National Farmers Federation

Exposure Draft and Comment Letters: Enhancing the SASB Standards – Phase 1 – Continued

July 2026

The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

NFF Member Organisations

24 July 2026

International Sustainability Standards Board
International Financial Reporting Standards Foundation
United Kingdom
Headquarters

Via Website: Comment Letter

Dear Sir / Madam,

RE: Exposure Draft of Proposed Amendments to the SASB Standards and the IFRS S2 Industry-Based Guidance

The *National Farmers' Federation* (NFF) welcomes the opportunity to provide a submission to the *International Sustainability Standards Board* (ISSB) to inform the continued development of the Exposure Draft of proposed amendments to the *Sustainability Accounting Standards Board* (SASB) *Standards* and *International Financial Reporting Standards* (IFRS) *S2 Industry-Based Guidance.*

From the outset we wish to make clear that the NFF are extremely disappointed that there has not been close and direct engagement on the development of any metrics with the agricultural sector. NFF has been delivering a world leading sustainability framework, the *Australian Agriculture Sustainability Framework* (AASF), supported by Commonwealth grants. The AASF has published its framework which include 19 Principles and 52 Criteria. Further, we have completed a substantive piece of work, delivered by the *Commonwealth Scientific and Industrial Research Organisation* (CSIRO) and known as the Data Ecosystem, which frames a detailed, robust, and defensible process to develop industry agreed metrics.[1,2,3,4] The consultation process around the Report identified how complex and difficult the development of agreed and appropriate metrics is.

NFF, through the AASF, has been globally engaged on this issue, we have yet to see evidence that agreement of metrics has been successfully implemented. This makes it even more astounding that SASB believes it can (apparently unilaterally) propose measures without doing the work. It is important to note that the work of the AASF has led to alignment from a range of supply change entities (physical and financial) with the AASF Principles and Criteria. It is in the real world that these discussions should be sponsored. The isolationist approach evident here is not conducive to industry buy-in. We recommend that SASB be required to engage with industry to develop these processes, whatever their status, as a matter of priority.

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[1] Australian Agricultural Sustainability Framework: *Australian Agricultural Sustainability Framework Toolkit: Designed Complex Data Ecosystems*
[2] December 2025, Australian Agricultural Sustainability Framework: *Recommendations for Initial Implementation: AASF Data Ecosystem Design Project*
[3] March 2025, Australian Agricultural Sustainability Framework: *From Anarchy to Order: Data Ecosystem Design Project – Final Report*
[4] August 2024, Australian Agricultural Sustainability Framework: *A Data Assessment Framework for Data Users*

This submission provides comment on two of the three SASB Standards proposed for amendment most relevant to Australian agricultural producers and supply chains:

- *Agricultural Products SASB Standard; and*
- *Meat, Poultry, and Dairy SASB Standard.*

NFF supports the ISSB's objective of improving the international applicability and decision-usefulness of industry-based materials used to support entities applying IFRS S2. Notwithstanding this support, NFF is concerned that the level of detail in the proposed industry-based metrics risks contributing to regulatory and commercial creep. Although formally characterised as guidance, these metrics may, in-practice, extend reporting expectations downstream and upon agricultural supply chains. Without appropriate context, metrics developed for reporting entities may become de-facto requirements for smaller businesses that are not themselves subject to mandatory disclosure obligations.

