July 29, 2022

Mr. Emmanuel Faber, Chair
Ms. Sue Lloyd, Vice-Chair
International Sustainability Standards Board
Opernplatz 14
60313 Frankfurt am Main
Germany

VIA EMAIL: commentletters@ifrs.org

Dear Mr. Faber and Ms. Lloyd,

Re: Comments on Exposure Draft ED/2022/S1 *General Requirements for Disclosure of Sustainability-related Financial Information*

The First Nations Financial Management Board ("the FMB") is pleased to provide you with our comments that emphasise the need for Indigenous inclusion in S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ("the General Requirements").

General Comments

The Exposure Draft is an important step in expanding disclosure requirements for sustainability-related financial information. The FMB commends the work that has been done by the ISSB in this emerging reporting area. However, the Exposure Draft has failed to consider the United Nations Declaration on the Rights of Indigenous People ("UNDRIP"). There is no section in the Exposure Draft which discusses the rights of Indigenous People, or the concept of free, prior, informed, consent ("FPIC"). It is important to understand that enterprise value is affected by Indigenous rights. The ways in which entities impact and interact with Indigenous people create risks and opportunities which should be reported on within sustainability-related financial information. UNDRIP has been adopted by more than 140 countries around the world and contains minimum standards for Indigenous Rights.

If the rights reinforced by UNDRIP are not respected, it can create significant risks to enterprise value, particularly for entities operating in the territories of Indigenous people. Conversely, entities working collaboratively with Indigenous people can recognise a competitive advantage and create opportunities to increase enterprise value. UNDRIP contains requirements for obtaining FPIC ahead of the approval of any project affecting the lands, territories, and other resources. Global investors are becoming increasingly interested in Indigenous considerations when assessing sustainability factors.

Enterprise Value & Indigenous Factors

- Investors are now choosing to **reward** companies **committed to reconciliation**
- Reconciliation and implementation of **UNDRIP** are becoming accepted as **mandatory requirements** for natural resource extraction
- Failure to **obtain and disclose FPIC** creates **risk** and uncertainty

There are many examples of projects and entities which have failed to meaningfully engage with Indigenous people about development in their territory with significant negative economic consequences. Protests, boycotts, legal actions, revocation of permits, reputational harm and loss of key suppliers or insurers are all potential negative impacts. The controversial Dakota Access Pipeline is one example of a project where enterprise value suffered due to a failure to consult and collaborate with Indigenous rights holders[1].

Biodiversity is essential for resilient ecosystems, and it is generally strongest in territories occupied by Indigenous people. Areas titled to Indigenous communities have been shown to **store 36 percent more carbon** per hectare than public conservation land. Indigenous stewardship is therefore essential to environmental sustainability. For thousands of years Indigenous people have relied on the natural environment to sustain them. Indigenous people possess unique traditional knowledge and understanding of the land, plants and animals in their traditional territories. Through collaboration with Indigenous people in their respective regions, sustainability-related opportunities can be identified, and risks to enterprise value can be mitigated.

Countries such as Canada which have colonial histories, are being confronted with the harm and inter-generational trauma imposed on Indigenous people. Corporate boards and institutional investors are viewing diversity, equity, and inclusion ("DEI") as an important driver of enterprise value. Commitments towards DEI can also facilitate improved sustainability related outcomes. Entities are better positioned to identify, assess, and respond to sustainability-related risks and opportunities if there are diverse perspectives represented in leadership positions. DEI is becoming an increasingly important objective, and investors are rewarding entities that pursue and implement it. Additionally, research has shown that entities with diverse boards perform better across a variety of indicators, including profitability. Other benefits of DEI include positive public perception of the entity, improved staff retention, and can contribute to achieving social license.

Impacts on, and relationships with Indigenous people represent both sustainability risks, and opportunities which factor into enterprise value. The inclusion of UNDRIP considerations within the exposure draft is essential to ensure that the guidelines are robust enough to serve as a global baseline for the disclosure of sustainability-related financial information. Emphasising the need for entities to disclose whether and how FPIC has been obtained will help reduce risk, increase social license and lead to better

[1] It has been estimated that nearly USD $12 billion in costs were incurred by investors and key stakeholders involved in the Dakota Access Pipeline in the United States

project outcomes. Biodiversity is interrelated with the rights of Indigenous people and their lands. DEI will serve to improve an entity's ability to identify and mitigate risks, as well as capitalise on opportunities to collaborate with Indigenous people.

