 could result in inconsistent application. Additional guidance or practical examples would help address this.

Greater clarity is also needed on proportionality. Guidance on expected value chain coverage would help ensure that the metrics remain operational and cost-effective across different jurisdictions and entity types.

We note the inclusion of 'sourcing from low-risk jurisdictions with no or negligible recent conversion' as an assessment method under *FB-AG-160a.4 paragraph 2*, as a good example of such flexibility. We would also ask that the words 'and deforestation' be added after '…recent conversion' in this example. We also request that this adjustment is made to *FB-AG-430c.1*

While we support the proposed metrics on land use and ecological impacts (FB-AG-160a.1–160a.6), we note that these primarily focus on exposure and management rather than on biodiversity impacts or outcomes. We therefore query whether the proposed metrics capture sufficient information for investors.

Question 2 – Meat, poultry and dairy standard

Support

We support the inclusion of deforestation- and conversion-free livestock production (FBMP160a.7) and sourcing metrics (FBMP430b.1), together with the strengthening of supply chain disclosures. These are particularly relevant in sectors with material Scope 3 impacts. Again, we would emphasise that it is important that all metrics have the flexibility to account for the wide variation in food and fibre production systems around the world.

Areas for improvement

We recommend ensuring interoperability with emerging global land-sector frameworks, while maintaining optionality for users in what frameworks they can apply.

Further guidance would also improve comparability, particularly in relation to traceability, the use of proxies, and assessment methodologies. Without this, there is a risk of inconsistent application across preparers.

We note similar considerations apply to biodiversity-related metrics in this Standard (e.g. FB-MP-160a.5–160a.6), which focus on footprint and location rather than ecosystem condition or biodiversity outcomes.

As above, we note the inclusion of 'sourcing from low-risk jurisdictions with no or negligible recent conversion' as an assessment method under *FB-MP-160a.7 paragraph 2*, as a good example of such flexibility. We would also ask that the words 'and deforestation' be added after '…recent conversion' in this example. We also request that this adjustment is made to *FB-MB-430b.1*.

The Water Management section requires disclosure of water consumed from 'water stressed locations' and gives examples how an entity might define water stressed locations. The two examples are both very coarse global level evaluations. We believe it is important to allow flexibility in the definition of water stressed locations as these will be locally context specific.

The Land Use and Ecological Impacts section by comparison is more prescriptive. An entity would have to report the percentage of its operations located within 5km of a list of sensitive locations. Such a specific distance may or may not be relevant depending upon local context, so flexibility / optionality should be provided in determining what a material distance is.

Question 3 – Electric utilities and power generators

Support

We support the general direction of the proposed enhancements.

Areas for improvement

Our primary comment is to reiterate the importance of alignment with IFRS S2 and to avoid introducing inconsistencies with IFRS S2. This is particularly important where similar sustainability matters are addressed across sectors, as inconsistent structuring of metrics and topics may reduce comparability and increase reporting complexity. In particular, feedback from EFRAG highlights that the Electric Utilities standard adopts different approaches to key topics and metrics compared to the Agricultural Products and Meat, Poultry and Dairy standards, including the treatment and placement of climate-related disclosures and energy management topics.

Question 4 – Consequential amendments to IFRS S2 industry-based guidance

We agree that consequential amendments are necessary to maintain alignment. It is important that the guidance remains consistent with the core requirements of IFRS S2 and avoids duplication or confusion between standards and supporting materials.

Question 5 – Relationship with IFRS Sustainability Disclosure Standards

We broadly support the ISSB's approach but recommend further clarification on how preparers should integrate SASB metrics with IFRS S2 requirements. Clearer articulation would also help avoid duplication where similar information may otherwise be disclosed in multiple locations.

In particular, for biodiversity-related disclosures such as FB-AG-160a.1 (area disturbed/restored) and FB-AG-160a.2 (operations near sensitive locations), the absence of information on ecosystem condition or impact severity may limit the comparability and interpretability of disclosures across entities and jurisdictions.

Question 6 – Effective date

We support the proposed approach to the effective date, including the provision of a 12-18 month implementation period and the option for early application.

Question 7 – Objective of the amendments

We agree with the stated objective. However, achieving that objective will depend on ensuring clarity, comparability and operability in practice, and additional guidance may be required to support this.

Question 8 – Interoperability with other frameworks

We strongly support the ISSB's focus on interoperability and encourage continued engagement with key bodies such as EFRAG, the GHG Protocol and SBTi. Interoperability should be prioritised in areas such as deforestation, land use and supply chain disclosures, particularly given the importance of global markets and supply chains for jurisdictions such as New Zealand.

Question 9 – Climate-related content

We support the proposed amendments to climate-related content. However, we recommend greater clarity on how land-use disclosures interact with GHG emissions reporting under IFRS S2, to avoid fragmentation and ensure a coherent framework.

Question 10 – Nature and human capital

We support the increased focus on nature-related disclosures, including land use, biodiversity and supply chain impacts. These proposals represent an important step toward more comprehensive sustainability reporting and are broadly consistent with user demand.

However, we are concerned about how these amendments will interact with the ISSB's ongoing projects on nature and human capital. Introducing more detailed requirements at this stage creates a risk of misalignment, duplication and subsequent revision once those projects are completed.

We therefore encourage the ISSB to clearly articulate how these amendments are intended to align with, and evolve alongside, its future work on nature and human capital. Providing this clarity would help preparers understand the expected direction of travel and support more stable and coherent implementation over time.