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Emmanuel Faber, ISSB Chair
Sue Lloyd, ISSB Vice-Chair
International Sustainability Standards Board
IFRS Foundation

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Exposure Draft on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

Dear Chair Faber and Vice-Chair Lloyd,

SwissHoldings, the Swiss Federation of Industrial and Services Groups in Switzerland, represents 61 Swiss groups, including most of the country's major industrial and commercial enterprises. We very much welcome the opportunity to provide comments to this Exposure Draft (ED).

Our federation strongly supports the initiative undertaken by the ISSB to establish international sustainability disclosure standards. In particular, the chosen approach of the draft proposal building upon existing frameworks and addressing their current fragmentation is in our view effective to aid consistency and comparability of information, as well as increase the quality of disclosure.

In general, we would very much encourage the ISSB to seek strong alignment with regional and national initiatives on sustainability reporting such as those of the EU und US. This is important to reduce the reporting burden for companies operating globally and to ensure the comparability of disclosures.

Our detailed response (in the appendix) has been prepared in conjunction with our member companies.

Yours sincerely,

SwissHoldings

Federation of Swiss-based multinational enterprises

Dr. Gabriel Rumo
Director

Denise Laufer
Member of the Executive Committee

SwissHoldings

APPENDIX

QUESTIONS FOR RESPONDENT

Questions (2a/2b) regarding definition and objectives:
It is important that "sustainability related financial information" is measured as monetized impacts on society and the environment with adherence to the definition of "impact" as per the G7 Impact Taskforce ("Impact is a change in an aspect of people's well-being or the condition of the natural environment caused by an organization."). Possibly, these impacts should be measured from two perspectives: impact on society and impact on company (double materiality). It is important to design the upcoming regulations in such a way that impact valuation is enabled to be incorporated into the future fully integrated reporting.

To achieve a holistic and sustainable steering of companies, as well as transparency of a company's value creation, corporates must measure and report on economic, environmental, and social impacts. In addition to consistent reporting, data collection needs to be based on standardized accounting principles allowing to provide comparable and robust information to internal and external stakeholders.

Therefore, we ask that integrated reporting is part of the future standard, as well as the establishment of standardized accounting methodologies to measure and value the impacts of corporate activities on society, the environment and the economy.

Questions (4a/4b) regarding metrics and targets:

Monetized impacts shall be the ultimate goal for sustainability-related financial metrics. Corporate activities affect the value of companies itself as well as third parties. Both perspectives (value to business and value to society) provide crucial information for the decision making of stakeholders.

Measuring inputs, outputs and outcomes of business activities is important but not sufficient. Only measuring the impacts of these outcomes will indicate what matters most to business, stakeholders and society at large. Impact valuation goes a step further to measure and value (monetize) impact indicators material to a company (e.g. the monetary value of improved health, among others).

The effect of corporate activities always depends on the specific conditions (e.g. water extraction in arid and humid areas). Therefore, solely quantitative outputs (e.g. liters of waters consumed), do not provide sufficient information to assess the true impact of corporate activities.

Monetization of impact reflects the social value, allowing comparisons of benefits and costs to society in monetary terms across social, environmental and economic topics. In addition, money is the levelling language that business leaders and other stakeholders easily understand and are familiar with. Monetization enables comparability and can support decision-making processes as well as increase transparency towards external stakeholders, especially in relation to an organization's performance.

Example: Any business activity has intended and unintended impacts, positive as well as negative ones. To understand these, it is not sufficient to only measure input parameters (e.g. spend per initiative) or output parameters (e.g. number of tablets produced). More useful would be to assess outcome metrics (e.g. number of patients on appropriate treatments) and even better would be to measure impact indicators (e.g. improved health of patients reached). Impact valuation goes even a step further by measuring and valuing impact indicators (e.g. the monetary value of improved health, among others).