Sincerely,

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Per: *"Harold Calla"*

Harold Calla, FCPA, FCGA, CAFM
Executive Chair

Responses to Specific Questions in Consultation Paper

Q1. Overall Approach

(a) Does the Exposure Draft state clearly that an entity would be required to identify and disclose material information about all of the sustainability-related risks and opportunities to which the entity is exposed, even if such risks and opportunities are not addressed by a specific IFRS Sustainability Disclosure Standard? Why or why not? If not, how could such a requirement be made clearer?

Yes. The Exposure Draft clearly states the requirement to disclose material information about all of the sustainability-related risks and opportunities. The fact that risks and opportunities which are not addressed by a specific IFRS Sustainability Disclosure Standard are required to be considered is explicit in Paragraph 53. The requirement could be made clearer if this statement was present within Paragraph 1. Due to the nature of evolving standards in this area, the need to disclose matters that are outside of the Sustainability Disclosure Standards is a fundamental consideration and should be stated at the outset.

The Exposure Draft should be amended to include some appropriate refences to engagement with Indigenous peoples. The third sentence in Paragraph 17 could be modified as follows:

> "When an entity's activities result in adverse, external impacts—on, for example, local communities or Indigenous peoples—it could be subjected to stricter government regulation and consequences of reputational effects—for example, negative effects on the entity's brand and higher recruitment costs."

(b) Do you agree that the proposed requirements set out in the Exposure Draft meet its proposed objective (paragraph 1)? Why or why not?

The proposed requirements set out in the Exposure Draft have partially met the proposed objective, however; the exclusion of consideration of the rights of Indigenous people creates a pervasive weakness within the Exposure Draft. We recommend that the Exposure Draft be expanded to require that entities assess and disclose information about their impact on Indigenous people including their lands and territories. The United Nations Declaration of the Rights of Indigenous Peoples must be a key component of any international sustainability standards if they are to be inclusive and relevant to stakeholders in all jurisdictions. Article 32 of UNDRIP requires states to obtain the free prior informed consent (of Indigenous People) prior to the approval of any project affecting their lands or territories, and other resources. Entities should be aware of this requirement and should be assessing risks and opportunities specifically with this provision in mind. It is important that sustainability standards reflect this requirement.

There have been numerous projects and events which have created significant negative outcomes due to their impact on Indigenous people, recent examples include the Brumadinho dam disaster, the Juukan Gorge destruction, and the Dakota Access Pipeline. The impact on the enterprise value of the involved entities was likely understated by the failure to adequately consider the risks and potential impacts that these projects would have on Indigenous people.

There have also been profitable outcomes attributed to the willingness of businesses to respect the rights of Indigenous peoples – recent examples include the acquisition of Clearwater Seafoods Incorporated by Premium Brands Holdings Corporation and a Mi'kmaq First Nations Coalition, the Environmental Certificate issued by the Sḵwxw̱ú7mesh Úxwumixw (Squamish Nation) to allow the Woodfibre LNG export facility to proceed and the FPIC-driven agreement between the Tahltan Nation and Skeena Resources (TSE: SKE) to move forward with the construction of an open-pit gold and silver mine. These business ventures may not have proceeded or generated any enterprise value without actions by management that demonstrated compliance with UNDRIP. The Exposure Draft should direct the reader to consider how opportunities for engagement with Indigenous peoples can enhance enterprise value.

Significant economic opportunities still exist around the world, but there are also significant sustainability risks which are inextricably linked to these resources. The mineral deposits located in Canada's Ring of Fire are sought after for their use in the production of electric vehicles and other clean technology. The development and extraction of these mineral deposits will directly impact the lands and territory of several First Nations. The James Bay lowlands is one of the last intact, original forests on the planet. Its muskeg — sponge-like ground cover that frequently gives way to lakes and rivers — is referred to as the 'Breathing Lands' by First Nations that assert a stewardship role over them. These wetlands are home to half of Canada's largest rivers. The area supports many species at risk, including lake sturgeon, bald eagles, yellow rails, black terns, woodland caribou and wolverines. The massive expanse of peat is a major carbon sink for Canada. While the commercial development of the Ring of Fire may represent attractive sustainable investment opportunities for investors, the omission of disclosures on Indigenous economic participation and Indigenous-led environmental permitting would represent a material unreported risk to enterprise value. The proposed General Requirements need to be expanded to require disclosure of opportunities and risks that arise from the existence of Indigenous rights and Indigenous stewardship of their lands.

