Sustainability Reporting: Examining the Proposed Changes Included in Stakeholder Commentary Letters Submitted to the ISSB Regarding IFRS S1

A research report submitted by

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Contents

Abbreviation list

Abbreviation	Expanded Name
ISSB	International Sustainability Standards Board
IFRS	International Financial Reporting Standards
S1	General Requirements for Disclosure of Sustainability-related Financial Information
S2	Climate-related Disclosures
ED	Exposure Draft
CSR	Corporate Social Responsibility
ESRS	European Sustainability Reporting Standards
IASB	International Accounting Standards Board
IR Framework	International <Integrated Reporting> Framework
GRI	Global Reporting Initiative
UN	United Nations
SDGs	Sustainable Development Goals
CDP	Carbon Disclosure Project
TCFD	Task Force for Climate-related Financial Disclosures
IVSC	International Valuation Standards Council
NPOs	Non-Profit Organisations
GAAP	Generally Accepted Accounting Principles
SASB	Sustainability Accounting Standards Board
EU	European Union
CSRD	Corporate Sustainability Reporting Directive
IIRC	International Integrated Reporting Council
CL	Comment Letter
SPSS	Statistical Package for the Social Sciences

I. Abstract

This research report examines whether various stakeholders participating in the standard-setting process of IFRS S1, exert influence on the ISSB's decision of which proposed changes to accept and discuss. The research employs quantitative content analysis to examine a sample of 120 IFRS S1 comment letters, categorizing stakeholder amendments by type (outcome-related vs theory-related) and degree (minor, moderate, or major) to assess their impact on the final publication (see, for example, Bamber & McMeeking, 2016; De Freitas et al., 2023). The comment letters were spread across each of the eight stakeholder groups identified by the ISSB. The findings suggest that the ISSB responded to minor and moderate proposals at significantly different rates than it did for major proposals. Evidence indicates that there is a proclivity towards specific stakeholder groups for themes encompassed within sustainability reporting, however, this only applies at a thematic level and not at the overall-level analysis. This could be because the processes that the ISSB follows are based on IFRS standard-setting protocols which also preserve credibility, where major changes are addressed on a more stringent yet consistent basis than the other degrees. While the research focuses entirely on IFRS S1, it contributes to research focused on stakeholder management and standard setting, particularly in sustainability reporting.

Keywords: Comment letters; IFRS S1; sustainability reporting; legitimacy; standard-setting

Chapter 1 *- Introduction*

Purpose and aim

The purpose of this study is to provide insight into commentary made by stakeholders during the ISSB's sustainability reporting standard-setting process with a particular focus on the proposed degree (minor, moderate and major) of amendments requested for IFRS S1 and whether evidence of influence can be drawn from how the ISSB accepts or discussed these submissions across the stakeholder groups.

The aim of this study is to investigate the influence of stakeholder comments on the ISSB's decision-making process during the development of the International Financial Reporting Standards S1 (IFRS S1) standard. Specifically, the research examines whether proposed amendments from various stakeholder groups - categorised by degree (minor, moderate, major) - affect the ISSB's acceptance or discussion of those amendments. By doing so, the study seeks to understand the extent of stakeholder influence on the sustainability reporting standard-setting process.

Context of the study

Growing demands for companies' corporate social responsibility (CSR) information amongst many economic, environmental and social stakeholders have hastened a global shift towards sustainability reporting (see Adams & Frost, 2006; Dumay et al., 2010; Tsalis et al., 2020; Wachira et al., 2020). This growing demand is largely due to stakeholders becoming more conscious of their responsibility in holding corporate entities accountable for their role in achieving sustainable development (Elgert & Krueger, 2012; Tsalis et al., 2020).

There is a large body of research considering how stakeholders influence accounting and auditing standard-setting processes (Hörisch et al., 2020; Sharma & Henriques, 2005). However, there is little research considering this from a sustainability standard-setting process (for example Bamber & McMeeking, 2016) and the implications that this may have on the legitimacy of the standard-setting body. Unlike accounting and auditing, sustainability reporting is more qualitative and difficult to standardise making the standard-setting process significantly complex and judgemental.

Commitments to regulating sustainability reporting have grown stronger (Beare et al., 2014; Gerwing et al., 2022; Plastun et al., 2007; Sonnenberg & Hamann, 2006), largely due to what scholars describe as 'inconsistent' and 'incoherent' voluntary reporting caused by the upsurge of varying sustainability reporting guidelines and frameworks. Notably, less familiarity is held regarding the proposed amendments communicated during the standardisation of sustainability reporting (Adams & Abhayawansa, 2022; Bamber & McMeeking, 2016). As a result, it is unsurprising that prior research finds a lack of attention offered in examining the views of stakeholders during sustainability standard-setting (Adams & Abhayawansa, 2022; Bamber & McMeeking, 2016).

Research question

Is there evidence of unequal influence on the drafting of IFRS S1 by different stakeholders, based on the degree (minor, moderate or major) of proposed changes that are accepted and discussed by the ISSB?

Significance

This study answers the call by Adams and Abhayawansa (2022) and Manetti (2011) for research that seeks to verify stakeholder practices and contributions to corporate social responsibility particularly through sustainability reporting. It also extends the study performed by Chee Chiu Kwok and Sharp (2005), Bamber and McMeeking (2016) and De Freitas et al. (2023) - who weighted the proposed changes - looking at how various stakeholders utilise comment letters with proposed amendments to influence disclosure requirements during the standard-setting process. It also contributes to an overall understanding of the standard-setting process as a means of examining how standard-setting bodies manage the mutual interests of stakeholders during the standardisation of sustainability reporting - a prospective area of study largely researched by Adams and Abhayawansa (2022). A review of the study by Bamber and McMeeking (2016) and De Freitas et al. (2023), further affirms that research focusing on comment letters submitted during the standard-setting process may enhance the understanding held of how standard-setting bodies discuss the proposed amendments. Lastly, given that fewer studies focus on the commentary made by stakeholders towards processes that govern how entities should report (e.g. sustainability reporting) (Adams & Abhayawansa, 2022; Bamber & McMeeking, 2016; Hörisch et al., 2020), a study that focuses on the possible influence of proposed amendments on sustainability disclosures, may assist in enhancing the understanding held about sustainability reporting standards.

Assumptions and limitations or delimitations

The delimitation in this study relates to the exclusive analysis of the comment letters specifically sent to the ISSB over the exposure draft of the IFRS S1 standard and the accompanying ISSB Staff Report (agenda reference 3C & 4B) and final IFRS S1 standard. Commentary letters submitted for other standards may have different findings given that differences may exist in what each standard proposes to achieve. The researcher intends to use the ISSB's IFRS S1 due to its global applicability when compared to its European counterpart (ESRS), this includes higher proclivity towards the adoption of the ISSB standards as mentioned in the existing literature.

The remainder of the study is set out as follows. Chapter 2 looks at the background and existing literature focused on this specific study. Chapter 3 focuses on the quantitative content analysis of commentary letters from stakeholders in standard-setting as a method to investigate the research problem. Chapter 4 discusses the findings and results of the study before providing the summary of findings, limitations of the study as well as future areas of research included in Chapter 5.

