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By email: commentletters@ifrs.org

30th August 2023

Dear Sir / Madam,

Request for Information: Consultation on Agenda Priorities

We welcome the opportunity to comment on the IFRS Foundation's consultation on agenda priorities for the ISSB over the next two years.

The Chartered Governance Institute UK & Ireland is the professional body for governance and the qualifying and membership body for governance professionals across all sectors. Its purpose under Royal Charter is to lead 'effective governance and efficient administration of commerce, industry and public affairs', working with regulators and policy makers to champion high standards of governance and providing qualifications, training and guidance. As a lifelong learning partner, the Institute helps governance professionals to achieve their professional goals, providing recognition, community and the voice of its membership.

One of nine divisions of the global Chartered Governance Institute, which was established 130 years ago, The Chartered Governance Institute UK & Ireland represents members working and studying in the UK and Ireland and in many other countries and regions including the Caribbean, parts of Africa and the Middle East.

As the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, our members have a uniquely privileged role in companies' governance arrangements. They are therefore well placed to understand the issues raised by this request for information. In preparing our response we have consulted, amongst others, with our members. However, the views expressed in this response are not necessarily those of any individual members, nor of the companies they represent.

Our views on the questions asked in your request for information are set out below.

Question 1— Strategic direction and balance of the ISSB’s activities

Paragraphs 18–22 and Table 1 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?
- (i) beginning new research and standard-setting projects
 - (ii) supporting the implementation of ISSB Standards IFRS S1 and IFRS S2
 - (iii) researching targeted enhancements to the ISSB Standards
 - (iv) 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.
- (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.

- a) The Institute would rank the activities as follows:
- 1) Supporting the implementation of IFRS S1 and IFRS S2
 - 2) Beginning new research and standard-setting projects
 - 3) = Researching targeted enhancements to the ISSB Standards
 - 3) = Enhancing the SASB Standards
- b) The key priority for the ISSB over the next two years should be supporting the implementation of IFRS S1 and IFRS S2. This is crucial in order to solidify the standards’ adoption across jurisdictions and to support companies and regulators in applying them. Sufficient lead times and further guidance are critical. In particular, companies will need some time to adjust their reporting practices to comply with the standards.

The Institute has ranked ‘beginning new research and standard-setting projects’ second. The Institute is supportive of the ISSB continuing to prioritise its research projects, which are the subject of this consultation. However, the Institute notes that the ISSB has not proposed any new standard-setting projects for now, and agrees that further standard-setting projects should wait until the implementation of IFRS S1 and IFRS S2 has progressed further. This will ensure sufficient time not only for those having to prepare new forms of disclosure, but also for the ISSB better to understand how and where its standards are being used.

The Institute has ranked enhancements to IFRS S1 and IFRS S2 joint third with enhancing the SASB standards. Both of these activities remain important, and we are aware that the ISSB is already committed to them both. However, enhancements to IFRS S1 and IFRS S2 should not be major at this early stage of adoption, in order to avoid ‘changing the goalposts’ for companies which are now preparing to create their disclosures based upon these standards. It may be that these enhancements are more appropriate over the next five, rather than two, years. Enhancements to the SASB standards, whose value lies in their industry-specificity, should be informed by and made in accordance with the ISSB’s other research projects.

- c) The scope of the ISSB’s work is clear, cohesive and thorough.

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

Paragraphs 23–26 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?
- (b) Should the ISSB consider any other criteria? If so what criteria and why?

- a) The Institute is of the view that overall, the ISSB has identified appropriate criteria, and has also ranked these criteria appropriately. It is beneficial to have a set of criteria looking at the issue itself and its importance to investors and relevance to companies (criteria 1 – 4) and then to pair this set with another set looking at the feasibility and interconnectivity of the project for the ISSB

(criteria 5 – 7). Both of these areas are crucial when deciding where to invest time and resource to generate productive outcomes.

