

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

- Organisation

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

Institut der Wirtschaftspruefer in Deutschland e.V. (IDW)

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

The prioritization of the above activities should be understood in the context of the following:

Ad 1) The targeted improvements to IFRS S1 and IFRS S2 should initially relate exclusively to improving interoperability with ESRS. Further adjustments to the standards beyond this should be avoided, so that, after initial interoperability maximization, the standards provide stability for sustainability reporting. To further enhance interoperability, preparers should be allowed to draw upon ESRS rules in the absence of explicit guidance in IFRS S1 and S2.

Ad 2) In addition to improving interoperability with ESRS, the main focus of activities should be on strengthening the leading principle of sustainability reporting in alignment with the EFRAG ESRS. This would foster the principal of “fair presentation” of IFRS S1 and give a sound deduction basis for the uniform interpretation of rules.

Ad 3) New standards and research projects should also focus on interoperability with ESRS.

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.

- No:
n/a

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:
In addition to the criteria listed, the cost-benefit ratio of the regulations and interoperability with ESRS should also be used as criteria.

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

- Yes:
In addition to the criteria listed, the cost-benefit ratio of the regulations and interoperability with ESRS should also be used as criteria.

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:
In our view, no more than two parallel projects should be pursued to continue to ensure the necessary diligence and quality in standard development. However, the "incremental progress" mentioned in paragraph 39 is not sufficiently clear to us. ISSB should avoid tying up capacities of interested parties with a multitude of projects with intermediate statuses running in parallel.
To increase the ISSB's responsiveness to new requirements from the market alongside these two larger projects, establishing an institution similar to the IFRIC might be a good option to resolve individual acute issues in a timely manner.
We currently consider the "Integration in Reporting" project to be a long-term goal in view of mandatory sustainability reporting within a separate section of the management report now being required in accordance with the CSRD in Europe.
- Human rights:
In our view, no more than two parallel projects should be pursued to continue to ensure the necessary diligence and quality in standard development. However, the "incremental progress" mentioned in paragraph 39 is not sufficiently clear to us. ISSB should avoid tying up capacities of interested parties with a multitude of projects with intermediate statuses running in parallel.
To increase the ISSB's responsiveness to new requirements from the market alongside these two larger projects, establishing an institution similar to the IFRIC might be a good option to resolve individual acute issues in a timely manner.
We currently consider the "Integration in Reporting" project to be a long-term goal in view of mandatory sustainability reporting within a separate section of the management report now being required in accordance with the CSRD in Europe.

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.
- Other—please specify:
We have not prioritized in this area, as the necessary basis for a conclusive statement is lacking such that prioritization may be driven by multiple factors including the geographical location of respondents. We therefore suggest that the ISSB conduct more research with regard to the prioritization of the sub-topics. This could be done, for example, in the form of outreaches (analogous to financial reporting).

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.

Due to the breadth and depth of this topic area, we assume that specific regulations for different industries, sectors or geographic locations will be necessary.

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 European Financial Reporting Advisory Group (EFRAG):
From our perspective, and consistent with our response to Question 1, interoperability with ESRS is a top priority. Therefore, the corresponding bases of the ESRS should also be used as a central source. Although we also consider other sources (such as the TNFD Beta Framework and the GRI) to be important sources whose central considerations can be used as a basis, the use of a wide variety of sources must not lead to a further divergence of reporting requirements, nor should it diminish clarity or introduce additional complexities.

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.
- Other—please specify:
We have not prioritized in this area, as the necessary basis for a conclusive statement is lacking such that prioritization may be driven by multiple factors including the geographical location of respondents. We therefore suggest that the ISSB conduct more research with regard to the prioritization of the sub-topics. This could be done, for example, in the form of outreaches (analogous to financial reporting).

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.

Due to the breadth and depth of this topic area, we assume that specific regulations for different industries, sectors or geographic locations will be necessary.

**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 European Financial Reporting Advisory Group (EFRAG):
From our perspective, and consistent with our response to Question 1, interoperability with ESRS is a top priority. Therefore, the corresponding bases of the ESRS should also be used as a central source. Although we also consider other sources (such as the ILO principles, which are also referenced in EU Taxonomy) to be important sources whose central considerations can be used as a basis, the use of a wide variety of sources must not lead to a further divergence of reporting requirements, nor should it diminish clarity or introduce additional complexities.

**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.

In this area we also see a lack of the necessary basis for a conclusive statement. We therefore suggest that the ISSB conduct more research with regard to the prioritization of the sub-topics. This could be done, for example, in the form of outreaches (analogous to financial reporting).

If the ISSB decides to take on this topic, ISSB should follow a principles-based approach avoiding a detailed approach per sub-topic.

**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?

- No

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

Due to the breadth and depth of this topic area, we assume that specific regulations for different industries, sectors or geographic locations will be necessary.

**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.

- Other—please specify:
EFRAG Standards: From our perspective, and consistent with our response to Question 1, interoperability with ESRS is a top priority. Therefore, the corresponding bases of the ESRS should also be used as a central source.

**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**:
We currently consider the "Integration in Reporting" project to be a long-term goal in view of mandatory sustainability reporting within a separate section of the management report now being required in accordance with the CSRD in Europe.

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:
A formal joint project can assure that both perspectives, of financial reporting and sustainability reporting are duly considered.

**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:
IASB’s Exposure Draft Management Commentary provides a useful basis for such a project.

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:
The Integrated Reporting Framework provides a useful basis for such a project.

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

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