(c) Is it clear how the proposed requirements in the Exposure Draft would be applied together with other IFRS Sustainability Disclosure Standards, including the [draft] IFRS S2 Climate-related Disclosures? Why or why not? If not, what aspects of the proposals are unclear?

Yes. It is clear how the proposed requirements in the Exposure Draft would be applied together with other IFRS Sustainability Disclosure Standards including the IFRS S2 Climate-related Disclosures.

(d) Do you agree that the requirements proposed in the Exposure Draft would provide a suitable basis for auditors and regulators to determine whether an entity has complied with the proposals? If not, what approach do you suggest and why?

Yes. Paragraph 23 provides some insight on how auditors or regulators would determine whether an entity has complied with the proposed requirements. An auditor or regulator may request to see evidence of consideration by the appropriate governance team of the requirements, which could include a risk assessment of various sustainability issues. The biggest risk in the context of an audit or regulatory review would likely be completeness. Auditors or regulators could use their knowledge of the enterprise and the industry in which it operates, MD&A disclosures, and media and legal searches in an attempt to ensure the reporting is complete. In order to sufficiently understand the impacts that entities have on Indigenous people, auditors and regulators need to become informed about the lasting effects of colonialism, as well as the biases and systemic racism that still exist today.

However, the Exposure Draft does not provide a suitable basis for auditors and regulators to determine whether an entity has considered and complied with UNDRIP. UNDRIP is now federal law in Canada.

Businesses in Canada have been called upon to adopt and implement UNDRIP in their policies and operational activities. This would include, but not be limited to, the following:

i. Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.
ii. Ensure that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.
iii. Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills based training in intercultural competency, conflict resolution, human rights, and anti-racism.

It is vital that the General Requirements support this Call to Action contained in the Truth and Reconciliation Commission of Canada's Final Report. Other jurisdictions with Indigenous populations are watching how, or if, Canadian businesses respond to this Call to Action. The intended positive outcomes to all of Canadian society would be much more likely to occur if the General Requirements emphasised the importance and relevance for businesses to comply with UNDRIP and any relevant jurisdictional requirements such as the Call to Action listed above. The failure by a business to properly analyse and disclose how its operations and policies impact Indigenous peoples would represent a risk to enterprise value.

Q2. Objective (Paragraphs 1-7)

(a) Is the proposed objective of disclosing sustainability-related financial information clear? Why or why not?

Yes, the proposed objective of disclosing sustainability-related financial information is clear.

(b) Is the definition of 'sustainability-related financial information' clear (see Appendix A)? Why or why not? If not, do you have any suggestions for improving the definition to make it clearer?

No, the definition of 'sustainability-related financial information' is not clear. The definition is unclear because 'sustainability' has been used throughout the document, but not defined within it.

The concept of sustainability varies widely around the world. Different cultures have different ideas about what it means to live sustainably. For instance, the concept of Seventh Generational sustainability is a perspective shared by many Indigenous groups in North America. This concept prioritises the wellbeing of future generations to come. It considers the impact of decisions made today on the wellbeing of descendants seven generations in the future. Highlighting this Indigenous principle as an example would make the standards more inclusive.

The definition could be improved by explaining the principles or conceptual model of sustainability that has been utilised in developing the proposed requirements. One entity might consider a sustainability-related risk to be a factor that could cause it to no longer operate, while another entity might consider a sustainability-related risk to be a negative impact its operations are having on a sensitive ecosystem. Is the target of sustainability for an entity to grow or maintain enterprise value, or is the target to mitigate negative impacts on people and the environment in which it operates? It would be helpful to the user to keep these principles in mind when identifying sustainability-related risks and opportunities.

In Paragraph 6 a key point that should be explicit within the requirement is around the rights of Indigenous People. This should also be strengthened by making it a required component, as opposed to "could include". Subparagraph 6 (c) could be improved as follows:

> "the entity's reputation, performance and prospects as a consequence of the actions it has undertaken, such as its relationships with people (in particular, Indigenous people), the planet and the economy, and its impacts and dependencies on them; and"

Q3. Scope (Paragraphs 8-10)

Do you agree that the proposals in the Exposure Draft could be used by entities that prepare their general purpose financial statements in accordance with any jurisdiction's GAAP (rather than only those prepared in accordance with IFRS Accounting Standards)? If not, why not?

