

---

## ISSB Meeting

Date	<b>November 2023</b>
Project	<b>ISSB Consultation on Agenda Priorities</b>
Topic	<b>Feedback summary—Priority of proposed projects</b>
Contacts	Greg Bartholomew ( <a href="mailto:greg.bartholomew@ifrs.org">greg.bartholomew@ifrs.org</a> ) Rommie Johnson ( <a href="mailto:rommie.johnson@ifrs.org">rommie.johnson@ifrs.org</a> )

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<sup>®</sup> 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 Question 3 of the ISSB's Request for Information *Consultation on Agenda Priorities* (Request for Information), which sought feedback on the:
  - (a) relative priority of the proposed projects included in the Request for Information; and
  - (b) allocation of the ISSB's resources amongst one or more proposed projects.
2. This paper provides a high-level summary of the feedback received 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.

---

## Structure of the paper

3. The paper is structured as follows:
  - (a) Background (paragraphs 4–7);
  - (b) Key messages (paragraphs 8–10);
  - (c) Feedback on Question 3 of the Request for Information (paragraphs 11–20);
  - (d) Question for the ISSB (paragraph 21); and
  - (e) Appendix A—Questions in the Request for Information.

## Background

4. The Request for Information sought stakeholder feedback on four proposed research projects which could be added to the ISSB’s next two-year work plan:
  - (a) three research projects on sustainability-related risks and opportunities associated with the topics of:
    - (i) biodiversity, ecosystems and ecosystem services (BEES);
    - (ii) human capital; and
    - (iii) human rights; and
  - (b) one research project on integration in reporting to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
5. Paragraph 41 of the Request for Information explained that all of the proposed projects are considered to be *large* projects, and stated ‘it is unlikely the ISSB will have capacity to deliver ISSB Standards or even significantly advance *all* of the projects included in Appendix A [to the Request for Information] as part of the two-year work plan.’

6. In light of this, Question 3 of the Request for Information sought stakeholder feedback on how the ISSB should allocate its resources by asking whether the ISSB should prioritise a single project in a concentrated effort to make significant progress on that project, or whether it should work on more than one project and make incremental progress on each of them. Question 3 of the Request for Information also asked stakeholders which of the proposed projects should be prioritised.
7. Questions 4–7 of the Request for Information sought feedback to inform the scope, content and structure of the proposed projects. Feedback on the proposed research projects on the sustainability-related risks and opportunities associated with the topics of BEES, human capital and human rights is summarised in Agenda Paper 2D for this meeting. As feedback on the proposed research project on integration in reporting is of interest to both the ISSB and IASB, detailed feedback on this project will be presented to the ISSB and IASB for joint discussion by the Boards at a future meeting.

## Key messages

8. Almost all respondents provided feedback on Question 3 of the Request for Information; however, there were 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. Some respondents emphasised the need to quickly advance multiple projects to further the establishment of the global baseline of sustainability-related financial disclosures on a range of sustainability topics, while others noted the ISSB should progress its work more slowly or intentionally citing the ISSB's limited capacity and the desire to allow for sufficient time for the implementation and maturity of IFRS S1 and IFRS S2.
9. There were also mixed views among respondents on the particular project or set of projects that the ISSB should prioritise. Most respondents 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 respondents suggested revisions to the scope of some of the proposed projects.

10. A few respondents recommended the ISSB pursue projects that were not included as proposed projects in the Request for Information.

### **Feedback on Question 3 of the Request for Information**

11. Almost all respondents provided feedback on Question 3 of the Request for Information, with a small majority recommending the ISSB work on more than one project and the rest recommending the ISSB work on a single project.
12. Of the respondents who recommended the ISSB work on more than one project, some emphasised the need for the ISSB to make progress on multiple projects to further the establishment of the global baseline of sustainability-related financial disclosures on a range of sustainability topics. Some respondents noted the importance of all four of the proposed projects, stating that there was a level of urgency in addressing topics beyond climate to maintain momentum and keep pace with the regulatory and sustainability standard-setting landscape, with a few comparing the progress of the ISSB's Standards with that of the European Financial Reporting Advisory Group's (EFRAG) European Sustainability Reporting Standards (ESRS). At the same time, a few respondents noted that the ISSB should not be overly ambitious in its work plan and progress future projects more intentionally with the view that the ISSB should primarily focus on the successful implementation of IFRS S1 and IFRS S2.
13. Of the respondents who recommended the ISSB work on a single project, some respondents cited the ISSB's limited capacity to take on new research and standard setting projects and the need for the ISSB to support the implementation of IFRS S1 and IFRS S2 as reasons the ISSB should work on a single project. A few respondents advised the ISSB to allow sufficient time for IFRS S1 and IFRS S2 to be implemented and to mature before progressing new standard-setting activities, so as to not

