

AUSTRIAN FINANCIAL REPORTING AND AUDITING COMMITTEE  
c/o KAMMER DER STEUERBERATER UND WIRTSCHAFTSPRÜFER  
AM BELVEDERE 10 I TOP 4  
A-1100 VIENNA  
AUSTRIA

TEL +43 (1) 81173 228  
FAX +43 (1) 81173 100  
E-MAIL [office@frac.at](mailto:office@frac.at)  
WEB <http://www.frac.at>

[August 01, 2023]

International Sustainability Standards Board  
IFRS Foundation  
Opernplatz 14  
60313 Frankfurt am Main  
Germany  
[via questionnaire](#)

RE: ISSB Request for Information – Consultation on Agenda Priorities

Dear Mr Faber,

On behalf of the Austrian Financial Reporting and Auditing Committee (AFRAC), the privately organised standard-setting body for financial reporting and auditing standards in Austria, we appreciate the opportunity to comment on the “Request for Information (RFI) – Consultation on Agenda Priorities”, issued by the ISSB on 4<sup>th</sup> of May 2023.

Principal authors of this comment letter were Tanja Daumann, Anneli Fischer, Katrin Hummel, Erich Kandler, Elisabeth Lang-Wildpacher, Gerhard Prachner, Georg Schneider, Alisdair Swanney, Alfred Wagenhofer, and Anita Wagner-Lang. In order to ensure a balanced Austrian view on the consultation, the professional background of these authors is diverse.

Best regards,  
Romuald Bertl  
Chairman

## Request for Information *Consultation on Agenda Priorities—Survey*

---

### **Document purpose:**

The International Sustainability Standards Board (ISSB) welcomes views from stakeholders, who can submit responses to the Request for Information via a survey or comment letter.

**The purpose of this document is to provide stakeholders with an overview of the survey only; please do not submit this document in response to the Request for Information.**

This document is provided for information only. To submit a survey in response to the Request for Information, please [access the survey directly here](#).

*Disclaimer: To the extent permitted by applicable law, the ISSB and the IFRS Foundation (Foundation) expressly disclaim all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.*

*Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.*

### **© 2023 IFRS Foundation**

*All rights reserved. Reproduction and use rights are strictly limited. Please contact the Foundation for further details at [permissions@ifrs.org](mailto:permissions@ifrs.org)*

## Introduction

### Invitation to comment

The ISSB published the Request for Information *Consultation on Agenda Priorities* on 4 May 2023. Comments must be received by 1 September 2023.

The ISSB will develop and pursue its next two-year work plan subject to public consultation on agenda priorities (agenda consultation). The objective of the agenda consultation is to ask all those interested in sustainability-related financial reporting for their views on:

- the strategic direction and balance of the ISSB's activities;
- the suitability of criteria for assessing which sustainability-related matters (including topics, industries and activities) to prioritise and add to the ISSB's work plan; and
- a proposed list of new research and standard-setting projects that could be added to the ISSB's work plan.

Responses to the Request for Information will help the ISSB prioritise its activities for a two-year period. This period will commence in 2024 following determination of the work plan. The agenda consultation focuses on activities that form part of the ISSB's mission to deliver a comprehensive global baseline of sustainability-related financial disclosures that meet the information needs of an entity's existing and potential investors, creditors and other lenders—the primary users of general purpose financial reports.

This survey has been developed to help stakeholders respond to the questions in the Request for Information. The questions in this survey are identical to the questions in the Request for Information.

The ISSB encourages survey responses to increase its efficiency in gathering, analysing and drawing conclusions from the feedback. The ISSB will nevertheless accept comment letters in lieu of survey responses, which can be submitted by email to [commentletters@ifrs.org](mailto:commentletters@ifrs.org) or online [from the project comment letter page](#).

Your comments on this Request for Information are vital to the ISSB's standard-setting process.

