

AY-2. Are you responding as an individual, or on behalf of an organisation?

- Organisation

AY-10. Would you like to include any additional introductory information?

- No

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

Paragraphs 18–22 and Table 1 of the Request for Information provide an overview of activities within the scope of the ISSB's work.

**01-A. (a) From highest to lowest priority, how would you rank the following activities?
Please drag and drop to rank, where 1 is the highest priority and 4 is the lowest priority.**

<i>supporting the implementation of ISSB Standards (IFRS S1 and IFRS S2)</i>	1
<i>enhancing the Sustainability Accounting Standards Board (SASB) Standards</i>	2
<i>beginning new research and standard-setting projects</i>	3
<i>researching targeted enhancements to the ISSB Standards</i>	4

01-B. (b) Please explain the reasons for your ranking order and specify the types of work the ISSB should prioritise within each activity.

We consider the priority of the ISSB's activities is as below:

Priority 1: Supporting the implementation of ISSB Standards IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

We would like to emphasise the critical importance of the successful implementation of IFRS S1 and IFRS S2 for the credibility and effectiveness of the ISSB and its future work. We note that companies, particularly small and medium-sized enterprises (SMEs), may face challenges in adopting the new standards. Examples of potential application challenges include conducting climate scenario analyses, data collection and calculation for scope 3 emission, determination of materiality, as well as the assessment of current and anticipated financial effects.

To address these challenges, we recommend that the ISSB prioritise providing practical guidance and capacity building support to help companies, in particular SMEs, implement the standards successfully. This could be done through the sharing of best practices and adoption status in each jurisdiction to promote consistent implementation of the standards. In addition, the ISSB should work closely with regulators and national standard setters to solicit feedback on implementation challenges.

Thus far, we appreciate the ISSB's efforts to promote and encourage the adoption of IFRS S1 and S2 by jurisdictions worldwide. In addition, we acknowledge and support the ISSB's work to ensure the interoperability of its standards with other sustainability reporting frameworks, such as the Global Reporting Initiative and the European Sustainability Reporting Standards. These efforts can help to enhance the comparability and consistency of sustainability reporting, which is critical for investors to make informed decisions.

Priority 2: Enhancing the Sustainability Accounting Standards Board (SASB) Standards

We generally agree that the SASB standards are helpful in providing industry-specific and standardised metrics for sustainability reporting. We prefer prioritising the enhancement of SASB Standards over starting new research projects as this would help the ISSB complete more projects sooner as the SASB already had a number of projects that were in progress and it would help avoid potential duplication of effort. This approach would focus on projects where recommended changes to SASB Standards have already been published prior to the IFRS Foundation assuming responsibility for the SASB Standards, ensuring efficient use of time and resources.

Priority 3: Beginning new research and standard-setting projects

We acknowledge that the ISSB's capacity might be limited during the initial implementation period and suggest that the ISSB focus its resources on supporting the adoption and implementation of IFRS S1 and IFRS S2 before moving onto other topics.

Priority 4: Researching targeted enhancements to the ISSB Standards

We rank enhancing the ISSB Standards as the lowest priority. We believe that enhancing the ISSB Standards should be part of the post-implementation review process. As such, we recommend that the ISSB delay researching targeted enhancements to IFRS S1 and S2 until stakeholders have had sufficient time to work through the standards and develop solutions to overcome initial hurdles so as to focus any potential enhancements by the ISSB on core issues for which further resource allocation could be justified.

01-C. (c) Should any other activities be included within the scope of the ISSB's work? If so, please describe these activities and explain why they are necessary.

- Yes:

In order to assist stakeholders with application issues, we suggest that the ISSB consider forming an interpretations committee to support the consistent application of IFRS Sustainability Disclosure Standards. This committee could provide guidance on the application of the standards and address any interpretative issues that may arise, which would promote greater comparability and reliability of sustainability reporting. We also suggest that the interpretations committee interact with other standard setters, such as the Greenhouse Gas Protocol (as currently referred to by IFRS S2), during the deliberation process.

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

Paragraphs 23–26 of the Request for Information discuss the criteria the ISSB proposes to use when prioritising sustainability-related reporting issues that could be added to its work plan.

