
International Business Council of the World Economic Forum
From: Executive Committee of the International Business Council, World Economic Forum
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The World Economic Forum and the International Business Council (IBC) Executive Committee welcome the progress towards establishing a global baseline of consistent and comparable sustainability information based on the IFRS Foundation's International Sustainability Standards Board's Sustainability Disclosure Standards (ISSB Standards). This global baseline facilitates cross-border capital flow to sustainable businesses and reduces reporting complexity for companies facing multiple mandatory jurisdictional disclosure requirements.

We note the highly significant endorsement by the International Organization of Securities Commissions (IOSCO), which has called on its member regulators to adopt, apply, or otherwise be informed by the ISSB Standards. We also note that more than 20 jurisdictions have announced steps to adopt or use the ISSB Standards in local regulatory frameworks and that a high degree of interoperability has been achieved with the European Union's European Sustainability Reporting Standards (ESRS).

We have been strong advocates for a harmonized and comprehensive global corporate reporting system and welcome further consolidation and strategic partnerships between the ISSB and other key actors in supporting progress towards this aim. This includes, for example, the CDP adopting the ISSB's climate standard as the foundational baseline for the climate disclosure in its questionnaire, the transfer of the disclosure materials of the Transition Plan Taskforce (TPT) to the IFRS Foundation, plans for deeper collaboration between the ISSB and the Global Reporting Initiative (GRI), and the ISSB working more formally with the GHG Protocol.

However, the journey to a global baseline for sustainability disclosures is far from finished. We emphasize the importance of a proportionate global corporate reporting system that prioritizes resources and investments to activities that help achieve climate objectives and long-term, sustainable development. In support of these aims, we continue to believe that adopting the ISSB Standards across jurisdictions is the best way to build the global baseline.

We note that some jurisdictions have established their own regulations and standards for sustainability disclosure. In these cases, we urge policymakers and market regulators to allow companies based outside their jurisdictions to meet local requirements by applying the ISSB Standards, with additional requirements when needed (e.g. in jurisdictions that have adopted a double materiality approach). Such legal equivalence agreements can help achieve the global baseline.

We urge continued and strengthened collaboration between standards-setting efforts to increase alignment and accelerate the process of developing global sustainability standards.

We welcome that the ISSB is committed to collaborating with the GRI and the Task Force on Nature-related Financial Disclosures (TNFD) as it develops its standard on biodiversity, ecosystems and ecosystem services (BEES). A collaborative approach served the ISSB well in

developing its first standards, including incorporating and building on the TCFD for its climate-related disclosures. We welcome that the Financial Stability Board recommended that the ISSB Standards should serve as a global framework for sustainability disclosures.

We believe it is essential to achieve greater alignment on sector-based sustainability reporting requirements. We strongly encourage close collaboration between the ISSB, GRI and EFRAG to achieve, as far as possible within their respective mandates, the same disclosure requirements, including metrics, for sectors, using existing content that is already adopted by companies, such as the SASB Standards and the GRI sector standards.

We encourage the ISSB and the newly-formed Taskforce on Inequality and Social-related Financial Disclosures (TISFD) to work together with the aim that the latter's outputs can inform the ISSB's work on human capital.

We reiterate the continuing importance of interoperability considerations as part of the standards-setting processes, including in guidance and interpretations that are developed to support the implementation of standards.

We will continue to catalyze progress through the coalition of companies collaborating in the Stakeholder Metrics (SCM) Initiative that is convened by the World Economic Forum and IBC, and which supports progress towards the adoption of globally accepted international sustainability disclosure standards.

Signed

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