

Request for Information *Consultation on Agenda Priorities*—Survey

Document purpose:

The International Sustainability Standards Board (ISSB) welcomes views from stakeholders, who can submit responses to the Request for Information via a survey or comment letter.

The purpose of this document is to provide stakeholders with an overview of the survey only; please do not submit this document in response to the Request for Information.

This document is provided for information only. To submit a survey in response to the Request for Information, please [access the survey directly here](#).

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Introduction

Invitation to comment

The ISSB published the Request for Information *Consultation on Agenda Priorities* on 4 May 2023. Comments must be received by 1 September 2023.

The ISSB will develop and pursue its next two-year work plan subject to public consultation on agenda priorities (agenda consultation). The objective of the agenda consultation is to ask all those interested in sustainability-related financial reporting for their views on:

- the strategic direction and balance of the ISSB's activities;
- the suitability of criteria for assessing which sustainability-related matters (including topics, industries and activities) to prioritise and add to the ISSB's work plan; and
- a proposed list of new research and standard-setting projects that could be added to the ISSB's work plan.

Responses to the Request for Information will help the ISSB prioritise its activities for a two-year period. This period will commence in 2024 following determination of the work plan. The agenda consultation focuses on activities that form part of the ISSB's mission to deliver a comprehensive global baseline of sustainability-related financial disclosures that meet the information needs of an entity's existing and potential investors, creditors and other lenders—the primary users of general purpose financial reports.

This survey has been developed to help stakeholders respond to the questions in the Request for Information. The questions in this survey are identical to the questions in the Request for Information.

The ISSB encourages survey responses to increase its efficiency in gathering, analysing and drawing conclusions from the feedback. The ISSB will nevertheless accept comment letters in lieu of survey responses, which can be submitted by email to commentletters@ifrs.org or online [from the project comment letter page](#).

Your comments on this Request for Information are vital to the ISSB's standard-setting process.

Introduction

Working with the online survey

- To work with the online survey, you must enable cookies in your browser and on the survey site to prevent data loss if completing the survey over a long period.
- We recommend you complete the survey in one session. However, if you wish to come back to the survey to pick up where you left off, you must use the same browser and you must not clear your cookies.
- We also recommend you keep a copy of your survey answers if you are working with it over a long period. The survey questions are identical to the questions in the Request for Information.
- Please complete the survey in question order. If you need to return to a previous answer, you can navigate through the survey using the forward and back buttons, or by using the table of contents, which can be accessed from every page of the survey via the three lines in the upper left corner of the page.
- The survey will be saved automatically when you navigate to the next page. Please note that if you leave the survey before moving to the next page, the answers on the current page will not be saved.
- Each text box has a character limit of 20,000 (between 2860 and 5000 words with spaces included).
- To submit your response, please select the 'Submit' button at the end of the survey.
- Your survey response will be made publicly available on the IFRS Foundation website in line with the IFRS Foundation's transparent due process.
- We recommend you refer to the ISSB's Request for Information *Consultation on Agenda Priorities* while completing the survey to better inform your response.

About the survey

- The survey consists of this introduction, an 'About You' section and eight sections containing questions aligned with those in the Request for Information.
 - The 'About You' section must be completed in order to submit your response, but you do not need to respond to all the questions to submit your response.
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Question 1—Strategic direction and balance of the ISSB’s activities.

Paragraphs 18–22 and Table 1 of the Request for Information provide an overview of activities within the scope of the ISSB’s work.

(a) From highest to lowest priority, how would you rank the following activities?

Please drag and drop to rank, where 1 is the highest priority and 4 is the lowest priority.

 4 beginning new research and standard-setting projects

 1 supporting the implementation of ISSB Standards (IFRS S1 and IFRS S2)

 2 researching targeted enhancements to the ISSB Standards

 3 enhancing the Sustainability Accounting Standards Board (SASB) Standards

(b) Please explain the reasons for your ranking order and specify the types of work the ISSB should prioritise within each activity.

Our membership had differing opinions around the prioritisation of the four activities, however, we all agreed that supporting the implementation of S1 and S2 was the most important.

It is our view that by embedding consistent and appropriate disclosures under the first two standards, we set the best possible precedent for what is to come and help build a body of knowledge that can be leveraged and shared by preparers. Further, learnings can be taken from this study which will allow for future standards to be drafted with potential pitfalls and good practice in mind, and should prove to be in turn easier to roll out consistently.

We appreciate that this will take significant manpower, a resource which is scarce in this field across all parties – from standard setters to preparers to advisors and auditors – so rather than assuming all the leg work needs to be done by the ISSB we would suggest leveraging networks and peer organisations who are in a position to help. For example, the ICAEW and ICAS who provide accountancy training could offer a lot in the way of support for rolling out learning materials.