---

## Introduction

### Working with the online survey

- To work with the online survey, you must enable cookies in your browser and on the survey site to prevent data loss if completing the survey over a long period.
- We recommend you complete the survey in one session. However, if you wish to come back to the survey to pick up where you left off, you must use the same browser and you must not clear your cookies.
- We also recommend you keep a copy of your survey answers if you are working with it over a long period. The survey questions are identical to the questions in the Request for Information.
- Please complete the survey in question order. If you need to return to a previous answer, you can navigate through the survey using the forward and back buttons, or by using the table of contents, which can be accessed from every page of the survey via the three lines in the upper left corner of the page.
- The survey will be saved automatically when you navigate to the next page. Please note that if you leave the survey before moving to the next page, the answers on the current page will not be saved.
- Each text box has a character limit of 20,000 (between 2860 and 5000 words with spaces included).
- To submit your response, please select the 'Submit' button at the end of the survey.
- Your survey response will be made publicly available on the IFRS Foundation website in line with the IFRS Foundation's transparent due process.
- We recommend you refer to the ISSB's Request for Information *Consultation on Agenda Priorities* while completing the survey to better inform your response.

### About the survey

- The survey consists of this introduction, an 'About You' section and eight sections containing questions aligned with those in the Request for Information.
- The 'About You' section must be completed in order to submit your response, but you do not need to respond to all the questions to submit your response.

## 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.

(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.*

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

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

In our view, progress towards a wider set of standards has absolute priority in order to establish the ISSB Standards as a full set of sustainability standards internationally in the future. Thus, the work on important ESG topics should have highest priority, followed by more support on the implementation of the recent standards. Enhancements of existing ISSB Standards will need some attention, particularly when they will be increasingly applied in practice. SASB Standards could be enhanced for the respective topical standard setting projects (as it was done with IFRS S2 by an appendix).

(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
- ☐ No

Optional: please explain \_\_\_\_\_

Given the short time frame of two years, we believe that there is not sufficient time left to pursue additional major activities.

However, many entities are struggling on how to integrate ESG risks into the overall risk assessment related to each material ESG-topic (especially beyond climate-related topics). It would be particularly helpful for the implementation of the standards to work on guidance thereon. A basis to consider could be the TCFD framework and recommendations on (climate-related) risk management.

## 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.

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

- ☒ Yes
- ☐ No

Optional: please explain \_\_\_\_\_

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

- ☐ Yes
- ☒ No

Optional: please explain \_\_\_\_\_

Perhaps (1) should be broadened to “the importance of the matter to investors, directly and indirectly” to encompass the potential importance of the matter to other stakeholders that might indirectly affect investors.

-----

### 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.

(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
- ☐ More than one project

(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
- ☐ Human capital
- ☐ Human rights
- ☐ Integration in reporting
- ☐ Other—please explain

Optional: please explain \_\_\_\_\_

In our view, BEES have a greater need for standardized reporting than other projects. Firstly, human rights are strongly regulated directly in many countries, including the value chain of the firms, which is subject to such regulation (see, e.g., the existing legal environment and the proposed Corporate Sustainability Due Diligence Directive of the EU). Secondly, BEES topics and disclosures are currently little standardised, resulting in more need for an international reporting standard. Integration in reporting is a broad topic that needs to be conceptually further developed, before it should be dealt with in the standard setting agenda.

(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
- ☒ Human capital
- ☒ Human rights
- ☐ Integration in reporting
- ☐ Other—please explain

Optional: please explain \_\_\_\_\_  
As we state in our response to question 6, we suggest that human rights should be a sub-topic of human capital and merged with 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:

(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
  - ☒ Land-use and land-use change
  - ☒ Pollution (including emissions into air, water and soil)
  - ☒ Resource exploitation (for example, material sourcing and circular economy)
  - Invasive non-native species
  - Other—please specify

Optional: please explain \_\_\_\_\_

While all the subtopics are important, we believe that, from an investor’s perspective, the most relevant information includes pollution, including freshwater and marine resources, land-use, and resource exploitation. Given the broad scope of BEES, it would seem to require a more descriptive header, such as “Nature” instead of BEES. For example, the ESRS include four standards that broadly cover the subtopics within BEES.

(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
- ☒ No

Please explain your reasoning and provide examples of how sustainability-related risks and

opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or geographic locations.

Whereas different industries and geographical locations imply different sustainability-related risks and opportunities, we believe that there are general risks and opportunities concerning BEES topics that should be reported by all entities (subject to materiality). In addition, we think there is also a need for industry-based guidance (similar to that in IFRS S2) and guidance on geographical peculiarities to improve comparability across entities.

---

(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.

