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International Sustainability Standards Board
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Attention: Emmanuel Faber, Chair and Sue Lloyd, Vice-Chair

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

Dear Mr. Faber and Ms. Lloyd,

The Canadian Sustainability Standards Board (CSSB) welcomes the opportunity to comment on the ISSB's *Exposure Draft – Proposed amendments to the SASB Standards and IFRS S2 Industry-based Guidance* (the "Exposure Draft"). The CSSB develops sustainability disclosure standards in Canada that align with the global baseline standards developed by the International Sustainability Standards Board (ISSB), but with modifications to serve the Canadian public interest. The CSSB also works to advance the adoption of the sustainability disclosure standards in Canada.

We appreciate the ISSB's continued efforts to review and update the SASB Standards and IFRS S2 Industry-based Guidance. We remain supportive of the need for a comprehensive update of the SASB Standards and provide the following comments for consideration.

Our process

Given the technical scope of the Exposure Draft and the consultation timelines, the CSSB undertook a combination of broad-based and targeted engagement activities with interested and affected parties. In selecting these parties, the CSSB focused on the degree to which parties are impacted by the proposed amendments, while ensuring as broad a range of perspectives as feasible in the circumstances. While input was sought across all three industry standards in the Exposure Draft, more detailed and technical feedback was received on the Meat, Poultry & Dairy and Electric Utilities & Power Generators standards, with deeper engagement and analysis focused on the Electric Utilities and Power Generators industry standard.

The comments and views expressed in this letter reflect our sustainability standard setting expertise and have been informed by the input gathered through our engagement activities. In addition, our response also reflects relevant insights from prior targeted engagement with First Nations, Métis, and Inuit Peoples ("Indigenous Peoples") during consultation on the *Proposed amendments to the SASB Standards Exposure Draft* (the "July 2025 Exposure Draft") which have been considered alongside feedback received in the current consultation process.

Approximately 131 interested and affected parties from across Canada participated, representing a broad range of perspectives, including preparers, industry associations, investors, consultants, and advocacy groups. Feedback was received across all three standards, with more detailed and technical input concentrated in the Meat, Poultry and Dairy standard and Electric Utilities and Power Generators industry standard.

Our views and recommendations

Our feedback highlights four overarching recommendations that we encourage the ISSB to consider as part of this phase of the project.

1. Clarify the relationship between SASB Standards and the IFRS Sustainability Disclosure Standards

Consistent with the comments contained in our [November 2025 response letter to SASB Standards Enhancement](#) (Phase 1, Part 1), we recommend that the ISSB explicitly clarify the current and future role of the SASB Standards within the IFRS Sustainability Disclosure Standards framework. Greater clarity is needed to ensure that the SASB Standards complement rather than duplicate IFRS S1 and IFRS S2. We also encourage the ISSB to prioritize efforts to address interoperability issues, recognizing that the current amendments represent an interim step and that further alignment will be necessary to streamline the overall architecture and achieve a coherent global baseline.

2. Provide greater flexibility to support global applicability and cost-effective implementation

We welcome the inclusion of a question on proportionality in the Exposure Draft. We recommend that the ISSB incorporate appropriate flexibility into the proposed requirements to support consistent application across jurisdictions and diverse business models. This could include mechanisms such as phased implementation, the use of estimates or proxy data, narrative disclosure where quantitative information is not available or not decision-useful, risk-based sampling, and reliance on credible national or industry datasets. Such flexibility would help reduce implementation burden while maintaining the provision of comparable and decision-useful information.

3. Establish a standalone disclosure topic on Indigenous Peoples' Rights instead of conflating it within Community Relations

We reiterate our recommendations as contained in our [November 2025 response letter to SASB Standards Enhancement](#). We continue to strongly support the establishment of a standalone disclosure topic on Indigenous Peoples' rights to appropriately reflect the distinct legal, cultural, governance, and economic considerations associated with Indigenous rights. Disclosures should focus on the quality of engagement, partnerships, agreements, and outcomes, which provide clearer insight into how entities manage risks and opportunities related to Indigenous rights in practice through the lens of financial materiality.

We further note that the Exposure Draft introduces Indigenous rights-related content only in the Electric Utilities & Power Generators Standard but does not include a comparable topic in the Agricultural Products or Meat, Poultry & Dairy Standards. Given the potential for Indigenous rights to affect land access, supply chains and production operations in all three industries, we recommend that the ISSB include a standalone Indigenous Peoples' Rights disclosure topic in the Agricultural Products and the Meat, Poultry & Dairy Standards.

4. Carry forward recommendations into consequential amendments to IFRS S2 Industry-Based Guidance

Consistent with our [November 2025 response letter on Industry-based Guidance](#), we recommend that the ISSB updates IFRS S2's industry-based guidance concurrently with SASB Standard amendments

and ensure those updates incorporate the comments and recommendations set out in the responses to the SASB Standards Enhancement Exposure Draft.

Lastly, our response builds on our [November 2025 response letter to SASB Standards Enhancement](#), which addressed amendments proposed in the July 2025 Exposure Draft and many of our general comments in that response remain applicable to this Exposure Draft. That earlier submission set out our detailed views on several cross-cutting issues that continue to be relevant to the ISSB's current proposals. To avoid unnecessary duplication and to maintain a focused and streamlined response in this letter, we have not repeated those comments in full.

Instead, we refer the ISSB to our previous letter for a comprehensive discussion of key areas, including process concerns, architecture-related feedback, nature (formerly Biodiversity, Ecosystems and Ecosystem Services (BEES)) and human capital, and considerations related to Indigenous Peoples' rights. These topics remain central to our overall perspective on the evolution of the SASB Standards and their alignment with the IFRS Sustainability Disclosure Standards.

For ease of reference, and to support the ISSB's review, we have included in Appendix A to this letter further detail on the above issues with a detailed summary of the process-related and architecture-related feedback and other feedback received during our consultation activities. We encourage the ISSB to consider that earlier feedback alongside the additional points raised in this submission, as together they provide a consistent and comprehensive view of our recommendations.

The CSSB appreciates the opportunity to provide feedback and looks forward to continued collaboration with the ISSB. Please do not hesitate to contact us if you have any questions about our comments.

Yours sincerely,



Wendy Berman
Chair, Canadian Sustainability Standards Board

Question 1 – Agricultural Products SASB Standard

- 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.