Likewise, leveraging the experiences of other issuers of standards and frameworks and the tools which enabled them (e.g. the LEAP guidance issued by the TNFD) might be an efficient way to develop ISSB guidance designed to drive consistency across peers and industries.

And finally, leveraging the more well-prepared businesses, who are already familiar with many of the concepts through TCFD reporting, to identify issues and develop best practice through the proposed transitional implementation groups.

We are of the view that if this effort is optimally leveraged then there may be little or no need to research targeted enhancements to the issued standards as they will be identified organically though this focused implementation support process. It is our view that issues should be addressed as soon as practicable after being identified, through real time targeted enhancements – this might include clarifications where interpretations diverge, or amendments designed to ensure consistency with other standard setters.

This approach will also give businesses the time and support that they need to get S2 fully embedded into the business and to realise the operational potential of a deeper focus on climate-related risks and opportunities. This might include for example internal measures and targets to determine whether revenue, costs, investments, etc. are ‘green’; or developing more detailed physical risk mitigation plans. Embedding and tracking performance against ESG measures is crucial to achieving the

ambition of identifying green investments and directing capital towards activities/organisations which have a positive impact on climate change.

This work is already underway in many (typically larger) organisations, however despite this head-start many still face significant challenges in gathering and presenting data, in particular scope 3. For others who are newer to environmental reporting this will be further amplified. Giving businesses the time, guidance and support to deliver on S2 will mean greater value for investors (and the climate). Accordingly, the fast roll-out of new standards should not distract from consistent and robust disclosures under S2.

We are supportive of the description of activities associated with this agenda priority (paragraph 22 of the RFI), however with regard to item (d) we would note that a digital taxonomy must be given a lot of thought and should not be allowed to slow up progress in other activity areas associated with the same priority. Digital taxonomies add a layer of complexity for preparers, and typically an additional cost as this activity is often outsourced to a service provider. It is our view that digital consumption should not be part of the immediate priority, and efforts to develop and advance it should be considered a separate stream.

We suggest working with:

- taxonomy software providers to develop an understanding of the potential complexities;
- preparers to understand the practical considerations;
- auditors to the extent the Taxonomy will come with audit and assurance expectations; and
- investors to understand what is genuinely helpful and what is a 'nice to have'

We also suggest that the ISSB continue dialogue with EFRAG to understand the ESRS digital taxonomy that is due to be released before the end of the year and use that as a baseline for developing the ISSB digital taxonomy. While we appreciate that there may be some inconsistencies and weaknesses within their proposal, for those reporters who will ultimately have to prepare under both ISSB and ESRS, it would be extremely helpful to have these two taxonomies as aligned as possible, and leveraging the EFRAG taxonomy will help to ensure that globally suitable resolutions are identified for both taxonomies as quickly and smoothly as possible.


Further, while we understand that digital taxonomies are desirable, in our experience the complexities involved mean that any taxonomy needs to be designed with evolution in mind to ensure that taxonomy processes can keep up with the demand for new insights.

Other comments which came out of our discussions around prioritization of activities included:

- *Beginning new research and standard setting projects*
 - Identifying ESG areas which are already well disclosed in a number of countries could yield some "easy" wins (e.g. human capital) – this might include: recent requirements in the US; long standing requirements in Europe, UK, India and Hong Kong; as well as new requirements expected in Japan
- *Researching targeted enhancements to the ISSB Standards*
 - Could be achieved through post implementation reviews (such as those carried out by the IASB), although we are conscious that this may require a long lead time.
- *Enhancing the Sustainability Accounting Standards Board (SASB) Standards*
 - There were particularly mixed views on the importance of this activity;
 - Positive perspectives included: an opportunity to ensure global consistency; an opportunity to facilitate conversations that provide useful insights into future standards; cross sector impact; US centric framework needs to be 'corrected' for Global positioning
 - More skeptical perspectives included: lack of sustainability/climate focus; functions as is so should not be an area of focus (in the spirit of not letting perfect be the enemy of good)

(c) Should any other activities be included within the scope of the ISSB's work? If so, please

describe these activities and explain why they are necessary.

- Yes 
- No

Optional: please explain

Interconnectivity with IASB standards should in our view be the main priority area for both the ISSB and the IASB. We understand that this is a shared ambition but by articulating it as a priority in its own right we believe that there would be greater accountability through which faster advancements could be achieved.

Similarly, although arguably less in the power of the ISSB, interconnectivity with other International Standards issuers and Regulators, in particular the WU and the US, would make reporting more consistent across what our membership see as their peers.

Question 2—Criteria for assessing sustainability reporting matters that could be added to the ISSB’s work plan

Paragraphs 23–26 of the Request for Information discuss the criteria the ISSB proposes to use when prioritising sustainability-related reporting issues that could be added to its work plan.