This concern is particularly relevant in Australia in the context of mandatory Climate-Related Financial Disclosure (CRFD) reporting. Agricultural supply chains are highly fragmented, creating a significant risk that producers and other smaller businesses will be in/directly compelled to collect and provide data at their own cost, despite falling outside mandatory reporting thresholds and having no legal obligation to comply with data requests.[5]

We note that, as an interim measure, the *Australian Accounting Standards Board* (AASB) has not required entities applying Australia's mandatory CRFD obligations to provide industry-based disclosures or consider the applicability of the disclosure topics and associated metrics defined in SASB Standards and Industry-Based Guidance on Implementing IFRS S2.[6] The AASB's decision reflected a range of concerns, including that:

- *The ISSB's public consultation period was too short for Australian stakeholders to appropriately consider proposals in Appendix B to [draft] IFRS S2 and for the AASB to appropriately apply its own due process;*

- *Feedback indicated that the SASB Standards are USA-centric and not representative of the Australian or global market;*

- *Not all of the proposals in IFRS S2 were considered to relate clearly to climate-related risks and opportunities;*

- *There is misalignment between the SASB Sustainable Industry Classification System and the Australian and New Zealand Standard Industrial Classification (ANZSIC); and*

[5] March 2024, National Farmers' Federation: *Exposure Draft ED SR1 Australian Sustainability Reporting Standards: Disclosure of Climate-Related Financial Information*
[6] September 2024, Australian Government, Australian Accounting Standards Board: *Australian Sustainability Reporting Standard AASB S2: Climate-Related Disclosures*

- *Deferring the requirements would simplify and reduce the initial reporting burden while further work is undertaken to determine the appropriate basis and content of industry-based disclosures.*[7]

Direct Farming Operations

The proposed amendments introduce extensive new and revised metrics across two reporting boundaries. Some metrics, including the quantitative food-loss metric and metrics relating to land-use, deforestation and conversion, and agricultural management practices, are directed at direct farming operations of a reporting entity. Other metrics address sourced agricultural products, supplier relationships, and environmental and social risks throughout a reporting entity's value chain.

NFF is concerned that the proposed metrics will create substantial downstream demand for farm-level data, even for circumstances where they are tied to a reporting entity's direct operations. While the proposed metrics adjustment may provide some benefit for reporting entities seeking to navigate disclosure obligations, they must not, however, in/directly require those operating outside the reporting regime to establish new measurement systems or disclose information about their on-farm activities. Reporting entities must remain responsible for meeting and funding their own disclosure obligations.

Should the proposed amendments be implemented, they must clarify that:

- *Reporting entities remain responsible for determining and substantiating their own disclosures as required;*

- *Reasonable and supportable estimates are permitted where primary data is not reasonably available without undue cost or effort;*

- *Reporting entities disclose material limitations or gaps in available supply-chain information rather than transferring obligations upon suppliers; and*

- *Where collection of primary farm-level data is desired, that this occurs through cooperative mechanisms such as a negotiated commercial arrangement that recognises the value of the information held by the farmer and the costs associated with its collection and supply.*

Definitions and International Applicability

NFF also notes that several proposed metrics rely on terms that are not consistently understood and measured across reporting jurisdictions including *"sustainably managed", "area disturbed", "area restored", "environmentally sensitive locations", "deforestation-free", "conversion-free",* and *"sustainable agriculture practices".* Differences in how these terms are defined and applied are likely to undermine the international comparability and

[7] July 2024, Australian Government, Australian Accounting Standards Board: *Staff Paper: Climate-Related Financial Disclosure – References to the SASB Standards and Industry-Based Guidance on Implementing IFRS S2 (SMC 4) and the Requirement to Consider ANZSIC When Voluntarily Making Industry-Based Disclosures (SMC 5)*

decision-usefulness of the resulting disclosures, even where minimum definitions are proposed (and/or subsequently established) which is the case here. These metrics may also be modified or omitted by national standard-setting bodies to reflect local circumstances, while at the same time continuing to influence downstream reporting expectations by further complicating disclosure requirements. This reinforces NFF's above concern regarding regulatory and commercial creep. Potential benefits of broader international alignment must therefore be carefully considered against the need to accommodate for these different local contexts.

Conclusion

Please do not hesitate to contact Warwick Ragg, General Manager, Natural Resource Management, via e-mail: WRagg@nff.org.au in the first instance to progress this discussion.

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Leading
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Agriculture

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