CFA Institute

292 Madison Ave
2nd Floor
New York, NY
10017-6323 USA

+1 (212) 754 8012 tel
+1 (212) 756 7730 fax
info@cfainstitute.org
www.cfainstitute.org

August 23, 2023

Mr. Emmanual Faber
Chairman
International Sustainability Standards Board
Opernplatz 14
60313 Frankfurt am Main
Germany

RE: Exposure Draft: Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates.

Dear Mr. Faber:

CFA Institute[1], in consultation with its Corporate Disclosure Policy Council ("CDPC") [2], appreciates the opportunity to comment and provide our perspectives on the International Sustainability Standards Board ("ISSB" or "Board") Exposure Draft, *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates* (The "Exposure Draft").

CFA Institute has a long history of promoting fair and transparent global capital markets and advocating for strong investor protections. We are providing comments consistent with our objective of promoting fair and transparent global capital markets and advocating for investor protections. An integral part of our efforts toward meeting those goals is ensuring that corporate financial reporting and disclosures and the related audits provided to investors and other end users are of high quality. Our advocacy position is informed by our global membership who invest both locally and globally.

[1] With offices in Charlottesville, New York, Washington, DC, Brussels, Hong Kong, Mumbai, Beijing, Shanghai, Abu Dhabi and London, CFA Institute is a global, not-for-profit professional association of more than 190,000 members, as well as 160 member societies around the world. Members include investment analysts, advisers, portfolio managers, and other investment professionals. CFA Institute administers the Chartered Financial Analyst® (CFA®) Program.

[2] The objective of the CDPC is to foster the integrity of financial markets through its efforts to address issues affecting the quality of financial reporting and disclosure worldwide. The CDPC is comprised of investment professionals with extensive expertise and experience in the global capital markets, some of whom are also CFA Institute member volunteers. In this capacity, the CDPC provides the practitioners' perspective in the promotion of high-quality financial reporting and disclosures that meet the needs of investors.

EXECUTIVE SUMMARY

CFA Institute serves investors globally and supports the International Sustainability Standards Board (ISSB) efforts to remove jurisdiction-specific language from the sustainability reporting standards produced by the ISSB's predecessor organization, the Sustainability Accounting Standards Board (SASB) (the "SASB Standards").

We have reviewed the methodology and proposed revision approach set forth in the Exposure Draft. While we support the objective of the Exposure Draft and the revision approach broadly, we note several concerns that impact our assessment of the net result on the SASB Standards as follows:

- ***Revision Approach Language Could be Clearer*** – The revision language – and what precisely will result from it – are not clear in several instances as we note in our detailed analysis of the five approaches as set forth in the body of the letter.
- ***Revision Approaches and Methodology May Result in Jurisdiction Flexibility Rather than More Globally Converged Standards*** – The revision approaches – along with the language in Paragraph 8, which seemingly allows those already applying SASB Standards to continue using the existing, rather than the modified standard resulting from the process outlined in the Exposure Draft – seem to create more jurisdiction-specific flexibility within the SASB Standards. This appears to belie the ISSB's objective which is international sustainability standards. It seems in attempting to "internationalize the SASB Standards" the ISSB may simply be creating jurisdiction specific versions of the SASB standards. This is counter to the objective of global standards and creates comparability issues for investors.
- ***Stakeholders Need Analysis of the Revision Approaches Ultimately Utilized*** – Stakeholders will need to understand the degree and extent to which each revision approach is utilized by the ISSB in modifying the SASB standards. If Revision Approach #1 is mostly used, then the result is better for investors than if Revision Approach #5 is used extensively. Each approach beyond Revision Approach #1 represents a degradation of the SASB Standards. Investors need a summary and overall analysis – across all the SASB standards – of the extent to which each of the approaches has been used. This type of "meta-analysis" will be important to investors in judging the net result of the changes.

