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Comments on the Exposure Draft
Proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance

The Sustainability Reporting Committee (SRC) of the Securities Analysts Association of Japan (SAAJ) is pleased to submit its comments on the Exposure Draft *Proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance* (hereinafter referred to as the “Exposure Draft”), published by the International Sustainability Standards Board (ISSB) on 26 March 2026.

The SAAJ is a not-for-profit organisation for professionals in the fields of investment and finance, offering education and certification programmes. It has approximately 30,000 certified member analysts holding the CMA designation.

The SRC is a standing committee of the SAAJ, established in March 2021, and is composed of 10 members, including analysts and investors, certified public accountants, and academics.

In considering the Exposure Draft, we gathered opinions from five active sector analysts belonging to the SAAJ’s Disclosure Study Group (three from energy and two from food). Based on those opinions, the SRC conducted its deliberations and prepared this comment letter.

Questions 7–10 are directed to stakeholders who did not respond to the Exposure Draft *Proposed Amendments to the SASB Standards* published by the ISSB on 3 July 2025 (hereinafter referred to as the “July 2025 Exposure Draft”). As we submitted responses to the July 2025 Exposure Draft,[1] we have not responded to those questions.

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[1] Comments on the Exposure Draft *Proposed Amendments to the SASB Standards* (submitted on 28 November 2025)
https://www.saa.or.jp/standards/sustainability/pdf/ikensho1_251128en.pdf

Comments on the Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2* (same date)
https://www.saa.or.jp/standards/sustainability/pdf/ikensho2_251128en.pdf

However, as stated in our response to *Question 1—Objective* in the July 2025 Exposure Draft, we believe that the SASB Standards have become more important within the IFRS Sustainability Disclosure Standards (ISSB Standards) in light of the progress of the ISSB's research projects on nature and human capital (the relevant portion of our response to the July 2025 Exposure Draft is reproduced below).

One of the ISSB's work plan items for 2024–2026 is "Conducting new research projects", which includes research on biodiversity, ecosystems and ecosystem services (BEES) and human capital. However, we expect that standard-setting on these themes will take considerable time. Therefore, we recognise that the role of the SASB Standards in IFRS S1, which sets out the general requirements under the ISSB Standards for identifying sustainability-related risks and opportunities and applicable disclosure requirements, has become even more significant.

At its April 2026 Board meeting, the ISSB agreed to propose requirements for nature-related disclosures in the form of an IFRS Practice Statement and aims to publish an exposure draft for public comment in October 2026.

However, we expect that considerable time will still be required before the Practice Statement is finalised and before any mandatory standard-setting follows. Accordingly, we do not believe that these developments alter our view expressed above.

In this regard, we believe that, through the two rounds of proposed amendments to the SASB Standards to date, the international applicability and usefulness of the SASB Standards in the 12 industries covered have been significantly enhanced.

Therefore, we believe that similar amendments should be undertaken for all remaining industries on a phased basis, with priorities clearly identified.

In addition, in our response to *Question 1—Objective* in the July 2025 Exposure Draft, we made recommendations on the following six matters. As these recommendations are equally relevant to the three industries covered by this Exposure Draft, we encourage the ISSB to consider them together with our comments in this letter:

1. Enhancing the Basis for Conclusions
2. Adding Opportunity-Related Disclosure Topics and Metrics
3. Providing Explanations and Analyses of Quantitative Information
4. Providing Information on Differences in Materiality Judgements by Country, Region or Jurisdiction
5. Appropriate Review of Disclosure Topics and Metrics
6. Further Enhancement of International Applicability

Among these recommendations, the Water Management disclosure topic, referred to under item 4, *Providing Information on Differences in Materiality Judgements by Country, Region or Jurisdiction*, is included in the three industries covered by this Exposure Draft. However, in Japan, water resources are relatively abundant and business risks arising from water use are generally regarded as limited. Consequently, Japanese companies may not always provide disclosures on this topic. This point was also reiterated by the sector analysts consulted in connection with this Exposure Draft.