(a) Do you think the ISSB has identified the appropriate criteria? Please explain your response.

- Yes ✓
- No

Optional: please explain

We agree with the list of criteria identified and understand that they are not presented in order of importance, and that their relative importance in fact differs depending on the project in question.

(b) Should the ISSB consider any other criteria? If so what criteria and why?

- Yes ✓
- No

Optional: please explain

While we understand that investor need is an essential criteria for topic selection since without investor appetite there is unlikely to be another reason for it to be called for however we think it is important to articulate the importance of other stakeholders and their increasing voice.


The importance of different sustainability issues moves swiftly in today’s reporting climate and the public voice may be a suitable indicator for the future direction of the investor demand. We believe that seeking to understand the fullest possible breadth of sustainability issues, and then overlay public consideration and appetite to seek to understand which are most likely to be of global significance in the medium term.

Question 3—New research and standard-setting projects that could be added to the

ISSB’s work plan

Paragraphs 27–38 of the Request for Information provide an overview of the ISSB’s approach to identifying sustainability-related research and standard-setting projects. Appendix A describes each of the proposed projects that could be added to the ISSB’s work plan.

(a) Taking into account the ISSB’s limited capacity for new projects in its new two-year work plan, should the ISSB prioritise a single project in a concentrated effort to make significant progress on that, or should the ISSB work on more than one project and make more incremental progress on each of them?

- Single project
- More than one project 

(i) If a single project, which one should be prioritised? You may select from the four proposed projects in Appendix A or suggest another project. Please explain your response.

- Biodiversity, ecosystems and ecosystem services
- Human capital
- Human rights
- Integration in reporting
- Other—please explain

We identified Social Capital as a metric that could be included. It aligns well to the United Nations Sustainability Development Goals including: Goal 3 – good health and wellbeing; Goal 4 – quality education; and Goal 8 – decent work and economic growth. This is particularly important for larger Global businesses which often have significant distant operations that operate at a significant scale in small local communities in order to serve a global market – in such cases the impact of such operations on the local populations is typically a priority measure in the businesses ESG strategy. As articulated below it is our position that multiple measures should be explored concurrently so this is a proposal in addition to those identified above – not instead of.

Optional: please explain

Given the membership of our Group covers the breadth of UK industry we do not identify with any single project over and above all others, but while we do not seek to make a recommendation for which choice be made, we make the following comments to help in the decision making process.

The inherent difficulty in defining reporting for any of these topics is the lack of obviously quantifiable factors – albeit not monetary, the topic of climate benefits from including a relatively tangible category in carbon emission reporting which can be measured and reported on in a relatively traditional numerical manner. Allowing any topic to be relegated simply because it is hard to quantify will not give anyone the outcomes that we need and so is to be avoided. In fact, it is notable that in

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some cases applying a monetary value only decreases the impact of a measurement – if we consider for example a business trying to measure the social value of their work rehabilitation scheme: £[x] million of investment has no meaning to the local population - unlike [x] local unemployed people now with skilled employment opportunities thanks to availability of training programs, which is meaningful and powerful even if the latter [x] is only 1 person.

In our view, the difficulty in quantifying the outputs and measures within these topics is a clear reason to approach more than one at the same time. This will allow for preliminary frameworks to be developed and tested across different topic areas and for improvements to be leveraged across them all together. This is covered in a little more detail in our response to question 3(ii) below.

S1 already requires that where any sustainability risk is a material issue to the business that it be reported on, and so to ensure that comparability is achieved at the earliest possible moment frameworks should be established with a view to being improved and built on over time. The alternative would require businesses to develop their own thinking – this would lead inevitably to multiple outcomes – only for one to be selected as the preferred which would mean wasted efforts in the vast majority of business and a situation where their prior year would require restatement or would be of no comparative value to their users putting them at an unfair disadvantage in the capital investment market place.

Leverage the requirements of S1 and any other local regulations to disclose material sustainability risks

Many of our members already report under topics such as those identified in paragraph 38 and many users around the World will no doubt early adopt S1. By identifying what proportion of businesses are reporting on which topics and extrapolating this across the global market you can identify which are the most pervasive topics – and then by working with these businesses and by leveraging their already existing reporting you can more quickly develop frameworks and understand the pitfalls to disclosure that they have encountered on their journey. Across our membership for example Human Capital and Human Rights are typically already being considered and reported on. Biodiversity etc. much less so, but as we mention below, the work of the TNFD could help to bridge the gap here.