Yes. The proposals in the Exposure Draft could be used by entities that prepare their general purpose financial statements in accordance with standards other than IFRS Accounting Standards.

Q4. Core Content (Paragraphs 11-35)

(a) Are the disclosure objectives for governance, strategy, risk management and metrics and targets clear and appropriately defined? Why or why not?

Yes, the disclosure objectives are clear and appropriately defined.

(b) Are the disclosure requirements for governance, strategy, risk management and metrics and targets appropriate to their stated disclosure objective? Why or why not?

Yes, the disclosure requirements are appropriate to their stated disclosure objectives but could be improved.

Governance

We recommend that the list contained in Paragraph 13 be expanded to also require an entity to disclose how the governance body has ensured that it has a sufficient diversity of people with unique knowledge and viewpoints to adequately identify and appropriately manage risks and opportunities.

Sustainability-Related Risks and Opportunities

A new paragraph should be added following Paragraph 17 that requires consideration of the need for disclosure on the implementation of UNDRIP or how an entity is working with Indigenous rights holders to obtain free prior informed consent. We suggest:

> Relationships with Indigenous people are critical to sustainability in most areas of the world. An entity shall disclose information that enables users to understand risks and opportunities related to its impacts on, and interactions with, Indigenous people. Specifically, the entity shall disclose:
>
> (a) a description of the impacts that its operations have on Indigenous people;
>
> (b) how it is working with Indigenous people to promote reconciliation; and
>
> (c) the steps it has taken to adopt the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles,

norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources.

Q5. Reporting Entity (Paragraphs 37-41)

(a) Do you agree that the sustainability-related financial information should be required to be provided for the same reporting entity as the related financial statements? If not, why?

Yes, the sustainability-related financial information should be required to be provided for the same reporting entity as the related financial statements.

(b) Is the requirement to disclose information about sustainability-related risks and opportunities related to activities, interactions and relationships, and to the use of resources along its value chain, clear and capable of consistent application? Why or why not? If not, what further requirements or guidance would be necessary and why?

Yes, the requirement to disclose this information is clear. Consistent application may not be possible unless the requirements were more prescriptive in terms of what information should be disclosed and how it should be presented. Illustrative disclosures serving as a reference could be a useful tool for preparers.

(c) Do you agree with the proposed requirement for identifying the related financial statements? Why or why not?

Yes, we agree with the proposed requirement for identifying the related financial statements. This will help ensure the sustainability report is connected more directly with the entity's quantitative financial results.

Q6. Connected Information (Paragraphs 42–44)

(a) Is the requirement clear on the need for connectivity between various sustainability-related risks and opportunities? Why or why not?

Yes, the requirement on the need for connectivity between various sustainability-related risks and opportunities is clear.

The mention of "workforce and community" are not sufficient to address the need for entities to disclose the impact they have on Indigenous people. The examples given in Paragraph 44(a) could be improved by the inclusion on the interconnectivity between the operations of the entity, and the traditional territory or unceded lands of Indigenous people on which operations take place. The traditional territory or unceded lands of Indigenous people are also being impacted by

commercial operations in nearby areas, through contamination and pollution. Furthermore, these lands and territories are often disproportionately impacted by the effects of climate change.

(b) Do you agree with the proposed requirements to identify and explain the connections between sustainability-related risks and opportunities and information in general purpose financial reporting, including the financial statements? Why or why not? If not, what do you propose and why?

Yes. The proposed requirements to identify and explain the connections between sustainability-related risks and opportunities and information in general purpose financial reporting, including the financial statements are important to the overall Exposure Draft. Disclosing the connections between related sustainability risks and opportunities with strategies for mitigation or capitalisation of these factors will enable the user to better understand the entity as a whole.

Q7. Fair Presentation (Paragraphs 45-55)

(a) Is the proposal to present fairly the sustainability-related risks and opportunities to which the entity is exposed, including the aggregation of information, clear? Why or why not?

Yes. The proposal to present fairly the sustainability-related risks and opportunities, including the aggregation of information, is clear.

(b) Do you agree with the sources of guidance to identify sustainability-related risks and opportunities and related disclosures? If not, what sources should the entity be required to consider and why? Please explain how any alternative sources are consistent with the proposed objective of disclosing sustainability-related financial information in the Exposure Draft.

The FMB does not have any specific comments to share at this time.

Q8. Materiality (Paragraphs 52 – 62)

(a) Is the definition and application of materiality clear in the context of sustainability-related financial information? Why or why not?