As such, it is premature to say whether revisions to the SASB Standards will result in an improvement for investors. The revisions may make the SASB Standards more internationally palatable and desirable in various jurisdictions globally, but they may simultaneously result in less comparability and truly international sustainability standards. This is a trade-off the ISSB needs to clearly summarize and articulate for investors.

Additionally, the ISSB needs to outline the next steps for investors. Specifically, will the revised SASB Standards be exposed for public comment and will investors be provided with a "meta-analysis" of the revision approaches deployed in modifying the standards.

Finally, we also highlight that investors are still seeking clarity on the required application and future of the SASB Standards within the ISSB hierarchy.

OVERARCHING CONSIDERATIONS

Always Support Efforts Aimed at Convergence

CFA Institute serves investors globally and has supported the International Accounting Standards Board (IASB) in its efforts to produce converged, jurisdiction-agnostic standards. As such, efforts by the IASB's sister organization, the International Sustainability Standards Board, to remove jurisdiction-specific language from sustainability reporting standards is an analogous initiative and something CFA Institute can clearly support. Whether in financial reporting or sustainability reporting, anything bringing a common standard to the information investors receive is in investors' interest. All the better if that standard can be applied globally.

Support Efforts Aimed at Less Jurisdiction-Specific Information in SASB Standards

More specifically, CFA Institute understands the Exposure Draft seeks to eliminate jurisdiction-specific language from the sustainability reporting standards produced by the ISSB's predecessor organization, the Sustainability Accounting Standards Board.

Though the SASB no longer exists – its remit having been taken over by the ISSB – the SASB Standards – as the ISSB says clearly in the Exposure Draft's introductory Paragraph 8 (IN 8) – will continue to serve as an important source of guidance as entities around the world implement IFRS S1, *General Requirements for Disclosure of Sustainability-Related Financial Information* and IFRS S2, *Climate Related Disclosures.*

CFA Institute agrees with the ISSB that it is not optimal that approximately 200, or 20%, of 1,000 metrics in the SASB Standards contain jurisdiction-specific language. The Exposure Draft seeks to address this issue and in so doing to enhance the international applicability of the SASB Standards.

In our view, the Exposure Draft is an effort to address jurisdiction-specific language (i.e., language that is US jurisdiction specific to be more precise) making it more likely that companies globally will implement the ISSB's Sustainability Standards and thereby produce sustainability-related disclosures that are free of jurisdiction-specific language. This is a goal CFA Institute can clearly support.

This May Take More Time Than Expected

While efforts to facilitate the implementation and application of the IFRS sustainability standards are laudable, CFA Institute is of the view that revising SASB Standards, so they are clearly worded, achieve their intended goals and are internationally applicable is too important an undertaking to rush.

It certainly would be helpful for entities if the SASB Standards were revised to free those standards of jurisdiction-specific references by the end of 2023 (i.e., in time for what the ISSB has targeted as the implementation date for IFRS S1). But being ready for IFRS S1 should not trump the larger objective of having SASB Standards that are internationally consistent, globally applicable and uniformly applied by preparers and that are decision useful across jurisdictions for investors and other users of such information. If the SASB's Standards need further modification in 2024 to make them ready to support the implementation of IFRS S1, that modification work should continue.

That said, we understand the ISSB staff have already commenced application of these various proposed revision approaches in updating the non-climate related SASB Standards.

COMMENTS BASED UPON ANALYSIS OF EXPOSURE DRAFT & RESPONSE TO SPECIFIC QUESTIONS

Consideration of Revision Methodology (Questions #1 and #2)

As noted in the Overarching Considerations section, no one country or jurisdiction's approach to the measurement and management of sustainability risks should dominate international sustainability standards. To the contrary, the references and the metrics in those standards should be genuinely jurisdiction agnostic and should be useable by all entities, irrespective of whether they apply IFRS, US GAAP, or another set of generally accepted accounting principles.

