
ISSB Meeting

Date	December 2023
Project	ISSB Consultation on Agenda Priorities
Topic	Feedback summary—Users of general purpose financial reporting
Contacts	Greg Bartholomew (greg.bartholomew@ifrs.org) Rommie Johnson (rommie.johnson@ifrs.org) Francesca Recanati (francesca.recanati@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Objective

1. This paper provides the International Sustainability Standards Board (ISSB) with a summary of the feedback from responses to the ISSB's Request for Information *Consultation on Agenda Priorities* (Request for Information) from users of general purpose financial reports (users).
2. This paper provides a high-level summary of the feedback received from users on the Request for Information. The staff will continue to analyse the feedback in order to develop recommendations for the ISSB's next two-year work plan. While all feedback will be considered in the analysis, the staff's analysis and the resulting recommendations the staff will bring to the ISSB will be rooted in the ISSB's mission to further the global baseline of sustainability-related financial disclosures that provide decision-useful information about all sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, its access to finance or cost of capital over the short, medium or long term.
3. At its November 2023 meeting, the ISSB reviewed and discussed the high-level summary of feedback received from all stakeholders, including users. The agenda

papers prepared for the ISSB’s November 2023 meeting are available on the [IFRS Foundation website](#).

4. The purpose of this paper is to provide the ISSB with a high-level summary of the feedback received from users on the Request for Information. This paper provides an analysis of the responses from only those users who self-identified as an ‘investor’ when submitting their response to the Request for Information. Through the analysis of the feedback on the Request for Information, the staff is aware that other respondents who did not self-identify as an ‘investor’ provided feedback that refers to the importance of matters to users and to the information needs of users. Given the ISSB’s focus on the information needs of users, such feedback from other respondents will be considered and presented to the ISSB in future analysis and thus may inform the staff’s resulting recommendations regarding the ISSB’s work plan.

Structure of the paper

5. The paper is structured as follows:
 - (a) Background (paragraphs 6–9);
 - (b) Key messages (paragraphs 10–13);
 - (c) Summary of users’ responses by geographic region and type of user (paragraphs 14–16);
 - (d) Feedback on questions from the Request for Information (paragraphs 17–79);
and
 - (e) Question for the ISSB (paragraph 80).

Background

6. The ISSB has undertaken a public consultation on its agenda priorities (agenda consultation) to inform its work plan for the two-year period following the consultation. The ISSB published the Request for Information in May 2023, and it

was open for comments for 120 days. The comment period ended on 1 September 2023.

7. The objective of the agenda consultation is to ask all those interested in sustainability-related financial reporting for their views on:
 - (a) the strategic direction and balance of the ISSB’s activities;
 - (b) 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
 - (c) a proposed list of new research and standard-setting projects that could be added to the ISSB’s work plan.

8. As noted in paragraph 3, the ISSB reviewed and discussed a summary of feedback on the Request for Information from all stakeholders, including users, at its November 2023 meeting. See the agenda papers for that meeting. Within this paper, the staff has, in some cases, compared the responses from users to those from all other respondents to highlight similarities and differences. When doing so, we have referred to ‘all other respondents’ within this paper.

9. This paper uses the following terms to describe the extent to which feedback was provided by users (Table 1):

Term	Extent of response among users
Almost All	All except a very small minority
Most	A large majority, with more than a few exceptions
Many	A small majority or large minority
Some	A small minority, but more than a few
A few	A very small minority

Table 1—Terminology used to quantify feedback

Key messages

10. As it relates to the ISSB's strategic direction and balance of activities, most users were supportive of the scope of activities presented within the Request for Information. Among those activities, similar to all other respondents, most users viewed 'supporting the implementation of IFRS S1 and IFRS S2' as the highest priority and highlighted the importance of this activity in supporting the ISSB's mission to deliver the comprehensive global baseline of sustainability-related financial disclosures. Similar to all other respondents, a few users suggested that the ISSB more clearly articulate and define a longer-term strategic vision of the future of the ISSB Standards.
11. As it relates to the proposed criteria for assessing the priority of sustainability-related matters that could be added to the ISSB's work plan, almost all users agreed with the appropriateness of the identified criteria. Similar to all other respondents, despite general agreement with the criteria, many users suggested amendments or additions to the proposed criteria to consider such matters as interoperability of ISSB Standards with other sustainability-related standards and frameworks, different approaches to materiality, and connectivity with financial reporting and the International Accounting Standards Board (IASB).
12. As it relates to the priority of the proposed new research and standard-setting projects, similar to all other respondents, users had mixed views as to whether the ISSB should prioritise a single project in a concentrated effort to make significant progress on that project, or prioritise multiple projects and make more incremental progress on each of them. There were also mixed views among users on the particular project or set of projects that the ISSB should prioritise. Similar to all other respondents, most users supported the ISSB prioritising at least one of the proposed projects identified in Appendix A to the Request for Information, but views on the relative priority of each of the projects were mixed. Further, a few users suggested revisions to the scope of some of the proposed projects.