Exploit your position

The ISSB is uniquely positioned relative to other standard-setters given your relationship with the IASB and your focus on financial data and investors. We recommend that the ISSB focuses on those sustainability topics which best lend themselves to exploit this competitive advantage because such topics will by their nature:

- have a material impact on enterprise value;
- ensure that the risk / opportunity is managed effectively because of its direct link to financial capital; and
- lend themselves to relevant comparable metrics which can be aggregated to reflect performance for the same scope as the financial statements

We note that this position is somewhat different to that expressed earlier where we urge you not to relegate topics simply because they are hard, but notwithstanding this, the opportunity for leveraging the relationship with the ISSB has been identified by the membership as a positive that deserves to be identified.

Replicate the positive positioning of S2

As well as being quantifiable in the traditional reporting sense S2 also had the advantage of following TCFD and incorporating its various elements. This means that despite being a new standard, in most cases S2 creates few or no additional requirements. Indeed, as further ISSB standards are rolled out there could, in time, be a net reduction as businesses become clearer about where their reliance and impact is focused – be it on climate; nature; human capital; or social capital; etc. As businesses better understand the risks and opportunities most relevant to them, their reporting will become more targeted and focused. At a time when an ever increasing number of bodies are all creating additional reporting requirements the ISSB has the potential to do the opposite by focusing on those areas already being reported on and making those requirements redundant. This will also allow for existing frameworks and disclosures to be leveraged.

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(ii) If more than one project, which projects should be prioritised and what is the relative level of priority from highest to lowest priority? You may select from the four proposed projects in Appendix A or suggest another project (or projects). Please explain your response.

- Biodiversity, ecosystems and ecosystem services
- Human capital
- Human rights
- Integration in reporting
- Other—please explain

Optional: please explain

As noted above, the less quantifiable topics might be better approached contemporaneously with a view to setting an initial baseline for each (which could be further built upon in the future), rather than identifying one or two topics to fully develop initially. Benefits of this approach might include:

- Increasingly short timeframes for each project as: they are individually less ambitious; and learnings from one to the next will allow successive projects to be delivered more quickly
- A base level of disclosures across all (or most) topic areas will inevitably drive management and Board focus and investor interest across a more diverse range of topics – which will in turn increase overall engagement in ESG reporting

Perhaps most importantly, this approach would acknowledge the pace at which individuals, companies and governments need to move in order to address the sustainability issues at hand – and would allow you as the standard setter, to move at the necessary pace required to realise progress on these metrics.

We would propose the development of frameworks that allow companies to speak to their own journey. Identifying the topics with basic frameworks ensures that Boards are considering the applicability and materiality of the topic to the business. The framework should then support businesses to develop their action plan and talk to it in a way that becomes comparable with other businesses. The way most of our membership look to these topics is along the lines of: what is our ambition; what are the challenges and opportunities; what is our plan to navigate these; and how would we like to see our ambition evolve over time.

While we did not reach a consensus on the relative priority of the topics proposed, we did feel that Human Capital was likely to be already more advanced within company reporting structures and so could be where quicker advances might be achieved. We also reflected on the advancements made by TNFD which might form much of the basis of the nature and biodiversity standard(s) and could therefore drive be useful. In any case, quality guidance will be key to the success of any new standards. In order to support comparability, this guidance should in our view be built on a general foundation, but include sector specific layers to cover off specifics such as the traceability of the supply chain which will be more or less relevant for different businesses.

We are also of the view that reporting metrics that are applicable across multiple industries and sectors should be prioritized over those which might only be material for a smaller number of specific businesses.

Question 4—ISSB’s work plan: Biodiversity, ecosystems and ecosystem services

The research project on **biodiversity, ecosystems and ecosystem services** is described in paragraphs A3–A14 of Appendix A to the Request for Information. Please respond to these questions:

(a) Of the subtopics identified in paragraph A11, to which would you give the highest priority? Please select as many as applicable.

Please explain your choice and the relative level of priority with particular reference to the information needs of investors. You may also suggest subtopics that have not been specified. To help the ISSB analyse the feedback, where possible, please provide:

- a short description of the subtopic (and the associated sustainability-related risks and opportunities); and
 - your view on the importance of the subtopic with regard to an entity’s sustainability-related risks and opportunities and the usefulness of the related information to investors.
-
- Freshwater and marine resources and ecosystems use
 - Land-use and land-use change
 - Pollution (including emissions into air, water and soil)
 - Resource exploitation (for example, material sourcing and circular economy)
 - Invasive non-native species
 - Other—please specify

Optional: please explain


Our response here is largely the same for each of the first three topics presented for consultation. We note that the above topics relate to the direct impact - and could be expanded to include secondary impacts on nature – for example species of birds/animals that have to relocate because of a commercial/industrial footprint and the impact that has on species health, procreation and survival.

As described elsewhere we are of the view that topics need to be considered in the round. By considering all elements identified as applicable to any topic, you can ensure that all areas of relevance are captured to some extent, and thereby support all businesses and industries to identify the impacts most relevant to their business. Focusing on one or a few areas creates a two-fold disparity: those topics which are prioritized might appear to be identified as somehow more important than others; and other important measures risk being left without any associated disclosures and guidance which in turn risks leaving some companies with the additional burden of identifying and developing their own requirements.