Consideration of Non-Climate Related Revisions – CFA Institute supports the idea in the Exposure Draft of building on the approaches developed to enhance the international applicability of the industry-based, climate-related disclosures. There is no need to reinvent the wheel. If the ISSB has already gone through the process – successfully – of revising the SASB's climate-related standards to free those standards of jurisdiction-specific language, it makes sense to follow a similar approach for non-climate related revisions.

We believe the scope of the Exposure Draft is expressed clearly, namely, to amend the non-climate-related SASB Standards that rely on jurisdiction-related references so entities can apply the revised standards globally (i.e., irrespective of the jurisdiction in which they report, and regardless of the GAAP they apply).

However, we would note there is likely less convergence globally on non-climate related metrics than on climate-related metrics. As such, international convergence on the non-climate related metrics across the SASB standards may not be as readily achievable without application of revision approaches which are not as optimal – as we discuss below.

Language at Odds with ISSB's Larger Goal – As we consider the language in Paragraph 8 regarding the methodology, we note some of the language in the Exposure Draft which would seem at odds with the ISSB's larger goal.

Specifically, the document says that any revisions to the SASB Standards should not increase the cost of application to entities, and it goes on to say:

"... an entity already using the SASB Standards could continue to provide the same disclosures irrespective of whether the SASB Standards are amended using this methodology."

This language would seem to suggest that those who prefer and already use the existing SASB Standards can continue to do so irrespective of the completion of the revisions being brought about by this Exposure Draft.

This seems inconsistent with the overall objective of international sustainability standards – the reason the ISSB was created – and the purpose of this Exposure Draft as it suggests those applying the SASB Standards can either adopt the previous, unrevised, SASB Standards or the SASB Standards which are to be newly revised based upon the methodologies and approaches proposed in this Exposure Draft. This undermines the concept or objective of global, international standards as the comparability investors are seeking will not necessarily be achieved.

Net Result of Revisions Needs to Be Greater International Comparability – While the desired constraints of the objective of the Exposure Draft – namely, to preserve the structure, intent, decision usefulness, and cost effectiveness of the SASB Standards – strike us as appropriate, the objective of not increasing the cost of application even modestly for entities strikes us as unattainable.

After all, entities, to disclose under more internationally applicable metrics may need to deploy resources (time, money, and people) that they would not need to deploy if the SASB Standards were not being revised to be more internationally applicable.

We believe all those preparers indicating compliance with the ISSB Standards and the underlying SASB Standards need to be applying the updated SASB Standards resulting from the process being proposed in this Exposure Draft.

We do not believe it is acceptable for entities to apply differing versions of the SASB Standards.

Allowing companies to apply the existing – rather than the updated – SASB Standards may make sustainability disclosure easier, quicker, and cheaper – but it would also undermine entity comparability, which is the point of creating standards in the eyes of investors.

Against this backdrop, we think the Exposure Draft should be revised to say that any revisions to the SASB Standards to facilitate their international applicability should not be unduly burdensome for preparers and should not add materially to entities' cost of implementing the revised standards, but that there will be some cost to those currently applying SASB Standards from revising their disclosures to meet the updated SASB Standards.

Consideration of Approaches to Revising SASB Standards (Question #3)

The Proposed Revision Approaches – The most critical paragraph within the Exposure Draft is Paragraph 9 which lays out the five possible alternatives the ISSB may employ to update the metrics within the existing SASB Standards making them less jurisdiction-specific and more internationally applicable.

CFA Institute supports the general concept in the Exposure Draft of having several possible revision approaches and creating a hierarchy of approaches to remove jurisdiction-specific language from the SASB Standards and in so doing to make those standards more internationally applicable.

Those approaches are set forth and numbered below for ease of reference in the discussion which follows.

