

**AY-1. Please provide your full name and email address:**

<b>First name:</b>	Amama
<b>Last name:</b>	Shaukat
<b>Email:</b>	

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

- Individual

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

- Yes

**AY-11. Please provide any additional details relevant to you (if responding as an individual) or your organisation (if responding on behalf of an organisation).**

I am an Reader (Associate Professor) in Accounting and Finance at Brunel Business School, Brunel University London. I teach and research mainly in the areas of sustainability accounting and reporting as well as corporate governance. Drawing on my research, I regularly engage with policy making bodies both in UK and internationally (e.g. EFRAG) to inform policy making in the area of sustainability accounting and reporting.

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

Rank 1 and 2 are urgently important given the global environmental crisis triggered by climate change and global warming that we are facing today. I strongly recommend that Sustainability Accounting and Reporting Standards particularly environmental standards in S2 be enhanced. These standards effectively need to require that companies address what we call in our latest research, the Natural Environment Agency Costs (NEACs) of pollution, depletion and resulting environmental degradation. Our research findings that explain NEACs and their origin, show, that strong environmental commitments (that include both good environmental performance and reporting) is extremely important for the long run financial success and financial risk reduction of companies. Thus these commitments that would include reducing NEACs and reporting on NEAC reduction, are also very important for their investors. For full details of our research (joint work with Grzegorz Trojanowski and Rajesh Tharyan) titled 'Towards the Natural Environment Agency Theory (NEAT) please see:

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4519832](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4519832)

Please copy paste the above link in your browser to access the NEAT paper.

Thank you

Rank 3 Targeted enhancements should include researching how companies can accurately identify and measure their NEACs so that they can objectively report on NEAC reduction.

**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:

To research the impact of business activities related to their natural resource use on Earth's eco-system (including biodiversity and eco-system services like air purification by plants, pollination by bees, watering of farms by rain etc).

The Earth's eco-system is the Earth's business model. So what is the impact of a business's business model related to natural resource use in production and consumption of its goods/services, on earth's business model needs urgent research attention.

**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.**

- No:

The ISSB should include in criteria 1, 'and other relevant key stakeholders'. This is suggested because when it comes to sustainability reporting, the interests of investors (who are driven primarily by a profit motive) may not be perfectly aligned with the interests of a 'sustainable business'. A sustainable business needs to address needs of multiple key stakeholders (like employees, suppliers, and society) to stay sustainable. As we argue in our NEAT paper, an environmentally sustainable business would need to undertake upfront potentially costly environmental actions such as reversing environmental degradation that would benefit the business (e.g. by pre-empting consumer/societal backlash). Investors may not see the immediate benefit of such actions (which nevertheless would benefit them as well as other stakeholders essential for business success and sustainability). Hence adding to criteria 1 'other key stakeholders' is essential because ultimately sustainability accounting and reporting by public companies needs to reflect and meet interests of all relevant publics if it is to retain its societal 'license to operate'.

**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?**

- Single project

**03-Ai. (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. Please explain your response.**

- Biodiversity, ecosystems and ecosystem services:

In order for business and its investors (as part of wider society) to remain environmentally viable, it is vital that the Earth's eco-system remain viable and functioning properly. A distorted natural eco-system spells disaster for both business and society. Earth's eco-system i.e. its business model is highly dependent on the richness of its biodiversity. Hence it is essential for ISSB to understand this themselves and then support businesses in understanding, actioning and reporting on it.

**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.**
- **Freshwater and marine resources and ecosystems use:**  
I would recommend that ISSB focus on what are the NEACs (including those effecting the Earth's eco-system) related to above natural resource use and how businesses can reduce and more importantly reverse their impact on eco-system.
  - **Land-use and land-use change:**  
I would recommend that ISSB focus on what are the NEACs (including those effecting the Earth's eco-system) related to above natural resource use and how businesses can reduce and more importantly reverse their impact on eco-system.
  - **Pollution (including emissions into air, water and soil):**  
I would recommend that ISSB focus on what are the NEACs (including those effecting the Earth's eco-system) related to above natural resource use and how businesses can reduce and more importantly reverse their impact on eco-system.
  - **Resource exploitation (for example, material sourcing and circular economy):**  
I would recommend that ISSB focus on what are the NEACs (including those effecting the Earth's eco-system) related to above natural resource use and how businesses can reduce and more importantly reverse their impact on eco-system.
  - **Invasive non-native species:**  
I would recommend that ISSB focus on what are the NEACs (including those effecting the Earth's eco-system) related to above natural resource use and how businesses can reduce and more importantly reverse their impact on eco-system.

**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

**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.**

Business models vary according to the type of natural resource used by a business and its availability, its renewability, its carbon and eco-system related nature and impact etc. Hence, sustainability related risks and opportunities related to eco-system will also vary by business sector, size, geographical location etc. Hence sustainability related risks and opportunities will need to specifically tailored.

**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 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 Capitals Coalition
- The Science Based Targets Network
- The European Financial Reporting Advisory Group (EFRAG)
- The European Commission's Align project
- The EU Business and Biodiversity Platform
- The World Benchmarking Alliance
- The United Nations Declaration on the Rights of Indigenous Peoples
- Other—please specify:  
I would recommend the ISSB to also refer to our research paper 'Towards the natural environment agency theory (NEAT)' as it provides a rationale for why it is now in the strategic rational interest of the business to address and reverse its NEACs including of course those related to biodiversity and eco-system services. The link to download the paper is here:  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4519832](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4519832)

#### **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):  
No.2 This matters very much for sustainable and productive workforce.
  - Diversity, equity and inclusion:  
Number 5
  - Employee engagement:  
Number 3.
  - Workforce investment:  
This should be prioritised as number 1. Reskilling and upskilling of workforce is absolutely essential in our age of technological disruptions caused by digital transformation.
  - Labour conditions in the value chain:  
This is also very important for a sustainable value chain. Number 4.

#### **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

**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.**

Type of workforce required and economic and social conditions of workforce vary by industry location etc.

**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 CDSB Framework for reporting environmental and social information
- The International Labour Organization (ILO)
- The European Financial Reporting Advisory Group (EFRAG)
- The Global Reporting Initiative (GRI)
- The World Economic Forum (WEF) International Business Council’s core metrics and disclosures on sustainable value creation

**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.

N/A

**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

**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.**

Human rights issues would vary by sector and location etc.

**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
- The World Benchmarking Alliance’s Corporate Human Rights Benchmark
- The United Nations Declaration on the Rights of Indigenous Peoples
- The cross-industry metrics associated with the WEF International Business Council’s dignity and equality theme

**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**

**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.**

N/A

**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.**

N/A

**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.**

N/A

**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.**

- Yes:

Management commentary should elaborate what NEACs are relevant for the business and how it is addressing them.

**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?**

To promote more effective governance of sustainability and particularly environmental sustainability related accounting and reporting, ISSB should seriously consider requiring at least large listed companies to have scientific and technical environmental experts on corporate boards. Experts who as non-executive directors can both advise and monitor the company's environmental performance and reporting. This in my opinion is crucial for instilling investors and other stakeholder confidence and trust in sustainability reporting by companies. In turn promoting more effective and efficient resource allocation by investors and other stakeholders such as customers. This is also important for assurance purposes.