It is important in our view to recognise that it has taken many years to develop the frameworks which support S2, and to expect to develop the equivalent for other topics in a significantly shorter period of time is ambitious. By starting small across all elements, disclosures and guidance can be built on over time as greater understanding of these topics is developed.

We would like to make one specific point regarding waste management. This is a key ESG metric for many businesses and it isn't necessarily being captured at the moment. It might be that it is included within the 'Pollution' topic, but it is not totally clear and the interpretation among our membership was not uniform.

(b) Do you believe that sustainability-related risks and opportunities related to **biodiversity, ecosystems and ecosystem services** are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes
- No 

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or geographic locations.

Our answer to this question has some nuance but is essentially the same for each of the three sustainability topics presented in this consultation. While it is absolutely the case that impacts are different for different businesses and sectors, and as raised elsewhere in our submission the way that these impacts are interpreted by investors also differs depending on business and sector, the basic principle of whether a business has an impact or not will not change based on its industry, sector, or geographic location.

In order to ensure comparability but also interoperability we see it as critical that a universal baseline framework be developed. There will no doubt be the need for some divergence based on specific sector needs but we would suggest that these should be the exception not the rule. Fundamentally, taking marine resources as an example, the question of whether a company has an impact is a relatively straightforward one – Do they rely upon and/or impact on marine resources? Do their suppliers? Does the use or disposal of their product or service? The complexity of measuring this impact and the associated risks will remain significant but in our view does not, at a fundamental level, need to be explicitly directed by the industry, sector or geography in which the business operates.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A13 should be utilised and prioritised by the ISSB in pursuing the project? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. If you would like to suggest materials that are not specified, please select 'Other' and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The Climate Disclosure Standards Board (CDSB) Framework application guidance for biodiversity and water-related disclosures
- The SASB Standards
- The Integrated Reporting Framework
- The Global Reporting Initiative (GRI) standards (for example, GRI 304 – Biodiversity)
- The Taskforce on Nature-related Financial Disclosures (TNFD)
- The Partnership for Biodiversity Accounting Financials (PBAF)
- The Capitals Coalition
- The Science Based Targets Network
- The European Financial Reporting Advisory Group (EFRAG)
- The European Commission’s Align project
- The EU Business and Biodiversity Platform
- The World Benchmarking Alliance
- The United Nations Declaration on the Rights of Indigenous Peoples
- Other—please specify

UK Transition Plan Taskforce (TPT) is a UK Government lead enterprise established with the goal of Setting a gold standard for private sector climate transition plans. They focus on setting global norms; building momentum; and accelerating pace.

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Over the past 20 years they have created a system that has resulted in unparalleled engagement on environmental issues worldwide. They focus investors, companies, cities and governments on building a sustainable economy by measuring and acting on their environmental impact

Optional: please explain

We fully support the proposal to leverage and build upon the materials of other standard-setters and framework providers.

The wide range of available ESG-related standards and regulation creates significant complexity for preparers, confusion for users and practical challenges when trying to prepare and assure disclosures. We applaud the ISSB’s commitment to interoperability and encourage you to continue in this way – for example, by taking a leading role on equivalency mechanisms with related standards e.g. EU CSRD (and the ESRS) and prospective rule changes by the US SEC. This global cooperation from all parties is necessary to create global consistency for investors, even where ISSB standards are not locally adopted, and for companies that report across multiple jurisdictions this will eliminate the need to tailor ESG disclosures for different markets and regulators.

In terms of prioritising between those identified we do not have a strong position although we note the following:

- EU CSRD will be widely applicable so it would make sense to seek interoperability with them, albeit that in many cases the ESRS go beyond S1 and S2, which needs to be considered carefully. Interoperability with ESRS does not mean that they need to be equal, but rather that new standards should form a compatible set or a subset, for existing frameworks – we do not propose that all regulators seek to match the most stringent requirements already in place in other jurisdictions.
- TNFD is seen positively among our membership, in particular their LEAP framework guidance, and would, in our view make a suitable basis
- Where relevant, SBTi is a great support for companies articulating their net zero transition plan (noting that SBTi is not applicable for all the sectors our members represent)
- GRI is a comprehensive framework already being used by a lot of companies

Regardless of the starting point for developing any new standard we see definitions as an absolute priority. The wide range of ESG-related standards and the large number of potential definitions and interpretations for many ESG metrics make it difficult to compare performance across reporters and across industries. This is compounded by the necessary use of common language for something which must be considered specific – e.g. ‘waste’ and what does this mean for different territories / processes / industries etc. This creates confusion for users and reduces the effectiveness of ESG disclosures as a spur to action. Given industry diversity it could be that these definitions need to be sector specific. We recommend that the ISSB prioritises the development of granular definitions for the metrics included in its sustainability standards to enhance the comparability of data across businesses.