REVISION APPROACHES	
The ISSB has identified the non-climate-related SASB Standards metrics that rely on jurisdiction-specific references to define the metric's scope, methods, or parameters. In descending order of preference, amendments to the SASB Standards metrics would be made by revision approaches:	
1	**SUBSTITUTE WITH INTERNATIONAL STANDARDS, METHODS, OR CALCULATIONS** – Substituting available internationally applicable references for standards, definitions, or calculation methods to replace jurisdiction-specific references;
2	**PROVIDE MORE GENERALIZED REFERENCES** – Providing more generalised references for standards, definitions, or calculation processes to replace jurisdiction-specific references;
3	**ADOPT GENERALIZED JURISDICTIONAL REFERENCES ENABLING USE OF JURISDICTIONAL SPECIFIC STANDARDS** – Adopting generalised jurisdictional references to enable preparers to use applicable jurisdictional laws, regulations, methodologies, or guidance to replace jurisdiction-specific references;
4	**REMOVE METRICS THAT ARE NOT INTERNATIONAL ADAPTABLE** – Removing—in a limited number of cases—disclosure metrics that are ill-adapted for international application or have no identified international equivalents outside specific jurisdictions; and
5	**REMOVE & REPLACE A JURISDICTIONAL SPECIFIC METRIC WHEN AVAILABLE** – Removing and replacing jurisdiction-specific metrics when a relevant replacement can be identified to preserve the disclosure topic's integrity—aligning with the intent of the original metric as much as possible based on research—to meet the needs of users of general purpose financial reports.

Observations Regarding the Revision Approaches

We have reviewed the revision approaches outlined above and make the following observations:

- *Revision Approach #1 (Paragraph 9A)* – CFA Institute finds the language in this paragraph to be clear and we share the ISSB's view that this approach – adopting internationally recognized and accepted metrics to replace jurisdiction-specific (i.e., US focused) metrics – is the preferred approach. If current language in a SASB Standard is jurisdiction specific, that standard by its nature is not ready to be included as guidance for the application of any sustainability disclosure rules issued by the ISSB. It makes sense to us, therefore, that the best approach when faced with this challenge is to replace the jurisdiction-specific language with internationally equivalent metrics, standards, terms, or definitions that achieve the same disclosure objective such that the SASB Standards can be applied by entities globally.

- *Revision Approach #2 (Paragraph 9B)* – There will, of course, be quite a few instances in which jurisdiction-specific language cannot be replaced by an international equivalent because no such international equivalent exists. The Exposure Draft gives a prime example: There is no global equivalent for the remediation disclosures that are made by land fill companies in the United States after a US-based land fill company experiences seepage from one of its facilities – possible fouling nearby water supplies. Against this backdrop, it would seem sensible to develop disclosure wording that can be applied by entities globally – essentially Revision Approach #2.

  Revision Approach #2 proposes to replace jurisdiction-specific references with "more generalized references." However, this approach strikes us as vague. What exactly is a "more generalized reference?" Will it be too vague to provide comparable information? Will the information be only qualitative? We worry that this approach has the potential to create a dilution of the disclosures produced by the SASB Standards with very generic, qualitative disclosures internationally.

The nature of the replacement language will have a significant bearing on the quality and comparability of the disclosures.

- *Revision Approach #3 (Paragraph 9C)* – This approach proposes to use "generalized jurisdictional references" and applicable jurisdictional laws to replace existing jurisdiction-specific (i.e., U.S.) references.

  Again, we find ourselves struggling to understand what the terms mean. What is a "generalized jurisdictional reference?" And, if the goal of the Exposure Draft is to make the SASB Standards country and jurisdiction agnostic, why does Paragraph 9C discuss using applicable jurisdictional laws?

  This approach seems to replace one jurisdiction-specific approach (i.e., a US standard) with an approach that allows flexibility for preparers to select the jurisdiction-specific metric, definition, term, or reference they prefer.

  The result being SASB Standards replete with a plethora of differing jurisdiction-specific metrics, definitions, terms, or references. This belies the goal of international sustainability standards and is likely to result in jurisdiction specific SASB standards – a common criticism of the IASB standards. This undermines the comparability of sustainability disclosures for investors.