13. As it relates to the proposed research projects on the sustainability-related risks and opportunities related to biodiversity, ecosystems and ecosystem services (BEES), human capital and human rights, users were generally supportive of the ISSB pursuing work in these areas. Similar to all other respondents, users:
- (a) suggested that the ISSB approach each of the topics holistically, rather than prioritising subtopics;
 - (b) highlighted the importance of industry- and geographic-specificity in pursuing research on the topics; and
 - (c) encouraged the ISSB to consider and leverage relevant existing materials and work of other organisations, as appropriate, to advance the projects more quickly.

Summary of users' responses by geographic region and type of user

14. The ISSB received 70 responses from users, including:
- (a) 13 from representative groups; and
 - (b) 57 from individual organisations.
15. The break-down of the users responding to the Request for Information by geographic region is illustrated in Figure 1.

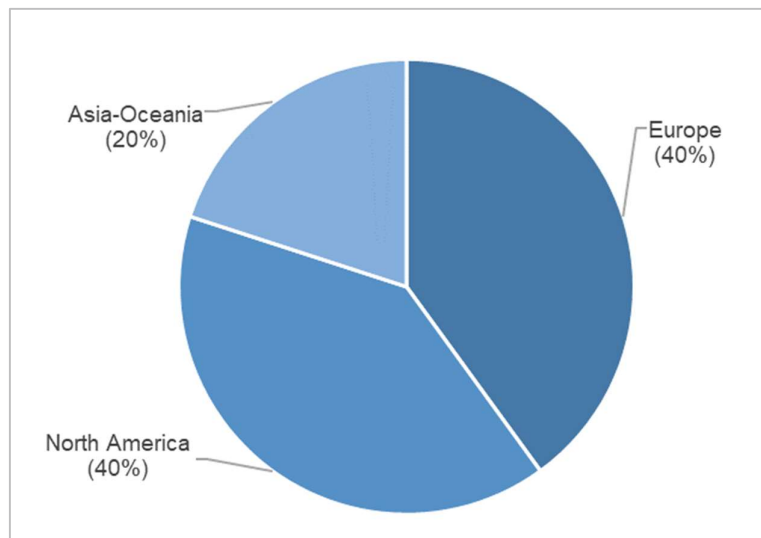


Figure 1 – Users by geographic region

16. Users responding to the Request for Information included the following types of users (Figure 2):

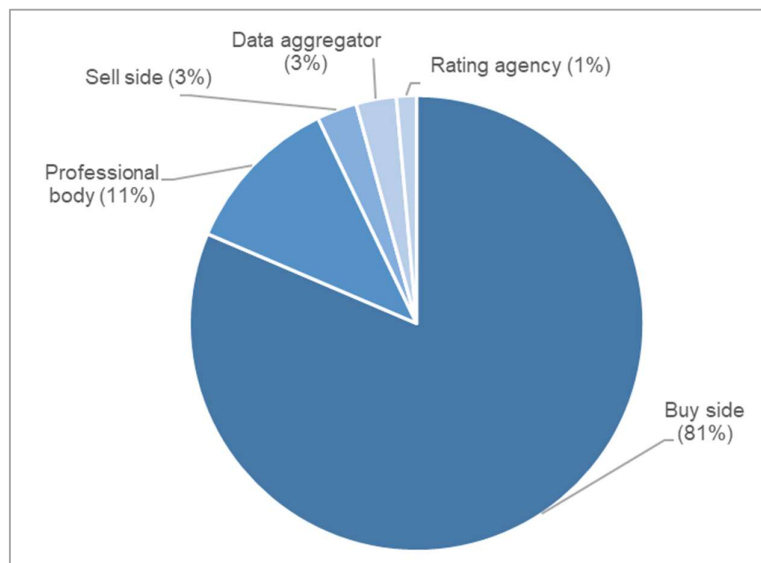


Figure 2 – Type of user¹

¹ The full name of the 'Sell side' category is 'Sell side or sell side advisor'.

Feedback on questions from the Request for Information

17. This section follows the same structure as the Request for Information, addressing each question as follows:²
- (a) Question 1—Strategic direction and balance of ISSB activities (paragraphs 19–38);
 - (b) Question 2—Criteria for assessing sustainability reporting matters that could be added to the ISSB’s work plan (paragraphs 39–41);
 - (c) Question 3—New research and standard-setting projects that could be added to the ISSB’s work plan (paragraphs 42–50);
 - (d) Question 4—New research and standard-setting projects that could be added to the ISSB’s work plan: Biodiversity, ecosystems and ecosystem services (paragraphs 51–60);
 - (e) Question 5—New research and standard-setting projects that could be added to the ISSB’s work plan: Human capital (paragraphs 61–70);
 - (f) Question 6—New research and standard-setting projects that could be added to the ISSB’s work plan: Human rights (paragraphs 71–78); and
 - (g) Question 8—Other comments (paragraph 79).
18. Users’ feedback on Question 7 of the Request for Information, which sought feedback on the proposed research project on integration in reporting, is not included in this paper. As the feedback on the proposed research project on integration in reporting is of interest to both the ISSB and IASB, detailed feedback on this project, including the perspective of users, will be presented to the ISSB and IASB for joint discussion by the Boards in January 2024.