Response

a) Industry description

Respondents generally agreed that the proposed industry description reflects the business activities of entities in the Agricultural Products industry. However, some noted the lack of clarity regarding whether the standard encompasses futures trading of agricultural commodities (e.g., financial instruments or other derivatives trading without physical handling of the commodity). If such activities are not intended to be in scope, a clarification could prevent potential confusion, ensuring that preparers engaged in futures trading of agricultural commodities know that this standard does not apply.

b) Inclusion of direct farming operations and c) Scope of entities

Feedback was supportive of explicitly including direct farming operations within the industry scope. This inclusion was viewed as better reflecting real-world business models, particularly for entities that combine owned farming operations with sourcing from third parties. Respondents noted that recognizing direct farming would improve the relevance of the Standard across jurisdictions and help ensure that farm-level sustainability risks are not excluded. One respondent emphasized the importance of clearly defining “direct farming,” particularly in relation to contract farming and outgrower arrangements, to support consistent application by entities with mixed operating models. Some respondents also noted that proportionality mechanisms could consider the scale, materiality and reporting capacity associated with direct farming activities and upstream suppliers.

d) Disclosure topics

Respondents broadly agreed that the proposed disclosure topics appropriately capture the key sustainability-related risks and opportunities for the Agricultural Products industry. They observed that the topics (e.g., land use, labour practices, food waste, supply chain management) are generally aligned with what entities are already tracking and reporting, indicating that these topics resonate with known industry issues. Topic specific feedback received is as follows:

- **Food Loss & Food Waste:** Feedback was supportive of introducing a Food Loss and Food Waste disclosure topic to measure operational loss and diversion strategies at the primary production level. This was viewed as an important first step toward standardizing food waste data collection and over time, supporting business value creation. Evidence suggests that even modest reductions in food waste (e.g., 1%) can yield meaningful financial benefits, including revenue increases of up to 4% ([Second Harvest, 2024](#)).
- **Indigenous Peoples' Rights:** Respondents noted that the proposed standard does not include a disclosure topic focused on Indigenous Peoples' rights and suggested that a dedicated disclosure topic should be added. Given the potential material financial implications associated with Indigenous rights, including impacts on access to land and resources, respondents. We recommend that the ISSB include a dedicated disclosure topic related to Indigenous Peoples.

e) Metrics and Technical Protocols

Respondents had mixed views on whether the proposed metrics and technical protocols would provide decision-useful information in their current form. While some participants noted that many metrics align with established frameworks (like GRI), indicating a level of familiarity and potentially aiding uptake, others expressed concerns about clarity, usefulness and applicability. Key concerns and recommended improvements include:

- **Unclear or overly broad metric definitions:** Respondents expressed concern that several key terms for example, “emissions-limiting regulations,” “area disturbed,” or the scope of “deforestation” may be interpreted differently across jurisdictions and operational contexts. They warned that without clearer definitions, metrics could be interpreted inconsistently, potentially misleading investors and creating application difficulties for preparers. While the Exposure Draft includes definitions and technical guidance for some of these concepts, respondents indicated that additional clarification would support consistent interpretation and implementation. We recommend that the ISSB further clarify key terms that rely on jurisdiction-specific concepts and, where relevant, require entities to disclose the assumptions, methodologies, or jurisdictional bases used in applying the metrics. This would support more consistent application and improve comparability across entities.
- **Misrepresentation of sustainable practices:** Respondents raised concerns that certain metrics might unintentionally mischaracterize normal sustainable practices as negative. For instance, the concept of “area disturbed” was seen as problematic for forestry-related operations within diversified agriculture businesses, since harvest-and-replant cycles could be counted as ‘disturbance’. Similarly, the inclusion of “temporary conversion” in the deforestation metric conflicts with forestry cycles, making the metric less meaningful in contexts like Canadian forestry. These issues could undermine the usefulness of the metrics unless addressed. We recommend that the ISSB refine these metrics to distinguish between permanent and temporary impacts and clarify that managed forestry cycles which follow recognized sustainable forestry practices should not automatically be treated as adverse outcomes. This would improve the relevance and accuracy of disclosures.
- **Lack of context and comparability:** Some respondents noted that certain metrics may not be decision-useful in isolation. For example, metric FB-AG-160a.2 (percentage of the spatial footprint in or near environmentally sensitive locations) may imply risk without acknowledging effective management practices, potentially leading to misleading comparisons between entities. Similarly, metric FB-AG-160a.3 (total area of land sustainably managed, by product) is of limited value on its own, since land area alone does not convey productivity or sustainability performance unless tied to

output or impact measures. We note that metric FB-AG-160a.6 (description of strategies to manage environmental resources) is intended to provide complementary narrative context (paragraph BC79(d)), but it stands as a separate disclosure rather than a qualification attached to the quantitative metrics themselves. We recommend the ISSB incorporate targeted flexibility within the technical protocols for FB-AG-160a.2 and FB-AG-160a.3, allowing entities to explain assumptions, methodologies, and contextual factors.

More broadly, respondents noted that agricultural metrics often require contextual information to support meaningful interpretation. For example, productivity improvements can reduce emissions intensity while higher production volumes may increase absolute emissions. Without such context, disclosures may appear to indicate worsening environmental performance even where efficiency, resilience, or productivity has improved. They recommended that the ISSB clarify where how and when entities should disclose contextual information explaining the drivers of changes in reported metrics, including changes in production levels, yield, emissions intensity, acquisitions, divestitures, or changes in reporting boundaries. This is particularly important where metrics could otherwise be interpreted as a negative signal despite improved efficiency.

f) Environmental Supply Chain Management and Social Supply Chain Management disclosure topics

Respondents generally supported including Environmental and Social Supply Chain Management disclosure topics, noting that sustainability risks (such as workforce conditions and environmental issues) are not confined to direct farming alone. They observed that limiting disclosures to direct operations could omit material risks in processing, manufacturing, or sourcing relationships, and thus broader supply chain coverage is necessary to provide primary users with a complete view of risks. On that basis, respondents saw value in supply chain disclosure topics that help primary users understand material sustainability-related risks and opportunities across the value chain, rather than only within direct operations.

Feedback also highlighted broader implementation challenges associated with supply chain metrics, including limited visibility into upstream practices, data availability constraints, and the maturity of existing data systems. Respondents therefore encouraged the ISSB to consider proportional approaches, including use of estimates or proxy data where appropriate and narrative disclosure where quantitative information is not available or not decision-useful.

While respondents see the importance of supply chain metrics for capturing critical sustainability information across the value chain, they also caution that these metrics should be designed to support consistency with jurisdictional requirements, where possible, to avoid excessive burden.

g) International applicability

Respondents had reservations about whether the proposals would uniformly apply across different jurisdictions without adjustments. The overarching sentiment was that certain metrics or requirements might not transfer seamlessly to all international contexts, and therefore flexibility is needed to ensure decision-useful disclosure globally.

Participants emphasized that rigid, one-size-fits-all metrics could pose challenges internationally. In particular, Canada's multi-level regulatory environment was cited as an example where uniform metrics might not capture important differences. For example, a metric like exposure to "emissions-limiting regulations" would mean different things in different countries; without clarity or adaptability, global comparability could be undermined.

Respondents noted that certain metrics, particularly those related to deforestation, may not be universally material across jurisdictions. In the Canadian context, where deforestation risk is low and tightly regulated, such metrics may not provide decision-useful information. Introducing flexibility such as contextual narrative could help ensure disclosures remain relevant while preserving comparability.

In summary, respondents were cautious about the blanket international application of certain metrics without further guidance or flexibility. They agreed that global standards should yield decision-useful

information regardless of jurisdiction, but to achieve this, some proposals may need refinement, for example, clearer definitions and optionality for non-applicable metrics to respect regional contexts and maintain relevance.

h) Interoperability and alignment with other sustainability-related standards or frameworks

Feedback acknowledged that the proposed amendments aim to align with other sustainability frameworks. Several participants noted that several of the proposed metrics and topics are consistent with established frameworks such as the GRI Standards, which could support implementation by enabling entities to leverage existing data and processes and build on well-established reporting practices.