02-A. (a) Do you think the ISSB has identified the appropriate criteria? Please explain your response.

- Yes:
 - We have comments on the following criteria used by the ISSB and do not propose any additional criteria.
 - #1 the importance of the matter to investors
The ISSB should focus not only on matters that are currently important but also on emerging issues that may become relevant to investors in the foreseeable future given the time needed to develop a sustainability disclosure standard.
 - #2 whether there are any deficiencies in the way companies disclose information on the matter
We suggest expanding the criterion to include matters that are not currently being disclosed (i.e. non-disclosure as opposed to deficiency in disclosure). Therefore, we recommend amending the criteria to ‘whether there is a lack of disclosure of information that would be useful to investors and whether there are any deficiencies in the way companies disclose information on the matter’.
 - #4 how pervasive or acute the matter is likely to be for companies
We suggest that the ISSB clarify how ‘acute’ should be interpreted, e.g. whether it has the same meaning as ‘material’ – if so, why not use ‘material’ which is a term that is well understood in IFRS Accounting Standards; if not, then what is meant by ‘acute’ given it is a measure of severity and intensity?
 - #5 how the potential project interconnects with other projects in the work plan
We acknowledge that there will be significant collaboration between the IASB and the ISSB for some of the ISSB’s future projects. Therefore, we recommend specifying that the term ‘work plan’ in the criteria refers to the IFRS Foundation work plan as a whole, encompassing the work plans of both the ISSB and IASB.
Besides, the ISSB should clarify the consequences to the priority of a potential project if it has more interaction with other projects in the ISSB/IASB’s work plan. For example, should more interaction with other projects result in a higher or a lower priority?

02-B. (b) Should the ISSB consider any other criteria? If so what criteria and why?

- No

Question 3—New research and standard-setting projects that could be added to the ISSB’s work plan

Paragraphs 27–38 of the Request for Information provide an overview of the ISSB’s approach to identifying sustainability-related research and standard-setting projects. Appendix A describes each of the proposed projects that could be added to the ISSB’s work plan.

03-A. (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?

- More than one project

03-Aii. (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). Please explain your response.

- Biodiversity, ecosystems and ecosystem services:

We consider that the ISSB should work on more than one project, as this would provide greater flexibility for the organisation. If the ISSB solely focuses on a single project, and that project encounters significant difficulties or delays, the overall progress may be impeded. In contrast, if the ISSB works on multiple projects simultaneously, it can shift its focus to another project if one project faces challenges. This would enable the ISSB to complete at least some projects within the two-year work plan period even if difficulties such as technical complexities, divergent views among stakeholders or significant changes in the external environment, are encountered in one project during the standard development process.

Of the four proposed projects, we consider that the ISSB should prioritise the “biodiversity, ecosystems and ecosystem services” project. This is due to the relative maturity of the relevant concepts, growing investor interest in the topic, the risks stemming from biodiversity loss and its connection to climate change.

However, we would like to emphasise that biodiversity-related disclosures should not be pursued until solid foundations, such as capacity building, are in place to support them.

There were mixed views among our respondents regarding the next highest priority item. Human capital topics encompass issues such as fair labour practices, workplace safety, and employee engagement, which are important considerations for ESG investors. Similarly, human rights topics are also important, given the challenge of managing human rights-related risks in interconnected international economies with complex supply chains. Considering that human capital and human rights are interconnected with each other and overlap to a certain extent, such as the rights of workers within an entity’s direct control (human capital) and its value chain (human rights), the ISSB should consider working on them concurrently.

Therefore, some respondents considered human capital and/or human rights to be the next highest priority item. One respondent observed that human capital and human rights information is commonly reported, especially through diversity and inclusion reporting. This would make it easier for entities to implement the standard once it is in place.

On the other hand, there is a strong demand for integration in reporting as it provides a more transparent and holistic view of a company’s performance and value creation. By combining financial and non-financial information, integration in reporting gives a more complete picture of a company’s sustainability and financial performance. Therefore, some respondents considered this topic to be more important than human capital and/or human rights. In addition, some respondents considered it difficult for the ISSB to proceed with the project on human rights, as there are differing definitions and views of human rights-related topics across jurisdictions. This could be resource-intensive for the ISSB, and therefore, some respondents suggested that integration in reporting should be the next highest priority item.

