

São Paulo, 1º de setembro de 2023

Ao International Sustainability Standards Board,

Assunto: ISSB – consulta pública sobre prioridades da agenda

Comentários enviados pelo IBGC, via formulário eletrônico, à consulta pública estão destacados em amarelo:

Request for Information *Consultation on Agenda Priorities*—Survey

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.

- 3** 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
- 4** 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.

IBGC strongly believes that the main focus of the ISSB should be to support preparers in implementing the ISSB Standards. Given that the ISSB’s goal is developing a comprehensive and high-quality global sustainability baseline disclosures, the organization should focus on ensuring that preparers are supported in providing comprehensive and decision useful information for capital market participants. There are expected to be many implementation challenges for preparers, including (but not limited to) relating to making materiality determinations, assessing financial impacts of sustainability information, balancing the need to provide consistent and comparable data with company-specific data information, climate driving scenario analysis and alignment of sustainability reports with financial reporting

deadlines. Trainers will continue to benefit from ISSB guidance as they work to align with IFRS S1 and IFRS S2 and a strong focus on support implementation will be critical to ensuring widespread adoption of the ISSB Standards.

(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:

We suggest that an ex post survey on the implementation of Standards – IFRS S1 and IFRS S2 be added to ISSB activities. This research would have the objective of generating data on the experience of companies and markets in the implementation of these standards.

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 assess the criteria as correct, but suggest that the first criterion reads as follows: the importance of the matter to investors, creditors and other lenders.

Shou

Id the ISSB consider any other criteria? If so what criteria and why?

- Yes
- No

Optional: please explain_

How the potential project helps to make Sustainability-related Financial disclosure objective and reliable. One of the challenges of this kind of disclosure is providing information that can be checked and audited.

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

Optional: please explain_

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.

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

Optional: please explain_

The IBGC considers the project focused on Integration in reporting as a priority to consolidate the implementation of the first two standards approved and consolidate the integration between financial and non-financial information, which will bring robustness to the report and meet the

expectations of regulators, in addition to reducing the space for greenwashing practices.

Question 5—New research and standard-setting projects that could be added to the

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_

On a global scale, these subtopics are characterized by:

- Widespread prevalence
- Risk to countless companies and communities around the world
- Link to climate change (and by extension IFRS S2)
- Connection with other issues related to sustainability, such as land degradation and local conflicts.

And these subtopic are especially significant in the Brazilian context, given the problems of deforestation, water pollution, land grabbing and illegal forest burning.

(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.

(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

Optional: please explain _____

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

Transparency of diversity and inclusion data across companies plays a key role in building trust and making informed decisions by investors. Open and honest disclosure of this information provides a clear picture of how the company addresses issues related to gender equality, ethnicity, sexual orientation and other aspects of diversity.

Investors are increasingly aware not only of financial results, but also of the social and environmental responsibility of the companies in which they invest. The inclusion of diversity data demonstrates the company’s commitment to promoting an inclusive and equitable work environment, which not only strengthens its reputation, but also contributes to a stronger corporate culture and a more engaged team.

Transparency around diversity and inclusion data allows investors to assess the company’s

commitment to equal representation and creating opportunities for diverse groups. This can influence investment decisions, as companies that adopt inclusive policies often demonstrate greater resilience to challenges and tend to attract more diverse talent.

Furthermore, disclosing diversity and inclusion data can also generate positive pressure on other companies to follow similar standards, creating a ripple effect that promotes a systemic shift towards equality. In the end, diversity and inclusion data transparency not only satisfies the expectations of conscientious investors, it also drives innovation, enhances reputation and builds a strong foundation for the company's long-term success.

(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.

Human capital risks and opportunities differ across various dimensions, including geography, industry, sector, market maturity, business model, organizational purpose, and short-term versus long-term focus.

(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 _____

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.

The IBGC recommends that safeguarding indigenous rights be included as a sub-theme. Indigenous rights include the right to self-determination, cultural identity, language, spiritual beliefs, access to traditional lands and resources and the right to be consulted and involved in relevant decision-making. Indigenous rights also include freedom from racism, discrimination, exploitation and violence. Those rights are enshrined in many international treaties and conventions, such as the United Nations Declaration on the Rights of Indigenous Peoples.

Also, it is extremely important that investors have access to detailed data on violations of women’s and black rights committed by companies, as this not only promotes transparency and accountability, but also helps to direct investment capital ethically is responsible. By learning about a company’s discriminatory or harmful practices, investors are empowered to make informed decisions about where to allocate their financial resources. Furthermore, this access to information allows investors to play an active role in promoting gender and racial equality, encouraging companies to adopt more inclusive and fair policies and practices. Ultimately, access to data on disrespect for the rights of women and people of color is essential to ensure that the business world moves towards a more equitable and sustainable future.

- (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.

There are differences in how human rights risks and opportunities manifest across different industries, sectors and geographies. Human rights issues can also differ regionally. In the Brazilian context, for example, Indigenous and Black rights are fundamental considerations

(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 _____

Not for Submission

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 _____

(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 _____

(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 _____

(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 _____

(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 _____

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

Not for Submission

Question 8—Other comments

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

Not for submission