- *Revision Approach #4 (Paragraph 9D)* – This approach is puzzling as it calls for removing from an SASB Standard any definition, term, reference, or metric that can't easily be adapted for international use, that has no international equivalent, and whose intent is effectively addressed elsewhere in the SASB Standard.

  The definitions, terms, references, or metrics were included in the original standard because they were deemed material and relevant. To remove them would result in a loss of decision-useful information. This approach also naturally raises a question: If the jurisdiction-related language was touching on a topic already being dealt with elsewhere within the SASB Standard, why did the jurisdiction-related language appear in the SASB Standard to begin with?

  This approach seems fraught with the potential to remove metrics some do not seek to provide. We are concerned the real result will simply be removal of a metric, definition, term, or reference that was deemed important to the respective industry at the creation of the SASB Standards.

  Would it not be better to retain the metric and include language which describes the objective and need for the metric without specifically allowing a jurisdiction-specific selection?

- *Revision Approach #5 (Paragraph 9E)* – This approach would…"removing and replace jurisdiction-specific metrics when a relevant replacement can be identified to preserve the disclosure topic's integrity.." We agree that any replacement language must, of course, be relevant to the sustainability issue at hand. And the replacement language must have the same intent as the language currently in the Standard. What's not clear is how this approach differs from Revision Approach #1 or #3. Said differently, the replacement is unclear. As stated, its challenging to ascertain the net result of this revision approach.

Observations on the Revision Approaches Collectively: The End Result on Quality and Efficacy of SASB Standards Depends Upon Which Approach Is Most Frequently Applied
The ISSB has set forth a hierarchy of approaches for revising the SASB's Standards – along with the criteria for moving from the most preferred approach – No. 1 – to the least preferred approach – No. 5. We have, however, several concerns that impact our assessment of the net result on the SASB Standards. They are as follows:

- The revision language – and what precisely will result from it – is not clear in several instances as we note above.
- The revision approaches – along with the language in Paragraph 8, which seemingly allows those already applying SASB Standards to continue using the existing, rather than modified standards – seem to create more jurisdiction-specific flexibility within the SASB Standards. This appears to belie the ISSB's objective which is international sustainability standards. It seems in attempting to "internationalize the SASB standards" the ISSB may simply be creating jurisdiction specific versions of the SASB standards. This is counter to the objective of standards and creates comparability issues for investors.
- Stakeholders will need to understand the degree and extent to which each revision approach is utilized by the ISSB in modifying the SASB standards. If Revision Approach #1 is mostly used, then the result is better for investors than if Revision Approach #5 is used extensively. Each approach beyond Revision Approach #1 represents a degradation of the SASB Standards. Investors need a summary and overall analysis – across all the SASB standards – of the extent to which each of the approaches has been used. This type of "meta-analysis" will be important to investors in judging the net result of the changes on the SASB standards.

As such it is premature to say whether revisions to the SASB Standards as outlined in Paragraph 9 will result in an improvement for investors. The revisions may make the SASB Standards more internationally palatable and desirable in various jurisdictions globally, but they may simultaneously result in less comparability and truly international sustainability standards. This is a trade-off the ISSB needs to clearly summarize and articulate for investors. It will be insufficient – likely impossible – for investors to discern this from reviewing 1,000 metrics and reaching their own conclusions.

Taxonomy Update Considerations (Question #4)
It would seem to make sense to update the SASB Standards Taxonomy to reflect revisions to the SASB Standards once those revisions have been finalized. A growing number of investors are using machine learning and other forms of artificial intelligence to scan company documents, including disclosure documents, at a breakneck pace. That means investors rely on having key terms in these documents tagged for easy search and identification. If the standards are changed, the tags will need to be changed as well. Put simply, the SASB Standards Taxonomy should

reflect the exact verbiage in the standards themselves. That means updating the taxonomy when the standards change.

While at first, we believed the taxonomy update might not be a significant undertaking, our review of the Revision Approaches – their "flexibility" in both definition and jurisdiction – and the Appendices would appear to indicate taxonomy updates could be significant. The application of approaches which allows jurisdiction specific choices not only belies the notion of international sustainability standards but also the quality of a taxonomy. Could the taxonomy end up becoming less useful?