Question 5—New research and standard-setting projects that could be added to the ISSB’s work plan: Human capital

The research project on **human capital** is described in paragraphs A15–A26 of Appendix A to the Request for Information. Please respond to these questions:

Of the subtopics identified in paragraph A22, to which would you give the highest priority?
Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You may also suggest subtopics that have not been specified.

To help the ISSB analyse the feedback, where possible, please provide:

- a short description of the subtopic (and the associated sustainability-related risks and opportunities); and
 - your view on the importance of the subtopic with regard to an entity’s sustainability-related risks and opportunities and the usefulness of the related information to investors.
-
- Worker wellbeing (including mental health and benefits)
 - Diversity, equity and inclusion
 - Employee engagement
 - Workforce investment
 - The alternative workforce
 - Labour conditions in the value chain
 - Workforce composition and costs
 - Other—please specify

Optional: please explain


Our response here is the same for each of the first three topics presented for consultation.

As described elsewhere we are of the view that topics need to be considered in the round. By considering all elements identified as applicable to any topic, you can ensure that all areas of relevance are captured to some extent, and thereby support all businesses and industries to identify the impacts most relevant to their business. Focusing on one or a few areas creates a two-fold disparity: those topics which are prioritized might appear to be identified as somehow more important than others; and other important measures risk being left without any associated disclosures and guidance which in turn risks leaving some companies with the additional burden of identifying and developing their own requirements.

It is in our view important to recognise that it has taken many years to develop the frameworks which support S2, and to

expect to develop the equivalent for other topics in a significantly shorter period of time is not appropriate. By starting small across all elements, disclosures and guidance can be built on over time as greater understanding of these topics is developed.

(b) Do you believe that sustainability-related risks and opportunities related to **human capital** are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes
- No 

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or geographic locations.

Our answer to this question has some nuance but is essentially the same for each of the three sustainability topics presented in this consultation. While it is absolutely the case that impacts are different for different businesses and sectors, and as raised elsewhere in our submission the way that these impacts are interpreted by investors also differs depending on business and sector, the basic principle of whether a business has an impact or not will not change based on its industry, sector, or geographic location.

In order to ensure comparability but also interoperability we see it as critical that a universal base be developed. There will no doubt be the need for some divergence based on specific sector needs but we would suggest that these should be the exception not the rule. Fundamentally this is about a business's own workforce. Taking worker wellbeing as an example, this requires identifying your workers and measuring their wellbeing. What this group looks like will of course differ based on industry, and what impact their employer has on their wellbeing may well differ as well, but the principles of identifying the workforce and measuring and setting targets around their wellbeing in our view do not, at a fundamental level, need to be explicitly directed by the industry, sector or geography in which the business operates.

In this example there may be specific impacts more common to certain industries, such as exposure to toxins, or shift patterns for example. In such cases industry specific guidance could prove valuable.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A25 should be prioritised by the ISSB in pursuing its research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the

information needs of investors. If you would like to suggest materials that are not specified, please select 'Other' and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The SASB Standards and related research and standard-setting projects
- The CDSB Framework for reporting environmental and social information
- The Integrated Reporting Framework
- The Capitals Coalition
- The International Labour Organization (ILO)
- The European Financial Reporting Advisory Group (EFRAG)
- The Global Reporting Initiative (GRI)
- The US Securities and Exchange Commission
- The World Economic Forum (WEF) International Business Council's core metrics and disclosures on sustainable value creation
- Other—please specify

Optional: please explain

As noted in earlier question responses we fully support the proposal to leverage and build upon the materials of other standard-setters and framework providers. The wide range of available ESG-related standards and regulation creates significant complexity for preparers, confusion for users and practical challenges when trying to prepare and assure disclosures. We applaud the ISSB's commitment to interoperability and encourage you to continue in this way.

It is our view that all relevant and reputable (this is crucial) materials should be leveraged in the development of topical standards. Their influence, or their omission, could then be made clear throughout the consultation phase.

Question 6—New research and standard-setting projects that could be added to the ISSB’s work plan: Human rights

The research project on **human rights** is described in paragraphs A27–A37 of Appendix A to the Request for Information. Please respond to these questions:

- (a) Within the topic of **human rights**, are there particular subtopics or issues that you feel should be prioritised in the ISSB’s research? You can suggest as many subtopics or issues as you deem necessary.

To help the ISSB analyse the feedback, where possible, please provide:

- a short description of the subtopic (and the associated sustainability-related risks and opportunities); and
- your view on the importance of the subtopic with regard to an entity’s sustainability-related risks and opportunities and the usefulness of the related information to investors.

