

August 31st, 2023.

commentletters@ifrs.org

**IFRS Foundation**

7 Westferry Circus – Canary Wharf  
London E14 4HD  
United Kingdom

**Reference:**

**Third Draft of CBPS Formal Response to the Request for Information about the ISSB Consultation on Agenda Priorities**

The Comitê Brasileiro de Pronunciamentos de Sustentabilidade - CBPS (Brazilian Committee of Sustainability Pronouncements)<sup>1</sup> welcomes the opportunity to respond to the Fifth Draft of CBPS Formal Response to the Request for Information about the ISSB Consultation on Agenda Priorities

We are a standard-setting body engaged in studying, developing, and issuing sustainability standards, interpretations, and guidance for Brazilian companies.

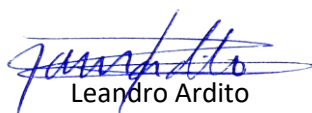
CBPS supports the ISSB's efforts to enhance the general requirements for the disclosure of sustainability-related financial information.

If you have any questions about our comments, please do not hesitate to contact us at [administrativo@facpcs.org.br](mailto:administrativo@facpcs.org.br)

Yours sincerely,

Comitê Brasileiro de Pronunciamentos de Sustentabilidade

Fundação de Apoio ao CPC



Leandro Ardito

International Relations Coordinator



Eduardo Flores

Technical Coordinator

---

<sup>1</sup>The Brazilian Committee of Sustainability Pronouncements (CBPS) is a standard-setting body engaged in the study, development and issuance of sustainability standards, interpretations and guidances for Brazilian companies. Our members are nominated by the following entities: ABRASCA (Brazilian Listed Companies Association), APIMEC Brasil (National Association of Capital Market Investment Professionals and Analysts Brazil), B3 (Brazilian Stock Exchange and Mercantile & Future Exchange), CFC (Federal Accounting Council), FIPECAFI (Financial and Accounting Research Institute Foundation) and IBRACON (Brazilian Institute of Independent Auditors).

**Fifth Draft of CBPS Formal Response to the Request for Information about the ISSB  
Consultation on Agenda Priorities – 04/08/2023**

**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.*

***Response to the question (1a): the CBPS priorities are composed below:***

*(i) beginning new research and standard-setting projects - #3*

*(ii) supporting the implementation of ISSB Standards IFRS S1 and IFRS S2 - #2*

*(iii) researching targeted enhancements to the ISSB Standards - #4*

*(iv) enhancing the Sustainability Accounting Standards Board (SASB) Standards - #1*

The SASB standards, originally issued for US preparers, are now required to be globally applied by entities preparing their sustainability reports, regardless of jurisdiction and GAAP applied, as part of the adoption of IFRS S1 and IFRS S2. In our view, updating the SASB standards to enable their global agnostic adoption by preparers (rather than territory-specific driven), also including consistency with the IFRS Foundation due process, should be the first priority on the list.

**Response to the question (1b):** the CBPS believes that the top priority of ISSB should be supporting the implementation of the enhancement of SASB standards to support the IFRS S1 and IFRS S2, as it is key for achieving the mission of the ISSB in delivering a comprehensive global baseline of sustainability-related disclosures that meet the needs of investors. Before beginning new research, a crucial goal is the consolidation of the understanding of the key concepts under the new ISSB framework in order to achieve a consistent learning curve for entities that already adopted the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. This step is crucial for the usability of ISSB standards, as the industry specific SASB Standards play an important role related to additional information for disclosure on both standards IFRS S1 and IFRS S2. Furthermore, could be the beginning of new research and standard-setting projects, as they are also relevant for the development of new IFRS standards, consistent with the market expectation that the family of IFRS Sustainability standards will grow over the next years. As part of foundational ISSB work, researching targeted enhancements to the ISSB Standards are also important, but its importance increases with the progress of the implementation of ISSB standards around the globe. This activity should be included as a permanent item in the ISSB agenda considered its value for consolidation of the ISSB Standards over time.

**Response to the question (1c):** the CBPS believes that the targeted activities for emerging economies should be considered on supporting the implementation of ISSB Standards IFRS S1 and IFRS S2, since entities headquartered in emerging economies might be in a different pathway of disclosure practices or on a different time schedule.