As this example illustrates, even within the same industry, the nature and materiality of sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity may differ by country, region or jurisdiction. Therefore, we encourage the ISSB to continue clarifying, through educational materials and other forms of communication, that such differences should be appropriately taken into account and that entities' materiality judgements should be duly respected.

Below are our comments on each question.

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:
  - 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.

(a)–(c) Industry Description and Industry Classification

We have no particular comments on the proposed industry description. The comments below relate to the industry classification within the Food & Beverage sector.

In our response to the July 2025 Exposure Draft, we proposed that the industry classification within the Food & Beverage sector should be consolidated because the current SASB Standards are excessively granular and impair understandability for both preparers and users.

In this Exposure Draft, direct farming operations are included within the scope of the industry. Rather than developing a new SASB Standard, the proposal uses notes to the topic summaries under the Land Use & Ecological Impacts and Labour Conditions disclosure topics to indicate that the metrics associated with these topics are intended to capture information regarding direct farming operations.

We support this approach of designing disclosure topics to address specific business activities without developing an additional SASB Standard. We encourage the ISSB to consider further consolidation of industry classifications in other areas, including the Food & Beverage sector, by adopting a similar approach.

Furthermore, we appreciate that paragraphs BC106 and BC107 identify aquaculture and fishing as areas for future consideration. At the same time, given the increasing participation of companies in aquaculture businesses in particular, we believe that the SASB Standards should be reviewed at an early stage to appropriately capture information about the risks and opportunities associated with aquaculture and fishing. In addition, since listed entities engaged in aquaculture and fishing are not necessarily large in scale, we believe that these activities should, as is the case for direct farming operations, be addressed through a more consolidated industry classification, to the extent possible.

(d)–(e) Disclosure Topics and Metrics

In our response to the July 2025 Exposure Draft, we encouraged the ISSB to add opportunity-related disclosure topics and metrics. In this Exposure Draft, opportunity-related metrics have been added, including FB-AG-150a.2 *Description of strategies to address opportunities related to food loss and food waste throughout the value chain* under the Food Loss & Food Waste disclosure topic, and FB-AG-430c.3 *Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain* under the Environmental Supply Chain Management disclosure topic. We welcome these additions as enhancements to opportunity-related disclosure topics and associated metrics.

We also appreciate that, from the perspective of international applicability, the Food Safety disclosure topic has been revised to broaden the scope from the Global Food Safety Initiative (GFSI) to internationally recognised food safety standards, consistent with the approach proposed in the amendments to the *Processed Foods* SASB Standard.

Furthermore, with respect to the GMO Management disclosure topic and associated metrics, regulatory requirements and levels of social acceptance differ significantly across jurisdictions, and the effects on entities' prospects are also likely to vary considerably by jurisdiction. In light of this, we believe that the removal of this disclosure topic and associated metrics is appropriate.

At the same time, we offer the following comments:

- There are areas where the rationale for the inclusion of particular disclosure topics and associated metrics is not sufficiently explained. For example, within the Greenhouse Gas Emissions disclosure topic, metric FB-AG-110a.3 *(1) Total fleet fuel consumed and (2) renewable fuel consumed* is included only in this industry. However, no explanation is provided as to why this metric has been included, nor why it is not included in the related *Meat, Poultry & Dairy* SASB Standard. In addition, given that IFRS S2 requires the disclosure of greenhouse gas emissions as a cross-industry metric, it may be appropriate to reconsider the need for the Greenhouse Gas Emissions disclosure topic and associated metrics in this industry, where the materiality of sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of an entity may be comparatively lower. Such matters should be clearly explained in the Basis for Conclusions.
- We also find it somewhat inconsistent that the Product Innovation disclosure topic, which has been added to the *Processed Foods* SASB Standard and *Meat, Poultry & Dairy* SASB Standard, has not been added to this industry. In this industry, innovation remains highly important, including developments such as crop breeding and innovations in cultivation methods to adapt to climate change, even though these innovations do not necessarily relate to products themselves. Accordingly, we believe it would be beneficial to consider adding a disclosure topic with objectives similar to those of Product Innovation, enabling users to understand risks and opportunities related to crop breeding, advances in cultivation technologies and other forms of agricultural innovation.
- With respect to the Workforce Health & Safety disclosure topic, in addition to quantitative metrics, a qualitative metric similar to IF-EU-320a.2 *Description of management systems used to foster a safe working environment*, which has been added to the *Electric Utilities & Power Generators* SASB Standard, should also be added. We believe this would increase the value of the information provided to users.
- Human capital is a critical factor underpinning an entity's competitiveness and can have a material effect on its prospects. In this Exposure Draft, the Employee Recruitment, Development & Retention disclosure topic and associated metrics have been added to the *Electric Utilities & Power Generators* SASB Standard. We believe that this disclosure topic and associated metrics are essential for helping users understand how an entity executes its