² Please see the [Request for Information](#) for additional details regarding the questions for respondents.

Question 1—Strategic direction and balance of ISSB activities

Question 1(a)—Prioritisation of the ISSB’s activities

19. Almost all users provided rankings for the prioritisation of the ISSB’s activities. Users’ rankings of the ISSB’s activities were proportionately similar to those of all other respondents. The proportion of users who ranked each activity as the highest or lowest priority is summarised in the following table:

Activity	Highest priority	Lowest priority
Beginning new research and standard-setting projects	Some	Some
Supporting the implementation of IFRS S1 and IFRS S2	Most	A few
Researching targeted enhancements to the ISSB Standards	A few	Some
Enhancing the SASB Standards	A few	Some

Question 1(b)—Reasons for ranking order and types of work the ISSB should prioritise within each activity

Supporting implementation of IFRS S1 and IFRS S2

- 20. Many users commented on this activity to explain their ranking or to address the type of work the ISSB should prioritise in undertaking the activity.
- 21. Most users ranked this activity as the highest priority. A similar proportion of users ranked this activity as the highest priority when compared to all other respondents. Of those users, most indicated that capacity building efforts, development of educational materials and development of a digital reporting taxonomy are essential to the successful establishment of the global baseline of sustainability-related financial disclosures, which would provide comparable, decision-useful information for users. Most users indicated that effective implementation of IFRS S1 and IFRS S2 will be essential for the ISSB to deliver on the promise of the global baseline. For example, a

UK-based buy-side user stated that widespread implementation of the Standards is critical for investors to have the comprehensive value creation story that enables comparison of entities based on the full set of sustainability-related risks and opportunities they face, including how this value creation relates to financial performance reflected in the entity's financial statements.

22. Of the users who commented on the types of work the ISSB should prioritise as part of supporting the implementation of IFRS S1 and IFRS S2, most expressed the need for the ISSB to work with policymakers and regulators, companies, and investors across jurisdictions worldwide to help facilitate global implementation of the Standards, with a few noting the need to prioritise the global south, emerging economies and smaller and medium-sized entities in the ISSB's implementation efforts. For example, a global asset manager headquartered in the US emphasised that to successfully establish the global baseline, the ISSB will need to collaborate with policymakers and regulators to provide technical support to help regulators embed IFRS S1 and IFRS S2 into their reporting requirements and will need to collaborate with companies and investors who may require further practical guidance and support in applying IFRS S1 and IFRS S2. This user encouraged the ISSB to continue to prioritise engaging with preparers and investors to understand and help overcome practical challenges in implementing the Standards. Additionally, two Singapore-based users (one buy-side and one-sell side) expressed that additional guidance and materials will help to reduce misinterpretation of the requirements and provide a clear basis for third-party verification and assurance.

Enhancing SASB Standards

23. Many users commented on this activity to explain their ranking or to address the type of work the ISSB should prioritise in undertaking the activity.
24. Of those users, almost all supported continued enhancement of the SASB Standards, with most emphasising the relevance of the industry-based approach and the importance of industry-based disclosures to facilitate users' analysis of comparable

disclosures within a particular sector or industry. For example, one UK-based investment manager representative group emphasised that a sector-specific approach, as opposed to a thematic one, will facilitate decision-useful disclosures that are tailored to an entity's activities and strategy. This user went on to note that material information differs substantially across sectors, even when there are similar sustainability-related risks and opportunities in those sectors, and said that sector-specificity should be a key consideration in the ISSB's work.

25. Many users also noted the connection between the ISSB's work to enhance the SASB Standards and its efforts to support the implementation of IFRS S1 and IFRS S2. For example, a few users said that the enhancement of the SASB Standards could help entities apply IFRS S1 to other sustainability-related risks and opportunities, beyond climate, while new ISSB Standards are being developed. Further, a few users said the work to enhance SASB Standards would be critical in supporting new research projects on BEES, human capital and human rights. For example, one US-based sell-side user emphasised that industry-level requirements are key to ensure disclosures are decision-useful for investors, and said that enhancing the SASB Standards in the three areas of proposed research (BEES, human capital and human rights) would deliver the most value to investors.

Targeted enhancements to ISSB Standards

26. Some users commented on this activity to explain their ranking or to address the type of work the ISSB should prioritise in undertaking the activity.
27. Of these users, some ranked this activity as a lower priority for the ISSB and emphasised that the ISSB's initial focus should be supporting the implementation of IFRS S1 and IFRS S2. Some users also said the ISSB should allow time for jurisdictions and entities to adopt and implement the Standards before exploring potential amendments or enhancements, with some users pointing to the Post Implementation Review process as the appropriate mechanism by which the ISSB could assess the Standards for potential amendments or enhancements. A few users

expressed their support for this activity because they said it is important to provide guidance for disclosure of nature and social aspects of climate-related risks and opportunities, particularly as it relates to the ‘just transition’ to a lower-carbon economy. For example, a US-based pension fund noted that a holistic approach to climate-related disclosures that includes relevant social aspects of climate change (for example, impacts of climate-related risks and opportunities on public health, land rights and the just transition to a lower carbon economy) will provide users with a more comprehensive and clear view of an entity’s climate-related risks and opportunities and how the shift to a more sustainable economy impacts workers and communities.