Furthermore, the implementation of the IFRS S2 appendix is very complicated mainly considering those countries in which the SASB standards are not usual implemented.

The CBPS also wants to consider the small and medium companies during this process, mainly considering the elaboration of educational stuff.

## **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?*

**Response to the question (2a):** the CBPS considers that the seven criteria identified by the ISSB are appropriate for evaluating sustainability reports<sup>2</sup>. However, a few associates of Brazilian Public Companies Associate (“Abrasca”) believe that some improvements could be made, and new criteria could be included to support other dimensions of materiality not related to financial issues.

However, the CBPS members would like to highlight that the double-materiality can be employed by those firms that are prepared for this assumption.

**Response to the question (2b):** The CBPS considers that other criteria could be considered. In this regard, it is relevant to include effectiveness and efficiency of the social reach of developed projects as criteria, considering that social impact is a crucial aspect in evaluating the success of any endeavor.

Additionally, there should be a specific criterion focused on the project's impact on the community in which it operates, considering not only investors but all stakeholders affected by the project and the companies involved. The significance of the impact of projects developed by companies on their stakeholders is so relevant that the Equator Principles Financial Institutions (EPFIs) establish it as an essential requirement in Principle 5<sup>3</sup>, mandating the demonstration of effective engagement with stakeholders as an ongoing process in a structured and culturally appropriate manner with affected communities and, when relevant, other stakeholders to ensure that the projects funded and advised by the entity are developed in a socially responsible manner, reflecting robust environmental management practices.

Furthermore, John Ruggie, in the development of the "Framework of Guiding Principles on Business and Human Rights," adopted by the United Nations Human Rights Council in 2011, considered deeper involvement between companies, individuals, and affected communities as a

---

<sup>2</sup> In the survey conducted among ABRASCA members, we identified that 88.9% of the participants considered that the ISSB identified appropriate criteria, while 11.1% believed that the ISSB did not identify appropriate criteria. Additionally, 66.7% of the participants understood that the ISSB should not consider any other criteria, while 33.3% felt that other criteria should be included.

<sup>3</sup> Equator Principles Association. The Equator Principles June 2013. Disponível em: [https://www.equator-principles.com/app/uploads/The\\_Equator\\_Principles\\_III\\_June2013.pdf](https://www.equator-principles.com/app/uploads/The_Equator_Principles_III_June2013.pdf). Acesso em: 24.07.2023, p. 7.

central element<sup>4</sup>. Consequently, the ISSB should follow the same logic applied in such principled frameworks and, therefore, consider social impacts as a significant criterion in the evaluation of sustainability reports.

Moreover, we believe that it is also essential to measure the return generated for the organization by the projects employed in the context discussed here. This factor would be fundamental to project visibility and, consequently, to determine the relevance of the project in meeting the needs of investors and the general market.

Finally, just as in accounting, where there are disclosures by item, that is, the disclosure of relevant information on a subject to potential stakeholders, ensuring transparency, the ISSB could implement disclosures for future standards, establishing as a defining point the ESG indicators of greatest interest to stakeholders.

In conclusion, with these improvements, particularly if the ISSB draws inspiration from documents such as The Equator Principles and the Guiding Principles on Business and Human Rights, the criteria for evaluating sustainability reports can become a more comprehensive and effective tool in promoting responsible and sustainable practices by companies.

### **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.*

---

<sup>4</sup> RUGGIE, John Gerard. *Just Business: Multinational Corporations and Human Rights*. São Paulo, Editora Abril: 2014, p. 136.

*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).*

**Response to the question (3):** the CBPS agrees that the ISSB limitation is a relevant matter to be considered in terms of the beginning of new projects. Furthermore, it is also important to consider that more relevant than starting several projects simultaneously is maintaining the capability to deliver robust and coherent standards.

However, limiting the ISSB efforts and developments focusing on only one project could create some impacts on the sustainability reports' convergence to one single international standard as well as impacting the quality of the corporate reports as relevant topics will not be guided by specific rules, giving room for diversity in the practice of disclosure and creating obstacles for the comparability of reports between companies.

Under this context, the CBPS believes that the four projects suggested in Appendix A must be considered relevant to be added to the ISSB agenda priorities following this prioritization curve:

- (1) Human capital;
- (2) Human rights;
- (3) Biodiversity, ecosystems and ecosystem services; and
- (4) Integration in reporting.