strategies for managing sustainability-related risks and opportunities and are relevant to almost all industries. Accordingly, we encourage the ISSB to extend this disclosure topic and associated metrics beyond the *Electric Utilities & Power Generators* SASB Standard and to add them to many other industries, including this industry.

(f) Environmental Supply Chain Management and Social Supply Chain Management

We support the replacement of the Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing disclosure topics and associated metrics with the new Environmental Supply Chain Management and Social Supply Chain Management disclosure topics and associated metrics. We believe that this change will enable an entity to provide broader disclosure of sustainability-related risks and opportunities.

We believe that this amendment is applicable not only to this industry but also to many other industries in which supply chain management is an important consideration.

We note, however, that sustainability-related risks and opportunities associated with supply chain management are not limited to environmental and social factors, such as climate change and human rights. Economic factors, including increasing global demand for food and the resulting rise in prices, may also represent important sustainability-related risks and opportunities. These economic factors can affect an entity's business strategies, profitability, and prospects and should therefore be taken into consideration. One suggestion was to add an Operational Resilience disclosure topic to this industry, together with qualitative metrics (discussion and analysis) relating to supply-chain risks and opportunities arising from economic factors.

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.

(a) Industry Description and Industry Classification

With respect to the statement that "The industry's largest entities have international operations, and entities are integrated to varying degrees, depending on animal product produced.", this description may apply to certain global companies but does not necessarily apply to all entities in the industry. Some entities primarily operate in domestic markets and have a relatively limited degree of integration. Therefore, we believe that a more balanced description should be adopted.

We also encourage the ISSB to consider greater consolidation of industry classifications within the Food & Beverage sector. Please refer to our comments on Question 1, "(a)–(c) Industry Description and Industry Classification," for further details.

(b)–(c) Disclosure Topics and Metrics

In our response to the July 2025 Exposure Draft, we encouraged the ISSB to add opportunity-related disclosure topics and metrics. In this Exposure Draft, opportunity-related disclosure topics and associated metrics have been enhanced, including the addition of the Product Innovation disclosure topic and associated metrics. We welcome these additions as enhancements to opportunity-related disclosure topics and associated metrics.

We also appreciate that, from the perspective of international applicability, the Food Safety disclosure topic has been revised to broaden the scope from the Global Food Safety Initiative (GFSI) to internationally recognised food safety standards, consistent with the approach proposed in the amendments to the *Processed Foods* SASB Standard.