- b) Yes. The Institute appreciates that the ISSB is focussed on “whether the project will meet the information needs of investors.” Our members work in governance across both investors and companies, and so we are acutely aware of the need to strike a balance between meeting investors’ information needs and avoiding placing unduly burdensome reporting requirements on companies. We would suggest, therefore, that the ISSB also look to understand the feasibility of whether companies will be able to provide such information as its (future) standards may demand and whether it is appropriate for them to be required to do so. This could be captured under the existing criteria 2: “Whether there are any deficiencies in the way companies disclose information on the matter”, with a simple addition, such as: “and whether companies will meaningfully be able to address these deficiencies without disproportionate effort.” However, a better approach might be to introduce a new criteria 2: “The materiality and proportionality of the matter to companies.”

It is critical that reporting standards place reasonable and proportionate demands on companies for information. Asking for information which might exceed a company’s capacity to collect, analyse and report on this information will often lead to boilerplate reporting. This ultimately impacts on the availability of useful, decision-ready information for investors and is an unhelpful distraction for those managing the company. In our recent Boardroom Bellwether survey of FTSE 350 companies, over four fifths of respondents (81%) believe that increasing reporting requirements are reducing the time available for strategic discussions at board level. By considering not only investors’ demands for information, but also companies’ abilities to provide such information, the ISSB will be able to ensure that disclosures against eventual (new) standards are meaningful.

Standards such as IFRS S1 and IFRS S2 have a role to play in promoting change within companies. In particular, they should allow the most forward-thinking and climate-focused businesses to demonstrate their activity and achievements. If an individual standard, or the collective group of applicable standards, become too onerous, companies have less time and resource available to “tell their own stories” and to demonstrate what this information means for their specific business model. Again, this has a knock-on impact on the quality of information which is available to investors.

In addition, the ISSB should also consider whether there are other, existing international frameworks which address a particular topic and whether the ISSB would be able to meaningfully build on these. It is essential to ensure interoperability and alignment with other jurisdictional and international standards, as far as is possible. This will reduce the resource burden for companies preparing disclosures.

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).

- a) The Institute recognises that foundational work will take up much of the ISSB’s resource. As outlined under question 1, work to support the implementation of IFRS S1 and IFRS S2 should

be the overriding priority over the next two years. As such, the ISSB should not move resource away from this foundational work in order to free up space for several new projects.

With the limited resource currently available to dedicate to new projects, the Institute would suggest that the ISSB prioritise one or two key projects. All of the projects set out in Appendix A, and several of those in Appendix B, would be worthwhile candidates for future work. Nevertheless, for the next two years, the ISSB's work will likely have the most impact if it concentrates on advancing one or two key areas. Working to a two-year rather than five-year agenda also gives the ISSB an earlier opportunity to review the progress made, to assess the distribution of resource and, potentially, to add in further projects.

i/ii) The two priority projects should be BEES and integration in reporting. BEES is a global issue which has attracted considerable investor, social and political attention, and the ISSB would do well to capitalise on the existing level of interest and associated volume of research. In the UK, the TNFD will launch its framework on 18th September this year, which represents a major milestone for investors. The importance of biodiversity for financial stability has never been better understood – and yet there is still a significant need for broader awareness amongst corporates. In addition, this project follows on in a logical manner from the ISSB's research and ultimate standard IFRS S2 on climate. It is likely that, in the long-term, climate disclosures will be subsumed into biodiversity and nature-related disclosures, as the two topics are fundamentally interrelated. As such, by undertaking a research project over the next two years, ISSB would be well-placed to investigate the possibilities of a standard for biodiversity reporting. Furthermore, this project has potential links to the targeted improvements to IFRS S2.

The ISSB should also prioritise the research project on integration in reporting. This project has the potential to fundamentally shift the nature of reporting, and to position the ISSB very prominently in this shift. It also could be used to address companies' requests for simpler and more streamlined reporting requirements.