Beginning new research and standard setting

28. Many users commented on this activity to explain their ranking or to address the type of work the ISSB should prioritise in undertaking the activity.
29. Of the users who commented on beginning new research and standard setting, many said it is important that the ISSB pursue research on sustainability-related topics beyond climate to address disclosure gaps and provide decision-useful information for investors, with a few emphasising the importance of industry-based disclosures in new ISSB Standards. Some users said, while important, beginning new research and standard setting should not be a high priority for the ISSB. These users said they would prefer for the ISSB to dedicate sufficient resources to support the implementation of IFRS S1 and IFRS S2, and to allow the time for entities to adopt and implement those Standards before issuing new requirements. Of these users, some noted that IFRS S1 already requires entities to disclose material information about all sustainability-related risks and opportunities. For example, a US-based investment manager noted that entities would already be required to disclose key information related to the topics covered in the proposed projects (BEES, human capital and human rights) when that information is material based on the requirements of IFRS S1.

-
30. Comments on the importance, relative priority and scope of the proposed projects detailed in Appendix A to the Request for Information, as well as other projects proposed by users, are included in the summary of feedback on Questions 3–6 of the Request for Information presented in paragraphs 42–78 of this paper.

Core Activities

31. The Request for Information did not ask for feedback on the relative priority of the ‘core activities’ of interoperability, connectivity and stakeholder engagement. Table 1 of the Request for Information explained that the core activities of ‘connectivity between the ISSB and IASB requirements, interoperability with the materials of other sustainability standard-setters and stakeholder engagement are at the core of all the ISSB’s activities and fundamental to the ISSB’s mission to deliver a comprehensive global baseline of sustainability-related financial disclosures to meet the needs of investors.’ However, many users commented on at least one of the core activities, as summarised in paragraphs 32–35.

Interoperability

32. Some users commented on the ISSB’s activities to facilitate the interoperability of ISSB Standards with other sustainability standards. Similar to all other respondents, users emphasised the importance of the ISSB working collaboratively with and considering the materials of other jurisdictional and voluntary sustainability-standard setters and framework providers in both supporting the implementation of IFRS S1 and IFRS S2 as well as in advancing research and standard-setting on new sustainability-related matters. One global asset manager user headquartered in the US encouraged the ISSB to avoid jurisdictional fragmentation by working with regulators to ensure coordination in the early stages of the development of jurisdictional standards.
33. Of these users, some called for the ISSB to work to publish materials to help preparers and users better understand and navigate the relationships between ISSB Standards and the European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI). Some users who supported the ISSB’s approach to

materiality also called for further guidance to better understand the differences between the ISSB's approach to materiality and that used for other jurisdictional and voluntary standards. Such guidance, users said, would help support the establishment of the global baseline and enable the ISSB's 'building blocks' approach.

Connectivity

34. A few users commented on the ISSB's activity of ensuring connectivity between the ISSB's and IASB's respective requirements to emphasise the importance of the ISSB and IASB communicating and working together. These users noted the Boards should work to understand and ensure connectivity of the ISSB's and IASB's respective requirements, as well as work to provide related guidance and materials for stakeholders regarding connections between the ISSB's and IASB's respective requirements.

Stakeholder Engagement

35. A few users commented on the ISSB's activity of engaging with stakeholders to emphasise the importance of this activity and encouraged the ISSB to establish mechanisms to collect feedback from users and other stakeholders related to the implementation and application of IFRS S1 and IFRS S2 as well as new research and standard-setting.

Question 1(c)—Other activities to be included within the scope of the ISSB's work

36. Most users commented on whether the ISSB should include any other activities within the scope of its work. Of these users, most indicated the ISSB should not include other activities within the scope of its work, while some indicated that the ISSB should include other activities within the scope of its work. Responses from users differed from all other respondents, where a small majority suggested that the ISSB should include other activities within the scope of its work.
37. Of the users who commented that the ISSB should include other activities within the scope of its work, many commented on one or more of the ISSB's core activities.

Comments on those core activities are included in the summary of feedback presented in paragraphs 31–35.

38. Similar to all other respondents, a few users suggested that the ISSB work to more clearly articulate and define its longer-term strategic vision for the future of the ISSB Standards, beyond the next two-year work plan. These users said this would provide stakeholders with a clearer and more holistic view of how the comprehensive baseline of sustainability-related disclosures will be achieved.

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

Question 2(a)—Appropriateness of the proposed criteria

39. Almost all users provided feedback on Question 2(a). Of those users, almost all agreed with the appropriateness of the criteria that the ISSB has identified; however, many of them also proposed amendments or additions to the criteria (see paragraphs 40–41 for details). A few users stated that criteria are comprehensive and stated it is appropriate that the ISSB’s proposed criteria are consistent with those used by the IASB.

