



European Financial Reporting Advisory Group

35 Square de Meeüs

Brussels B-1000

Belgium

Subject: Comment letter on the EFRAG draft comment letter on Exposure Draft ISSB/ED/2023/1 *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*

Madrid, 17th July 2023

Dear Madam/Sir,

In the present letter the Instituto de Contabilidad y Auditoría de Cuentas (ICAC) gives its view on the EFRAG draft comment letter on the Exposure Draft ISSB/ED/2023/1 *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates* opened to consultation by the ISSB (International Sustainability Standards Board).

Firstly, since ISSB will require entities to consider the SASB (Sustainability Accounting Standards Board) standards to develop appropriate disclosures, we recognise the need of the ED to enhance entities to apply SASB Standards regardless of their jurisdiction and the accounting framework used by them. Therefore, this Institute appreciates the approach of preserving the structure, integrity and intent of the SASB Standards, in order to ensure the consistency and applicability of the standards in an international context.

Additionally, we would like to express our alignment with EFRAG's position in the responses set out in its draft comment letter, supporting its approach and recommendations.

ICAC considers that the methodological objective and scope of the proposed enhancements are defined in the Exposure Draft. Notwithstanding, ICAC agrees with EFRAG in the importance of considering the new regulatory frameworks under development by ISSB, such as the ESRS



(European Sustainability Reporting Standards), to ensure uniformity and compatibility of sustainability reporting under different frameworks in order to avoid the burden of double reporting for preparers.

In addition, ICAC acknowledges the positive impact that the proposed methodology could have on the international applicability of the SASB Standards' parameters. However, in line with EFRAG's view, we noted the possibility that the updated SASB Standards may be affected by future changes outside the ISSB's control when using international benchmarks. Therefore, we believe it is important to consider if an international reference has been ratified or adopted by the relevant jurisdictions when incorporating it into SASB's updated standards.

In relation to the proposed review approaches, ICAC recognises that these will contribute to improving the application of SASB standards and has no objections or comments against the proposed review approaches.

In addition, ICAC welcomes the proposal to update the SASB XBRL Taxonomy to reflect the amended SASB standards. Furthermore, we appreciate EFRAG's proactive approach in proposing collaboration between the ISSB and EFRAG to achieve harmonisation of the ISSB and ESRS XBRL sector-specific digital taxonomies. We understand that this collaboration could be beneficial to ensure consistency and interoperability between the standards and facilitate the exchange of information in sustainability reporting.

Concerning future enhancements to the SASB standards, ICAC supports EFRAG's position that it would be appropriate for ISSB to develop a gap analysis between the SASB standards and more recent or developing sustainability reporting frameworks. Although ICAC cannot provide specific examples of areas of sustainability that could be improved or are currently underdeveloped in the SASB standards, we believe that such an analysis would help identify potential areas for improvement and preserve alignment with the most up-to-date reporting frameworks.

The ICAC appreciates the opportunity to express its views at this stage of the comment process, and looks forward to contributing to the development of the project.



Please don't hesitate to contact us if you would like to clarify any point of this letter.

Yours sincerely,

Santiago Durán Domínguez

Chairman of the ICAC