In conclusion, while our respondents held mixed views regarding the next highest priority item, it is worth noting that the momentum established by IFRS S1 and IFRS S2, as outlined in paragraphs A43 to A45 of the RFI, includes requirements on ‘connected information’ that can ease the urgent demand for integration in reporting. On balance, we believe that integration in reporting may be considered of a slightly lower priority compared to human capital and human rights.

- Human capital:
See above
- Human rights:
See above
- Integration in reporting:
See above

**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 to the Request for Information. Please respond to these questions:

04-A. (a) Of the subtopics identified in paragraph A11, to which would you give the highest priority? Please select as many as applicable.

Please explain your choice and the relative level of priority with particular reference to the information needs of investors. You may also suggest subtopics that have not been specified. To help the ISSB analyse the feedback, where possible, please provide:

- **a short description of the subtopic (and the associated sustainability-related risks and opportunities); and**
 - **your view on the importance of the subtopic with regard to an entity's sustainability-related risks and opportunities and the usefulness of the related information to investors.**
- Land-use and land-use change:
We consider the subtopic of "land-use and land-use change (including deforestation)" as the highest priority.
Land-use and land-use change (including deforestation) is related to various environmental impacts on a global scale, such as deforestation, loss of biodiversity, and carbon emissions. Changes in land-use can have significant impacts on the value of land and property, particularly in areas prone to deforestation and other forms of environmental degradation, leading to financial losses for companies that own or invest in these assets. Companies that rely on natural resources and ecosystem services may face reputational and financial risks due to a change in land-use. In addition, changes in land-use patterns can have implications for commodity prices, particularly for agricultural and forest products, which can have financial implications for companies operating in these sectors.
On the other hand, companies that use sustainable land-use practices can benefit in several ways. For example, they can help preserve important natural resources such as clean water and healthy soil, which can improve their productivity and reputation. In addition, these companies can benefit from the growing demand for sustainable products and services, which can help them stay competitive over the long term. We also consider the subtopic of "pollution" as a top priority, as it can have significant environmental and social impacts, including contributing to climate change, harming ecosystems, and negatively affecting public health and well-being. A respondent from the insurance industry commented that underwriting guides for life and health insurance businesses in the market consider air pollution a high-risk factor for morbidity and hospitalisation. Overall, pollution can lead to regulatory and reputational risks for companies, as well as potential financial risks from litigation, fines, and decreased market demand.
 - Pollution (including emissions into air, water and soil):
See above

Question 4—New research and standard-setting projects that could be added to the ISSB's work plan: Biodiversity, ecosystems and ecosystem services

04-B. (b) Do you believe that sustainability-related risks and opportunities related to biodiversity, ecosystems and ecosystem services are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes

Question 4—New research and standard-setting projects that could be added to the ISSB's work plan: Biodiversity, ecosystems and ecosystem services

04-C. (c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A13 should be utilised and prioritised by the ISSB in pursuing the project? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. If you would like to suggest materials that are not specified, please select 'Other' and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The Climate Disclosure Standards Board (CDSB) Framework application guidance for biodiversity and water-related disclosures
- The SASB Standards
- The Integrated Reporting Framework
- The Global Reporting Initiative (GRI) standards (for example, GRI 304 – Biodiversity)
- The Taskforce on Nature-related Financial Disclosures (TNFD)
- The Partnership for Biodiversity Accounting Financials (PBAF)
- The Science Based Targets Network
- The European Financial Reporting Advisory Group (EFRAG):
Output of EFRAG i.e. European Sustainability Reporting Standards

Question 5—New research and standard-setting projects that could be added to the ISSB's work plan: Human capital

The research project on **human capital** is described in paragraphs A15–A26 of Appendix A to the Request for Information. Please respond to these questions:

05-A.

