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Mr
Emmanuel Faber
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Request for Information Consultation on Agenda Priorities

Dear Mr Faber,

As organization of German listed and capital market-oriented companies, Deutsches Aktieninstitut welcomes the opportunity of commenting on the Request for Information (RFI) Consultation on Agenda Priorities. We welcome the next phase of the ISSB of research and standard setting in enhancing the global baseline of investor-focused sustainability disclosures. We support that the ISSB plans to issue standards that will ensure entities to meet the information needs of investors on sustainability topics beyond climate, if appropriate. The Request for Information (RFI) discusses the foundational work and new research and standard setting work. In the following, we would like to comment on these two aspects.

As regards the **foundational work**, we highly welcome providing support to companies for the implementation of IFRS S1 and IFRS S2. In order for the ISSB standards to become a global baseline, they will need to be widely accepted and followed around the world. Substantive implementation guidance and support is needed. Experiences from the implementation processes of both standards should be incorporated into future standard setting. This would promote the quality and applicability of the ISSB standards.

We support the development of targeted educational material to explain and illustrate how an entity might apply some of the existing requirements in IFRS S2 to disclose information about particular nature and social aspects of climate-related risks and opportunities. We support the staff's recommendation issued in July 2023 that the RFI will not result in a "new" version of IFRS S2 as companies internally started implementing IFRS S1 and IFRS S2.

Furthermore, it is important that the ISSB also puts focus on the alignment of digitalization. Maximum interoperability between the European digital taxonomy and the ISSB taxonomy must be ensured. Differences in the various taxonomies will otherwise result in double reporting for entities.

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As regards the **new research and standard setting work**, we would welcome if the ISSB adds a research project on biodiversity and ecosystems to its work plan. The concept of integrated reporting should be considered in every standard development process without necessarily selecting “Integration in Reporting” as a separate topic for the ISSB’s future agenda.

Deutsches Aktieninstitut supports the addition of a research project on biodiversity to the Board’s agenda, as it is a fundamental topic. It is already addressed by the European Sustainability Reporting Standards (ESRS) and it also resonates at the international level. The Taskforce on Nature-related Financial Disclosures (TNFD) is expected to publish its final recommendations in autumn. The ISSB could play an important role to mitigate fragmented regulations wherever possible. Considering the complexity of the topic, the scope of the project should be restricted to biodiversity and ecosystems. The topic of ecosystem services should not be considered at this stage of time. Focus should be on the interoperability with existing standards. The project could be an opportunity to build a reasonable global baseline on biodiversity.

We would not prioritize human capital and human rights for the ISSB agenda in the near future given the limited capacity and timeframe of standard setting as fundamental differences in addressing these topics exist in different jurisdictions. The development of global standards necessitates enough time to engage with stakeholders and jurisdictions in the standard setting process.

We would like to point out that interoperability of the ISSB standards with the ESRS is paramount. We support the ongoing joint work of the ISSB with EFRAG on interoperability guidance on ISSB standards and ESRS.

We kindly ask you to take our remarks into consideration and remain at your disposal in case of questions.

Yours faithfully



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Jessica Göres
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