Question 2(b)—Other criteria to be considered

40. Almost all users provided feedback on Question 2(b). Users were evenly split, with one half suggesting amendments or additions to the proposed criteria, and the other half not recommending any additions to the proposed criteria.
41. Many users suggested amendments or additions to the proposed criteria, and those suggestions were overall similar to those made by all other respondents. Of those users:
- (a) some suggested adding a criterion focused on interoperability with other sustainability-related standards and frameworks and explained that investors

would benefit from greater harmonisation among existing and emerging reporting initiatives, and acknowledged the important role of the ISSB in this process;

- (b) a few suggested the ISSB consider, either in the proposed criteria or in a new additional criterion, the market's readiness and capacity to prepare disclosures on a specific sustainability-related reporting matter and the related reporting burden for preparers;
- (c) a few suggested to consider, in the proposed criteria or in a new additional criterion, the connectivity with financial reporting and the IFRS Accounting Standards, with a global users' representative group headquartered in the UK stating that it would like to see included in the criteria a guiding principle of how connected a sustainability matter is to financial reporting;
- (d) a few encouraged the ISSB to consider, in the proposed criteria or in a new additional criterion, other stakeholders beyond users, in accordance with the 'double materiality' or 'impact materiality' concept. For example, a pan-European users' representative group underlined that impact investing is a topic of growing interest for investors globally. This topic was less frequently suggested by users than by other respondents; and
- (e) a few suggested the ISSB should more explicitly incorporate 'financial materiality' into criterion 1, on 'the importance of the matter to investors'. For example, a global asset manager headquartered in the US suggested criterion 1 include a reference to 'financial materiality' and said that, because the ISSB Standards require the disclosure of information that is material to investors, any new projects to be added to the work plan should be selected with a 'financial materiality lens'.

Question 3—New research and standard-setting projects that could be added to the ISSB’s work plan

Priority of new research and standard-setting projects that could be added to the ISSB’s work plan

- 42. Almost all users provided feedback on Question 3, with a small majority recommending the ISSB work on more than one project and the rest recommending the ISSB work on a single project. Users’ responses to this question were similar to those of all other respondents.
- 43. Similar to all other respondents, users did not have a clear consensus on the specific mix or number of projects the ISSB should prioritise. Users selected proposed projects to prioritise with a similar frequency as all other respondents, except where noted, as summarised in the following table:

Topic	Single Project	More than one project
BEES	A few ³	Most
Human capital	Some ⁴	Most
Human rights	A few	Most
Integration in reporting	Some	Some ⁵
‘Other’ recommended project	A few	A few

- 44. Of the users who recommended the ISSB pursue the proposed project on BEES, some said there is strong investor demand for decision-useful information on risks and opportunities related to BEES and a lack of disclosures or widely embraced frameworks for reporting on the topic. Some also noted the interconnectedness

³ A slightly lower proportion of users selected the proposed project on BEES as the single project the ISSB should prioritise when compared to all other respondents.
⁴ A slightly higher proportion of users selected the proposed project on human capital as the single project the ISSB should prioritise when compared to all other respondents.
⁵ A slightly lower proportion of users selected the proposed project on integration in reporting as one of multiple projects the ISSB should prioritise when compared to all other respondents.

between climate and certain aspects of BEES and emphasised the need for investors to have a comprehensive view of an entity's climate-related risks and opportunities, inclusive of BEES, to strengthen investors' abilities to make informed decisions.

Some users referenced the work of the Taskforce on Nature-related Financial Disclosures (TNFD) and encouraged the ISSB to consider this work in a potential project on risks and opportunities related to BEES. A few users similarly referenced the ESRS for consideration in a potential project on risks and opportunities related to BEES.

45. Of the users who recommended the ISSB pursue one or both of the proposed projects on risks and opportunities related to human capital and human rights, many encouraged the ISSB to begin work on the 'social' aspects of sustainability-related financial disclosure. Some users said risks and opportunities related to both human capital and human rights are relevant to all entities.
46. As it relates to human capital, some users said an entity's ability to create and preserve value over the long term is inherently tied to its ability to attract, retain and develop a highly skilled workforce, and emphasised the importance of having clear and comparable disclosures on an entity's human capital management practices. A US-based pension fund stated that while all the topics included in the Request for information are important to investors, human capital is relevant across all industries, whereas other topics (specifically BEES) may not be as relevant across all industries, and thus a project on human capital should be prioritised.
47. As it relates to human rights, some users said the topic is important and expressed a need for decision-useful information about related risks and opportunities, citing a lack of widely embraced frameworks or standards for disclosure. One US-based pension fund acknowledged that, despite clear investor interest and recent work to address the topic, the market's understanding of human rights and its link to investor-relevant sustainability-related risks and opportunities is still maturing. One user representative group suggested the ISSB might initially focus on human rights-related risks and opportunities within an entity's own workforce, where financial implications

may be more clearly identified or measured, but also encouraged the ISSB to still consider other human rights-related risks and opportunities.

