



Patrick de Cambourg  
EFRAG Sustainability Reporting Board  
Chair  
35 Square de Meeûs  
1000 Brussels

27<sup>th</sup> July 2023

**Re: EFRAG Consultation on ISSB Request for information “Consultation on Agenda priorities”**

Dear Patrick,

OIC is pleased to have the opportunity to provide its comments on your draft comment letter on the ISSB Request for information “*Consultation on Agenda priorities*”.

In general, we concur with the EFRAG consideration, and in particular with the following main messages included in your draft comment letter:

- the suggestion to explicitly include “the interoperability” as additional criteria for assessing sustainability reporting matters that could be added to the ISSB’s work plan. As EFRAG, we believe that the interoperability with other jurisdictional or international standards is important and that ISSB in the development of new standards should be aligned with the existing standards;
- the definition of a prioritisation of the projects mentioned in the RFI is not possible, having EFRAG already developed all topics in accordance with the CSRD requirements. However, the interoperability and synergies with other standards setting initiative could be a driver to assess priority;
- the recommendation to ISSB, always in the perspective of interoperability, to take into account the architecture of the ESRs (in terms of topics and their scope) in defining the topical standards to be developed. The projects, as described in the RFI, especially those regarding “Biodiversity, ecosystems and ecosystem services”, “Human rights” and “Human capital” seem quite broad and not aligned with the ESRs regarding their *scope*. We observe that a different approach will not facilitate the interoperability and it will increase the risk of double reporting;

- the importance of the project regarding the connectivity between financial information and sustainability information and its priority compared to the project “Integration in reporting”

However, we highlight the following comments:

- regarding the priority of the ISSB’s activities, we agree that the activities identified by ISSB (new research/standard setting, supporting the implementation IFRS S1 and S2, enhancing the SASB standards, targeted amendments to ISSB standards) are those that should be included in the scope of the ISSB’s work.

However, in our view, supporting the implementation of ISSB standards should have, in this phase, a higher priority compared the research and *standard-setting* activities.

Before starting new research activities with the objective to develop new standards, it is fundamental to concentrate the resources in supporting the market operators, as soon as possible, in the first phase of implementation of the standards just issued.

Moreover, in order to pursue the interoperability, we believe that it would be appropriate and useful that the guidance covers the same core concepts that the EFRAG is developing and that their content is aligned. Misalignments between the two guidance would create confusion among stakeholders and would increase the risk of double reporting.

- regarding the recommendation made by EFRAG in para. 13 to integrate the criteria regarding the “importance of the matter to investors” with the investor’s interest in impact materiality, we suggest to replace the following sentence:

*“EFRAG notes that a growing number of investors base their investment decisions on information on impacts per se whatever their direct or indirect relationship with sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects”* as follows:

*“EFRAG notes that investors’ decisions can take into account impact materiality too, also as a consequence of increasing international regulations that require investors to be more conscious of sustainability matters”.*

Finally, with regard to the EFRAG question to constituents whether, from an operational standpoint, a project on integration in reporting should be advanced as a formal joint project with the IASB or pursued as an ISSB-led project, in our view, considering the aim of the project, as indicated in the RFI, that is *“creating an integrated, coherent and comprehensive system of corporate reporting that provides a holistic and transparent view of how an entity creates value over time”*, the involvement of the IASB cannot be less than that of the ISSB.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Michele Pizzo  
(OIC President of the Board of Directors)