Chapter 2 – *Background and literature review*

2.1. Sustainability reporting and the focus on a standardised practice

Prior research largely focuses on the phenomena of sustainability reporting and its roots in sustainable development (Dumay et al., 2010; Jebe, 2014), while less research focuses on whether corporate entities produce these reports with an appreciation of their role in achieving sustainable development (Mio et al., 2020). The World Business Council for Sustainable Development (2002, p. 7) defines sustainability reporting as:

> 'Reports by companies to provide internal and external stakeholders with a picture of corporate position and activities on economic, environmental and social dimensions. In short, such reports attempt to describe the company's contribution toward sustainable development.'

It is evident that reporting entities' sustainable practices, or lack thereof (Stubbs et al., 2013), cannot be seen as an isolated function from the ordinary day-to-day operations of said entities. For instance, Jebe (2014) finds that the misguided nature of sustainability reporting is largely due to contention on what constitutes sustainability, while other scholars believe that sustainability is widely understood and institutionalised within the growing corporate identity (Elgert & Krueger, 2012; Frost, 2007; Stubbs et al., 2013; Tsalis et al., 2020). This emerging separation between sustainability reporting and sustainable development is partially addressed by Dienes et al., (2016) who explain how reporting is increasingly becoming linked to maximising shareholder return and maintaining competitive positioning, as opposed to being used as a mechanism of informing stakeholders of the company's role in sustainable practice through legitimate sustainable development commitments.

A considerable amount of progress has been made in defining the need for companies to produce sustainability reports (Amran & Haniffa, 2011; Dienes et al., 2016; Dilling, 2010) albeit the requirement to produce these reports remains largely voluntary (Frost, 2007; Ioannou & Serafeim, 2017). The voluntary nature of sustainability reporting has resulted in many companies consulting and utilising various sustainability reporting guidelines[1]. The guidelines are noted to be 'inconsistent' or 'contradictory', even to the extent of leading to insufficient comparability and transparency among companies within the same sector or region (Lozano, 2006; Plastun et al., 2007). Some scholars have even begun to attribute this manner of reporting as being the leading factor that explains why corporate reporters are believed to not fully understand their role and responsibility in achieving sustainable development (Mio et al., 2020; Plastun et al., 2007). To overcome these inconsistencies, many researchers (Elgert & Krueger, 2012; Kaya, 2016; Lozano, 2006; Majer et al., 2018) and professional bodies (Durocher & Fortin, 2011; Durocher & Georgiou, 2022; Jorissen et al., 2012; Sutton, 1984) have called for the standardisation of sustainability reporting.

Sustainability reporting focuses largely on a company's operations from an environmental, social and governance perspective (Gray & Milne, 2002; Ioannou & Serafeim, 2017). The concept of reporting on corporate social responsibility remains largely voluntary with some jurisdictions introducing quasi-mandatory guidelines for entities listed on their exchanges (Gerwing et al., 2022; Sonnenberg & Hamann, 2006). Whilst there is prevalent research focusing on whether sustainability reporting should remain voluntary or be made mandatory through regulation (Gerwing et al., 2022; Ioannou & Serafeim, 2017; Kaya, 2016), a low level of research focuses on the topic of having a standardised mandatory framework that will be benchmarking the level of reporting expected of companies once sustainability reporting is regulated.

There remains some contention on whether these reports are produced with an appropriate awareness of their contribution towards sustainable development (Dienes et al., 2016; Jebe, 2014). Conversely, under a mandatory reporting framework, corporate entities will be granted legitimacy by complying with the standards of sustainability reporting expected by the regulator (Beare et al., 2014; Kaya, 2016). This rising tension between the use of voluntary versus mandatory sustainability reporting frameworks has led to multiple research papers that outweigh the contributions that each form of reporting provides to both entities and their stakeholders.

[1] The most popular of these guidelines include the Global Reporting Initiative (GRI); United Nations Sustainable Development Goals (UN SDGs); Carbon Disclosure Project (CPD); Task Force on Climate-Related Financial Disclosures (TCFD); the International < Integrated Reporting (IR) > Framework with the emerging standards being the European Sustainability Reporting Standards (ESRS) and the International Sustainability Standards Board's (ISSB) IFRS S1 and S2 (Morhardt et al., 2002).

Literature that provides arguments in favour of adopting voluntary reporting guidelines for sustainability reporting provides plausible reasons for their suggestions (Deegan, 2002; Frost, 2007). Deegan (2002) and Frost (2007) propose that the prescription of reporting requirements through a mandatory framework will likely lead to minimal disclosure that achieves compliance at the expense of disclosure on relevant issues. Motivations to undertake voluntary reporting also include considerations of the economic favourability of reporting on sustainable practices (Deegan, 2002; Dienes et al., 2016; Dilling, 2010; Elgert & Krueger, 2012).

Corporate entities are aware that doing the 'right thing'[2] produces economic incentives in the form of increased investor attraction and to an extent higher credibility being assigned to the company relative to their non-reporting counterparts (Deegan, 2002; Majer et al., 2018; Plastun et al., 2007). Elgert and Krueger (2012) propose that the adoption of standardised mandatory frameworks or indicators leads to an eventual decontextualization of environmental awareness. This proposition assumes that having mandatory indicators by which companies should abide, will contribute to the continued misconstruction of sustainability which manifests itself among sustainability reporters (Elgert & Krueger, 2012; Ioannou & Serafeim, 2017; Plastun et al., 2007).

Stakeholders are believed to be interested in tracking an entity's contributions towards its environment or community (Eccles et al., 2012; Herremans et al., 2016; Wachira et al., 2020). Essentially, these stakeholders hold companies accountable for any unsustainable practices which may impact their livelihoods (Deegan, 2002; Dumay et al., 2010). To be able to realise this fully, entities need to provide reports that are not only understandable but are comparable and consistent relative to the framework that was used to prepare that information (Dumay et al., 2010; Gerwing et al., 2022; Kaya, 2016; Plastun et al., 2007).

Growing support for mandatory sustainability standards also comes from the added value that has been identified within entities that produce high-quality sustainability reports (Beare et al., 2014; Gerwing et al., 2022; Plastun et al., 2007; Sonnenberg & Hamann, 2006). These companies are often identified to be those that utilise independent assurance to help assure stakeholders that the information reported is objectively valid and to an extent accurate (Gerwing et al., 2022; Ioannou & Serafeim, 2017; Majer et al., 2018). The regulation of sustainability reporting is believed to contribute to the reduction of 'greenwash' reporting and the concealment of unsustainable practices by companies that use these reports to maintain

[2] Corporate entities are often considered to be doing the right thing if they comply and operate within the remit of corporate regulations, together with being seen as custodians of good corporate citizenship (Deegan, 2002; Dilling, 2010).

a good corporate image. Wu et al. (2020), explore the phenomena of 'greenwashing' and provide arguments which support why it may be used as a strategic tool for profit-focused entities. 'Greenwashing' is defined as companies' deliberate 'focus on salient aspects of CSR and negligence of the unobservable aspects' (Wu et al., 2020, p. 3095). In acknowledging the aims of sustainability reporting in assisting stakeholders with holding companies accountable, as well as the contribution that sustainability reporting provides in legitimising companies, one can reasonably conclude that 'greenwashing' is counterintuitive to these aims (Hahn & Lülfs, 2014; Mahoney et al., 2013; Wu et al., 2020). The practice of 'greenwashing' misrepresents the information being reported on and contributes to the misconstruction of what is expected from sustainability reporting. Arguments in favour of a mandatory reporting framework suggest that the existence of a pre-set standard of reporting will most likely lead to fewer cases of 'greenwashing,' possibly due to the implications of being incompliant and largely because misconstrued reporting can be picked up within a standardised reporting regime (Beare et al., 2014; Gerwing et al., 2022; Kaya, 2016).