At the same time, concerns were raised about potential inconsistency that could hinder interoperability. In particular, several proposals were seen as overlapping with disclosures already required under other local frameworks or regulations. For example, social supply chain metrics may replicate some of the information mandated under modern slavery legislation in some jurisdictions including Canada, while environmental metrics may replicate reporting with frameworks such as GRI and TNFD. This raises the risk of inconsistent reporting and increased costs.

There were also concerns regarding inconsistent definitions across frameworks. It was noted that key terms, such as “deforestation,” may be defined differently across standards and regulations. The use of multiple definitions for the same concept could create confusion, reduce comparability, increase costs and reporting burden and limit effective interoperability.

Overall, while alignment with existing frameworks was widely supported, participants noted that further work is needed to ensure that the Standards complement rather than replicate or overlap with other sustainability frameworks and regulatory requirements. Clarifying this positioning, including through greater alignment of definitions and consideration of existing disclosure regimes, would help reduce duplication, improve consistency and interoperability, decrease fragmentation, and support more decision-useful reporting.

i) Proportionality mechanisms

Although respondents did not identify specific metrics, their feedback identified recurring characteristics of metrics that warrant proportionality. Based on that feedback, the CSSB recommends that proportionality mechanisms be considered for metrics that are inherently complex, data-intensive, or context-dependent. In particular, metrics requiring value-chain data, direct farming data, spatial footprint or land-use data, deforestation or land conversion determinations, supplier traceability, or those based on jurisdictionally variable definitions may be appropriate candidates for proportionality. Respondents also noted that proportionality may be particularly important where reporting entities rely on third-party farms, co-operatives, outgrowers, or other supply-chain participants to obtain the underlying information.

These considerations are most directly engaged by FB-AG-430c.1 and FB-AG-430c.2 under the proposed Environmental Supply Chain Management topic. FB-AG-430c.1 requires entities to determine and disclose the percentage of sourced crops or commodities that are deforestation- or conversion-free, including the level of traceability achieved, while FB-AG-430c.2 requires identification of priority sourced agricultural products that are sensitive to nature- and climate-related physical risks in the supply chain. In our view, both metrics depend on upstream, value-chain-level data that may not be readily available to entities sourcing through pooled, cooperative, or otherwise intermediated arrangements, and the meaning of “deforestation- or conversion-free” and “level of traceability” would benefit from further clarification to support consistent application across jurisdictions.

We similarly consider that the proposed Land Use & Ecological Impacts metrics (FB-AG-160a.1–160a.6) meet these criteria, particularly the requirement to disclose the percentage of operations located within a fixed five-kilometer distance of specified sensitive or ecologically significant locations, and the related metric on conversion-free production (FB-AG-160a.4). These metrics require spatial footprint and land-use data that may be difficult to determine with precision at the value-chain level, and a fixed-distance threshold may not appropriately capture material risk or relevance, given that ecological and land-use

context varies significantly by region. We recommend that the ISSB provide flexibility in defining relevant distances or thresholds based on local or regional context, consistent with concerns raised elsewhere in this response regarding the use of fixed-distance proximity metrics more generally.

Respondents further suggested that proportionality mechanisms could include the use of reasonable estimates where appropriate, and application thresholds based on factors such as materiality, scale, revenue contribution, and reporting capacity. Such mechanisms may be particularly useful for metrics related to direct farming operations, supply-chain traceability, deforestation- or conversion-free sourcing, independent third-party audits, and nature-related location data.

Overall, while respondents expressed a clear desire for features that allow metrics to be scaled or where appropriate exempted, the CSSB emphasizes that such mechanisms should ensure that disclosures remain relevant, practical, and focused on material sustainability information across diverse entities and jurisdictions while maintaining transparency and comparability.

Question 2 – Meat, Poultry and Dairy Standard

- 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.

Response

a) Industry description

Respondents generally agreed that the proposed industry description broadly reflects the structure and core activities of entities operating in the Meat, Poultry & Dairy industry. The description was viewed as appropriately capturing key features of the industry, including the interdependence between upstream producers and downstream processors, as well as varying levels of operational control across the value chain.

Respondents also identified areas where additional clarity would support consistent application of the Standard. In particular, the use of specific examples of animal products, such as beef and pork, could create uncertainty about whether other animal types, including sheep and goats, are within scope.

Clarifying that these examples are illustrative rather than exhaustive would help avoid unintended narrow identification of the industry application.

There were also comments supporting clearer articulation of industry boundaries within the Standard. The exclusion of aquaculture and fishing activities was only mentioned in the Basis for Conclusions but not explicitly stated in the Standard, which may create uncertainty for entities operating across multiple protein categories. In addition, it was suggested that the classification of aquaculture could be reconsidered, with some respondents noting that it may be more appropriately aligned with agriculture than with wild capture fisheries, particularly when considering distinctions between domesticated and wild production systems.

Respondents further identified several elements that, in their view, would improve the completeness of the industry description. They noted that the description focuses on primary end products, such as beef, pork, poultry meats, eggs and dairy products, but does not explicitly acknowledge by-products derived from livestock, such as hides, tallow and rendered products, which may form part of entities' production systems and value creation. Respondents also noted that the description does not reflect the role livestock systems can play in using crop by-products, food processing residuals and crops unsuitable for human consumption as feed inputs. Examples provided included potato peelings from potato processing, pea by-products from protein processing, soybean hulls from soybean oil production and weather-damaged crops that may otherwise be wasted.

Respondents also highlighted land-use characteristics associated with ruminant production. In particular, they noted that cattle and other ruminants can graze on marginal land that is not suitable for growing crops for human consumption but can support grass and forage production. Some respondents further noted that grazing systems, particularly in beef production, may be associated with habitat management, biodiversity and landscape conservation.

Respondents suggested that reflecting these elements in the final industry description would improve its completeness and accuracy, particularly where they are relevant to understanding the activities, production systems, resource dependencies and sustainability-related risks and opportunities of entities in the Meat, Poultry & Dairy industry.

b) Disclosure topics

Respondents generally agreed that the proposed disclosure topics broadly capture the key sustainability-related risks and opportunities relevant to the Meat, Poultry & Dairy industry. Topics such as Greenhouse Gas Emissions, Water, Supply Chain Management were generally viewed as aligned with existing reporting practices and internal risk assessments

In addition, several areas were identified where the coverage of risks and opportunities could be strengthened, either through refinement of existing topics or the inclusion of additional considerations. More specifically, feedback highlighted the following observations by topic:

- Water management: Water-related risks were generally seen as appropriately captured and material to the industry. However, some concerns were raised that current approaches to measuring water use and stress may not fully reflect regional and production-specific realities. In particular, certain methodologies may not adequately differentiate grazing-based systems from industrial consumption patterns, potentially affecting how water risks are interpreted.
- Animal Health: This topic was generally viewed as relevant to the industry reflecting its importance across the value chain and alignment with established industry standards and certification systems. It was however noted that there are existing Canadian industry frameworks as well as other industry frameworks which provide useful metrics associated with animal health, animal welfare and biosecurity. Accordingly, we recommend that the ISSB clarify whether, and under what circumstances, entities may use jurisdictional or industry frameworks, to support disclosure under this

Standard where those frameworks are relevant, verifiable and aligned with the SASB Standard metric's disclosure objective.