Furthermore, the CBPS believes that the segregation between human capital and human rights is not appropriated since both topics are closely related and must be considered together.

The CBPS believes that is relevant to mention that some of these projects are already covered by the CSRD and the EFRAG standards, thus a potential strategy to reduce the consumption of time and other resources by the ISSB perspective, could be consider in some extension the convergence to the incorporation of these materials.

Additionally, considering the specific Brazilian matters regarding sustainability, is hard to establish a curve of priorities among social and environmental issues such as human rights and biodiversity, ecosystems, and ecosystem services.

**Question 4 – New research projects and standard-setting that could be added to the ISSB work plan: Biodiversity, ecosystems and ecosystem services<sup>i</sup>.**

*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.*

**Response to the question (4a):** The CBPS considers that biodiversity is linked to species extinction and ecosystem degradation, being considered one of the four biggest global risks, according to the World Economic Forum (WEF, 2023), this is because the depletion of biodiversity has a systemic and severe effect on the climate and these two critical factors are intrinsically linked to erosion of social cohesion affecting planetary socioeconomic stability. (Folke et al., 2021; Heinberg et al., 2023; Steffen et al., 2018). There are ecosystems, differentiated if we prioritize certain factors, these can be material for certain segments and not for others. Therefore, they need to be discussed in a systemic way, with the inclusion of human beings, especially with the original peoples.

It is therefore difficult to choose a subtopic from those listed in A11, considering their interdependence. However, item (b) seems to us to be more comprehensive. Considering that the loss of nature affects everyone, especially the most vulnerable, since projections and probabilities indicate that climate risks affect poor and developing regions more intensely (Dasgupta, 2021; Folke et al., 2021; Gupta et al., 2023; Heinberg et al., 2023; Sobrevila, 2008; Sterner et al., 2019; UN United Nation, 2021). Moreover, half of GDP is directly linked to nature (WEF, 2023), about 85% of the world's largest companies have a significant dependence on nature, signalling how critical the biodiversity/ecosystems/ecosystem services factor is, which requires greater transparency of such information to society and market participants on nature-related risks and opportunities (S&P Global, 2023).

Item (b) should be prioritize considering that land use and the way land is managed affect ecosystem services that includes providing essential nutrients for our forests and crops, food provision, carbon storage and climate regulation, and water security. The Target 10 of the Kunming-Montreal Global Biodiversity Framework Ensure foresees that areas under agriculture, aquaculture, fisheries and forestry will be managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the

application of biodiversity friendly practices, such as sustainable intensification, agroecological and other innovative approaches, contributing to the resilience and long-term efficiency and productivity of these production systems, and to food security.

Other key subtopic related to BEES is the resource exploitation, item (d). The promotion of actions that ensure sustainable patterns of production and consumption comprises targets 15 and 16 of Kunming-Montreal Global Biodiversity Framework. The efficient and sustainable use of natural resources, such as hydric resources, residues, and biodiversity and forest resources, can



drive to the reduction of business risks and to the increase of competition. Circular economy principles are one of the potential tools to achieve this efficiency.

It would be better to analyze the global biodiversity framework – Convention on Biological Diversity (GBS CDB/COP15, 2022), together with the system already developed by TNFD (2021 – 2023) in which organizations adopt the LEAP methodology (Locate, estimate, evaluate and prepare) and in relation to the biomes (terrestrial systems) in which the operations are located, being defined four priorities in the methodology: Tropical Forests; rivers and streams; Marine Systems; Intensive land use. Thus, it is necessary to align with the assumptions already brought from international agreements with legal bindings for companies and countries and an approach that considers environmental, ecological, social, cultural factors in broader dimensions, however, it is necessary to include the human communities that the enterprise affects (indigenous peoples, traditional populations and other communities affected by the operations of the companies).

In this sense, assessing the impacts and defining, monitoring, and reporting the metrics and information of the management of the impacts and results of the company to build a scenario of a positive nature, (S&P Global, 2023) we consider to be not an option, but an urgency.