At the same time, we offer the following comments:

- There are areas where the rationale for the inclusion of particular disclosure topics and associated metrics is not sufficiently explained. For example, within the Workforce Health & Safety disclosure topic, metric FB-MP-320a.2 *Description of efforts to assess, monitor and mitigate acute and chronic health conditions* is included only in this industry. However, no explanation is provided as to why this metric has been included, nor why it is not included in the related *Agricultural Products* SASB Standard. Such matters should be clearly explained in the Basis for Conclusions.
- With respect to FB-MP-320a.2 above, we understand that in some jurisdictions it may have a material effect on the prospects of an entity due to strict regulatory requirements and other factors, whereas in other jurisdictions, including Japan, it may have less of an effect. Similar characteristics can be observed in the Antibiotic Use in Animal Production disclosure topics and associated metrics, the Animal Health & Welfare disclosure topics and associated metrics, as well as in metric FB-MP-160a.4 *Percentage of animal protein production from*

confined animal feeding operations under the Land Use & Ecological Impacts disclosure topic and metric FB-MP-430b.4 *Percentage of animal protein sourced from confined animal feeding operations* under the Environmental Supply Chain Management disclosure topic. For these disclosure topics and associated metrics, we believe that additional mechanisms are needed to enable them to function appropriately as the global baseline while taking into account differences in materiality across jurisdictions.

- With respect to the Workforce Health & Safety disclosure topic, in addition to quantitative metrics, a qualitative metric similar to IF-EU-320a.2 *Description of management systems used to foster a safe working environment*, which has been added to the *Electric Utilities & Power Generators* SASB Standard, should also be added. We believe this would increase the value of the information provided to users.
- Human capital is a critical factor underpinning an entity's competitiveness and can have a material effect on its prospects. In this Exposure Draft, the Employee Recruitment, Development & Retention disclosure topic and associated metrics have been added to the *Electric Utilities & Power Generators* SASB Standard. We believe that this disclosure topic and associated metrics are essential for helping users understand how an entity executes its strategies for managing sustainability-related risks and opportunities and are relevant to almost all industries. Accordingly, we encourage the ISSB to extend this disclosure topic and associated metrics beyond the *Electric Utilities & Power Generators* SASB Standard and to add them to many other industries, including this industry.

(d) Environmental Supply Chain Management and Social Supply Chain Management

We support the replacement of the Environmental & Social Impacts of Animal Supply Chain and Animal & Feed Sourcing disclosure topics and associated metrics with the new Environmental Supply Chain Management and Social Supply Chain Management disclosure topics and associated metrics. We believe that this change will enable an entity to provide broader disclosure of sustainability-related risks and opportunities.

We believe that this amendment is applicable not only to this industry but also to many other industries in which supply chain management is an important consideration.

We note, however, that sustainability-related risks and opportunities associated with supply chain management are not limited to environmental and social factors, such as climate change and human rights. Economic factors, including increasing global demand for food and the resulting rise in prices, may also represent important sustainability-related risks and opportunities. These economic factors can affect an entity's business strategies, profitability, and prospects and should therefore be taken into consideration. One suggestion was to add an Operational Resilience disclosure topic to this industry, together with qualitative metrics (discussion and analysis) relating to supply-chain risks and opportunities arising from economic factors.

In addition, because only risk-related metrics are proposed, we believe it would also be desirable to include metrics that reflect opportunities, such as FB-AG-430c.3 *Description of strategies to manage environmental resources and implement sustainable agriculture practices in the supply chain* in the *Agricultural Products* SASB Standard.

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:
  o IF-EU-110a.5 *Installed capacity, disaggregated by (1) major energy source and (2) energy storage*;
  o IF-EU-110a.6 *Planned capacity, disaggregated by (1) major energy source and (2) energy storage*; and
  o 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;

- 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.

(a) Industry Description and Industry Classification

We agree with the proposed amendments to the industry description.

The current industry description includes a discussion of regulatory structures and the degree of liberalisation that appears to be based primarily on circumstances in specific jurisdictions and does not adequately reflect differences across jurisdictions.

We believe that the proposed amendments appropriately reflect differences in regulatory structures and the degree of liberalisation among jurisdictions and therefore enhance the international applicability of the industry description.

(b)–(c) Disclosure Topics and Metrics

In our response to the July 2025 Exposure Draft, we encouraged the ISSB to add opportunity-related disclosure topics and metrics. In this Exposure Draft, qualitative metrics relating to risks and opportunities have been added to seven disclosure topics, as outlined below. We welcome these additions as enhancements to opportunity-related disclosure topics and associated metrics. At the same time, the phrase "including any targets set to monitor progress" is included in only three of the seven metrics. We believe that this phrase should, in principle, be included in all of these metrics.