2.2. Stakeholder participation and influence during standard-setting

During the standard-setting process, multiple due diligence procedures are followed to ensure that the proposed standard is of the highest quality and that it comprehensively addresses the objectives it sets out to achieve (Bamber & McMeeking, 2016; De Freitas et al., 2023; Durocher & Fortin, 2011; Larson & Herz, 2013). In the case of the sustainability standards being introduced by the ISSB, due diligence processes need to be followed to ensure that the standards are relevant and faithfully represent the needs of primary users (Durocher et al., 2007; Georgiou, 2010; Young, 2006). One of the critical aspects of the standard-setting process includes the receipt of comment letters from various stakeholders usually commenting on the Exposure Draft (ED) of the standards that the standard-setter intends to propose (Bamber & McMeeking, 2016; Chee Chiu Kwok & Sharp, 2005; De Freitas et al., 2023; Durocher & Fortin, 2011; Larson & Herz, 2013). In the case of the ISSB, EDs for IFRS S1 and S2 were released and opened for public comment in March of 2022. The ISSB considers the comment letters during the finalisation of the standards, considering any changes that it believes should be made to the ED before the final publication. During this process, the standard setter is expected to remain impartial to maintain the credibility of its standards as well as the organisation as a whole (Bamber & McMeeking, 2016; De Freitas et al., 2023). Owing to this, various studies (for example, Bamber & McMeeking, 2016; De Freitas et al., 2023) have examined whether the standard-setting bodies are influenced by the comment letters submitted by stakeholders.

Freeman (2010), identifies stakeholders to be individuals who share a relationship with an entity in a manner that affects the entity and conversely, in how this entity affects them. In the study undertaken by Adams and Abhayawansa (2022), the researchers adopted the use of commentary letters and an analysis of stakeholder consultation papers to assess the reaction that companies had concerning the development of a new 'harmonised' sustainability reporting guide. Given the varying participation of stakeholders in standard-setting, it becomes necessary to evaluate the contribution of these stakeholder groups and the level of prioritisation that Standard-setters afford to each of them (Bamber & McMeeking, 2016; De Freitas et al., 2023; Durocher & Fortin, 2011; Durocher et al., 2007; Georgiou, 2010; Jorissen et al., 2012). This is because the influence afforded to certain stakeholder groups such as accounting firms is more likely to lead to their comments being accepted, possibly at the expense of smaller non-influential participants like investors or Preparers – who may also have more direct involvement in the application or utilisation of these reporting standards (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013). The study of the relationship between stakeholders and corporate reporters is a prevalent area of research in studies which focus on corporate reporting. Studies by Herremans et al. (2016) and Sharma and Henriques (2005), capture well the dynamic of stakeholder influence and the role played by stakeholder engagement in the reporting process. Through this review, a causal effect may be identified to support how entities use this influence to respond to standard setters within a regulated reporting environment (Manetti, 2011; Sharma & Henriques, 2005).

Some studies acknowledge that not one party is afforded absolute power or influence over standard setting (Chee Chiu Kwok & Sharp, 2005), whereas some concessions recognise the different influences that come as a result of imbalanced power dynamics among stakeholders. In the study by Chee Chiu Kwok and Sharp (2005), the main stakeholders that have been identified within the accounting standard-setting process include users, Preparers, professional accountants and Regulators. In prior studies (see, for example, Durocher et al., 2007; Durocher & Georgiou, 2022; Georgiou, 2010; Young, 2006), the participation of primary users during the standard-setting process is explored by drawing on characteristics that contribute to the relationship that exists between users and standard-setting bodies. These studies found that often, user comments regarding standard-setting are overlooked by standard-setting bodies mainly due to their docility during the process along with the misaligned objectives of what financial reports are intended to provide (Durocher et al., 2007; Durocher & Georgiou, 2022; Georgiou, 2018). To contextualize stakeholder participation, Jorissen et al. (2012) recognise that participants like users, regulatory authorities or stock exchanges react prominently during the standardisation process when disclosure issues and requirements are at stake. Conversely, Preparers, accounting professionals and other

Standard-setters often react when the proposed requirements affect accounting earnings (Jorissen et al., 2012).

Prior literature focuses largely on users, Preparers, accounting professionals and Regulators as the main stakeholder groups that submit proposals during the standard-setting process, with less focus given to other participants in the process. Furthermore, prior studies often use standardised categories to allocate proposed changes, often at the expense of other participants in the process who may not have a prominent role in the reporting space such as Academics and public interest stakeholders such as charities and non-profit organisations (NPOs) (Bamber & McMeeking, 2016; Chee Chiu Kwok & Sharp, 2005; De Freitas et al., 2023). Naturally, prior literature could not focus on identifying whether influence exists during the standard-setting process for sustainability reporting, given the infancy of the phenomenon, which may explain the smaller number of stakeholder groups used in these studies. Considering the varying nature of responses that may submitted on the IFRS S1 Exposure Draft (ED), it is worth noting that the responses that are expected to be submitted on the ED may come from stakeholders that are outside of the conventional set of stakeholder groups studied previously (Hahn & Kühnen, 2013; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020). This is largely due to the varying number of stakeholders that are encompassed by sustainability, who may also impacted by unsustainable corporate practices over and above the financial aspect (Hahn & Kühnen, 2013; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

2.2.1. Categorising stakeholder influence during standard-setting

The participation of stakeholders during the standard-setting process is not as straightforward. In many other cases (see, for example, Bamber & McMeeking, 2016; Durocher & Fortin, 2011; Larson & Herz, 2013), Preparers of financial reports are often noticed to rely on accounting professionals and auditors to engage with Standard-setters on their behalf. In recent studies, a relative decline in the number of responses from Preparers has been found compared to other stakeholder groups, possibly due to this reliance which is also offset by a relative increase in responses from accounting professionals during the standard-setting process (Bamber & McMeeking, 2016; De Freitas et al., 2023; Durocher & Fortin, 2011; Larson & Herz, 2013). Alongside other stakeholders, Bamber and McMeeking (2016) and De Freitas et al. (2023), identify accounting firms as key stakeholders in the standard-setting process. Chee Chiu Kwok and Sharp (2005), appear to subsume accounting firms into the broader group of professional accountants. Nonetheless, less research has been conducted on the role of Academics (Álvarez et al., 2014; Larson & Herz, 2011; Tandy & Wilburn, 1996) and constituents with public interests (e.g., non-profit organisations) in the standard-setting process and the relative degree of influence that they exert from proposing changes during this process.

