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(Submitted Electronically)

International Sustainability Standards Board  
London, United Kingdom

**Comments on Exposure Draft ISSB/ED/2023/1 - Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates**

Dear Board Members,

We are pleased to comment on the Exposure Draft (ED) on "*Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*" issued by the International Sustainability Standards Board (the Board/ISSB).

We welcome and support ISSB's efforts to make appropriate changes in SASB Standards to enhance the international applicability of non-climate related metrics present in them.

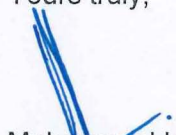
We agree on replacement of jurisdiction-specific references with internationally equivalent references, however, in case if a local equivalent reference is prescribed in local law of a jurisdiction, then, local reference will be used by respective jurisdiction. Although it may add to the cost, entities can give disclosure of both local references and international references.

Our responses to the questions (for respondents) contained in above referred ED are provided in Appendix to this letter.

We hope our comments are helpful to the ISSB's deliberation on the ED.

Should you require further clarification on our comments, please contact the undersigned, at [imran.khan@icap.org.pk](mailto:imran.khan@icap.org.pk)

Yours truly,

  
Muhammad Imran Khan  
Director Technical

Encl: As above.

**ICAP Comments on  
Exposure Draft ISSB/ED/2023/1 - Methodology for Enhancing the International Applicability of  
the SASB Standards and SASB Standards Taxonomy Updates**

<b>Question 1—Methodology objective</b>
<p>This Exposure Draft describes the proposed methodology to amend non-climate-related SASB Standards metrics to enhance their international applicability when they contain a jurisdiction-specific reference.</p> <p>(a) Are the scope of the intended enhancements and the objective of the proposed methodology stated clearly in paragraph 8? If not, why not?</p> <p>(b) Are the constraints of the objective as listed in paragraph 8 (preserving structure and intent, decision-usefulness and cost-effectiveness) appropriate? Why or why not?</p> <p>(c) Should any other objective(s) or constraint(s) be included in the proposed methodology? If so, what alternative or additional objective(s) or constraint(s) would you suggest? How would these add value to the proposed methodology?</p>

**Comments**

- a) Objective of the proposed methodology has been stated clearly in paragraph 8 whereas scope of the intended enhancements is also covered in such paragraph. As such, there are no comments / suggestions for improvement.
- b) Yes.
- c) Additional objective for inclusion may be 'comparability'. Comparability is enhanced when same references (metrics, standards and methods) are used by preparers across a jurisdiction or internationally.

<b>Question 2—Overall methodology</b>
<p>This Exposure Draft explains the proposed methodology to amend the SASB Standards metrics to enhance their international applicability when they contain jurisdiction specific references.</p> <p>(a) Do you agree that the proposed methodology would enhance the international applicability of the SASB Standards metrics? If not, what alternative approach do you suggest and why?</p>



**Comments**

Yes. We agree to replace jurisdiction-specific metrics with international equivalent metrics, however, in case if a local equivalent metric is prescribed in local law in a jurisdiction, then, local reference will be used by respective jurisdiction. Although it may add to the cost, entities can give disclosure on both local metrics and international metrics.

### Question 3—Revision approaches

This Exposure Draft explains five revision approaches to enhance the international applicability of non-climate-related SASB Standards metrics. Every disclosure topic, metric and technical protocol amended using the methodology will apply these five revision approaches, either individually or in combination. The methodology begins with Revision Approach 1, which uses internationally recognised frameworks and guidance to define relevant terms of reference.

- (a) Do you agree that replacing jurisdiction-specific references with internationally recognised frameworks and guidance—if identified—should be the first course of action? If not, why not?
- (b) If Revision Approach 1 is not feasible, do you agree that using the remaining four revision approaches would enhance the international applicability of the SASB Standards? Why or why not?
- (c) Could the revised metrics resulting from any specific revision approaches or combination of approaches pose problems for the preparers applying them? Why or why not?
- (d) Do you agree with the criteria for determining which of the proposed revision approaches applies in different circumstances? Why or why not? What changes to the criteria would you recommend and why?

### Comments

Yes. We agree to replace jurisdiction-specific references with international equivalent references (metrics, methods, standards), however, in case if a local equivalent reference is prescribed in local law in a jurisdiction, then, local reference will be used by respective jurisdiction. Although it may add to the cost, entities can give disclosure on both local references and international references.

<b>Question 4—SASB Standards Taxonomy Update objective</b>
<p>This Exposure Draft describes the proposed approach to updating the SASB Standards Taxonomy to reflect amendments to the SASB Standards.</p> <p>(a) Do you agree with the proposed methodology to update the SASB Standards Taxonomy to reflect changes to the SASB Standards? Why or why not? If you do not agree, what alternative approach would you recommend and why?</p>



**Comments**

We agree.

### **Question 5—Future SASB Standards refinements**

This Exposure Draft focuses specifically on the first phase of narrow-scope work to amend the SASB Standards metrics in accordance with the proposed methodology to enhance their international applicability when they contain jurisdiction-specific references. In subsequent phases, the ISSB will consider further enhancements to the SASB Standards to improve their decision-usefulness, balance their cost-effectiveness for preparers and ensure their international relevance.

- (a) What other methods, considerations or specific amendments would be useful to guide the ISSB's future work of refining the SASB Standards to support the application of IFRS S1? Why would they be useful?
- (b) Do you have any specific comments or suggestions for the ISSB to consider in planning future enhancements to the SASB Standards?

### **Comments**

We agree.