(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:

- **a short description of the subtopic (and the associated sustainability-related risks and opportunities); and**
 - **your view on the importance of the subtopic with regard to an entity's sustainability-related risks and opportunities and the usefulness of the related information to investors.**
- Worker wellbeing (including mental health and benefits):
See below
 - Diversity, equity and inclusion:
We consider the subtopic of "Diversity, Equity, and Inclusion (DEI)" as the highest priority. DEI is increasingly a priority for investors. Companies should strive not only to balance the representation of employees from diverse backgrounds but also to support equal access to opportunities and foster engagement across groups throughout the workforce within the company. DEI initiatives can lead to better innovation, decision-making, and overall business performance, which can ultimately affect long-term financial performance. Institutional investors commonly consider DEI information when making investment decisions. DEI is also important from the perspective of customers and stakeholders as it can attract and retain them. Moreover, DEI can mitigate potential risks related to discrimination, harassment, and other legal liabilities that can adversely impact a company's reputation and financial performance. Thus, from an investor's perspective, DEI is a core focus for risk management. We also consider the subtopic of "employee engagement" (in particular employee training) or "worker wellbeing (including mental health and benefits)" as the top priority. These subtopics were deemed critical due to their positive impact on the long-term success of the company, promotion of social responsibility, and support for the overall well-being and professional growth of employees.
 - Employee engagement:
See above

Question 5—New research and standard-setting projects that could be added to the ISSB's work plan: Human capital

05-B. (b) Do you believe that sustainability-related risks and opportunities related to human capital are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes

**Question 5—New research and standard-setting projects that could be added to the ISSB’s work plan:
Human capital**

05-C. (c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB’s focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A25 should be prioritised by the ISSB in pursuing its research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. If you would like to suggest materials that are not specified, please select ‘Other’ and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The SASB Standards and related research and standard-setting projects
- The International Labour Organization (ILO)
- The European Financial Reporting Advisory Group (EFRAG):
Output of EFRAG i.e. European Sustainability Reporting Standards
- The Global Reporting Initiative (GRI)

**Question 6—New research and standard-setting projects that could be added to the ISSB’s work plan:
Human rights**

The research project on **human rights** is described in paragraphs A27–A37 of Appendix A to the Request for Information. Please respond to these questions:

06-A. (a) Within the topic of human rights, are there particular subtopics or issues that you feel should be prioritised in the ISSB’s research? You can suggest as many subtopics or issues as you deem necessary.

To help the ISSB analyse the feedback, where possible, please provide:

- **a short description of the subtopic (and the associated sustainability-related risks and opportunities); and**
- **your view on the importance of the subtopic with regard to an entity’s sustainability-related risks and opportunities and the usefulness of the related information to investors.**

We suggest that the following subtopics within human rights could be prioritised in the ISSB’s research based on an assessment of the risks and opportunities as well as the usefulness of the related information to investors relating to those subtopics.

1 Just and favourable working conditions

This subtopic involves providing safe and healthy working conditions, preventing abusive practices, curbing excessive overtime, and closing the gender gap in the company and its value chain.

Risks

Reputational: Investors need to understand how companies are managing the risk of negative publicity, loss of customers, and a decline in stock prices due to poor working conditions.

Legal and regulatory: Investors need to be aware of the legal and regulatory risks associated with violations of workers’ rights, as they can affect a company’s ability to generate profits and access capital.

Opportunities

Improved productivity and employee retention: Companies that provide just and favourable working conditions are likely to experience increased productivity and employee retention, leading to improved financial performance and reduced costs.

Competitive advantage: Companies that prioritise just and favourable working conditions can differentiate themselves from their competitors and attract customers and employees who value ethical and sustainable practices.

2 Forced and child labour

This subtopic involves the use of forced labour or child labour in the production of goods or services and its value chains. Forced labour occurs when individuals are coerced or forced to work against their will, often through threats, violence, or deception. Child labour involves the employment of children in any work that deprives them of their childhood, interferes with their education, or is harmful to their physical or mental health.

Risks

Reputational: Ditto

Legal and regulatory: Ditto

Supply chain: Companies that fail to address forced and child labour risks in their supply chains can face reputational damage and legal liability, which can have a significant impact on their financial performance.