Even though a large proportion of studies use comment letters or surveys to examine the participation and influence of stakeholders during the standard-setting process (Durocher & Fortin, 2011; Georgiou, 2010; Jorissen et al., 2012; Larson & Herz, 2011; Tandy & Wilburn, 1996), only a few studies (like Bamber & McMeeking, 2016; De Freitas et al., 2023) take into consideration the variation (degree) of proposed changes communicated by these respondents. Being able to weigh out the relative degree of proposed changes included in comment letters becomes important when examining whether lobby groups use their influence to steer standard setting towards a direction which may prove favourable to them (Bamber & McMeeking, 2016). The study by Zeff (2002), addresses the opportunities that present themselves in which stakeholders use their lobbying powers to either limit or encourage the convergence of global reporting standards. For instance, countries with established accounting systems may lobby to maintain their standards or slow down the adoption of international standards. Similarly, established firms may lobby to support or resist convergence of standards based on whether these enhance their competitive position in the global market (Zeff, 2002).

It is essential to remain aware of the use of words or explicit statements which may indicate a stakeholder’s ability to influence the standard-setting process, and the likelihood of their comments being treated unequally as a result of said influence (Bamber & McMeeking, 2016; Chee Chiu Kwok & Sharp, 2005; Herremans et al., 2016; Sharma & Henriques, 2005). Jorissen et al. (2012) found that while insignificant, explicit statements of support or favour for reporting standards could lead to a higher rate of engagement (discussion or acceptance) by the standard-setter. In another study by Giner and Arce (2012), it was found that lobbying dynamics were often limited to positive remarks as stakeholders believed that providing comments against the proposals of a standard-setting body impacted their perceived credibility as they would be seen to be going against the reporting interests of primary users.

Bamber and McMeeking (2016) and De Freitas et al. (2023) examine commentary letters submitted to the IASB[3] to assess the stakeholders' role in standard-setting and to determine the underlying biases that may influence the type of stakeholders being prioritised. The study restricted their analysis of the relative influence of stakeholders on disclosure requirements based on the number of proposed changes that are accepted and discussed by the IASB.

[3] International Accounting Standards Board

Bamber and McMeeking (2016) and De Freitas et al. (2023), initiated their data collection process by classifying the commentary letters based on their respective stakeholder groups, using the method that was adopted by Chee Chiu Kwok and Sharp (2005). Given that the study undertook to examine influence based on proposed changes, comments by stakeholders were firstly classified according to their type being outcome-oriented or theory-oriented. This activity was undertaken to isolate the outcome-oriented comments which essentially proposed amendments to the disclosure requirements enlisted under the IFRS 7 and IFRS 10 respectively. The studies weighted the proposed changes based on the degree of the proposed changes on a scale of minor, moderate or major and were coded according to each category – this was done to avoid the mistake of treating all comments as if they were the same (Bamber & McMeeking, 2016; De Freitas et al., 2023).

An existing limitation to an examination of the level of power or influence associated with an entity is the opportunity for different stakeholders to collaborate or form coalitions (Bamber & McMeeking, 2016). Coalitions between entities of minor individual influence may sum up together to form significant joint influence which may alter the rationalisation applied by Standard-setters in deciding on which stakeholder comments or votes to prioritise (Bamber & McMeeking, 2016; Sutton, 1984). The persuasiveness of these entities is largely going to rely on this opportunity and a further alignment of needs to encourage the drafting of standards that account for the broader needs of the associations that have formed (Bamber & McMeeking, 2016). Sutton (1984) and Zeff (2002) reflect more on how political lobbying influences standard-setting processes. For instance, Sutton (1984) concludes that lobbying is highly utilised among reporting entities which face higher expectations to be compliant. For example, mining and mineral entities or those operating in the agricultural sector are most likely to be expected to report and comply with environmental regulations due to the nature of their operations. For this reason, both Sutton (1984) and Zeff (2002), suggest that these entities are most likely going to be the ones that would undertake lobbying as the benefits associated with it far exceed the costs.

Furthermore, a link may be created similar to Manetti (2011), between the prioritisation assigned to certain stakeholders and how this contributes to what corporate entities comment on or request through their commentary letters. Manetti (2011), attributes this prioritisation to the practices adopted by companies in managing stakeholder expectations of what sustainability reporting should look like. Manetti (2011) and Torelli et al. (2020), elaborate on how managing stakeholder expectations may not prove useful in an environment that seeks to provide transparent and complete sustainability reports. The studies provide suggestions which locate the stakeholders within the decision-making processes, particularly concerning sustainability reporting which may be viewed to be pervasive to set stakeholders. Manetti (2011) and Torelli et al. (2020), term this process as stakeholder engagement, a strategy which, when adopted and applied appropriately, may lead to fewer differences between what is required by stakeholders in sustainability reports and what the entity can report on.

2.3. Theoretical underpinning

2.3.1. Managing the stakeholder theory in sustainability reporting

Stakeholders that interact with an entity vary in their needs as well as in the way that they interact with these entities (Hahn & Kühnen, 2013; Manetti, 2011; Torelli et al., 2020). The sentiments that these stakeholders possess are largely explored from a value-creation point of view (Hörisch et al., 2020). Given the relationship that is shared between stakeholders and entities as explained by Freeman (2010), this study may be enriched by an examination of how stakeholders affect the sustainability reporting practices proposed by the ISSB. Hörisch et al. (2020) and Hörisch et al. (2014), reflect on how prevalent research in accounting focuses on the interaction of investors, lenders and creditors with entities. They identify that the stakeholder theory within sustainability remains largely understudied due to the insignificant attention given to the satisfaction of needs held by stakeholders outside of those that hold a financial interest in the entity (Hörisch et al., 2014; Hörisch et al., 2020). The management of stakeholder interests and their broader needs plays a key role in the determination of whether the ISSB will continue to be viewed as credible (De Freitas et al., 2023; Hörisch et al., 2014; Manetti, 2011). Any intentional underrepresentation or selectiveness against stakeholders will lead to dwindled participation, undermine the standardisation process and could lead to inconsistencies in the standards due to its narrow consideration of interests shared by stakeholders (Herremans et al., 2016; Hörisch et al., 2014; Manetti, 2011; Torelli et al., 2020).

Admittedly, it goes without question that once an entity assumes the responsibility of satisfying the needs of all stakeholders at once, it faces the risk of producing incoherent reports due to the addressing of multiple individual needs as one (Hahn & Kühnen, 2013; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020). The stakeholder theory addresses this particular dilemma in that it proposes that entities should, in essence, align the varying needs of stakeholders by identifying and reporting on interests that are held mutually by these stakeholders (Hörisch et al., 2014; Hörisch et al., 2020).