- Product innovation: The addition of a Product Innovation topic was supported; however, some respondents raised concerns that the proposed topic may conceptualize innovation too narrowly. In their view, sustainability-related innovation in Canadian beef production is not limited to new product categories or alternative proteins. It also occurs through advances in feed, genetics, animal health management, grazing systems, water management and other production practices. Respondents noted that these forms of innovation are highly relevant to reducing emissions intensity, improving resilience, supporting animal health and maintaining biodiversity outcomes. They recommended that the ISSB revise the topic and related guidance to avoid privileging one class of product innovation while overlooking innovations that improve sustainability outcomes within livestock production systems themselves.
- Environmental Supply Chain Management: This topic was considered a critical one, given the concentration of environmental impacts in upstream activities. However, certain elements such as deforestation and land conversion were viewed as having limited relevance in some jurisdictions, such as Canada, which may reduce the decision-usefulness of disclosures if applied uniformly. It was also noted that some approaches may not fully reflect regional production models, such as grazing systems that contribute to biodiversity and land stewardship.
- Social supply chain management: The inclusion of social risks, including labour conditions and human rights, was broadly supported as an important dimension of supply chain oversight.

In addition to the proposed topics, several gaps were identified in the current coverage of risks and opportunities. We recommend that the ISSB consider introducing additional disclosure topics to address these gaps, as outlined below:

- Labour practices (direct operations and processing activities): Respondents pointed to the absence of a labour-related topic, particularly in processing operations, where labour risks can materially affect cost structures and operational continuity. Introducing a dedicated topic, with clear scope and definitions, was suggested to address this gap.
- Food loss and food waste: Respondents noted that the proposed topics do not adequately reflect the role of waste reduction, by-product utilization, and circular resource flows within the industry. Given the perishable nature of meat and dairy products, food loss and waste were identified as both a potential risk, through operational inefficiencies, avoidable emissions and lost product value, and an opportunity, through improved resource use, diversion of by-products and circular practices. Respondents suggested that these activities are relevant to understanding entities' operational efficiency and sustainability-related performance. This feedback is consistent with the ISSB's rationale for introducing Food Loss & Food Waste topic in the Agricultural Products SASB Standard, where the Basis for Conclusions identifies operational efficiency, cost reduction, revenue opportunities, brand value and regulatory risks as factors that may make such information useful to primary users. We recommend that the ISSB consider whether a similar topic should be included in the Meat, Poultry & Dairy SASB Standard, or explain why such a topic is not warranted for this industry.
- Indigenous Peoples' Rights: Respondents noted that the proposed standard does not include a disclosure topic focused on Indigenous Peoples' rights. Given the potential financial implications associated with Indigenous rights, including impacts on access to land and resources, respondents suggested that a dedicated disclosure topic should be added.

c) Metrics and Technical Protocols

Respondents expressed mixed views on whether the proposed metrics and technical protocols would consistently provide decision-useful information. While many noted that several metrics align with internal risk management practices and offer relevant insights for investors, significant concerns were raised regarding feasibility, clarity, and interpretability. Some respondents noted that certain proposed metrics are not currently tracked or available, which could create substantial data-collection challenges and increase costs and reporting burdens for preparers. Specific feedback on individual metrics is outlined below.

- Use of Intensity Metrics in FB-MP-110a.1/FB-MP-130a.1/ FB-MP-140a.1. Respondents raised concerns regarding the balance between absolute and intensity-based metrics. The CSSB notes that the use of absolute metrics aligns with the ISSB's broader approach to IFRS S2. However, for food-producing sectors, respondents noted that absolute metrics alone may not provide users with sufficient insight into production efficiency, productivity changes or performance over time. In the Meat, Poultry & Dairy industry, intensity-based metrics can provide important supplementary context by showing resource use or emissions relative to a clearly defined unit of output, such as animal protein production or another industry-appropriate denominator. Respondents recommended that the ISSB consider whether the Standard should permit, or provide guidance on, supplementary intensity-based information where such information is necessary to understand an entity's sustainability-related performance and related risks and opportunities. Such disclosure should complement, rather than replace, absolute metrics and should be accompanied by transparent information about the denominator, methodology, boundaries and any limitations.
- (1) Total water withdrawal, by source, (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water-stressed locations (FB-MP-140a.1): Respondents highlighted concerns with the definition of water consumption, which combines fundamentally different types of water use including water used in crop production and water that is polluted beyond use. Some respondents believed these categories represent distinct impacts and may not be appropriate to treat as equivalent. Irrigation water continues to move through the natural water cycle returning to the atmosphere, soil, or water systems over time rather than being permanently lost. By contrast, polluted water loses its quality and usability, thereby reducing the amount available for other purposes.

Respondents also noted limitations in how "consumption from water-stressed locations" is assessed using tools such as WRI Aqueduct. Respondents noted that experience from the Canadian Roundtable for Sustainable Beef's (CRSB) National Beef Sustainability Assessment (NBSA) suggests that these approaches may not fully reflect industry-specific nuances. In particular, low-rainfall regions used for grazing are often more suitable for grass production than for human-grade crops, which can result in mischaracterizing cattle as a driver of water stress rather than recognizing their role in utilizing marginal land.

- Percentage of animal protein production from confined animal feeding operations (FB-MP-160a.4): Respondents noted that this metric may not accurately reflect the structure of the Canadian beef industry. It classifies production based on the finishing phase (feedlots) without considering the full lifecycle of the animal. In Canada, cattle are raised in grazing systems for the majority of their lives and are transitioned into confined feeding operations only for a short finishing period. These respondents explained that as a result, the metric may overattribute production to confined systems and may not adequately capture the role of grazing in supporting ecosystems, biodiversity, and grassland conservation.

Additionally, respondents raised concerns with the reference to "chemicals" in paragraph 1.1, noting that the term is broad, imprecise and may be interpreted differently across jurisdictions. They also noted that characterizing this system as "resource-intensive" in paragraph 1.1.1 is misleading. In their view, the feedlot phase complements the broader production system by supporting efficient feed conversion and reducing time to market. Respondents recommended that the ISSB revise the

definition and related wording in FB-MP-160a.4 to be more neutral, precise and operational, and to avoid implying a sustainability conclusion before considering an entity's full production lifecycle, management practices and risk mitigation approaches. They also recommended that the ISSB clarify how entities should account for animals that move between grazing and confined feeding systems over their lifecycle.