Question 4—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. 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 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:

(i) a short description of the subtopic (and the associated sustainability-related risks and opportunities); and

(ii) 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.

(b) Do you believe that sustainability-related risks and opportunities related to this topic 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? 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. You can suggest materials that are not specified. 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.

- a) With regard to investors' information needs, resource exploitation is likely to be important regardless of where a company is based – due to the requirement for sufficient resources to sustain a company's business model. Water and land use are also highly significant, in that the depletion of these and their associated ecosystem services can also fundamentally jeopardise companies' operations. Regulation and legislation relating to water and land use are likely to be more highly differentiated between jurisdictions, which would make it more complex to identify metrics. Pollution may pose particular risks and opportunities for companies, in that those who find innovative ways of reducing pollution are likely to benefit as regulatory and investor expectations grow. Finally, invasive non-native species, whilst one of the five key drivers of biodiversity loss, may be of less relevance to investors – and are also likely to be a material issue for a smaller number of companies.

In addition, there should be a specific focus on how biodiversity and climate interconnect, as they are deeply interrelated. Climate change – in its role as one of the five drivers of biodiversity loss – could be another subtopic in its own right, or it could be a foundational topic which underpins each of the other subtopics.

- b) Yes. BEES are entirely place-based, and as such, measures to capture BEES-related risks and opportunities are extremely context-dependent, based on sector, industry and geographic location. The request for information rightly identifies this as one of the challenges of undertaking such a project. For companies working in the AFOLU, construction and extractive sectors, biodiversity risks and opportunities will be entirely material. For the professional services industry, some elements of biodiversity will be far less material – such as invasive non-native species. The SASB's Sustainable Industry Classification System (SICS) is a useful framework for clustering companies on the basis of which sustainability-related risks and opportunities are most important to them.

Geographic location has significant consequences for differences both in the availability and depletion of physical resources, as well as politically, in terms of the legal and regulatory protections and limitations in different jurisdictions. Greenhouse gas emissions, once in the atmosphere, have an impact globally. By contrast, biodiversity loss and damage to ecosystems happen on a local level – where particular species and habitats are impacted. However, cumulatively, this also has an impact on a global level – ecosystems, are, after all, *systems*. It is reductive to say, for example, that a die off of animal and plant species due to a pollution event in one particular river will stay confined to that river. There are knock-on effects which all contribute to undermining nature's resilience.

- c) The ISSB should use all of the materials specified. The advantage of undertaking a research project on BEES is the vast quantity of research (academic and other) that is currently emerging on this topic. There has been significant progress in our understanding of BEES, and in the implications of BEES for companies and their investors. The ISSB is in a relatively unique position of being able to draw upon this research, alongside other existing (or forthcoming) standards, to inform both this research project and a future standard-setting project with a global outlook.

The launch of the TNFD framework in the UK in September this year is a significant milestone. In order to streamline the reporting process for companies, the Institute would recommend that the TNFD framework informs the ISSB's work throughout (much like TCFD informing IFRS S1 and IFRS S2), and ultimately, that monitoring responsibility for TNFD could be taken on by the ISSB, (again, in the same way as TCFD).

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. Please respond to the following questions:

(a) 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:

- (i) a short description of the subtopic (and the associated sustainability-related risks and opportunities); and
- (ii) 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.

(b) Do you believe that sustainability-related risks and opportunities related to this topic 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? 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 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. You can suggest materials that are not specified. 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.

- a) In the UK, there are several legal and regulatory requirements which relate to each of the subtopics listed. DEI in particular has seen a lot of attention over the past decade, as has worker wellbeing (particularly financial wellbeing and benefits) during the cost-of-living crisis over the past year. In the Institute's view, these would be the two sub-topics to prioritise. The alternative workforce is perhaps a difficult topic to tackle, but also very important as this type of work continues to grow. Labour conditions in the value chain is the sub-topic which most obviously relates to the proposed project on human rights, and the Institute is supportive of the ISSB's ultimate intention to publish a piece of work looking at the relationship between human capital and human rights.