**Response to the question (4b):** When it is assumed that estimates, projection models, and management models are based on reliable, science-based data, (Lee et al., 2023; SBTi - Science Based Targets, 2023) then, one should consider the different regional configurations that structure terrestrial ecosystems, as they are affected and affect in various ways the socio-ecological-economic systems (IPCC of 2023; Lee et al., 2023). For example, ecosystem services produced in different territories contribute to the well-being of human beings and economy, because (Costanza et al., 2017; Dasgupta, 2021; UN United Nation, 2021) in certain places have greater availability of fresh water, others may supply certain types of ores etc. Thus, there are territorial areas that harbor a high degree of endemism and, <sup>5</sup> at the same time that they coexist with a high degree of exploitation, therefore, result in a severe degree of risk to the loss of biodiversity and worsening of climate change.

Many opportunities in relation to climate change are related to the knowledge (research, investment and innovation) of nature and to indigenous peoples and traditional populations (Convention on Biological Diversity - CBD, 1992; Convention on Biological Diversity -

---

<sup>5</sup> *The acceleration of the extinction of species (extinction already occurs naturally, however, the anthropic action accelerates from 100 to 1000 times the extinction), in this sense, I highlight the endemic species and that once extinct is a loss for humanity, since its occurrence is restricted to a certain geographical scope (endemism – refers to the distribution of a tax on to a certain region. For example, the maned wolf occurs in the savanna of the cerrado and although there are other savannas in the world such as the African and North American, we will not find the maned wolf in these regions. This animal performs environmental functions that once lost affect the ecosystem and ecosystem services). The unprecedented increase in biodiversity loss rates has led scientists to declare the sixth era of mass extinction (Barnosky et al., 2011; Butchart et al., 2010).*

CBD/COP15, 2022; UN United Nations, 2021). It is worth remembering that biodiversity is the source of income for more than half of the world's economic production, which is moderately or strongly dependent on nature (WEF, 2022, 2023). In addition, knowing and protecting biodiversity helps to identify other opportunities for investment and development, adaptation and resilient mitigation to live with the inevitable transformations brought about by climate change (Dasgupta, 2021, Folke et al., 2021; Gupta et al., 2023). Therefore, different business models use natural resources variously and the plant locations of operations also have an influence on risks and opportunities. For example, places where biodiversity is robust, such as Brazil, have more opportunity to identify resources (active ingredients of medicines, for example) that can result in innovation (Xie, Bulkeley & Tozer, 2022, NGFS & INSPIRE, 2022).

**Priority Areas:** There are areas that are more exposed to climate risks and extreme events, as pointed out by several reviews of research summarized by the IPCC (2022, 2023). Such a situation may be with the biomes of the Amazon and the Cerrado in Brazil. Brazil is the country with the greatest biological diversity in the world, home to two biodiversity hotspots (Cerrado and Amazon Forest), six terrestrial biomes and three large differentiated marine ecosystems. It also houses between 15-20% of the world's biological diversity and 70% of the animal and plant species cataloged in the world, with a high degree of endemism (CBD6, 2022) and risk of extinction (Brazilian Institute of the Environment and Renewable Natural Resources – IBAMA, 2022). Many of these species are considered key elements for biodiversity conservation. Therefore, companies listed on the stock exchange, located in these biomes (location), with intensive land use activities (business model) must evaluate their impacts, dependencies on nature, management processes, monitoring and reporting of biodiversity indicators and their interactions (water security, allocation of traditional communities and indigenous peoples, etc.) including with human communities. Brazilian policies present priority areas for biodiversity conservation which could help investors understand if the business practices are aligned with government directions.

**Location:** It matters especially when it comes to Just Transition/Climate Justice. Biodiversity at its most holistic understanding encompasses genetic levels of species, habitats, and ecosystems in a complex network that fosters resilience and supports the delivery of various ecosystem services to society, including to companies and their supply chains (Díaz et al., 2015; TNFD, 2022, COP 15). In this understanding, human communities are not only part of biodiversity but are also in interaction with various agents (biological, genetic, ecosystems). It is known that climate change and its effects tend to affect poor communities more severely, enhancing the scenarios of worsening social vulnerability, food insecurity, water, among others, (Heinberg et al., 2023; Sterner et al., 2019). In addition, the losses of nature potentiate the "erosion of social cohesion and social polarization", as well as "large-scale involuntary migration" (WEF, 2023, p.7). Besides

---

<sup>6</sup> See footnote 1

social impacts, location should consider the diversity of species in different geographic areas. Brazil, for example, has 6 terrestrial biomes and a diverse marine ecosystem.