Prior studies indicate that the examination of the stakeholder theory is largely performed or identified through how entities prepare and represent their reports, essentially analysing how the stakeholder theory affects an entity's reporting practices (Hörisch et al., 2020). Seeing as less research focuses on the commentary made by stakeholders towards processes that govern corporate reporting (Adams & Abhayawansa, 2022; Bamber & McMeeking, 2016), an interpretation of direct comments made by stakeholders may assist in enhancing the understanding currently held on the stakeholder theory. The involvement of stakeholders in the process of reporting enhances the basis of the stakeholder theory, in that it allows entities to tailor their practices in ways that account for all stakeholders and results in coherent and complete reports (Herremans et al., 2016; Manetti, 2011). Stakeholders affect the entity in that they exert their influence based on how they interact with these entities (Manetti, 2011; Torelli et al., 2020). In the standard-setting process, stakeholders will effectively influence how the process turns out as standard-setting bodies are likely to pursue the satisfaction of the needs held by stakeholders to enhance their legitimacy.

2.3.2. Legitimacy in sustainability reporting practices

To legitimise their operations, entities are often expected to maintain this idea of having a 'social license' that society grants them (Deegan, 2002; Jebe, 2014; Wachira et al., 2020). For instance, entities strive to remain legitimate by releasing sustainability reports that aim at providing stakeholders with information on their sustainable practices – through which they can be held accountable (Bamber & McMeeking, 2016; Deegan, 2002). Due to the varying nature and in part needs of stakeholders, the influence that is exercised upon reporting entities by these stakeholders is almost invariably going to differ.

The study by Bamber and McMeeking (2016, p. 63) breaks down legitimacy into parts focusing on the 'influence (pragmatic), procedural (moral) and cognitive legitimacy' aspects. According to Bamber and McMeeking (2016), *influence legitimacy* relates to the level of urgency and prioritisation assigned to a relationship between an organisation and its stakeholders. This theory encourages stakeholders to relinquish influence to certain stakeholders to guarantee consistent involvement during the standard-setting process (Bamber & McMeeking, 2016). Furthermore, standard setters are believed to be legitimate to the extent to which their processes acknowledge the realistic (pragmatic) power dynamics that exist among stakeholders. *Procedural legitimacy* relates to the legitimacy afforded to an entity under the entity's assumption of neutral and independent processes (Bamber & McMeeking, 2016; O'Dwyer et al., 2011). Essentially, these standard-setting entities are encouraged to adopt transparent processes to enhance their legitimacy through which the relevant stakeholders can rely. Lastly, the overarching form of legitimacy is known to be *cognitive legitimacy*. In principle, this form of legitimacy is known to encompass both pragmatic and procedural aspects of legitimacy (Bamber & McMeeking, 2016). Bamber and McMeeking (2016) describe it as a practice that is inherently relied upon with which no realistic alternative exists and as a result, it is cognitively considered to be legitimate.

2.4. Widely adopted sustainability reporting frameworks

Due to sustainability reporting remaining largely voluntary, many companies are allowed to decide which guideline to apply and are allowed discretion when deciding on the depth of reporting to be deemed appropriate (Hahn & Kühnen, 2013). While multiple factors influence the choice of framework, these companies are also not limited in the number of guidelines that they may use, possibly due to the significant overlaps between them (Dumay et al., 2010; Hahn & Kühnen, 2013). Many reporting companies adopt the guidance of popular reporting guidelines such as the GRI; UN SDGs; CPD; TCFD and the IR Framework (Dumay et al., 2010; Fonseca et al., 2014; Hahn & Kühnen, 2013; Mio et al., 2020; Plastun et al., 2007).

More recently, the European Union (EU) parliament passed legislation to regulate sustainability reporting through the introduction of the Corporate Sustainability Reporting Directive (CSRD) guided by the European Sustainability Reporting Standards (ESRS) (EFRAG, 2021). This directive emerges amid the concurrent development of the International Sustainability Standards Board's (ISSB) draft IFRS S1 - *General Requirements for Disclosure of Sustainability-related Financial Information* and S2 - *Climate-related Disclosures* standards. Notably, mandatory reporting standards cannot be achieved through a process that remains oblivious to the contributions provided by existing reporting guidelines. This remark is largely supported by the evidence of partnership and consultation between current standard setters for the EU's ESRS with the organisations that developed the GRI, CPD and the UN SDGs to name a few (EFRAG, 2021). Furthermore, this is reinforced by the collaboration between the ISSB and the owners of the TFCD in the development of IFRS S1 and S2 (IFRS Foundation, 2023a).

The International Financial Reporting Standards Sustainability 1 (IFRS S1)

The ISSB's IFRS S1 and S2 are a set of standards that focus on *General Requirements for Disclosure of Sustainability-related Financial Information* and *Climate-related Disclosures* respectively (IFRS Foundation, 2023a). The development of these standards arose from growing demands by users for comparable and coherent disclosures on sustainability-related financial information (IFRS Foundation, 2023a). The financial disclosures contained in these standards have been developed to allow for an assessment of the impact on enterprise value (IFRS Foundation, 2023a). Simply put, reporting entities will have to report on sustainability-related information that allows users to assess the impact on enterprise value, for them to be

considered compliant with the provisions of these standards. The standards are prescribed to address the impact of sustainability-related information related to people, the planet and the economy and the resultant effect on the company's value (IFRS Foundation, 2023a).
Proclivity towards the ISSB's sustainability standards follows several considerations. Firstly, IFRS financial reporting standards are the most widely applied reporting standards globally (IFRS Foundation, 2023c). Therefore, it is expected that there be higher interest from global stakeholders in the ISSB's sustainability standards due to the reputation it already holds within the reporting fraternity. A large proportion of Preparers and users support the standardisation of reporting standards for consistency and coherence (Elgert & Krueger, 2012; Kaya, 2016; Lozano, 2006; Majer et al., 2018), which could be used to argue why stakeholders would favour the adoption of the IFRS sustainability standards along with the IFRS financial reporting standards, to ensure consistency in their reporting practices. Another aspect to be considered is that almost all the companies that adopt the IIRC integrated reporting framework will now be required to comply with the ISSB's standards, this comes as a result of the IFRS Foundation assigning the exclusive responsibility of sustainability disclosure requirements to the ISSB, compared to the discretion that was availed by the use of the IIRC framework to report on sustainability practices (IFRS Foundation, 2023c).

The convergence and subsuming of different reporting bodies by the IFRS Foundation, under the ISSB, may also explain why its standards are likely to encompass the reporting qualities preferred by a larger population of sustainability report Preparers. Lastly, the ISSB's sustainability standards are expected to apply globally upon inception when compared to the ESRS, which upon rollout out would largely only apply to entities within the European region (Fenwick, 2023). This may support arguments in favour of the ISSB, as its standards reduce the effect of a geographical bias associated with choosing the ESRS which is primarily composed to accommodate European entities. Even then, there are isomorphic pressures and resistance to change when implementing new requirements such as standards and the convergence to any specific standard may indicate a proclivity toward a pre-existing, applied framework by stakeholder groups.