The definition and application of materiality is clear in the context of sustainability-related financial information, however; it lacks consideration of the concept of double-materiality. Limiting materiality to the context of the entity's general purpose financial reporting fails to consider sustainability-related information which in the scale of the entity may be immaterial, but for the market, the environment, or people, the impact is material.

(b) Do you consider that the proposed definition and application of materiality will capture the breadth of sustainability-related risks and opportunities relevant to the enterprise value of a specific entity, including over time? Why or why not?

No. The proposed definition and application of materiality will not capture the breadth of sustainability-related risks and opportunities relevant to the enterprise value of a specific entity over time. The proposed definition ignores the concept of double materiality which has been identified as "crucial" by other sustainability reporting standards. (GRI - https://www.globalreporting.org/about-gri/news-center/why-double-materiality-is-crucial-for-reporting-organizational-impacts)

(c) Is the Exposure Draft and related Illustrative Guidance useful for identifying material sustainability-related financial information? Why or why not? If not, what additional guidance is needed and why?

No. The Exposure Draft and related Illustrative Guidelines are not useful for identifying material sustainability-related financial information. A material impact to the environment or to Indigenous rights may not be material to the reporting entity.

Paragraph 58 states that "Materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates, in the context of the entity's general purpose financial reporting." Paragraph 60 exempts an entity from providing a specific disclosure that would otherwise be required by an IFRS sustainability Disclosure Standard if the information resulting from that disclosure is not material.

Materiality in the context of the nature or magnitude of the entity means that significant impacts on the environment, natural resources, and people may be ignored if the scale of the entity which is creating the impact is so large that the risk is immaterial. The requirement fails to address sustainability risks that are significant to other stakeholders under a shield of immateriality. This could be addressed by expanding the requirement to consider double materiality. Considering materiality from the viewpoint of the market, the environment, and people would better achieve the objectives outlined within the requirements.

(d) Do you agree with the proposal to relieve an entity from disclosing information otherwise required by the Exposure Draft if local laws or regulations prohibit the entity from disclosing that information? Why or why not? If not, why?

Yes. While it is unfortunate that some jurisdictions would take actions to prevent sustainability related financial information from being disclosed, an entity which operates in that jurisdiction should not be expected to contravene those regulations. Investors, however; will have to decide whether the lack of disclosure impacts their decision to support the entity. The last sentence in Paragraph 62 is important to retain.

Q9. Frequency of Reporting (Paragraphs 66-71)

Do you agree with the proposal that the sustainability-related financial disclosures would be required to be provided at the same time as the financial statements to which they relate? Why or why not?

Yes. In order to be relevant to be users, sustainability-related financial disclosures should be required to be provided at the same time as the financial statements to which they relate. There is a concern that if sustainability-related financial information was provided at a different time than the financial statements, that this information may not be considered by stakeholders.

Q10. Location of information (Paragraphs 72-78)

(a) Do you agree with the proposals about the location of sustainability-related financial disclosures? Why or why not?

Yes. It is important to provide flexibility in terms of where sustainability-related financial information is located in order to best serve a variety of entities subject to financial reporting requirements in different jurisdictions. With this flexibility, an entity can determine where to present sustainability-related financial information to make it as understandable as possible and reduce duplication.

(b) Are you aware of any jurisdiction-specific requirements that would make it difficult for an entity to provide the information required by the Exposure Draft despite the proposals on location?

No. We are not aware of any jurisdiction-specific requirements that would make it difficult for an entity to provide the information required by the Exposure Draft despite the proposals on location.

(c) Do you agree with the proposal that information required by IFRS Sustainability Disclosure Standards can be included by cross-reference provided that the information is available to users of general purpose financial reporting on the same terms and at the same time as the information to which it is cross referenced? Why or why not?

Yes. We agree with the proposal that the information required by IFRS Sustainability Disclosure Standards can be included by cross-reference provided that the information is available to users of the general purpose. Providing entities with the ability to include sustainability-related financial information through cross-reference will allow entities to provide this information in a clear manner while complying with other applicable financial reporting requirements.

(d) Is it clear that entities are not required to make separate disclosures on each aspect of governance, strategy and risk management for individual sustainability-related risks and opportunities, but are encouraged to make integrated disclosures, especially where the relevant sustainability issues are managed through the same approach and/or in an integrated way? Why or why not?