48. Many users said there is a high degree of overlap between the topics of human capital and human rights, and most of those users recommended that the ISSB combine the two topics into a single ‘social’ project. Specific areas of overlap between the two topics that were cited by these users included labour conditions in the supply chain, health and safety, compensation (for example, ‘living wage’), diversity, equity and inclusion (DEI) and freedom of association. A few users said that while many aspects of human rights can be addressed through the lens of human capital, other relevant topics such as land rights and impact on local communities pose risks to entities, and should be considered in the ISSB’s work.
49. Of the users who recommended the ISSB pursue the proposed project on integration in reporting, some emphasised the importance of providing investors with a comprehensive and coherent view of how an entity creates, preserves or erodes value, citing that investment decisions consider a combination of financial and sustainability-related factors.
50. Of the users who recommended the ISSB pursue projects that were not included as proposed projects in the Request for Information, a few recommended that the ISSB pursue projects on the sustainability-related risks and opportunities associated with:
- (a) certain broadly defined sustainability-related topics identified in Appendix B to the Request for Information which were considered by the ISSB for inclusion in the work plan, including:
 - (i) cybersecurity, data security and customer privacy; and
 - (ii) governance; and
 - (b) other topics, including responsible use of technology (including artificial intelligence) and transition planning.

Question 4—New research and standard-setting projects that could be added to the ISSB’s work plan: Biodiversity, ecosystems and ecosystem services

Question 4(a)—Prioritisation of subtopics

51. Most users provided feedback on Question 4(a). Of these, almost all provided comments relating to the priority subtopics listed in the Request for Information. However, many commented that they would prefer the ISSB take a holistic approach when undertaking a research project on risks and opportunities related to BEES without prioritising a single subtopic or a subset of the subtopics proposed in the Request for Information.
52. Of the users who provided feedback on prioritisation, most mentioned ‘land-use and land-use change’ (land-use), and many mentioned ‘freshwater, marine resources and ecosystems use’ (water), ‘pollution’ and ‘resource exploitation’ as priority subtopics. Only a few users selected ‘invasive species’ to be among the subtopics to be considered by the ISSB when undertaking a research project on risks and opportunities related to BEES, but with a lower priority compared with other the subtopics listed in the Request for Information.
53. A slightly higher proportion of users responding to Question 4(a) prioritised land-use and land-use change when compared to all other respondents. Some of these users emphasised the significance of potential financial impacts arising from risks associated with changes in land availability and quality, and related regulations. A few users acknowledged the interconnectedness of land-use and other sustainability-related risks and opportunities (for example, climate change) and expressed the need for improved information on land management practices to better understand the related investment risks and opportunities for mitigating other sustainability-related risks.
54. Of those users who suggested that the ISSB adopt a holistic approach when undertaking a research project on risks and opportunities related to BEES, many

commented that the various subtopics proposed are viewed as equally relevant and that prioritisation would vary depending on the specific entity, industry and/or geographical location, and some acknowledged also the interconnectedness of the proposed subtopics and, therefore, suggested they should be considered together. For example, a Singapore-based buy-side user noted the connection between climate change and the loss of BEES as well as the threat to the global economy and financial system. This user went on to say that, given the dependency of economic activity on the ecosystem services provided by nature, its potential impact in terms of physical and transition risks could compound and translate into systematic risks, which is why this user views BEES as the next environmental emergency after climate change.

Question 4(b)—Industry and geography specificity

55. Most users provided feedback on Question 4(b). Of those users, almost all said that sustainability-related risks and opportunities related to BEES will be substantially different across industries and geographies, and that this context should be considered in any future BEES-related research project. For example, a US-based buy-side user said that BEES-related risks will differ meaningfully by industry and geography and noted, as an example, that semiconductor or beverage companies operating in water-stressed regions would be exposed risks related to freshwater availability and use, whereas consumer packaged goods companies would be exposed to risks related to deforestation in the sourcing of raw materials for critical ingredients such as palm oil.
56. While recognising these differences, some users also emphasised the importance to investors of relevant, consistent and comparable information across industries and geographies. Therefore, these users encouraged the ISSB to research a common set of information and metrics that could be applied consistently across industries and geographic regions in addition to location or industry-based information. For example, a UK-based users group indicated that a common body of reporting information across sectors and geographies is necessary to support financial decision-making and to ensure investors and other financial institutions have access to relevant and consistent data. This user went on to note that tailored reporting to different

sectors and geographies should be additional to this common body, to enable further scrutiny and accountability on specific risks and opportunities.