Further SASB Refinements (Question #5):
A "Big Picture" Issue with Respect to the SASB Standards: Their Future

The Exposure Draft in Question #5 seeks further comment on other methods, considerations, or specific amendments with respect to the ISSB's future work of refining the SASB Standards to support the application of IFRS S1 or future enhancements of the SASB Standards. While we don't have specific comments as it relates to future refining or enhancements of the SASB Standards per se, we make the following observation regarding the stature and relevance of the SASB Standards in the context of the ISSB Standards more broadly.

In our January 2021 comment letter in response to the IFRS Foundation's Consultation Paper on Sustainability Reporting, we set forth our support for the establishment of the ISSB. We noted that our support was heavily dependent upon the "how" of the new board. One key element of the "how" was the integration of the SASB Standards and their industry-based versus general-standards focus. Separately, In CFA Institute's SEC Climate Comment Letter, we highlighted that the ISSB industry-based metrics related to climate were essential for investors, citing the following about those industry-based metrics:

- They provide the first materiality lens for disclosure.
- They provide investors with a more forward-looking assessment of climate-related risks.
- They create greater comparability between companies.
- Investors are organized by – and make asset allocation decisions by – industry.
- Climate risk (or any sustainability risk) impacts industries differently.
- The approach provides better engagement opportunities for companies and investors with the ISSB.
- Industry-based standards will likely produce more proportionality in disclosures.

The industry-based standards – and the resulting metrics also provide – as we highlight in Exhibit 1 to CFA Institute's SEC Climate Comment Letter (See Page 26) an essential link to the disclosures they are proposing in the financial statements as they will facilitate understanding regarding how these more forward-looking metrics manifest themselves in the financial statements. While we do not oppose consideration of additional cross-industry metrics to ensure comparability across industries, we believe industry-based metrics must be the starting point. This is more effective and efficient for investors as these industry-based standards are integral to making the disclosures more decision-useful to investors in ascertaining the effects on the enterprise of sustainability-related risks.

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What we think needs to be clearer to investors is how themes such as climate in IFRS S2 that become IFRS Sustainability Disclosure Standards will evolve together with the SASB industry-based standards.

Will IFRS Sustainability Disclosure Standards' theme-based standards ultimately overtake the existing SASB Standards to become theme-based rather than industry-based standards?

Or will the industry based SASB Standards persist and be referenced and continually integrated in these standards?

In sum, our earlier correspondence highlights our support for the ISSB and IFRS Sustainability Disclosure Standards was conditioned on the ISSB's integration of the industry-based nature of the SASB Standards. CFA Institute feels strongly that ultimate sustainability standards should be industry-based. Failure to do that would undermine the standards effectiveness and could lead CFA Institute to being less supportive of the ISSB's work in general.

The updating of the SASB Standards through this Exposure Draft demonstrates a commitment to the SASB Standards, but the language in IFRS S1 (see box to the right) indicates a degree of consideration and flexibility in the adoption of the SASB Standards that is not necessarily consistent with our desired path forward for the SASB Standards.

We think the ISSB needs to be clear the SASB Standards should not just be considered but followed to be considered compliant with ISSB standards.

We will reiterate this point in our response to the [ISSB's Consultation on Agenda Priorities](#) as those priorities need to consider the status of the SASB Standards in the ISSB's hierarchy.

General requirements

Sources of guidance

Identifying sustainability-related risks and opportunities

54 In identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, an entity shall apply IFRS Sustainability Disclosure Standards.

55 In addition to IFRS Sustainability Disclosure Standards:

(a) an entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards. An entity might conclude that the disclosure topics in the SASB Standards are not applicable in the entity's circumstances.