**Economic activities:** The core business of an economic activity should be considered when understanding its impact, dependencies, and risks on biodiversity, because each economic sector can cause different effects. Hence, TNFD is developing additional guidance along the dimensions of sector specific guidance.

**Response to the question (4c):** While the CDSB Framework application guidance for biodiversity- and water-related disclosures has more than 400 metrics on BEES-relevant disclosure topics, the GRI 304—Biodiversity framework is more consolidated. In addition, GRI 304—Biodiversity and the Guidelines on climate-related reporting (EU, 2019) consider not only how the company is affected by BEES, but how companies affect BEES. The updated GRI 304—Biodiversity might include Access and Benefit-Sharing Compliance-related topics which are fundamental to achieve the target 13 of Kunming-Montreal Global Biodiversity Framework. Point of attention for investors (MSCI, 2023). In addition, given that GRI is already a widely adopted standard in the world, it will facilitate the costs of adaptation and the comparability, verifiability, reliability, comprehensibility of reports. Ideally, a new framework should be designed based on the best experiences of existing frameworks, while considering water security, the impact of traditional communities, indigenous peoples and other communities affected by business operations.

Although TNFD application by some companies, this framework should be adapted to Brazil's reality considering the lack of specific indicators for megadiverse countries and the prioritization challenges for operations in Brazilian territory. Moreover, companies are presenting difficulties related to what is already imposed by national laws/norms; reporting influences and dependencies along their value chain; alignment of concepts. These are points of attention to be cautions with this framework.

The challenge to apply methodologies and frameworks will be the database, therefore, options to address this should be discussed such as the establishment of a baseline.

### **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 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.*

**Response to the question (5a):** the CBPS believes that the following subtopics should be given high level of priority: worker wellbeing, DEI, labour conditions in the value chain and workforce composition and costs.

The worker wellbeing has great intrinsic value and is fundamental to predict key indicators of organizational performance. The health costs are greater for a companies with low level of wellbeing according to WHO (World Health Organization).

Workforce composition and costs are very easy to measure and disclosure and its an important information about the company's relationship with its employees.

In current corporate structures, labor conditions in the value chain represent a major financial risk for entities. There is a strong tendency to outsource different business activities, therefore, a good part of an entity's production process may not be under its direct control. However, the entity is involved with the risks of its entire production chain. Recently there was a case in Brazil of wineries that had hired outsourced labor and it was found that the hired company practiced work analogous to slavery. As a result, the wineries involved will have to pay millionaire damages for their liability, in addition to having affected their reputation. in the same sense DEI is very important to demonstrate the engagement of entities and their possible reputational and financial risks.

We suggest including a specific subtopic workforce aging, due to OCDE and ILO alerts. It is representing an important future risk for companies around the world.

***Response to the question (5b):*** the CBPS considers that different business models and activities, and in particular geographic location, are subject to different risks, we do not believe it is necessary to develop regulatory models by industry or region. It would be more appropriate to have a comprehensive standard that presents guidelines for mapping risks and opportunities regardless of sector or region, for example, to identify unhealthy conditions, exposure to health and mental risks.

***Response to the question (5c):*** Regarding to the materials or organisations referenced in paragraph A25, the CBPS believes that the World Economic Forum (WEF) and the International Labour Organization (ILO) should be prioritised because they are Human Capital oriented and due to their worldwide legitimated in this area.

**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 standardsetters 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.*

**Response to the question (6 a.i):** within the human rights theme, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights address relevant sub-themes that can serve as a basis for ISSB priorities. Among them, we highlight:

— Right not to be discriminated against: the risks and opportunities are substantially related to reputational, image, marketing or legal damage that the company may suffer as a result of discriminatory practices with its workforce, including third parties.

— Right to equality between men and women: The risks and opportunities are related to the possibility of the company suffering legal sanctions or reputational damage due to discriminatory practices or gender inequalities in its workforce and/or in its offer of products or services.

— Right not to be tortured: Risks and opportunities are linked to the possibility of the company engaging in human rights violations, facing legal sanctions, damage to reputation, loss of customers and business opportunities.

— Free from Slavery: Risks and opportunities relate to the possibility of the company being accused of using forced or slave labor in its supply chain, which could result in reputational damage, legal penalties and loss of customers and business opportunities.