Our response here is the same for each of the first three topics presented for consultation.

As described elsewhere we are of the view that topics need to be considered in the round. By considering all elements identified as applicable to any topic, you can ensure that all areas of relevance are captured to some extent, and thereby support all businesses and industries to identify the impacts most relevant to their business. Focusing on one or a few areas creates a two-fold disparity: those topics which are prioritized might appear to be identified as somehow more important than others; and other important measures risk being left without any associated disclosures and guidance which in turn risks leaving some companies with the additional burden of identifying and developing their own requirements.

It is in our view important to recognise that it has taken many years to develop the frameworks which support S2, and to expect to develop the equivalent for other topics in a significantly shorter period of time is not appropriate. By starting small across all elements, disclosures and guidance can be built on over time as greater understanding of these topics is developed.

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- (b) Do you believe that sustainability-related risks and opportunities related to **human rights** are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes
- No 

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the

same across different industries, sectors or geographic locations.

Our answer to this question has some nuance but is essentially the same for each of the three sustainability topics presented in this consultation. While it is absolutely the case that impacts are different for different businesses and sectors, and as raised elsewhere in our submission the way that these impacts are interpreted by investors also differs depending on business and sector, the basic principle of whether a business has an impact or not will not change based on its industry, sector, or geographic location.

This is most explicitly felt for this topic where the question of human rights cannot be considered tangibly different across the globe so we cannot see why a different framework would be required when looking to assess risk and reporting around it.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A36 should be prioritised by the ISSB in pursuing its research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You can suggest materials that are not specified—please select 'Other' and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The CDSB Framework for reporting environmental and social information
- The SASB Standards
- The Integrated Reporting Framework
- The International Labour Organization
- The UN Guiding Principles on Business and Human Rights and the associated UN Guiding Principles Reporting Framework
- The World Benchmarking Alliance's Corporate Human Rights Benchmark
- The United Nations Declaration on the Rights of Indigenous Peoples
- The cross-industry metrics associated with the WEF International Business Council's dignity and equality theme
- Other—please specify

Optional: please explain

As noted in earlier question responses we fully support the proposal to leverage and build upon the materials of other standard-setters and framework providers. The wide range of available ESG-related standards and regulation creates significant complexity for preparers, confusion for users and practical challenges when trying to prepare and assure disclosures. We applaud the ISSB's commitment to interoperability and encourage you to continue in this way.

It is our view that all relevant and reputable (this is crucial) materials should be leveraged in the development of topical standards. Their influence, or their omission, could then be made clear throughout the consultation phase.

Question 7—New research and standard-setting projects that could be added to the ISSB’s work plan: Integration in reporting

The research project on **integration in reporting** is described in paragraphs A38–A51 of Appendix A to the Request for Information. Please respond to these questions:

(a) The integration in reporting project could be intensive on the ISSB’s resources. While this means it could hinder the pace at which the topical development standards are developed, it could also help realise the full value of the IFRS Foundation’s suite of materials. How would you prioritise advancing the integration in reporting project in relation to the three sustainability-related topics (proposed projects on biodiversity, ecosystems and ecosystem services; human capital; and human rights) as part of the ISSB’s new two-year work plan? Please explain your response.

- Integration in reporting project is a **higher priority**
- Integration in reporting project is a **lower priority**

Optional: please explain

Integration in reporting, specifically its ability to align with and influence the IASB is a USP for the ISSB framework. It therefore needs to be treated as a priority. However, we would not like to see a situation where S1 and S2 are fully integrated with other IFRS standards but that this was achieved only at the expense of further standards having been developed.

On balance it is our view that, notwithstanding that resources are limited, integration in reporting should be treated with equal priority to the development of new sustainability related topics.

(b) In light of the coordination efforts required, if you think the integration in reporting project should be considered a priority, do you think that it should be advanced as a formal joint project with the IASB, or pursued as an ISSB project (which could still draw on input from the IASB as needed without being a formal joint project)? Please explain how you think this should be conducted and why.

- Formal joint project ✓
- ISSB project

Optional: please explain

In order to be effective we would suggest that any integration project must include a coordinated effort from both sides and should therefore instinctively be a formal joint project. Without understanding precisely how the IASB and the ISSB interact within the overall IFRS structure we can only speculate but it might also be possible for this to work if it were identified as a


priority for both.

Further, as noted previously, this project should form equal priority for the ISSB alongside the development of new standards, but it might be that it could be considered the highest priority for the IASB. This might then allow the IASB to leverage their resource more heavily allowing for the ISSB to weigh more resource onto the development of new standards – albeit they would certainly need to still play a significant role in the project to ensure that it captures S1 and S2 effectively and that new standards are built with integration in mind.