Question 4(c)—Recommended reference materials

57. Most users provided feedback on Question 4(c) to suggest that ISSB should leverage existing materials in pursuing research on risks and opportunities related to BEES. Of these users, most highlighted the materials of the TNFD as a reference to be considered by the ISSB. Users highlighted the TNFD’s similarity to the TCFD framework and the input and support it has received from the market as reasons for consideration. A few users said that the ISSB’s work related to BEES should allow sufficient time for the recommendations of the TNFD to be implemented. For example, a Canadian asset manager recommended the ISSB prioritise BEES only once the TNFD, as a voluntary framework, has been more broadly adopted and has further matured.
58. Many of the users responding to Question 4(c) suggested the ISSB consider as key reference materials for future BEES-related research projects:
- (a) the SASB Standards, because of the well-established support from and wide use by investors. Users recommended the SASB Standards as reference materials for a BEES-related research project at a proportionately higher rate compared to all other respondents; and
 - (b) the GRI standards, given their existing coverage of a broad set of topics (including BEES-related topics).
59. Some of the users responding to Question 4(c) suggested the ISSB consider the work of the Science-based Targets Network (SBTN), the European Financial Reporting Advisory Group (EFRAG), the work of the Partnership for Biodiversity Accounting Financials (PBAF), The United Nations Declaration on the Rights of Indigenous People and the Climate Disclosures Standards Board (CDSB) Framework Application Guidance for biodiversity and water-related disclosures as key reference materials for future BEES-related research projects.

-
60. Some of the users responding to Question 4(c) suggested additions to the list of resources included in the Request for Information that the ISSB could consider when undertaking a project on risks and opportunities related to BEES. Those additions included, in particular, the CDP Water and Forests questionnaires, the Kunming-Montreal Global Biodiversity Framework to ensure the work of ISSB aligns with the global nature-related goals, and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).

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

Question 5(a)—Prioritisation of subtopics

61. Almost all users provided feedback on Question 5(a). Of those users, some said that all the subtopics specified in paragraph A22 of the Request for Information are important categories of information to consider in assessing an entity’s exposure to and management of risks and opportunities related to human capital and thus should be considered if the ISSB establishes a research project on this matter. A slightly lower proportion of users said the ISSB should take a holistic approach to the topic of human capital when compared to all other respondents.
62. Most users provided comments relating to the priority of subtopics listed in the Request for Information. Of those users:
- (a) almost all said disclosures relating to risks and opportunities associated with DEI are important, because of the subtopic’s strong link to entities’ ability to attract, retain and motivate a high-quality and talented workforce;
 - (b) most identified labour conditions in the value chain (including child labour), worker wellbeing (including mental health and benefits), workforce composition and costs, and employee engagement as important subtopics for the ISSB to consider; and

-
- (c) many also said it would be important to consider risks and opportunities related to workforce investment and alternative workforce if the ISSB were to undertake a human capital-related research project.
63. Similar to all other respondents, many users responding to Question 5(a) suggested that there may be substantial overlaps between human capital and human rights and suggested these matters should be addressed collectively as a single project to explore the ‘social’ aspects of sustainability-related financial disclosure. For example, a Norway-based buy-side user said that by launching two separate projects, which might result in two separate standards, could reinforce the ‘existing, misleading perception’ that human capital is only relevant to an entity’s own workforce, while human rights is only relevant to an entity’s supply or value chain.

Question 5(b)—Industry and geography specificity

64. Almost all users provided feedback on Question 5(b). Mixed comments were received from users on whether sustainability-related risks and opportunities related to human capital are substantially different across business models, economic activities, industries and geographic locations.
65. A small majority of users said that sustainability-related risks and opportunities related to particular aspects of human capital, such as workforce investment, composition and costs, are substantially the same across industries and geographic locations. For example, a Japanese asset manager indicated that ‘worker wellbeing’, ‘employee engagement’, and ‘workforce investment’ are considered as the foundation for driving enterprise value, across geographies and industries. This is a slightly higher proportion when compared to all other respondents. A few of those users recommended the ISSB research a set of common topics across industries and geographies to ensure comparability.
66. A large minority of users agreed that specific sustainability-related risks and opportunities related to human capital are substantially different across industries and geographic locations. This is a slightly lower proportion when compared to all other

respondents. Of those who agreed, some listed workplace accidents and mental health issues, workforce composition and costs and DEI as matters that are likely to give rise to substantially different risks and opportunities across industries, because of, for example, different characteristics of the workforce, and across geographic locations due to jurisdiction-specific legal frameworks. For example, one US-based buy-side user provided an example of different sustainability-related risks and opportunities across different industries, suggesting entities in the footwear and apparel industry may be primarily exposed to risks related to labour conditions in the value chain, whereas an entity within the financial services industry would be primarily exposed to risks related to worker wellbeing and DEI.

67. A few users noted the importance of both universally applicable disclosures and those tailored to an entity's particular industry or geography. For example, a US-based pension fund noted that businesses depend on the workforce as a source of value creation which, if mismanaged, could harm long-term performance, so users are pushing for workforce insights through mandatory and universally applicable metrics alongside information that may be more appropriately tailored to a subset of entities (for example, entities operating in the same industry).

Question 5(c)—Recommended reference materials

68. Almost all users provided feedback on Question 5(c) to suggest that the ISSB should leverage existing materials in pursuing research on risks and opportunities related to human capital. Of those, most encouraged the use of the SASB Standards because of their well-established support from investors, and the work of the International Labour Organisation (ILO) because it represents the authoritative framework in the field, it is referenced by existing standards and frameworks, and its work has been adopted in the overwhelming majority of jurisdictions internationally. Many users supported consideration of the GRI Standards because they include several requirements on human capital and they are widely used by preparers.