- Greenhouse Gas Emissions & Energy Resource Planning: IF-EU-110a.7 *Description of how climate-related transition risks and opportunities influence capital strategy and investments*
- Water Management: IF-EU-140a.3 *Description of water-related risks and opportunities and strategies to manage them, including any targets set to monitor progress*
- Community Relations & Rights of Indigenous Peoples: IF-EU-210a.1 *Processes used to manage risks and opportunities associated with community rights and interests*
- Energy Affordability: IF-EU-240a.5 *Description of energy affordability-related risks and opportunities and strategies to manage them*
- Employee Recruitment, Development & Retention: IF-EU-330a.1 *Description of employee recruitment, development and retention-related risks and opportunities and strategies to manage them*

- Demand-side Management: 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*
- Operational Resilience & System Reliability: 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*

We also support the replacement of the Coal Ash Management disclosure topic and associated metrics with the broader Hazardous Waste Management disclosure topic and associated metrics. For many Japanese companies, coal ash is commonly reused as a raw material in cement production. From both environmental and economic perspectives, we therefore believe that the need to treat Coal Ash Management as a standalone disclosure topic is relatively limited.

Furthermore, we welcome the addition of the Ecological Impacts and Community Relations & Rights of Indigenous Peoples disclosure topics and associated metrics. We believe that the sustainability-related risks and opportunities addressed by these disclosure topics can have a material effect on the prospects of an entity, particularly in connection with the construction of new power generation facilities, the restart of existing facilities, and the treatment or disposal of waste and residual materials.

In addition, we support the addition of the Employee Recruitment, Development & Retention disclosure topic and associated metrics. Human capital is a critical factor underpinning an entity's competitiveness and can have a material effect on its prospects. We believe that this disclosure topic and associated metrics are essential for helping users understand how an entity executes its strategies for managing sustainability-related risks and opportunities and are relevant to almost all industries. Accordingly, we encourage the ISSB to extend this disclosure topic and associated metrics beyond this industry and to add them to many other industries.

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?

We generally agree with the proposed consequential amendments to the IFRS S2 industry-based guidance.

However, we encourage the ISSB to take into consideration the recommendations and requests we have made in response to Questions 1–3 and Question 5 when finalising the consequential amendments to the IFRS S2 industry-based guidance.

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?

(b)

Paragraph BC42 states that the proposed amendments aim to provide incremental useful guidance to IFRS S2 complementing Scope 1, Scope 2 and Scope 3 cross-industry metrics in IFRS S2.

In addition, paragraphs BC44 and BC134 indicate that the proposed metrics related to deforestation and soil management under the Environmental Supply Chain Management disclosure topic in the *Meat, Poultry & Dairy* SASB Standard include aspects related to an entity's Scope 3 emissions.

However, the fact that these metrics include aspects related to an entity's Scope 3 emissions is not explained in the main body of the SASB Standard, making the relationship difficult to understand.

Given that the SASB Standards aim to provide incremental useful guidance that complements IFRS S2, it would be desirable for the SASB Standards to more clearly explain the relationship between disclosure topics and associated metrics and Scope 1, Scope 2 and Scope 3 emissions. The same consideration applies to the IFRS S2 industry-based guidance.

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?

We generally agree with the proposal regarding the effective date and early application.

However, sufficient preparation time is required for each jurisdiction to translate the amendments into its official language and incorporate them into its local standards. Therefore, when setting the effective date, we recommend that an appropriate transition period be provided to enable jurisdictions to implement the amendments smoothly.

In addition, since the SASB Standards are intended to be applied alongside IFRS S1, we request that the effective date for the amendments be specified in IFRS S1.

Sincerely yours,

George Iguchi

George Iguchi
Chair
Sustainability Reporting Committee