- ☒ X The Climate Disclosure Standards Board (CDSB) Framework application guidance for biodiversity and water-related disclosures
- ☐ The SASB Standards
- ☐ The Integrated Reporting Framework
- ☒ X The Global Reporting Initiative (GRI) standards (for example, GRI 304 – Biodiversity)
- ☒ X The Taskforce on Nature-related Financial Disclosures (TNFD)
- ☐ The Partnership for Biodiversity Accounting Financials (PBAF)
- ☐ The Capitals Coalition
- ☒ X The Science Based Targets Network
- ☒ X 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

Optional: please explain \_\_\_\_\_

Fundamentally, all standards and frameworks that deal with BEES should be analysed. In our answer above, we highlight those, which we believe are most relevant.

---

## 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:

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)
  - ☒ Diversity, equity and inclusion
  - ☐ Employee engagement
  - ☒ Workforce investment
  - ☒ The alternative workforce
  - ☒ Labour conditions in the value chain
  - ☐ Workforce composition and costs
  - ☐ Other—please specify

Optional: please explain \_\_\_\_\_

All topics listed above are generally important. In our answer above, we highlight those, which we believe are most relevant.

(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
- ☒ No

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

It is obvious that different industries and geographical locations imply different sustainability-related risks and opportunities. However, we believe that there are general risks and opportunities concerning human capital topics that should be reported by all entities (subject to materiality). In addition, we think there is also a need for industry-based guidance (similar to that in IFRS S2) and guidance on geographical peculiarities to improve comparability across entities.

(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 Integrated Reporting Framework
- The Capitals Coalition
- X The International Labour Organization (ILO)
- X The European Financial Reporting Advisory Group (EFRAG)
- X The Global Reporting Initiative (GRI)
- The US Securities and Exchange Commission
- The World Economic Forum (WEF) International Business Council's core metrics and disclosures on sustainable value creation
- Other—please specify

Optional: please explain \_\_\_\_\_

Fundamentally, all standards and frameworks that deal with human capital should be analysed. In our answer above, we highlight those, which we believe are most relevant.

## 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:

- (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 consider human rights as a specific subtopic of a more general human capital project. Thus, basic disclosures can be incorporated in the human-capital related part of the disclosures.

---

(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
- ☒ No

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

It is obvious that different industries and geographical locations imply different sustainability-related risks and opportunities. However, we believe that there are general risks and opportunities concerning human rights topics that should be reported by all entities (subject to materiality). In addition, we think there is also a need for industry-based guidance (similar to that in IFRS S2) and guidance on geographical peculiarities to improve comparability across entities.

---

(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 Integrated Reporting Framework
- X The International Labour Organization
- X The UN Guiding Principles on Business and Human Rights and the associated UN Guiding Principles Reporting Framework
- X The World Benchmarking Alliance's Corporate Human Rights Benchmark
- X 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
- X Other—please specify

Optional: please explain \_\_\_\_\_

“Other” could be the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Fundamentally, all standards and frameworks that deal with human rights should be analysed. In our answer above, we highlight those, which we believe are most relevant.

## 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:

(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 **higher priority**
- X Integration in reporting project is a **lower priority**

Optional: please explain \_\_\_\_\_

Generally, we support any efforts that help integrating all corporate reporting elements (financial and sustainability) into one overall framework. However, this is a rather long-term journey, which has little chance to succeed in the short time frame of the RFI. Given capacity constraints concerning setting standards, we suggest not to pursue this issue as a research project in this short term.

(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
- ISSB project

Optional: please explain \_\_\_\_\_

We suggest that such a project should be led primarily by the IASB, rather than by the ISSB. The reason for this is that sustainability reports provide information for assessing the financial effects of sustainability risks and opportunities, which are included in the (ultimate) financial statements. Thus, sustainability information is relevant for financial reporting, but the reverse does not generally apply.

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

(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.



- X Yes
- No

Optional: please explain \_\_\_\_\_

In the EU, the sustainability report (sustainability statement) is part of the EU management commentary. Thus, integration of sustainability reporting in the more general management commentary is obvious.

**(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.

- X Yes
- No

Optional: please explain \_\_\_\_\_

**(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
- No

Optional: please explain \_\_\_\_\_

**(d) Do you have any other suggestions for the ISSB if it pursues the project?**

\_\_\_\_\_

-----

## Question 8—Other comments

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

We strongly recommend that the ISSB emphasizes interoperability of its standards with other existing mandatory standards, particularly the ESRS.

Interoperability has to be considered for each standard where applicable, but it should not be a standard-setting project by itself.

---

Submission