-
69. Some users recommended the ISSB consider the work of EFRAG, while a few advocated for consideration of the work of the U.S. Securities and Exchange Commission (SEC), the World Economic Forum’s International Business Council and the Integrated Reporting Framework.
70. Many users responding to Question 5(c) suggested additions to the list of resources included in the Request for Information. Those additions included, among others, the work of the Workforce Disclosure Initiative, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights and the associated UN Guiding Principles Reporting Framework.

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

Question 6(a)—Prioritisation of subtopics

71. Most users provided feedback on Question 6(a). Many of those users provided comments relating to human rights subtopics that should be prioritised in the ISSB’s research. Of those users:
- (a) many suggested the ISSB prioritise in its research project a consideration of human rights due diligence because it is important for investors to access information on due diligence processes, including supply chain considerations. For example, a Singapore-based buy-side user stated that due diligence information enables users to understand companies’ commitment to protecting human rights, and said this is important because violations of human rights have material legal and financial consequences for companies. Additionally, two Spanish users (one asset owner and a pension fund) underlined that consideration of human rights due diligence is being referenced as a legal requirement in a growing number of jurisdictions;
 - (b) many underlined the importance of covering value chain and supply chain management in a human rights-related research project, because, for example,

violations of human rights within value chains represent key reputational and regulatory risks for companies; and

- (c) some suggested focusing research on labour rights and modern slavery, while some suggested a focus on child labour and indigenous rights.

72. Similar to users responding to Question 5(a) on human capital, some users responding to Question 6(a) suggested that human rights should be addressed collectively with human capital as a single project to explore the ‘social’ aspect of sustainability-related disclosure.

Question 6(b)—Industry and geography specificity

73. Most users provided feedback on Question 6(b). Mixed comments were received from users on whether sustainability-related risks and opportunities related to human rights are substantially different across business models, economic activities, industries and geographic locations.

74. A small majority of users agreed that sustainability-related risks and opportunities related to human rights are substantially different across business models, economic activities, industries and geographic locations. This is a slightly lower proportion when compared to all other respondents. For example, a UK-based asset manager noted, as an example of differing risks across industries, that entities in the extractives industry, through their use of armed security services to protect assets, could have an impact on individuals’ right to security, while social media companies could impact individuals’ right to privacy. Thus, this user emphasised the need for tailored measures to reduce reporting burden and to provide users with relevant information. This user further suggested that a mix of requirements may be necessary to achieve a balance between measures that are tailored enough to be relevant without precluding disclosure on other relevant issues. More broadly, users said differences in human rights-related risks and opportunities can be due to:

- (a) different cultural contexts, exposure to human rights-related risks, and relevant regulations across jurisdictions; and

- (b) different activities, and levels of labour intensity or of control of the supply chain across industries.

75. A large minority of users argued that sustainability-related risks and opportunities related to human rights are the same across business models, economic activities, industries and geographic locations, with a few users stating human rights principles and issues are universal and industry-agnostic or there are no substantial differences to warrant tailored, location-specific treatment. For example, a US-based buy-side user stated that most international norms on human rights are industry-agnostic, and company obligations to prevent, mitigate and remediate are largely similar across industries.

Question 6(c)—Recommended reference material

76. Most users provided feedback on Question 6(c) to suggest that the ISSB should leverage existing materials in pursuing research on risks and opportunities related to human rights. Most users encouraged the ISSB to consider the UN Guiding Principles on Business and Human Rights because they represent an authoritative reference on human rights for business. Many users recommended building on the work of the International Labour Organisation (ILO) because it is a well-respected framework covering key performance indicators related to human capital and human rights. With a slightly higher frequency than all other respondents, many users also suggested the United Nation’s Declaration on the Rights of Indigenous People, and the Sustainability Accounting Standards Board (SASB) standards. Some suggested the ISSB consider the World Benchmarking Alliance’s Corporate Human Rights Benchmark.
77. Additionally, a few users suggested that the ISSB consider the cross-industry metrics associated with the WEF International Business Council’s dignity and equality theme, the CDSB Framework for reporting environmental and social information, and the Integrated Reporting Framework in any research projects related to human rights.

-
78. Most of the users responding to Question 6(c) also suggested additions to the list of resources included in the Request for Information. Those additions included, among others, materials from the Organisation for Economic Co-operation and Development (for example, the and the OECD Guidelines for Multinational Enterprises), the GRI Standards, and the ESRS.

Question 8—Other comments

79. Some users provided a response to Question 8. Of those users, almost all used the space to clarify or expand on comments elsewhere within their respective responses, or to suggest additional activities or potential projects that could be included in the ISSB’s work plan. Such responses were considered as a part of the summary of feedback for the question of the Request for Information to which the comments most closely aligned, which are summarised in this paper.

Question for the ISSB

80. The staff presents the following question for the ISSB.

Questions for the ISSB

1. Does the ISSB have any comments or questions on the feedback discussed in this paper?