— Right to privacy: Risks and opportunities relate to the possibility of the company violating the privacy of its employees, customers or users of its products or services, which could result in reputational damage, legal sanctions and loss of customers and opportunities for business.

— Freedom of association: Risks and opportunities relate to the possibility that the company violates its employees' right to freedom of association and unionization, which may result in reputational damage, legal sanctions and loss of customers and business opportunities.

— Right to an adequate standard of living: Risks and opportunities relate to the possibility of the company being accused of not providing an adequate standard of living to its employees or engaging in business practices that negatively affect communities' access to basic resources, which can result in reputational damage, legal sanctions, and loss of customers and business opportunities.

**Response to the question (6 a.ii):** the CBPS considers that the topics mentioned above are relevant and important for an entity in terms of sustainability and especially useful in terms of information related to investors.

**Response to the question (6b):** the CBPS comprehends that sustainability-related risks and opportunities in relation to these issues are materially different across different business models, economic activities and other common characteristics that characterize participation in an industry sector or geographic locations. Starting with business models, the right to privacy, for example,

may be more sensitive in banking, financial activities or even in health services – which operate through a series of sensitive customer information – and of lesser impact for the commercial sector that records little information about its customers. In the same sense, there are jurisdictions that have specific laws to protect citizens against discrimination, torture and that provide for a minimum remuneration compatible with an adequate standard of living. However, this is not a reality in all locations and, therefore, a company that operates on a global scale must consider the adequate management of the related risks and opportunities.

**Response to the question (6c):** the CBPS understands that to conduct this Project, the ISSB may consider the International Covenant on Civil and Political Rights.

### **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.*

*The ISSB project has advantages, for example, greater flexibility in the discussion and implementation of integration guidelines between the sustainability-related financial disclosures and the financial statements, facilitates the use of broader concepts are conditioned to those adopted by the IASB, facilitates the adoption of ISSB standards in conjunction with other GAAPs.*

*Considering Appendix A, item A44 (c), which indicates the possibility of consistency of the financial data and assumptions in the sustainability-related financial disclosures and the financial*



*statements prepared based on other GAAPs, we consider that the best option would be an ISSB project.*

*(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?*

**Response to the question (7a):** the CBPS considers that the integration in reporting project should be realized together with the three sustainability-related topics (proposed projects on biodiversity, ecosystems and ecosystem services; human capital; and human rights), as the purposes pursued by the ISSB will be achieved more quickly when the standards referring to these topics are implemented.

**Response to the question (7b):** the CBPS considers that the 2 ways of development the project have advantages and disadvantages.

The formal joint project has advantages, for example, it reduces the possibility of conflict between the concepts of both boards (ISSB and IASB), greater synergy with current and future IASB pronouncements, greater agility in the implementation of integration guidelines between the sustainability-related financial disclosures and the financial statements.

**Response to the question (7c):** the CBPS agrees that the project on integration in reporting should build on and incorporate concepts from the IASB's Exposure Draft Management Commentary and Integrated Reporting Framework, because facilitates the building of a more comprehensive report and greater likelihood of use by various stakeholders.

**Response to the question (7d):** there is no further issues.

**Question 8—Other comments.**

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

**Response to the question (8):** there is no further issues.

---

<sup>i</sup> References of Question (4).