The European Sustainability Reporting Standards (ESRS)

The ESRS are a set of standards commissioned under the Corporate Sustainability Reporting Directive (CSRD) by the European Commission (EFRAG, 2021; KPMG, 2022b). Under this directive, European entities are mandated to prepare comprehensive sustainability reports alongside other annual reports. The fundamental principle of the directive was to encourage the development of holistic standards with metrics and targets that entities can use to report on aspects of governance, strategy and impact, risk and opportunity management (KPMG, 2022b). The establishment of the standards emanates from the EU Green Deal to converge with existing sustainability guidelines and standards (EFRAG, 2023; KPMG, 2022b). The ESRS focus broadly on environmental, social and governance topics (KPMG, 2022b). The introduction of these standards facilitates the disclosure of issues relating to the applicable sustainability reporting boundaries as well as the materiality of chosen metrics – directed through a mandatory standard (KPMG, 2022b).

Many studies (such as Dumay et al., 2010; Fonseca et al., 2014; Hahn & Lülfs, 2014) provide several arguments on the current state of sustainability reporting practices. For instance, the use and reliance on convoluted frameworks by entities with uneducated discretion increases the incoherence of the reports. Additionally, entities usually apply these guidelines from a broad context – outside the aims of sustainable development (Rosati & Faria, 2019) - with fewer reporters adopting these guidelines due to the lack of incentives associated with reporting on them (Durocher & Fortin, 2011). Similarly, some of these frameworks are largely focused on the management of climate-related disclosures (Siew, 2015) with the disclosures focused largely on financial impact (KPMG, 2022b). While several inconsistencies and downfalls may be identified among these frameworks, it also provides an opportunity for emerging standards to work on enlisting standards that address the concerns raised by stakeholders. Considering the infancy of emerging standards, their applicative limitations cannot be fully examined by the present study as would otherwise be possible under existing frameworks. Instead, an examination can be made by comparing these standards to existing frameworks or guidelines, which may provide the present study an opportunity to interpret the objectives of these standards.

The Global Reporting Initiative (GRI)

The GRI standards are a set of sustainability reporting standards that help entities report on their impact on the economy, environment and people (Global Reporting Initiative, 2022). According to the KPMG (2022a) survey on sustainability reporting, the GRI remains the most widely used sustainability reporting standard amongst corporate reporters. The GRI provides an array of sustainability reporting indicators which can be used by companies and continues to develop sector-specific reporting guidelines (GRI, 2022). While the Global Reporting Initiative (2022) acknowledges that the purpose of its standards includes assisting entities in assessing how they contribute to sustainable development, an emerging separation between sustainability reporting and sustainable development may contribute to a misunderstood concept from the corporate perspective (Dienes et al., 2016). The GRI Standards, are comprehensive and far-reaching in nature, a quality which was adopted by the organisation to encourage companies of varying sizes to report on their sustainable practices in a tailored manner (GRI, 2022).

The misconstruction of sustainable development could be attributed to the inconsistencies which scholars have identified within the GRI Standards (Dumay et al., 2010; Fonseca et al., 2014). The inconsistencies that have been identified by Hahn and Kühnen (2013), include the belief that reporting initiatives like the GRI decrease the accountability of corporate entities as the reporting process is highly driven by strategic considerations. This argument supports the view that sustainability reporting has been largely misconstrued due to the shift in its objective to focus on sustainable development contributions. Other like-minded scholars address the fact that the GRI appears convoluted with indicators from which companies with uneducated discretion can choose (Dumay et al., 2010; Fonseca et al., 2014; Hahn & Lülfs, 2014). The GRI, however, remains the most trusted guideline for sustainability reporting purposes largely because it is tailored to accommodate the voluntary global culture of sustainability reporting (GRI, 2022; KPMG, 2022a). Given the discretion that comes with voluntary reporting, the GRI presents an inclusive set of metrics and targets from which companies can choose without feeling compelled to report on indicators which may negatively impact the entity’s legitimacy (Hahn & Lülfs, 2014; Mahoney et al., 2013; Wu et al., 2020).

The United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are a set of 17 sustainable development goals (SDGs) which are separated into 169 targets effectively established to achieve the UN 2030 agenda outcomes (United Nations General Assembly, 2015). The goals are devised to help countries across the world in achieving their sustainable development goals, essentially these targets are aimed at assisting policy-makers in designing strategies to achieve these goals (United Nations General Assembly, 2015). In the process of drafting the 17 SDGs and the 169 targets, the United Nations General Assembly (2015) adopted extensive public consultation strategies primarily focused on vulnerable groups. This undertaking is particularly important from the perspective of guideline setting, in that it takes into account the role played by various stakeholders in the drafting of sustainable development metrics.

Rosati and Faria (2019) and Tsalis et al. (2020) examine the impact of the UN SDGs on sustainability reporting practices. These studies both establish that corporate reporters adopt the practice of disclosing how their practices lead to the achievement of one of the 17 SDGs (Rosati & Faria, 2019; Tsalis et al., 2020). Through an examination of sustainable reporting practices, it was found that entities usually apply the UN SDGs from a broad context which is often disconnected from their role in achieving sustainable development (Rosati & Faria, 2019). This issue is largely due to the difficulty faced by Preparers in linking the SDGs to specific incentives to which the entities may be motivated to achieve (Rosati & Faria, 2019; Tsalis et al., 2020). Notably, the convergence between the UN SDGs and the GRI has resulted in the development of GRI metrics and targets which take into account an entity's contribution to sustainable development through the adoption of UN SDGs (Rosati & Faria, 2019). Rosati and Faria (2019) attribute this convergence to both the GRI and UN's efforts at achieving consistent and coherent reporting frameworks or guidelines, qualities that have become necessary amidst the upsurge of various sustainability reporting guidelines.

The CDP

The CDP guideline is a globally accepted environmental disclosure framework used by entities to score their business practices against preset environmental benchmarks (CDP, 2023). The CDP is widely recognised for its contribution towards comprehensive disclosure of climate change and environmental damage within the marketplace (CDP, 2023). The CDP scores entities on the completeness and accuracy of their climate change and environmental-related disclosures (Siew, 2015). One of the qualities attributable to a high CDP score includes a clear understanding by an entity's management of their coverage of climate-related risks and opportunities (CDP, 2023; Siew, 2015). Siew (2015) provides insight into the limitations of the CDP and the market sentiments on its shortfalls. Noteworthy, the study indicates that Preparers agree to a large extent that disclosure on climate-related metrics alone cannot provide sufficient insight into the sustainability risks and opportunities that an entity faces, which may impact their reporting practices (Siew, 2015). In this sense, a reasonable inference can be made to explain why entities adopt additional sustainability disclosure frameworks alongside the CDP, in an attempt to compensate for what management may believe to be shortfalls in other areas of sustainability disclosure.

