

To: Corporate Reporting - Investments & Sustainable Finance WG
From: Anastasiya Vavelyuk
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Subject: EFRAG Calls for Greater Interoperability in ISSB's Proposed SASB Amendments

Summary

On 12 December, the European Financial Reporting Advisory Group (EFRAG) published its **Comment Letter on the International Sustainability Standards Board's (ISSB) Exposure Drafts** proposing amendments to the [Sustainability Accounting Standards Board \(SASB\) Standards](#) and to the [Industry-based Guidance on Implementing IFRS S2](#): [here](#).

EFRAG welcomes the ISSB's efforts to enhance the SASB Standards and recognises the significant progress made toward more consistent and decision-useful sustainability reporting at global level. At the same time, EFRAG identifies areas where further clarification and alignment would help ensure the proposed amendments are practical, proportionate, and interoperable for preparers, particularly in the European context.

Key points raised by EFRAG include:

- **Clarifying the practical meaning of "shall refer to and consider"**: EFRAG recommends changing the wording from "shall" to "may" to avoid ambiguity and unintended reporting obligations. It stresses that the SASB Standards should function as non-mandatory guidance to support materiality assessments, serving as a library of industry-specific topics and metrics rather than creating additional disclosure requirements.
- **Strengthening interoperability with other sustainability standards**: EFRAG strongly supports closer alignment between SASB Standards and the European Sustainability Reporting Standards (ESRS). While acknowledging progress, it notes that certain provisions may still be difficult to reconcile with ESRS, EU law, or other frameworks, potentially increasing reporting complexity for European companies.
- **Ensuring proportional and implementable requirements**: EFRAG highlights concerns that some proposed metrics may be challenging to apply due to data availability, sensitivity, or excessive granularity. It emphasises that all datapoints should remain decision-useful, proportionate, and subject to materiality to avoid unnecessary burden on preparers.
- **Clarifying the role of SASB in relation to IFRS S1 and IFRS S2**: EFRAG encourages the ISSB to provide clearer guidance on how SASB topics and metrics relate to the risks-and-opportunities approach in IFRS S1 and S2, and to minimise overlaps between standards.

Additionally, EFRAG calls for greater transparency on the ISSB's future work plan, particularly regarding forthcoming initiatives on human capital and biodiversity, to reduce uncertainty for companies planning their sustainability reporting.