- Measurement basis for live-weight metrics in FB-MP-160a.4 and FB-MP-430b.4 Respondents raised concerns that percentage-based metrics using live-weight denominators may be difficult to apply for entities that do not transact in live animals. They noted that, in Canada, some entities in the downstream value chain transact in carcass weight, boxed beef or processed products and may not have reliable live-weight information without estimation or conversion. Respondents recommended that the ISSB provide application guidance on acceptable conversion methods, estimation approaches and proxies, including how entities should disclose assumptions and limitations where live-weight information is not directly available. They also recommended that the ISSB consider permitting reporting using the commercial unit most relevant to the entity's business model, with reconciliation to live weight where practicable, and include worked examples to support consistent application.
- Land Use and Ecological Impact metrics (FB-MP-160a.4 / FB-MP-160a.5 / FB-MP-160a.6 / FB-MP-160a.7). Respondents raised concerns that some of the proposed Land Use and Ecological Impacts metrics could frame well-managed grazing systems in or near environmentally sensitive areas primarily as sources of environmental risk, rather than also recognizing their potential ecological value. In the Canadian context, respondents emphasized that beef production can play an important role in maintaining working landscapes and delivering ecosystem services, including supporting biodiversity, wildlife habitat, grassland conservation and carbon storage. They noted that, although the Exposure Draft defines terms such as “environmentally sensitive locations,” “in or near” and “area disturbed,” additional industry-specific application guidance may be needed to support consistent application in agricultural working landscapes. In particular, respondents recommended that the ISSB provide examples to help entities and users distinguish between exposure to ecological sensitivity, actual environmental degradation and active stewardship, including in the context of pasturelands, native grasslands, tame pasture, restored land and managed habitat.
- Upstream Impacts and Farm-Level Granularity metrics (FB-MP-430b). Feedback also identified structural data challenges associated with upstream supply chain metrics, particularly where farm-level traceability is limited by industry-specific systems. In the Canadian dairy industry, for example, pooled milk systems can make direct farm-level traceability difficult for processors. Respondents cautioned that requiring granular farm-level metrics in these circumstances could create significant reporting burdens, including for primary producers, without necessarily improving the usefulness of reported information in the near term.

d) Environmental Supply Chain Management and Social Supply Chain Management disclosure topics

Respondents generally agreed that the proposed Environmental Supply Chain Management and Social Supply Chain Management disclosure topics are conceptually decision-useful, particularly given the significance of upstream impacts in the Meat, Poultry & Dairy industry. At the same time, respondents highlighted significant implementation challenges that may affect cost-effectiveness, including limited visibility into upstream supplier practices, constrained data availability, and structural features of supply chains — such as pooled systems, fragmented producer bases and indirect sourcing relationships — that limit traceability to individual farms.

These challenges were viewed as particularly relevant for proposed upstream environmental supply chain metrics in the FB-MP-430b series, which may require granular farm-level or production-system information. In the Canadian dairy industry, for example, pooled milk systems can make direct farm-level traceability difficult for processors, as processors may not have direct contractual relationships with

individual farms. Respondents cautioned that requiring granular farm-level metrics in these circumstances could create significant reporting burdens, including for primary producers, without necessarily improving the usefulness or reliability of reported information in the near term.

Consistent with the broader supply chain considerations noted under Agricultural Products, respondents highlighted significant implementation challenges, particularly in livestock supply chains characterized by fragmented producer bases and limited traceability to individual farms. They viewed these challenges as increasing the cost and complexity of data collection. Enabling the use of aggregated data, proxy indicators, and existing industry datasets would help improve feasibility while maintaining decision-usefulness.

Overall, respondents supported the inclusion of supply chain topics but stressed that achieving cost-effective implementation will require proportionality and flexibility particularly for metrics that depend on farm-level traceability, supplier-level verification or upstream data that may not be directly available to reporting entities.

e) International applicability

Respondents generally agreed that the proposed amendments represent a step toward improving international applicability by aligning disclosures with globally relevant sustainability topics and frameworks. However, respondents also raised concerns regarding the applicability of certain metrics across jurisdictions. Specifically:

- Some respondents noted that, as discussed under Agricultural Products, deforestation-related metrics may not be material in all jurisdictions. They highlighted the Canadian livestock context, where deforestation risk is viewed as minimal and highly regulated, and suggested that requiring such disclosures could reduce relevance and decision-usefulness unless accompanied by flexibility or contextual guidance.
- Some respondents indicated that metrics such as the percentage of production from confined animal feeding operations (CAFOs) may not fully reflect the structure of beef production in Canada, where cattle spend most of their lives grazing on pasture before entering feedlots for a relatively short finishing phase.

In addition, respondents emphasized that differences in industry practices such as grazing versus confined feeding systems may affect how metrics are interpreted internationally, potentially leading to misleading comparisons.

Respondents therefore recommended incorporating flexibility or contextual guidance to ensure that disclosures remain decision-useful regardless of jurisdiction, while maintaining a consistent global baseline.

f) Interoperability and alignment with other sustainability-related standards or frameworks

Respondents generally agreed that the proposed amendments improve interoperability and alignment with other sustainability-related frameworks, particularly with IFRS Sustainability Disclosure Standards. Alignment was viewed as supporting greater consistency and reducing fragmentation in sustainability-related financial reporting.

At the same time, respondents emphasized the importance of considering existing national and industry-specific frameworks, standards, certification programs and datasets that are already used in Canadian sustainability, animal care, biosecurity and assurance practices. These include:

- The Canadian Roundtable for Sustainable Beef's (CRSB) [National Beef Sustainability Assessment \(NBSA\)](#), which provides nationally representative, third-party reviewed metrics and is updated to reflect evolving science;
- The [CRSB Certified program](#), a voluntary certification framework aligned with international methodologies, covering sustainability practices across producers and processors;

- National Farm Animal Care Council (NFACC) [Code of Practice for the Care and Handling of Beef Cattle](#)
- [Canadian Beef Cattle On-Farm Biosecurity Standard](#)

These systems were described as providing credible, decision-useful data and existing assurance mechanisms, which could support disclosure requirements. In addition, some provided illustrative examples of how proposed SASB metrics could align with existing Canadian methodologies, demonstrating opportunities to enhance interoperability while reducing duplication. For example:

- Greenhouse Gas Emissions: Existing approaches include the use of emissions intensity metrics (e.g., emissions per unit of production) supporting more meaningful performance tracking over time
- Water Management: Current practices measure water consumption relative to production output, and draw on national water risk datasets to reflect regional context
- Land Use & Ecological Impacts: Established datasets track land use by type, soil carbon stocks, and wildlife habitat capacity, providing a more comprehensive view of ecological impacts across production systems
- Animal Health: Certification systems and national codes already provide standardized metrics, practices, and assurance mechanisms

We recommend that the ISSB clarify whether, and under what circumstances, entities may rely on credible jurisdictional or industry frameworks as data sources or implementation aids, where those frameworks are relevant, verifiable and consistent with the disclosure objective. This would support interoperability and efficiency for Canadian preparers.

g) Proportionality mechanisms

Respondents identified several proposed metrics in the Meat, Poultry & Dairy SASB Standard that may warrant specific proportionality mechanisms because they require upstream, farm-level, feed-sourcing or supplier traceability information that may not be directly available to entities operating through pooled or intermediated sourcing systems. These concerns were raised most directly in relation to 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.3 [Percentage of sourced livestock from farms implementing and maintaining a written nutrient management plan] and FB-MP-430c.2 [Percentages of sourced animal feed certified to internationally recognized standards that trace the path of products through the supply chain]. Respondents noted that these metrics require information about deforestation- or conversion-free sourcing, farm-level nutrient management practices and traceability of sourced animal feed, all of which may be difficult for processors to obtain or verify where they do not have direct contractual relationships with farms or feed suppliers.