(c) In pursuing the project on integration in reporting, do you think the ISSB should build on and incorporate concepts from:

(i) the **IASB's Exposure Draft *Management Commentary***?

If you agree, please describe any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.


- Yes 
- No

Optional: please explain

The proposed objective of the Exposure Draft is to provide information (if material) that enhances understanding of financial performance and provides insights into factors which could affect the entity's ability to create value and generate cash flows. Where climate-related risks or opportunities are determined to have a material impact on value creation and cash flow generation, these would seem to naturally fall within the scope of the Management Commentary Exposure Draft. The requirements and guidance on making materiality judgements should be incorporated into the ISSB's work to ensure that only relevant, material information is required to be disclosed thus ensuring that financial statements remain concise and material information is not obfuscated. We would also recommend that the ISSB consider the guidance in the Exposure Draft on metrics and consider how this can be incorporated into their work.

(ii) the Integrated Reporting Framework?

If you agree, please describe any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.


- Yes 
- No

Optional: please explain

We would recommend that the ISSB considers how the guiding principles of the Integrated Reporting Framework can be incorporated into their work, in particular how to best weave sustainability into the entity's strategy, value creation and use and effects on capital (human, social and natural). We would also recommend that the principles of connectivity of information, materiality, conciseness, consistency and comparability are considered and incorporated into the ISSB's work.

(iii) other sources?

If you agree, please describe the source(s) and any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.

- Yes
- No 

Optional: please explain

Our response here builds on what we have said to the first two subsections to question (c) above.

Integration in reporting is absolutely essential and must form the basis for any and all ongoing efforts. It is our position that nothing new should come from either the ISSB or the IASB which has not been specifically considered in the context of integration, and that both should consider the need to amend any already released materials if something within them constitutes a significant blocker to the ambition of integration.

We are of the view that integration with other financial reporting frameworks, while desirable would likely be too complicated a task to endeavor to undertake given the already very long list of priorities and objectives. One area which might be manageable is alignment to the TPT guidance due out in September – given the timing and the very broad alignment with the ISSB topics this could be an area of opportunity, and given that, according to the CDP, less than 1% of companies have disclosed credible climate transition plans, there is an opportunity for real impact here if alignment can be achieved.

As we have already noted elsewhere in this response interoperability with other non-financial reporting frameworks should be a priority in developing each individual topic but we would not expect the ISSB to have the same leverage to influence or to compel cooperation from other bodies, so appreciate that integration efforts may be more one sided and therefore less effective in these cases.

(d) Do you have any other suggestions for the ISSB if it pursues the project?

None

Question 8—Other comments

Do you have any other comments on the ISSB's activities and work plan?

Despite featuring at the end of this response, we would like to note that these comments form some of the most important of our positions, and if the response form had allowed, would likely have been included upfront as an introduction.

Materiality

While we welcome the ISSB's investor-focused approach (given the alignment this creates with the IASB), we believe additional practical application guidance for materiality assessments would be helpful – in particular given the difference with existing standards such as GRI (and the European ERS double materiality approach). There is otherwise a risk that reporters disclose large amounts of information that distracts from what investors find most useful. This is a particular risk for our membership – being some of the largest global companies we typically have multiple, sometimes diverse, operations across a significant footprint, and therefore find that we have a high number of potentially-relevant sustainability matters. As with all aspect of any new standards, continued consultation with stakeholders will be key.

One size fits all

While we prioritise comparability across sectors and geographies, we would like to raise the potential influence of investor nuance. As UK filers we are acutely aware of how geographies influence the voting behaviour of investors – what is acceptable in terms of a US Remuneration Committee decision is often voted against in the UK. We understand that investors will have many factors influencing their decision making, as is absolutely right, and so we think it is important for the ISSB to consider how a disclosure might be scrutinised differently by an investor dependant on the sector of the geography of the company.

Need for assurance

In developing disclosure requirements for new standards, we would urge the ISSB to be mindful of the potential future requirement for external assurance to be provided over any data published as part of primary reporting. Many of our member companies are already tracking key metrics around various areas of ESG (e.g. carbon emissions, biodiversity, human capital), however they all agree that internal processes are typically relatively immature – in particular when compared to financial reporting – and would be unlikely to pass the scrutiny of external assurance without significant investment in improved processes, resources and systems. Some, such as diversity data, will have added complexity of privacy and associated data retention and disclosure risks. We would ask that the ISSB adopt a phased approach with a clear timeline, enabling companies to allocate resources carefully in pursuit of targeted improvements aligned to the phasing. This timeline would ideally factor in enough lead-time for companies to implement appropriate data collection processes and controls.

Guidance from existing frameworks

Where frameworks are not explicitly identified within the standards and preparers are encouraged to look to others already in the market, we would see value in offering clearer guidance around the relative suitability of the those on offer