- Barnosky, A.D., Matzke, N., Tomiya, S., Wogan, G.O., Swartz, B., Quental, T.B., Marshall, C., McGuire, J.L., Lindsey, E.L., Maguire, K.C., Mersey, B., Ferrer, E.A. (2011). Has Earth's sixth mass extinction arrived? *Nature* 471, 51-57.
- Butchart, S. H. M., Walpole, M., Collen, B., Van Strien, A., Scharlemann, J. P. W., Almond, R. E. A., Watson, R. (2010). Global Biodiversity: Indicators of Recent Declines. *Sciences*, 328 (5982), 1164-8.
- CBD - Convention on Biological Diversity. (2022). Fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity. Retrieved from: <https://www.cbd.int/meetings/COP-15>
- Convention on Biological Diversity - CBD. (1992). CONVENTION ON BIOLOGICAL DIVERSITY, UNITED NATIONS (UNITED NATIONS), 1992.
- Convention on Biological Diversity - CBD/COP15. (2022). Kunming-Montreal Global Biodiversity Framework.
- Costanza, R., de Groot, R., Braat, L., Kubiszewski, I., Fioramonti, L., Sutton, P., Farber, S., & Grasso, M. (2017). Twenty years of ecosystem services: how far have we come and how far do we still need to go? *Ecosystem Services*, 28, 1–16. <https://doi.org/10.1016/J.ECOSER.2017.09.008>
- Dasgupta, P. (2021). *The Economics of Biodiversity: The Dasgupta Review*.
- Diaz, S., Demissew, S., Carabias, J., Joly, C., Lonsdale, M., Ash, N., ... Zlatanova, D. (2015). The IPBES Conceptual Framework - connecting nature and people. *Current opinion on environmental sustainability*. <https://doi.org/10.1016/j.cosust.2014.11.002>
- European Commission. (2019). Guidelines on the reporting of climate-related information. [https://ec.europa.eu/info/files/190618-climate-related-information-reporting-guidelines\\_en](https://ec.europa.eu/info/files/190618-climate-related-information-reporting-guidelines_en)
- Folke, C., Polasky, S., Rockström, J., Galaz, V., Westley, F., Lamont, M., Scheffer, M., Österblom, H., Carpenter, S. R., Chapin, F. S., Seto, K. C., Weber, E. U., Crona, B. I., Daily, G. C., Dasgupta, P., Gaffney, O., Gordon, L. J., Hoff, H., Levin, S. A., ... Walker, B. H. (2021). Our future in the biosphere of the Anthropocene. *Ambio*, 50(4), 834–869. <https://doi.org/10.1007/S13280-021-01544-8/FIGURES/12>
- Gupta, J., Liverman, D., Prodani, K., Aldunce, P., Bai, X., Broadgate, W., Ciobanu, D., Gifford, L., Gordon, C., Hurlbert, M., Inoue, C. Y. A., Jacobson, L., Kanie, N., Lade, S. J., Lenton, T. M., Obura, D., Okereke, C., Otto, I. M., Pereira, L., ... Verburg, P. H. (2023). The justice of the earth system needed to identify and live within the boundaries of the earth system. *Sustainability of Nature* 2023 6:6, 6 (6), 630–638. <https://doi.org/10.1038/s41893-023-01064-1>
- Heinberg, R., Miller, A., POST-CARBON INSTITUTE. (2023). Navigating the Polycrisis of Environmental and Social Collapse Welcome to the Great Unveiling.
- IBAMA, Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis. (2022). Relatório de Qualidade Ambiental: RQMA: Brasil 2020. Brasília, DF, 2022. Cap. 4, pp. 232-301. In: EMBRAPA AGROENERGIA. Biodiversidade. Extraído de: <http://www.alice.cnptia.embrapa.br/alice/handle/doc/1146069>
- IPCC (2022): Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A.

SAUS Quadra 5, Lote 3, Bloco J, Edifício CFC,

CEP: 70070-920, Brasília (DF)

[www.facpcs.org.br/CBPS](http://www.facpcs.org.br/CBPS)