Opportunities

Improved supply chain resilience: Companies that address forced and child labour risks in their supply chains are likely to have more resilient supply chains that are better able to withstand disruptions.

Improved brand reputation: Companies that demonstrate a commitment to eliminating forced and child labour from their supply chains can enhance their brand reputation and gain a competitive advantage.

3 Local communities

This subtopic involves engaging with the communities in which a company operates to respect their human rights, promote sustainable development, and avoid negative impacts on local populations.

Risks

Reputational: Ditto

Legal and regulatory: Ditto

Supply chain: Companies that fail to engage with local communities in a responsible and ethical manner can face supply chain disruptions, which can have a significant impact on their financial performance.

Opportunities

Improved stakeholder relationships: Companies that engage with local communities in a responsible and ethical manner can improve their relationships with stakeholders, including customers, employees, and investors.

Improved social license to operate: Companies that respect the human rights of local communities are more likely to gain and maintain a social license to operate, which can reduce regulatory and legal risks and enhance their reputation.

4 Supplier social assessment

This is a due diligence process that allows companies to identify and address sustainability-related risks and opportunities in their supply chains. By conducting social assessments of their suppliers, companies can gain greater visibility into their supply chains and ensure that their suppliers are committed to upholding ethical and sustainable practices.

Risks

Reputational: Ditto

Legal and regulatory: Ditto

Supply chain: Companies that fail to assess the social performance of their suppliers can face supply chain disruptions, which can have a significant impact on their financial performance.

Opportunities

Improved supply chain transparency: Companies that assess the social performance of their suppliers can gain greater visibility into their supply chains, which can help them identify and address sustainability-related risks and opportunities.

Improved supplier relationships: Companies that work with suppliers to improve their social performance can build stronger relationships with their suppliers and enhance supply chain resilience.

5 Customer health and safety

This subtopic involves addressing the product-related impacts on customer health and safety, such as ensuring that products are safe to use and do not pose risks to human health.

Risks

Reputational: Ditto

Legal and regulatory: Ditto

Consumer demand: Consumers are increasingly demanding products that are safe to use and do not pose risks to human health. Companies that fail to meet these expectations may face decreased customer loyalty and declining sales.

Opportunities

Increased customer loyalty: Companies that prioritise the health and safety of their customers are likely to retain loyal customers who value ethical and sustainable practices.

Improved brand reputation: Companies that demonstrate a commitment to customer health and safety can enhance their brand reputation and gain a competitive advantage.

Question 6—New research and standard-setting projects that could be added to the ISSB’s work plan: Human rights

06-B. (b) Do you believe that sustainability-related risks and opportunities related to human rights are substantially different across different business models, economic activities and other common features that characterise participation in an industry, or geographic locations such that measures to capture performance on such sustainability-related risks and opportunities would need to be tailored to be specific to the industry, sector or geographic location to which they relate?

- Yes

Question 6—New research and standard-setting projects that could be added to the ISSB’s work plan: Human rights

06-C. (c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A36 should be prioritised by the ISSB in pursuing its research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You can suggest materials that are not specified—please select 'Other' and give your suggestion(s) in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

- The CDSB Framework for reporting environmental and social information
- The SASB Standards
- The International Labour Organization
- The UN Guiding Principles on Business and Human Rights and the associated UN Guiding Principles Reporting Framework

Question 7—New research and standard-setting projects that could be added to the ISSB's work plan: Integration in reporting

The research project on **integration in reporting** is described in paragraphs A38–A51 of Appendix A to the Request for Information. Please respond to these questions:

07-A. (a) The integration in reporting project could be intensive on the ISSB's resources. While this means it could hinder the pace at which the topical development standards are developed, it could also help realise the full value of the IFRS Foundation's suite of materials. How would you prioritise advancing the integration in reporting project in relation to the three sustainability-related topics (proposed projects on biodiversity, ecosystems and ecosystem services; human capital; and human rights) as part of the ISSB's new two-year work plan? Please explain your response.

- Integration in reporting project is a **lower priority**:
Refer to response in Question 3.