The Task Force for Climate-related Financial Disclosures (TCFD)

The TCFD is a guideline prescribed for companies that seek to report on climate-related financial metrics and targets (Task Force on Climate-related Financial Disclosures, 2023). The guideline was established to foster more transparency within the marketplace on financial aspects of sustainability reporting (TCFD, 2023). The framework is globally accepted and adopted largely due to its broad nature in addressing financial risks and opportunities and has been used significantly in the development of emerging sustainability reporting standards (TCFD, 2023). O'Dwyer and Unerman (2020) look at the reporting benefits accompanying the use of the TCFD. They refer to the need for corporate reporters to report on climate-related financial disclosures by reflecting on the benefits that come with assessing climate-related risk and establishing its impact on corporate value and continuity (O'Dwyer & Unerman, 2020). The most noticeable shortfalls of the TCFD concerning sustainability reporting, come from the fact that the disclosures are largely related to the financial impact, particularly from the management of climate-related risks. It essentially prioritises the climate-related economic aspect of an entity's operations on sustainable development, a quality which may undermine disclosure on social impact largely due to the limited consideration of stakeholder engagement during the reporting process (Herremans et al., 2016; Manetti, 2011; O'Dwyer & Unerman, 2020).

The International <Integrated Reporting (IR)> Framework

The International <IR> Framework is a globally adopted framework that was developed to foster the growth of integrated thinking among corporate reporters (IFRS Foundation, 2021). This framework is founded on the objectives of achieving sustainable development and financial stability through a guided reporting process on effective resource allocation (IFRS Foundation, 2021). The framework applies to sustainability reporting from the aspect in which it recommends the integrated disclosure of activities adopted by entities which contribute to entity value while acknowledging their impact on their relationships with stakeholders and society – essentially a focus on non-financial disclosure on social impact (IFRS Foundation, 2021). Reporting entities that adopt the framework are encouraged to consider the impact of their operations on the six capitals which form part of the foundational focuses of the framework (IFRS Foundation, 2021). For instance, Flower (2015) addresses the shift from the initial sustainability-driven objective that the framework purported to support, and the now-evident focus on value creation for financial capital providers. Flower (2015) argues that given the lack of non-obligatory requirements or reporting, entities misuse their discretion to report on items that only affect the firm without fully acknowledging their role or interaction with the environment around them. The principle objective in which integrated reporting is used to report on value creations appears to digress from a consideration of how that value contributes to or diminishes set sustainable development goals (Flower, 2015)

2.4.1. Focal points of sustainability reporting standards

Notably, sustainability reporting frameworks and standards vary in what they aim to achieve or measure and a few focal points appear consistent through these standards (Dienes et al., 2016). The overall aim, objective and scope of these frameworks are generally expected to be included in all frameworks, given that they serve as a guide to stakeholders on the purpose of the standards (Akisik & Gal, 2011; Plastun et al., 2007). Calls for consistency and comprehensiveness appear to be common themes within prior literature that focus on the overall aim and objectives of sustainability reporting (Jorissen et al., 2012; Larson, 2007; Larson & Herz, 2013). The overall aim and objectives of the standard also form the foundation upon which Regulators and Policymakers can ensure that reporting entities are compliant through the achievement of said objectives (Bamber & McMeeking, 2016; De Freitas et al., 2023; Durocher & Fortin, 2011; Durocher et al., 2007; Georgiou, 2010; Jorissen et al., 2012). In the case of sustainability reporting, most stakeholders would want to know that the shared consensus on the role of sustainability reporting in achieving corporate transparency, credibility and enforcing ethical behaviours within the corporate environment, is communicated (Adams & Narayanan, 2007; Amran & Haniffa, 2011; Eccles et al., 2012). In addition to this, standards are generally expected to communicate the core content and general features of what is expected for entities to report on. This is largely driven by the need for verifiable information, with metrics that involve a substantial number of estimates that are generally challenging to quantify (Adams & Frost, 2008; Dienes et al., 2016; Ioannou & Serafeim, 2017; Reimsbach & Hahn, 2015). Additionally, some of the concerns shared in prior literature concerning the core content of corporate reporting include the negotiation of commercially sensitive information that is to be reported on (McKay & Gardner, 2013). There seems to be a higher reluctance to report on commercially sensitive information that is linked to competitive strategies, which has led to an issue of incomplete annual reports (McKay & Gardner, 2013).

Furthermore, the topic of materiality is common within sustainability reporting practices. As these frameworks measure materiality differently, there needs to be clear communication and guidance on how to measure and disclose material information (Hahn & Kühnen, 2013; Unerman & Zappettini, 2014). Stakeholders have differing interpretations of what constitutes materiality (Cerbone & Maroun, 2020), mainly due to varying focuses on financial impact disclosure standards and others that focus on the impact on profits, people and the planet (Eccles et al., 2012; Lamberton, 2005). These aspects are particularly important to consider during the standardisation process, because they could be included in comments submitted by stakeholders regarding the disclosure requirements of the IFRS S1. Conflicts relating to the application of materiality and the level of judgement required for it, have also led to wider interpretations of this concept (Cerbone & Maroun, 2020; Eccles et al., 2012; Lamberton, 2005).

Lastly, reporting responsibilities related to the frequency and location of sustainability reports have also been a topic largely touched on in studies focusing on sustainability reporting (Larson, 2007; Shields, 2014). This aspect of prior literature looks at the practicality of reporting on certain sustainability metrics, given the varying methods in which to measure them (Larson, 2007; Shields, 2014). Furthermore, prior studies focus on the cost burdens that

accompany the obligation to report, with reflections on the appropriateness of transitional relief provisions which provide relief to companies who transition to reporting under IFRS S1 (Adams & Narayanan, 2007; Dilling, 2010; Elgert & Krueger, 2012; Gray & Milne, 2002).
Existing literature largely focuses on traditional stakeholders, such as Preparers, users, and Regulators, in the standard-setting process (Bamber & McMeeking, 2016; De Freitas et al., 2023). However, it often overlooks the role of non-traditional groups, including Academics, non-profits, and public interest organizations (Chee Chiu Kwok & Sharp, 2005). Additionally, past research tends to generalize stakeholder input, ignoring how coalitions of smaller entities may collectively exert influence (Bamber & McMeeking, 2016; Zeff, 2002). With the rise of sustainability reporting, a more diverse range of stakeholders is now involved, yet their impact remains underexplored (Hahn & Kühnen, 2013; Hörisch et al., 2014)This study aims to fill this gap by analysing the influence of these broader stakeholder groups on sustainability-related financial disclosures.

Chapter 3 *– Research methodology*

The aim of this study is to answer the question of whether there is:
Evidence of unequal influence on the drafting of IFRS S1 by different stakeholders, based on the degree (minor, moderate or major) of proposed changes that are accepted and discussed by the ISSB?

3.1. Methodology

This research was quantitative and used quantitative content analysis to quantise information contained in the comment letters, staff discussion report and final IFRS S1 publication to answer the research question above (Krippendorff, 2018). The method adopted for this study is appropriate in that it follows a similar methodology to Bamber and McMeeking (2016) which was also replicated by De Freitas et al. (2023).