- 
- Okem, B. Rama (eds.]. Cambridge University Press. Cambridge University Press, Cambridge, UK and New York, NY, USA, 3056 pp., doi:10.1017/9781009325844
- IPCC. (2023). Climate Change 2023: Synthesis Report. Report of the Intergovernmental Panel on Climate Change. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. IPCC.
- Lee, H., Calvino, K., Dasgupta, D., Krinner, G., Trisos, C., Romero, J., Aldunce, P., Blanco, G., Cheung, W. W. L., Connors, S. L., Denton, F., Garschagen, M., Diongue-Niang, A., Dodman, D., Genden, O., Hayward, B., Jones, C., Jotzo, F., Krug, T., ... Zommers, Z. (2023). THE SIXTH IPCC ASSESSMENT REPORT (AR6). In Diriba Korecha Dadi. Panmao Zhai.
- Lenton, T. M., Rockström, J., Gaffney, O., Rahmstorf, S., Richardson, K., Steffen, W., Schellnhuber & Schellnhuber, H. J. (2019). Climate tipping points – too risky to bet against. *Nature*, 575(7784), 592-595.
- MSCI. (2023). The MSCI Net-Zero Tracker. Retrieved from: <https://www.msci.com/research-and-insights/net-zero-tracker>.
- Network for Greening the Financial System [NGFS] and International Network for Sustainable Financial Policy Insights Research and Exchange [INSPIRE] (2022) Central banking and supervision in the biosphere: an action agenda on biodiversity loss, financial risk and system stability.
- Climate Observatory. (2021). Analysis of Brazilian emissions from and their implications for Brazil's climate goals, 1970 – 2020. SEEG.
- S&P Global. (2023). Positive Nature | S&P Global. [https://www.spglobal.com/esg/solutions/nature?utm\\_source=on24&utm\\_medium=webinar&utm\\_campaign=gtm\\_biodiversity\\_in\\_business](https://www.spglobal.com/esg/solutions/nature?utm_source=on24&utm_medium=webinar&utm_campaign=gtm_biodiversity_in_business)
- SBTi - Science-Based Goals. (2023). Ambitious Corporate Climate Action – Science-Based Goals. <https://sciencebasedtargets.org/>
- Shue, H. (2015). Historical liability, prohibition of damage, and preservation requirement: fundamental practical convergence on climate change. *Moral and Political Philosophy*, 2(1), 7-31. <https://doi.org/10.1515/mopp-2013-0009>
- Sobrevila, C. (2008). The Role of Indigenous Peoples in Biodiversity Conservation: The Natural but Often Forgotten Partners, Claudia Sobrevila, Senior Biodiversity Specialist.
- Steffen, W., Rockström, J., Richardson, K., Lenton, T. M., Folke, C., Liverman, D., Summerhayes, C. P., Barnosky, A. D., Cornell, S. E., Crucifix, M., Donges, J. F., Fetzer, I., Lade, S. J., Scheffer, M., Winkelmann, R., & Schellnhuber, H. J. (2018). Trajectories of the Earth System in the Anthropocene. *Proceedings of the National Academy of Sciences of the United States of America*, 115(33), 8252–8259. [https://doi.org/10.1073/PNAS.1810141115/SUPPL\\_FILE/PNAS.1810141115.SAPP.PDF](https://doi.org/10.1073/PNAS.1810141115/SUPPL_FILE/PNAS.1810141115.SAPP.PDF)
- Stiglitz, J. E. (2014). Inequality and environmental policy. *Green Planet Blues: Critical Perspectives on Global Environmental Policy*, 368.
- Stiglitz, J. E. (2017). THE DYNAMICS OF SOCIAL INEQUALITIES IN TODAY'S WORLD Working Paper from the Roosevelt Institute. At the Pontifical Academy of Social Sciences.
- Stiglitz, J. E., Sen, A., & Fitoussi, J.-P. (2009). Report of the Commission on the Measurement of Economic Performance and Social Progress. [www.stiglitz-sen-fitoussi.fr](http://www.stiglitz-sen-fitoussi.fr)
- TNFD - Task Force on Nature-Related Financial Disclosures. (2023). The TNFD Nature-related Risk and Opportunity Management and Disclosure Framework Final Draft-Beta v0.4. <https://www.ngfs.net/en/central-banking-and-supervision-biosphere-agenda-action-biodiversity-loss-financial-risk-and-system>
- UN, United Nations. (2021). Economic-Environmental Accounting System (SEEA). Ecosystem Accounting.

- 
- UNEP. (2021). Global Environment Outlook—GEO-6: Technical Summary (Cambridge Univ. Press. Taken from <https://wedocs.unep.org/20.500.11822/32024>).
- World Economic Forum (WEF). (2021) What is "positive nature" and why is it the key to our future? Blog post, June 23. <https://www.weforum.org/agenda/2021/06/what-is-nature-positive-and-why-is-it-the-key-to-our-future/>
- World Economic Forum (WEF). (2022). Global Risks Report 2022, 17th Edition. [www.weforum.org](http://www.weforum.org)
- World Economic Forum (WEF). (2023). Global Risks Report 2023, 18th Edition. [www.weforum.org](http://www.weforum.org)
- Xie, L., Bulkeley, H., Tozer, L. (2022). Integrating sustainable innovation: Unleashing the potential of nature-based solutions for climate change and biodiversity. *Environmental Science & Politics*, 132, 119-130.