Respondents also noted that similar proportionality concerns may arise for other metrics in the Environmental Supply Chain Management topic, including FB-MP-430b.2 and FB-MP-430b.4. These metrics require information about nature- and climate-related physical risks in the supply chain and the production systems from which animal protein is sourced. In pooled systems, such information may not be available at the level of granularity contemplated by the proposed metrics, particularly where the reporting entity's direct relationship is with a marketing board, cooperative or other intermediary rather than with individual farms.

Respondents further observed that some Social Supply Chain Management metrics may also be affected by limited supplier visibility. In particular, FB-MP-430c.3 may be challenging where entities do not have direct access to farm-level audit or verification information. FB-MP-430c.1 may also require clarification on how entities should describe processes, controls and procedures where their ability to monitor upstream labour conditions or community impacts is mediated through pooled or intermediated sourcing structures.

Respondents recommended that proportionality mechanisms permit the use of reasonable and supportable information, including credible regional, industry-level or independently validated datasets, when granular farm-level information is not available without undue cost or effort. Such mechanisms could include phased implementation, disclosure of the level of traceability achieved, qualitative alternative disclosures where quantitative data are not yet available, and transparent disclosure of methodology, assumptions and limitations. This would support cost-effective disclosure while preserving the decision-usefulness and comparability of information provided to primary users.

Question 3 – Electric Utilities & Power Generators SASB Standard

- 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.

Response

a) Industry description

Respondents generally agreed that the proposed industry description and scope are clear, comprehensive, and reflective of current business activities. They noted that the updated description appropriately captures the full electricity value chain, including generation, transmission, and distribution, while also incorporating newer activities such as retail electricity sales, energy trading, and storage. Respondents viewed these additions as a necessary modernization that aligns the Standard with how utilities currently operate, particularly given the prevalence of vertically integrated and diversified energy business models. The expanded scope was widely seen as accurately reflecting real-world operations without introducing undue complexity for preparers.

At the same time, respondents expressed concern regarding the longer-term suitability of the industry classification. They noted that distinctions between traditionally separate industries such as electricity and gas utilities, are increasingly blurred as entities move toward integrated energy systems. These respondents suggested that the Standard may eventually need to evolve toward a more integrated classification approach to reflect this convergence.

Despite these concerns, respondents overall supported retaining the current scope and structure, noting that it reflects how entities currently report and avoids unnecessary fragmentation.

b) Disclosure topics

Respondents generally agreed that the proposed disclosure topics appropriately capture the key sustainability-related risks and opportunities in the Electric Utilities & Power Generators industry. The expanded set of topics was widely viewed as more reflective of current industry risks and evolving expectations, particularly through the inclusion of environmental and social considerations that have become increasingly material to operations, permitting, and long-term value.

At the same time, respondents emphasized the importance of ensuring clarity, feasibility, and balance across the topic set. While supportive overall, they identified specific areas where refinement or recalibration would improve decision-usefulness. Topic-specific feedback is provided below:

- Ecological Impacts: Respondents acknowledged the relevance of ecological impact disclosures but expressed concern about the lack of clear and consistent definitions underpinning some metrics within the topic. In particular, they noted that key concepts such as “spatial footprint” and “environmentally sensitive locations” may be interpreted differently across jurisdictions, depending on local regulatory frameworks and methodologies. Respondents indicated that this variability could lead to inconsistent application, limit comparability across entities, and in some cases result in disclosures that are not sufficiently decision-useful or differentiating for investors.
- Community Relations and Rights of Indigenous Peoples: Respondents supported the introduction of a topic on Indigenous Peoples’ rights but expressed concern about conflating it within general community relations, which risks obscuring the distinct legal, cultural, and governance considerations associated with Indigenous rights. A standalone disclosure topic focused on Indigenous rights would improve clarity and better reflect these distinctions. This recommendation is consistent with feedback provided in our [November 2025 response letter to SASB Standards Enhancement](#). Employee Recruitment, Development & Retention: This topic is generally viewed as relevant to the industry’s outlook, given the skilled labour requirements and safety-critical nature of utility operations. Its inclusion is therefore supported. However, there are questions about the current level of investor focus on broad recruitment and retention metrics, which may limit the decision-usefulness of disclosures in this area.
- Supply Chain Management: The addition of Supply Chain Management is recognized as addressing a growing area of risk and opportunity. Resilient and responsible supply chains, such as securing critical materials and equipment are important for utility operations and transition plans. At the same time, implementation is expected to be challenging. Collecting reliable data from suppliers and consistently monitoring “high-risk” suppliers across complex, global supply chains presents practical difficulties. There are also concerns about duplication with existing requirements (e.g., Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act) and the potential for overlapping obligations. Greater emphasis on practicality and a focus on truly material supplier risks, potentially by leveraging existing disclosure regimes would help improve feasibility and usefulness.
- New topics proposed by respondents: A small number of respondents suggested additional topics focused on areas they believe represent emerging or underreported risks.
 - Wildfires and safety risks: Recent wildfire events linked to utility infrastructure have resulted in significant financial losses, liabilities, and operational disruption. These risks are increasingly material to investors, particularly in jurisdictions exposed to extreme weather. Wildfire and safety risk warrant explicit inclusion as a disclosure topic rather than being addressed only indirectly.
 - Public policy and lobbying activities: Greater transparency on corporate engagement in public policy and regulatory processes, particularly in relation to climate and the energy transition, was also suggested. Utilities operate in highly regulated environments, and their positions on policy, lobbying efforts, and regulatory advocacy can materially influence both risk exposure and

strategic alignment. Enhanced disclosure in this area could enable investors to assess whether an entity's external actions are consistent with its stated sustainability strategy.

c) Metrics and Technical Protocols

Respondents cited that the proposed metrics and technical protocols generally align with investor needs and would yield decision-useful information. Many of the metrics also align with existing disclosure practices and are therefore considered practical to implement. In addition, combining quantitative metrics with narrative disclosures was seen as enhancing usefulness by providing context for interpreting performance and risks. However, several concerns were raised regarding specific metrics.

