From: Executive Committee of the International Business Council, World Economic Forum

9 December 2021

We welcome the recent announcement from the IFRS Foundation on the establishment of the International Sustainability Standards Board (ISSB). This historical step will enable global financial markets to have high-quality and comparable disclosures on sustainability-related issues through a set of international standards that, we hope, will become generally accepted and widely adopted.

Global sustainability disclosure standards are needed as climate change and wider sustainability issues are global. A standard-setting approach is essential, as it allows for principles of legitimacy, independence, transparency, public accountability and oversight, and thorough due process.

We are encouraged by the level of support for this development and the strategic alignment among key stakeholders. We are pleased that public-private dialogue and cooperation, facilitated by the World Economic Forum (the Forum) and other convening bodies, have helped to build momentum. Over the past few months, we have seen significant public support for this agenda, including through the endorsements of the G7 and the G20 Finance Ministers and Central Bank Governors.

We are pleased that the Forum has been part of the IFRS Foundation’s Technical Readiness Working Group that was formed by the IFRSF to undertake preparatory work to give the ISSB a running start - speed is of the essence.

The Forum was able to contribute its work, research, and insights from the cross-industry Stakeholder Capitalism Metrics project, which we see reflected in the approach of the proposed prototype standards released by the Technical Readiness Working Group. The Forum’s metrics were launched over a year ago and have been supported by over 100 global organisations worldwide.

We welcome the publication of the prototype climate standard as well as the prototype of general disclosure requirements, which will bring better consistency on how companies report on all sustainability topics material to them.

We welcome the announcement that the Climate Disclosure Standards Board (CDSB, an initiative of CDP) and the Value Reporting Foundation (VRF, which houses the Integrated Reporting Framework and the SASB Standards) will be merging into the ISSB. This strategic convergence represents the culmination of a dialogue among these leading sustainability and integrated reporting organisations, and we are pleased that the Forum, along with other entities, played a key role in facilitating this process.

We welcome the announcement that the technical standards and frameworks of the CDSB and the VRF, including industry standards, along with those of the TCFD and the Forum’s Stakeholder Capitalism Metrics, will provide a basis for the technical work of the new board.
INTERNATIONAL BUSINESS COUNCIL OF THE WORLD ECONOMIC FORUM

As part of the Forum’s continued partnership with the IFRS Foundation, our growing private sector-led coalition stands ready to serve as a sounding board and provide feedback through the appropriate consultation mechanisms of the new ISSB to ensure its standards are fit for purpose and deliver for all stakeholders in the financial markets.

Similarly, we encourage regulators and policy makers to review and consider the global IFRS sustainability disclosure standards delivered by the ISSB as they are intended to provide a comprehensive global baseline for companies to report on and will be developed to facilitate compatibility with reporting requirements that are jurisdiction specific or aimed at a wider group of stakeholders.

We look forward to the Annual Meeting of the Forum in Davos in January 2022 as a key opportunity to advance public-private dialogue and cooperation in support of the ISSB and the adoption of the new standards as the global baseline.

Signed

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Ana Botín, Group Executive Chairman, Banco Santander SA, Spain

Victor L. L. Chu, Chairman and Chief Executive Officer, First Eastern Investment Group, Hong Kong SAR, China

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