(b) an entity may refer to and consider the applicability of:

(i) the CDSB Framework Application Guidance for Water-related Disclosures and the CDSB Framework Application Guidance for Biodiversity-related Disclosures (collectively referred to as 'CDSB Framework Application Guidance');

(ii) the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general purpose financial reports; and

(iii) the sustainability-related risks and opportunities identified by entities that operate in the same industry(s) or geographical region(s).

Identifying applicable disclosure requirements

56 In identifying applicable disclosure requirements about a sustainability-related risk or opportunity that could reasonably be expected to affect an entity's prospects, an entity shall apply the IFRS Sustainability Disclosure Standard that specifically applies to that sustainability-related risk or opportunity.

57 In the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a sustainability-related risk or opportunity, an entity shall apply judgement to identify information that:

(a) is relevant to the decision-making of users of general purpose financial reports; and

(b) faithfully represents that sustainability-related risk or opportunity.

58 In making the judgement described in paragraph 57:

(a) an entity shall refer to and consider the applicability of the metrics associated with the disclosure topics included in the SASB Standards. An entity might conclude that the metrics specified in the SASB Standards are not applicable in the entity's circumstances.

(b) an entity may—to the extent that these sources do not conflict with IFRS Sustainability Disclosure Standards—refer to and consider the applicability of:

(i) the CDSB Framework Application Guidance;

(ii) the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general purpose financial reports; and

(iii) the information, including metrics, disclosed by entities that operate in the same industry(s) or geographical region(s).

(c) an entity may—to the extent that these sources assist the entity in meeting the objective of this Standard (see paragraphs 1–4) and do not conflict with IFRS Sustainability Disclosure Standards—refer to and consider the applicability of the sources specified in Appendix C.

Disclosure of information about sources of guidance

59 An entity shall identify:

(a) the specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards; and

(b) the industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.

Next Steps: Clarity Needed

Paragraph 17 in the Exposure Draft section titled "Next Steps" raises several questions. For example:

- ***ISSB Outreach to Be Focused on Jurisdictions Less Familiar with SASB Standards*** – Paragraph 17(b) indicates that the ISSB plans to focus its outreach and consultation on the Exposure Draft on jurisdictions less familiar with the SASB Standards. Why would it be appropriate to have these jurisdictions figure any more prominently in the feedback process than any other jurisdiction? This language may suggest more focus on the adoption of the ISSB standards in various jurisdictions than the global comparability of the underlying SASB Standards.
- ***How to Proceed with the SASB Standard Amendments**: **What are the Steps to Finalizing the ED?*** – Paragraph 17(c) indicates the goal of the ISSB's outreach is to determine how to proceed with amendments to the SASB Standards. Presumably, the ISSB Staff will gather feedback on the Exposure Draft from stakeholders, the Board will decide as to the path forward and the ISSB Staff will complete the revision of the SASB Standards. That said, we understand the ISSB has already done work related to implementing such approaches and making judgements on the approaches to be taken – so we are not clear that they haven't already decided on the next steps.
- ***Will Revisions Be Exposed for Public Comment?*** – One thing is not clear – irrespective of whether the ISSB has already decided on the revision approaches to be taken – the Exposure Draft does not articulate whether the SASB Standards once revised will be exposed for public comment. We think this is important to communicate to set stakeholder expectations.
- ***Investors Need An Overall Analysis of the Revision Approaches Used*** – It is also not clear whether investors will be provided with an overall analysis or summary ("meta-analysis") of the degree or extent to which the various revision approaches have been applied such that investors can assess – without having to analyze, collate and make those determinations themselves – the global or international versus jurisdiction-specific nature of the changes.

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Thank you for your consideration of our views and perspectives. We would welcome the opportunity to meet with you to provide more detail on our letter. If you have any questions or seek further elaboration of our views, please contact Sandra J. Peters at 347.413.0774 or at sandra.peters@cfainstitute.org.

Sincerely,

/s/ Sandra J. Peters

Sandra J. Peters, CPA, CFA
Senior Head, Global Financial Reporting Policy Advocacy
CFA Institute