overwhelm users and preparers. A few respondents stated that supporting the implementation of IFRS S1 and IFRS S2 should be the sole focus of the ISSB during its next two-year work plan, and did not recommend advancing any new research or standard-setting projects.

14. Of those respondents who recommended the ISSB prioritise a single project, there was not a clear consensus among respondents on a single project that should be prioritised. Similarly, of the respondents who recommended the ISSB prioritise multiple projects, there was not a clear consensus among respondents on the specific mix or number of projects the ISSB should prioritise. While views on the number and mix of proposed projects was varied, proposed projects were selected by respondents with the following frequency:

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

15. Of the respondents who recommended the ISSB pursue the proposed project on BEES, some noted the topic as a natural follow on to IFRS S2, given the interconnectedness between climate and certain aspects of BEES. Some respondents also emphasised the urgency of addressing this topic and cited the growing market and regulatory focus on the topic. Some respondents pointed to work of the Task force on Nature-related Financial Disclosures (TNFD) as evidence of such market and regulatory focus related to BEES, and noted the ISSB should consider the work of the TNFD in its work on BEES. A few respondents commented on the scope of the project being reframed to be focused on ‘nature’ more broadly, rather than BEES. Feedback on scoping of and materials that could be leveraged in the proposed project

---

on BEES is considered in the summary of feedback on Question 4 presented in Agenda Paper 2D to this meeting.

16. Of the respondents who recommended the ISSB pursue one or both of proposed projects on human capital and human rights, some respondents encouraged the ISSB to begin work on the ‘social’ aspects of sustainability reporting. Some respondents cited growing investor interest in one or both topics. Some respondents noted that human capital is a relevant topic for all entities, irrespective of industry or geography, and thus may be an easier topic for entities to understand and report on the sustainability-related risks and opportunities related to this topic. Similarly, some respondents emphasised the global relevance of human rights concerns.
17. Some respondents acknowledged a high degree of overlap between the topics of human capital and human rights and recommended that the ISSB combine the two topics into a single ‘social’ topic. This, and other feedback on the scope of the proposed projects on human capital and human rights, is considered in the summary of the feedback on Questions 5 and 6 presented in Agenda Paper 2D to this meeting.
18. Of the respondents who recommended the ISSB pursue the proposed project on integration in reporting, some respondents emphasised the importance of providing users of general-purpose financial reporting with a more comprehensive and coherent view of an entities activities and a more holistic picture of an entities value creation, preservation and erosion. As noted in paragraph 7, detailed feedback on the proposed project on integration in reporting will be presented to the ISSB and IASB for joint discussion by the Boards at a future meeting.
19. Of the respondents who recommended the ISSB pursue projects which were not included as proposed projects in the Request for Information, a few respondents 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) circular economy, materials sourcing and value chains;
  - (ii) cybersecurity, data security and customer privacy;
  - (iii) governance; and
  - (iv) water and marine resources.
- (b) other topics including emerging technologies (including artificial intelligence), just transition, plastics, and transition planning, among others.
20. Given the lack of clear consensus on the number of and mix of proposed projects respondents recommend adding to the ISSB’s next work plan, as well as comments on potential revisions to the scope of the proposed projects, the feedback on Question 3 of the Request for Information will be further analysed in combination with feedback on the scope and structure of the respective proposed projects provided in response to Questions 4–7 of the Request for Information. This detailed feedback and analysis will be presented to the ISSB at a future meeting in conjunction with staff recommendations for projects to be added to the ISSB’s work plan.

## Question for the ISSB

21. 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?

---

## Appendix A—Questions in the Request for Information

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

Paragraphs 27–38 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?
- (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.
- (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).