Certain sub-topics may require further refinement to improve clarity. The sub-topic employee engagement is currently somewhat nebulous – for example, there is a requirement for workforce engagement with the board under the UK Corporate Governance Code, but indicators for workforce engagement might include staff turnover. Additionally, there may be some overlap between DEI and workforce 'composition' (part of subtopic g) and between workforce investment and 'costs' (part of subtopic g). As such, subtopic g could be subsumed into other subtopics.

- b) Some of these sub-topics are more similar across sector, industry and geography than others. Within all sectors, worker wellbeing, DEI, employee engagement and workforce investment will be relevant – and so these will impact on the greatest number of companies. However, the alternative workforce and labour conditions in the value chain will only apply in sectors where these elements exist – such as contractors or apparel respectively.

Geographically, differences in regulation and in cultural norms may make the collection of relevant data difficult – or even illegal. In certain jurisdictions, it is illegal to gather ethnicity data, for example – which is often considered to be a key metric of DEI, but also has wider applications in workforce wellbeing and engagement surveys. Similarly, there are jurisdictions where an employee would be ill-advised to self-declare as LGBTQ+, either because these orientations are illegal or are not socially accepted. Companies will therefore simply not be able to collect data – meaning that internationally comparable and consistent disclosures are not possible for certain of these areas. In contrast, whilst companies may find it *difficult* (sometimes extremely so) to collect and report on data relating to BEES, there are few examples where collecting such data would be *illegal*.

- c) All of the listed materials would be appropriate for review. In addition, the ISSB may want to consider the guidance on gender and ethnicity pay gap reporting from the Government Equalities Office and the UK Department for Business and Trade. This will illustrate where companies may have some difficulty and need further support in reporting on such information – in the event that such reporting one day falls under an ISSB Standard.

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. 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:

(i) a short description of the subtopic (and the associated sustainability-related risks and opportunities); and

(ii) 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.

(b) Do you believe that sustainability-related risks and opportunities related to this topic 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?

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 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. 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.

- A) The three key subtopics under human rights, from an investor viewpoint, include the following:
- a. Value chain: workers’ rights in the value chain, modern slavery and child labour
 - b. Community: indigenous peoples’ rights, local inhabitants’ rights
 - c. Technology: data usage, consent and privacy, technological bias and discrimination, surveillance

In addition, there are further topics which may be of interest, particularly if the ISSB launches this project over the next few years rather than imminently, once these topics continue to gather traction. The first is the ways in which the effects of climate change can impact and infringe on human rights – including novel legal cases brought against corporates and governments which have sought to establish this. The right to clean water and to clean air have already been established through legal cases – though these tend to be in specific geographies or relating to specific toxins, rather than a universal right. The second is migration and its impact on human rights and, specifically, where companies are involved directly or indirectly in the movement of people, including climate-related migration, economic migration and asylum.

- B) Yes, the implications of this topic will vary substantially by sector, industry and geography.
- C) All of the materials and organisations referenced would be of benefit to the ISSB. There are still fewer resources available on this topic (for the purposes of standard-setting) than exist in relation to BEES. However, the EU’s CSDDD could be an additional useful resource.

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. Please respond to the following 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?

(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)?

(i) If you prefer a formal joint project, please explain how you think this should be conducted and why.

(ii) If you prefer an ISSB project, please explain how you think this should be conducted and why.

(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.

(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.

(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.