Yes. It is clear that entities are encouraged to make integrated disclosures for sustainability-related risks and opportunities as opposed to separate disclosures on each aspect of governance, strategy and risk management.

Q11. Comparative Information, Sources of Estimation and Outcome Uncertainty, and Errors (Paragraphs 63-65, 79-83, And 84-90)

(a) Have these general features been adapted appropriately into the proposals? If not, what should be changed?

Yes. We agree that the general features have been adapted appropriately into the proposals.

(b) Do you agree that if an entity has a better measure of a metric reported in the prior year that it should disclose the revised metric in its comparatives?

Yes. We agree that if an entity has a better measure of a metric reported in the prior year that it should disclose the revised metric in its comparatives.

(c) Do you agree with the proposal that financial data and assumptions within sustainability-related financial disclosures be consistent with corresponding financial data and assumptions used in the entity's financial statements to the extent possible? Are you aware of any circumstances for which this requirement will not be able to be applied?

Yes. We agree with the proposal that financial data and assumptions within the sustainability-related financial disclosures be consistent with corresponding financial data and assumptions used in the entity's financial statements to the extent possible. We are not aware of any circumstances for which this requirement will not be able to be applied.

Q12. Statement of Compliance (Paragraphs 91-92)

Do you agree with this proposal? Why or why not? If not, what would you suggest and why?

Yes. We agree with the proposal to include an explicit and unqualified statement of compliance for an entity whose sustainability-related financial disclosures comply with all of the relevant requirements of the IFRS Sustainability Disclosure Standards. There is an opportunity to expand this proposal to include a requirement for an entity to disclose which relevant requirements it has not complied with, why, and how it will remedy its non-compliance.

Q13. Effective Date (Appendix B)

(a) When the ISSB sets the effective date, how long does this need to be after a final Standard is issued? Please explain the reason for your answer, including specific information about the preparation that will be required by entities applying the proposals, those using the sustainability-related financial disclosures and others.

The FMB does not have any specific comments to share at this time.

(b) Do you agree with the ISSB providing the proposed relief from disclosing comparatives in the first year of application? If not, why not?

Yes. We agree with the ISSB providing the proposed relief from disclosing comparatives in the first year of application. The priority for entities should be preparing the highest quality sustainability-related financial information possible for the most recent financial statement period. Comparative financial information is valuable, but it is less relevant and the focus in the first year of application should be reporting on the most recent year.

Q14. Global Baseline

Are there any particular aspects of the proposals in the Exposure Draft that you believe would limit the ability of IFRS Sustainability Disclosure Standards to be used in this manner? If so, what aspects and why? What would you suggest instead and why?

As described throughout our response, the absence of requirements in the Exposure Draft related to the rights of Indigenous people, and the impacts that entities have on those rights, limit the ability of the IFRS Sustainability Disclosure Standards to be used as a global baseline. UNDRIP needs to be a fundamental piece of the Sustainability Disclosure Standards. Disclosure of the impacts that entities have on Indigenous people, whether they be positive or negative, are an important part of sustainability reporting and must be a universal requirement.

Q15. Digital Reporting

Do you have any comments or suggestions relating to the drafting of the Exposure Draft that would facilitate the development of a Taxonomy and digital reporting (for example, any particular disclosure requirements that could be difficult to tag digitally)?

The FMB does not have any specific comments to share at this time.

Q16. Costs, Benefits and Likely Effects

(a) Do you have any comments on the likely benefits of implementing the proposals and the likely costs of implementing them that the ISSB should consider in analysing the likely effects of these proposals?

The FMB does not have any specific comments to share at this time.

(b) Do you have any comments on the costs of ongoing application of the proposals that the ISSB should consider?

The FMB does not have any specific comments to share at this time.

Q17. Other Comments

Do you have any other comments on the proposals set out in the Exposure Draft?

The Exposure Draft has failed to consider the rights of Indigenous people, or the concept of free, prior, informed, consent contained within UNDRIP. There are many examples of projects and entities who have failed to meaningfully engage with Indigenous people about development in their territory with significant negative legal and economic consequences. Relationships with Indigenous rights holders is a significant opportunity and risk impacting enterprise value for all entities. Biodiversity is critical for global sustainability. In order to protect biodiversity, entities must work with Indigenous stewards of the land to minimise negative impacts on the environment and leverage their unique knowledge. DEI should be a priority for all entities to ensure that Indigenous views are considered internally, in order to work effectively with external parties.