- Planned capacity, disaggregated by (1) major energy source and (2) energy storage (IF-EU-110a.6). Respondents highlighted that requiring this forward-looking metric could be problematic due to high estimation uncertainty and reliance on long-term assumptions, making it difficult to standardize or assure across entities. Respondents noted that capacity planning in the Canadian electricity industry is highly dependent on evolving regulatory approvals, integrated resource planning processes, policy developments, and changing system needs. As a result, disclosing detailed capacity projections far into the future may yield limited comparability and decision-usefulness relative to the significant cost and effort required to prepare the information.
- Description of how climate-related transition risks and opportunities influence capital strategy and investments (IF-EU-110a.7). Respondents expressed concerns regarding the requirement to disclose how climate-related risks and opportunities influence long-term strategic planning for resource needs. They noted that the proposed disclosure requires a subjective assessment in an area where there are no established methods for measuring or demonstrating the degree of influence of climate-related risks and opportunities on planning decisions. Respondents explained that, in the Canadian electricity industry, resource and capital planning decisions are typically made through regulatory approval processes and integrated resource plans, where climate-related considerations are increasingly incorporated alongside other factors such as reliability, affordability, and policy requirements. As a result, respondents questioned whether disclosures would be sufficiently comparable across entities. They also noted that climate-related risks vary significantly across Canada, with different areas facing different risk profiles, which may further challenge efforts to standardize reporting.
- Water management metrics (IF-EU-140a.1, IF-EU-140a.2 and IF-EU-140a.4): Respondents requested clarification on the scope and application of the proposed water management metrics and whether these metrics apply exclusively to electricity generation activities as other forms of generation that typically have limited or incidental water use may be unintentionally captured by these requirements. Further clarification is also needed regarding the treatment of "discharge in a subsequent reporting period," and whether water retained in one reporting year for release in a future period would be excluded from discharge calculations until the year of release.
- Ecological impacts metrics (IF-EU-160a.1 and IF-EU-160a.2): These metrics depend on how "spatial footprint" and "environmentally sensitive locations" are defined and measured, and these definitions can vary widely across jurisdictions. Respondents pointed out that without flexibility, entities may interpret such terms differently, leading to significant interpretive variability and non-comparable or non-differentiating disclosures.
- Percentage of operations in or near Indigenous Peoples' land (IF-EU-210a.3): Respondents raised concerns about the proposed proximity-based metric, noting that it reflects a broader limitation previously identified in our [November 2025 response letter to SASB Standards Enhancement](#) regarding the use of geographic proximity measures in Indigenous-related metrics. In that letter, we noted that the use of fixed five-kilometre threshold to define proximity to Indigenous Peoples' lands is an arbitrary measure and may not provide meaningful or decision-useful information about an entity's interactions with Indigenous Peoples. Additionally, respondents expressed concerns about this metric, noting a proximity-based metric would provide limited decision-useful differentiation

information as nearly all Canadian utilities would be reporting high percentages of operations in or near Indigenous' lands regardless of their specific risks, practices or performance. They noted that utility infrastructure often overlaps extensively with Indigenous lands. These respondents further commented that a proximity-based metric, by itself, may not adequately convey the quality of an entity's relations with Indigenous Peoples or respect for their rights. Respondents suggest that disclosures would be more decision-useful if they emphasize the quality of engagement, partnerships, and outcomes of consultation with Indigenous communities, rather than just geographic overlap. This would provide better insight into how entities address Indigenous rights in practice.

- 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 (IF EU 430a.2): Respondents noted that determining "high-risk suppliers" and reporting on their oversight requires significant judgment, and these classifications may vary widely depending on each entity's procurement structure and risk framework. Respondents expressed concern that without flexible application, such metrics could suffer from inconsistent definitions and scopes, undermining comparability and consistency across entities.

Respondents also highlighted practical implementation challenges associated with the metric. While many entities maintain supplier risk management policies and processes, respondents indicated that they are often not designed to generate reliable quantitative metrics at the level of granularity that may be expected for external reporting or assurance purposes. They noted that collecting and validating this information could require significant effort across complex supply chains where visibility and influence over suppliers may be limited.

Additionally, they noted that these challenges may be particularly pronounced in the Canadian electricity industry, where supply chains are experiencing capacity constraints due to factors such as infrastructure renewal, electrification, increased demand for equipment and services, and the geographic dispersion of operations. Respondents noted that entities operating across large and remote service territories may have access to a limited supplier base, and that smaller suppliers may lack the resources or systems necessary to provide the information required to support the proposed disclosures. In light of these challenges, respondents recommended that the ISSB consider a more explicit application of proportionality when applying these requirements, reflecting differences in operational complexity, supplier availability, and risk exposure.

- Amount and percentage of assets vulnerable to climate-related physical risks, disaggregated by industry asset type and climate-related physical risk (IF-EU-550a.4): Respondents questioned the usefulness of this metric, noting that, for many electricity utilities and local distribution companies, a substantial proportion of assets are inherently exposed to such risks due to the nature and geographic distribution of electricity infrastructure. As a result, respondents indicated that the metric may provide limited decision-useful differentiation between entities and could result in consistently high reported percentages that do not necessarily reflect differences in risk management performance or resilience.

Additionally, respondents noted that this metric relies on climate modeling and scenario assumptions that are not yet standardized across the industry, raising concern that entities using different models or assumptions could report materially different results. The uncertainty and complexity inherent in detailed asset-level climate risk assessment suggest a need for pragmatic flexibility. Respondents expressed concern about the lack of clarity as to how vulnerability should be assessed or distinguished from general exposure to physical hazards. Respondents also expressed concerns about the lack of clarity regarding how vulnerability should be assessed and categorized, particularly in distinguishing between acute and chronic physical climate risks. They noted that differing interpretations and methodologies could lead to inconsistent application and reduce comparability across entities.

We recommend that the ISSB provide additional guidance on the assessment of vulnerability, including illustrative examples of how entities should determine whether assets are vulnerable, rather than merely exposed, and how acute and chronic risks should be categorized.

- Voluntary and involuntary employee turnover rate for employees (IF-EU-330a.2): Respondents questioned the decision-usefulness of requiring disclosure of voluntary and involuntary employee turnover rates, noting that the metric may have a limited connection to financially material risks in the utilities industry when presented without appropriate context. They indicated that workforce size, structure, and composition vary significantly across Canadian utilities, and that turnover rates alone may not provide meaningful insight into workforce capability, critical skill retention, or succession preparedness.

Respondents further noted that turnover metrics may be difficult to interpret in isolation. For example, low turnover may not necessarily indicate a healthy workforce if it reflects limited workforce mobility, while higher voluntary turnover may be expected in competitive labour markets. Similarly, increases in involuntary turnover may occur as part of organizational restructuring, modernization initiatives, or workforce transformation efforts and may not, on their own, indicate elevated workforce-related risk. In light of these considerations, the metric would benefit from accompanying narrative disclosure explaining significant turnover trends, particularly within occupational categories experiencing skill shortages, to improve interpretability and decision-usefulness.

d) International applicability

Respondents generally indicated that the proposals would support broader applicability across jurisdictions, particularly through expanded scope and more comprehensive coverage of modern utility activities. However, respondents also emphasized that jurisdictional differences may limit comparability and consistency, including:

- Differences in regulatory environments, which influence outcomes such as affordability and reliability.
- Variability in definitions and data availability, which may reduce comparability across regions

Respondents further noted that Canada-specific realities (e.g., geography, resource mix, and regulatory structure) are not fully reflected, which may affect decision-usefulness in certain contexts.

Overall, respondents highlighted the need for additional flexibility and contextualization to support consistent and decision-useful disclosures across jurisdictions.

e) Interoperability and alignment with other sustainability-related standards or frameworks

Respondents generally agreed that the proposed amendments would enhance interoperability and alignment with other frameworks, particularly through closer linkage with IFRS Sustainability Disclosure Standards. Improved alignment was viewed as helping to reduce duplication, enhance comparability, and support more consistent reporting across jurisdictions. However, respondents also:

- Emphasized the need for clear positioning of SASB Standards as complementary, rather than duplicative, within the broader reporting landscape.
- Highlighted the importance of aligned definitions and metrics to avoid fragmentation and inconsistent interpretation across frameworks.

f) Proportionality mechanisms

Respondents agreed that certain metrics will require proportionality accommodation to ensure an appropriate balance between decision-usefulness and reporting burden. They supported applying proportionality where disclosures require significant judgment, value-chain estimation, supplier data, geospatial analysis, or forward-looking assumptions. The metrics discussed below illustrate areas where respondents considered proportionality particularly relevant.