07-B. (b) In light of the coordination efforts required, if you think the integration in reporting project should be considered a priority, do you think that it should be advanced as a formal joint project with the IASB, or pursued as an ISSB project (which could still draw on input from the IASB as needed without being a formal joint project)? Please explain how you think this should be conducted and why.

- Formal joint project:
We agree that the integration in reporting project is important and requires effective communication to be understood by investors. We recommend a joint project between IASB and ISSB, as it aligns with the proposals in IASB's Exposure Draft Management Commentary and can demonstrate the connectivity between financial and sustainability-related financial disclosures. We support a joint project to avoid duplication of efforts and ensure effective use of limited resources, while considering the potential overlap with the IASB's Management Commentary project.

Question 7—New research and standard-setting projects that could be added to the ISSB's work plan: Integration in reporting

(c) In pursuing the project on 'integration in reporting', do you think the ISSB should build on and incorporate concepts from:

07-Ci. (i) the IASB's Exposure Draft *Management Commentary*?

If you agree, please describe any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.

- Yes:
We suggest that the ISSB incorporate the concepts from the IASB's Exposure Draft Management Commentary and the Integrated Reporting Framework (IR Framework) in pursuing the project on integration in reporting. In particular, we consider that the following concepts from the IR Framework should also be incorporated:
 - Integrated thinking
 - Connectivity of information
 - Materiality
 - Conciseness
 - Reliability and completeness
 - Stakeholder engagement

07-Cii. (ii) the Integrated Reporting Framework?

If you agree, please describe any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.

- Yes:
Refer to response in (c)(i).

07-Ciii. (iii) other sources?

If you agree, please describe the source(s) and any particular concepts that you think the ISSB should incorporate in its work. If you disagree, please explain why.

- No:
N/A

AY-3. Please provide the name of the organisation you are responding on behalf of:

Hong Kong Institute of Certified Public Accountants

04-Bi. (i) Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will be substantially different across different industries, sectors or geographic locations.

We consider that different industries, sectors and geographic locations may face unique risks and opportunities when addressing sustainability-related issues. For example, water-related risks and opportunities in the food and beverage industry may differ from those for an office-based operation, and deforestation risks and opportunities will vary across forestry, agriculture, and mining sectors. In addition, in regions with high rates of deforestation, a company may face different risks and opportunities compared to regions with high levels of water scarcity or soil degradation. Overall, we note that the extent to which sustainability-related risks and opportunities related to biodiversity, ecosystems and ecosystem services differ across industries/sectors and geographic locations depends on a range of factors. As such, the related disclosure requirements would need to be tailored for each industry/sector and geographic location as appropriate.

05-Bi. (i) Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will be substantially different across different industries, sectors or geographic locations.

We consider that industries and sectors face unique sustainability-related risks and opportunities related to human capital. Industries that rely heavily on labour, such as manufacturing, construction, and mining, may face increased risks related to occupational health and safety, as well as physical and mental strain on workers. In contrast, knowledge-based industries such as technology, media, and telecommunications, as well as healthcare, may face higher risks related to employee burnout, stress, and mental health.

Sustainability-related risks and opportunities related to human capital may vary across different geographic locations. Factors such as cultural norms, legal frameworks, and labour market conditions can differ significantly from place to place, leading to unique challenges and opportunities related to human capital. For example, some regions may have stronger legal protections for workers, while others may have more flexible labour markets. In addition, cultural attitudes towards issues such as gender and diversity may differ across different regions, leading to different risks and opportunities related to human capital. Therefore, it is important for the ISSB to carefully consider the specific geographic context when developing disclosure requirements for assessing sustainability-related risks and opportunities related to human capital.

Overall, we believe that the precise measures of performance for sustainability-related risks and opportunities in different industries/sectors and geographic locations require a careful consideration of a range of factors such as an entity's reliance on labour, business models, and that sector's or jurisdiction's approaches to human capital matters.

06-Bi. (i) Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will be substantially different across different industries, sectors or geographic locations.

Sustainability-related risks and opportunities related to human rights can vary depending on social and cultural norms, political factors, economic factors, industry and legal frameworks in different jurisdictions. Hence the specific measures for assessing their impact should be specific to each of these factors.

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

N/A

08. Question 8—Other comments

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

N/A