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

a) As outlined under question 3, particularly 3i/ii, the Institute maintains that a project looking at integration in reporting would unlock significant benefits for the IFRS, investors and companies. Therefore, this project should be prioritised alongside a research project on BEES. Ultimately, having a coherent international framework for narrative reporting will be useful not only to investors but also to other stakeholders. Nevertheless, any potential framework should avoid being overly prescriptive or formulaic. Requirements which are too rigid mean that those preparing disclosures have less ability to demonstrate their value in a cohesive and thorough way.

b) We have no comment.

c) i) Yes. The innovations in narrative reporting laid out in the Exposure Draft *Management Commentary* would enable companies to more effectively bring together financial and non-financial reporting. Management commentary is similar to the Strategic Report in the UK. The IASB’s areas of content broadly align with those currently in the Strategic Report, which would enable consistency between UK requirements. However, the Institute would be less inclined to fully endorse the requirement set out in the Exposure Draft for external assurance (audit or review) of management commentary, which, as it stands, does not lend itself to external assurance in the same way as financial statements – particularly where it is forward-looking.

ii) Yes. In the UK, the Financial Reporting Council has included certain elements of the Integrated Reporting Framework into its own recommendations for narrative reporting. In particular, it emphasises viewing the annual report as a cohesive whole, which goes beyond compliance towards future orientation. For consistency’s sake and to create more alignment for companies preparing such disclosures, the Institute would encourage the ISSB also to look at this framework.

- d) It is a given that companies are seeking greater clarity, consistency and harmonisation around non-financial reporting. As the demands for non-financial information increase, our members are keen for the reporting burden to be reduced in other areas wherever possible. The ever-increasing breadth and depth of required topics for disclosure can contribute to a rise in boilerplate disclosures, in particular where companies feel obliged to report on issues which they believe are simply not material to their business, but which are demanded by investors, regulators or other stakeholders. Taking a long-term view, the proposed project on integration in reporting could go some way in addressing their desire for a more streamlined, and more efficient, means of reporting. However, this must be managed and implemented with care – frameworks must allow companies enough flexibility to produce nuanced disclosures. Anything too rigid is likely to result in more, rather than less, boilerplate reporting.

The Institute would reiterate that, in this process, it is not only the investor viewpoint but also the company perspective which needs to be captured. Any shift towards entirely integrated reporting would have profound impacts on the ways in which companies collect and compose information. The resources required to fulfil existing reporting obligations can already be significant, and there is significant concern that this takes up a disproportionate amount of board time, leaving less time for strategy. When considered over the long-term, it may be that integrated reporting is the most efficient and cohesive means of meeting investors' information needs and the demands of the wider economic and investment environment. The Institute would emphasise that disclosures should be proportionate, material and business-model led.

Question 8—Other comments

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

As we have discussed elsewhere, the Institute would emphasise that the ISSB, whilst it is investor-focussed, must also fundamentally consider the capacity and capabilities of companies to deliver disclosures. In turn, this ensures that investors have access to high quality and decision-ready information. Standards such as the ISSB's are very welcome, in that they can streamline the reporting process, and significantly, align requirements across jurisdictions.

To illustrate this point: The Institute publishes an annual survey of Company Secretaries in FTSE 350 companies in the UK, the Boardroom Bellwether. In this year's survey, two thirds (66%) of respondents reported that meeting non-financial reporting requirements is fairly difficult, whilst 15% of respondents stated that it is very difficult, meaning that a total of 81% find it at least somewhat challenging. Another 15% of respondents answered that it is fairly easy, but none said that it is very easy. Additionally, the Institute asked whether increasing reporting requirements are reducing the time available for strategic discussions at board level. 81% of respondents believe that they are, to some or to a large extent. 55% of the FTSE 100 respondents and 65% of the FTSE 250 respondents indicated that reporting requirements reduce the time available to some extent, whilst 17% of the FTSE 100 and 30% of the FTSE 250 signalled that time is reduced to a large extent.

The ISSB should aim to ensure its work and priorities over the next two years are not at odds with companies' needs for simplification and harmonisation. Both investors and companies will benefit from enhanced interoperability and alignment between international frameworks and reporting standards.

If you would like to discuss any of the above comments in further detail, please do feel free to contact me.

Yours faithfully,

Emily Ford

Policy Adviser

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