- Planned capacity, disaggregated by (1) major energy source and (2) energy storage (IF-EU-110a.6): Respondents highlighted that requiring this forward-looking metric could be problematic due to high estimation uncertainty and reliance on long-term assumptions, making it difficult to standardize or assure across entities. They cautioned that disclosing detailed capacity projections far into the future may yield limited comparability and decision-usefulness relative to the significant cost and effort required. Proportionality mechanisms were recommended for this metric, for example allowing entities to focus on shorter-term horizons or provide qualitative context, to ensure forward-looking capacity disclosures remain practical and reliable.
- Ecological impacts metrics (IF-EU-160a.1 and IF-EU-160a.2): These metrics depend on how “spatial footprint” and “environmentally sensitive locations” are defined and measured, and these definitions can vary widely across jurisdictions. Respondents pointed out that without flexibility, entities may interpret such terms differently, leading to significant interpretive variability and non-comparable or non-differentiating disclosures.
- Percentage of operations in or near Indigenous Peoples’ land (IF-EU-210a.3): Respondents noted that utility infrastructure often overlaps extensively with Indigenous territories. This means a simple proximity-based metric would not meaningfully differentiate entities’ risks or performance, since nearly all major utilities could report high percentages by default. Instead, respondents advocate placing greater emphasis on describing engagement processes and outcomes with Indigenous communities. A proportional treatment could involve accepting narrative or qualitative disclosures about the nature of engagement and partnership with Indigenous Peoples, rather than a purely quantitative proximity measure, to provide more decision-useful information on how such social and legal risks are managed.
- 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 (IF EU 430a.2): Respondents noted that the proposed metric may be challenging to apply across complex utility supply chains, particularly where entities have limited visibility into lower-tier suppliers or rely on specialized equipment and service providers for which alternative sourcing options are limited. They observed that identifying high-risk suppliers throughout the value chain and obtaining reliable information regarding third-party audits, non-conformances, and corrective actions may require significant effort and may not always be within the reporting entity’s direct control. Respondents indicated that supplier maturity, audit practices, and the availability of verifiable information can vary considerably across regions and suppliers, which may affect the completeness of reporting. Proportional application here (for example, focusing on the most critical segments of the supply chain or using risk-based sampling) would allow entities to provide reliable information about supply chain sustainability efforts without being subject to undue judgement or undue cost and effort.
- Amount and percentage of assets vulnerable to climate-related physical risks, disaggregated by industry asset type and climate-related physical risk (IF-EU-550a.4): This metric relies on climate modeling and scenario assumptions that are not yet standardized across the industry, raising concern that entities using different models or assumptions could report materially different results. The uncertainty and complexity inherent in detailed asset-level climate risk assessment suggest a need for pragmatic flexibility. By applying proportionality (e.g., permitting disclosure of ranges, qualitative descriptions, or focusing on significant assets), entities can share decision-useful insights about climate risk while avoiding undue burden. Such an approach would maintain consistency and credibility in climate-related disclosures as methodologies mature.

These examples illustrate a broader theme that respondents collectively underscored: proportionality is particularly important for metrics involving extensive judgment, value chain data, or forward-looking modeling. Respondents noted that resource constraints, data availability issues, and high complexity can make it costly or impractical to produce precise metrics in these areas. Allowing some flexibility or relief for high-effort, highly uncertain metrics will help preparers comply without undue burden, thereby maintaining a balance between feasibility and decision-usefulness.

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

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?

Response

The CSSB agrees that the ISSB should make consequential amendments to the IFRS S2 industry-based guidance concurrently with the proposed SASB updates, consistent with our [November 2025 response letter on Industry-based Guidance](#). Maintaining alignment between IFRS S2's industry-specific climate guidance and the SASB Standards is important to preserve a coherent global baseline. Many Canadian respondents emphasized the need to avoid duplicative or conflicting guidance across IFRS S2 and SASB.

Accordingly, we support the proposed updates to IFRS S2 guidance, which would help ensure continued consistency with the revised SASB climate content. However, we recommend that any consequential amendments reflect the comments and recommendations set out in this letter regarding the ISSB's proposed SASB amendments.

Question 5 – Relationship with IFRS Sustainability Disclosure Standards

- 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?

Response

a) Proposed approach to amending the SASB Standards

We are supportive of the need for a comprehensive update of the SASB Standards but as previously outlined we do not fully agree with the ISSB's proposed approach to amending the SASB Standards in relation to IFRS Sustainability Disclosure Standards.

In our [November 2025 response letter to SASB Standards Enhancement](#), we expressed general support for updating the SASB Standards and improving alignment within the IFRS Sustainability Disclosure Standards framework. However, we also highlighted concerns regarding complexity, architectural clarity, and interoperability. Without clearer articulation of how SASB requirements are intended to complement, rather than duplicate or extend, IFRS S1 and S2 disclosures, the proposed approach risks increasing complexity and limiting its effectiveness for preparers.

From a process perspective, as noted in our [November 2025 response letter to SASB Standards Enhancement](#), the technical complexity, length and scope of the proposals limited meaningful participation and depth of feedback. In particular:

- The breadth and technical nature of the Exposure Draft constrained respondents' ability to provide comprehensive input within the available timeframe;
- Participation was concentrated through industry associations, limiting the diversity of individual company perspectives;
- The absence of a broader consultation phase (e.g., Discussion Paper or Request for Information) reduced opportunities for inclusive and well-informed input; and
- Engagement with Indigenous Peoples was limited, resulting in gaps in reflecting Indigenous rights, knowledge systems, and economic considerations.

b) SASB Standards and IFRS Sustainability Disclosure Standards

From an architectural perspective, the relationship between SASB Standards and IFRS Sustainability Disclosure Standards remains uncertain. As previously noted, the evolving role of SASB within the broader IFRS framework introduces complexity, particularly as thematic standards continue to develop. The current amendments appear to be an interim step, with further alignment needed to achieve a coherent system.

We note that similar themes were reflected in feedback received by the ISSB on its July 2025 Exposure Draft as documented in the [ISSB staff paper \(Agenda paper 6A\)](#) presented at your February 2026 meeting. This feedback highlights ongoing uncertainty regarding the role and status of the SASB Standards and how they interact with IFRS S1 and IFRS S2. In particular, the feedback reflected the need for greater clarity on the application of IFRS S1 concepts to SASB content, the risk of duplication, and the lack of a clear articulation of how the two sets of materials are intended to operate together.

In our view, these observations reinforce the need for clearer and more decisive articulation of the role and positioning of the SASB Standards within the IFRS Sustainability Disclosure Standards framework. While we recognize the staff's recommendation to address broader questions about the future state of ISSB Standards separately from Phases 1 and 2 of the Enhancing the SASB Standards project, we believe greater priority should be given to resolving these architectural and interoperability questions in a timely manner.