3.2. Population and sample

The ISSB received 720 comment letters on IFRS S1 following the public invitation to comment. The comment letters were structured into 17 distinct questions from which stakeholders were expected to provide comments. The researcher analysed the comment letters received solely for the IFRS S1 - *General Requirements for Disclosure of Sustainability-related Financial Information.* The ISSB's staff paper (agenda reference 3C & 4B) discussing the comments submitted before final publication was used with the final publication of IFRS S1 to determine whether the comments have been accepted and discussed. A random sample of 15 comment letters per stakeholder group[4] was utilised for this study. The sample size was determined to provide adequate coverage and equal representation of the stakeholder groups, which also allowed for sufficient observations upon which to perform statistical tests (Kang & Kim, 2022; Krippendorff, 2018; Mayring, 2000)

3.3. Data collection

The preliminary phase of the study revealed that the comment letters submitted by the stakeholders were largely accompanied by separate comment statements apart from the responses to the 17 survey questions provided by the ISSB. As the unit of analysis was the individual comment (could be a sentence or paragraph), any comment letters and proposed amendments that used different formats than that of the ISSB survey were still applicable. The data collection process was initiated by categorising the comment letters into eight respective stakeholder groups using to the stated sample. The commentary letters were then read to gain an understanding of the content within these letters. Using an Excel spreadsheet, a two-step approach was used to capture the data from the comment letters (Illustration under Diagram 1). Firstly, the study differentiated between the type of comments; that is whether the comment was outcome-related (proposing changes) or theory-related (not requesting any changes).

This was undertaken to isolate only the comments that proposed changes. All theory-related comments were assigned a code of '0'. Secondly, the study weighed (refer to Bamber & McMeeking, 2016; De Freitas et al., 2023) all the outcome-related comments based on the degree (minor, moderate or major) of proposed amendments, to avoid treating all proposed amendments as being the same.

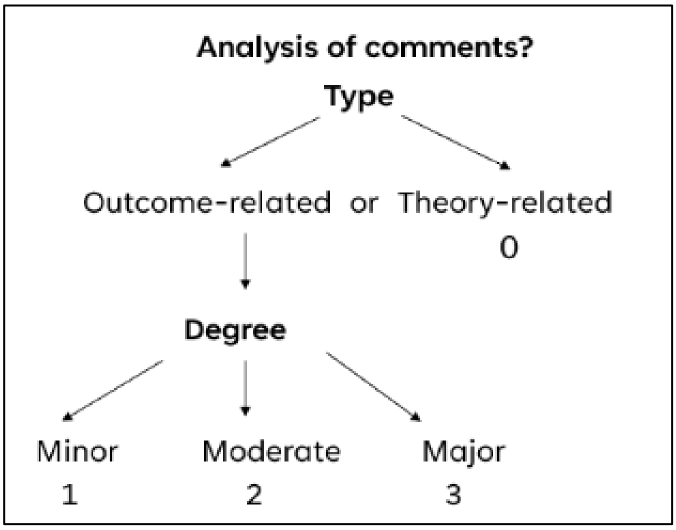
The degrees were classified based on the following range which was objective and can be replicated (refer to, Bamber & McMeeking, 2016; De Freitas et al., 2023):

- Minor amendments: relating to spelling and grammatical issues, rewording suggestions and the streamlining of repetitive disclosures. All minor proposed changes were assigned a code of '1'.
- Moderate amendments: relating to clarity on certain definitions, additional guidance and examples of certain topics. All moderate proposed changes were assigned a code of '2'.

[4] The stakeholder groups are; users, Preparers, accounting professionals and auditors, Standard-setters, Regulators, Policymakers, public interest and academia (IFRS Sustainability, 2022)

- Major amendments: relating to definitional disagreements or conceptual challenges and objections requiring the deletion of paragraphs. All major proposed changes were assigned a code of ‘3’.

Diagram 1 – Illustration of data collection



A numeric coding system was employed to improve the management of the data that was collected and captured during the analysis of the comment letters. All unanswered questions as well as “no comment” responses were left blank and filled in grey on the Excel spreadsheet. In instances where stakeholders provide more than one amendment in different degrees and grey areas existed between the 1/2/3 grading system, the code of the highest degree of change was captured and an asterisk (*) was used to identify these types of comments. Table 1 illustrates the coding instrument that was used to record the type of changes that were proposed by the stakeholders including whether the comments were accepted/rejected and discussed/not discussed by the ISSB.

Table 1: Extract from the final level summary of the manual coding process IFRS S1

Paragraph number	Scope of the requirement(s)	Section/Requirement	Outcome of the proposed change	Minor (1), moderate (2) or major (3) change?	Stakeholder that proposed change? (Non-exhaustive list of examples)	Were these changes discussed?
The paragraph number in ED S1	What is the proposed change about?	The specific section or topic related to the requirement	Accepted/rejected	1,2 or 3	Comment letter (CL) reference and stakeholder name	Yes (1)/ No (0)
56-57	Definitional clarity	Clarity on the difference between significant and material in the definition of materiality	Accepted	2	CF1: Australian Council of Superannuation Investors (ACSI) CF19: International Auditing and Assurance Standards Board (IAASB) CF37: Standard Chartered Bank CF46: Deloitte CF113: ANEFAC - Brazil	1
56-57	Removal/replacement of a concept that the stakeholder disagrees with	Replacement of the current single materiality concept with the double materiality concept	Rejected	3	CF8: CBV Institute CF13: Andrés Salazar CF38: Shell International B.V. CF45: Legal & General PLC CF52: South African Institute of Chartered Accountants (SAICA) CF62: Capital Market Authority CF109: Collective Academic	1

(Bamber & McMeeking, 2016; De Freitas et al., 2023)

3.4. Data analysis

The data collected above was aggregated per stakeholder and for each of the comments provided for the ISSB survey questions. Following this, the study employed the use of descriptive statistics to analyse the data that had been captured. After collating the total number of outcome-related and theory-related comments, the frequencies were compared to obtain an overall understanding of the degrees of comments submitted for IFRS S1. This provided insight into the volume of changes that were proposed by stakeholders, which may be invariably linked to their influence over the standard-setting process. Additionally, the number of theory-related comments that required no changes to be made provided insight into the proclivity towards the adoption of the IFRS S1 and the possibility of an overarching bias toward it.

The mode of the question with the highest number of proposed changes was used to determine which question was most likely to be discussed by the ISSB, which provided insight into the question that most stakeholders proposed to amend. Additionally, the mode was determined for the questions with the most proposed amendments along each degree of change. Analysis of the varying modes provided insight into the question with the most grammatical changes (minor); the question that required the most clarity (moderate) and lastly the question that was the most conceptually challenged (moderate). The analysis of the possible existence of influence was also substantiated by how the ISSB chose to discuss these varying levels of proposed changes.

Statistical tests were performed to determine whether the differences and patterns identified in the descriptive analysis yielded significant statistical results. Kruskal-Wallis variability tests were performed over the following set of null hypotheses (H):

> **H1**: For the total number of minor, moderate or major proposed changes there is no statistically significant difference across each stakeholder group,
>
> **H2**: For the total number of changes accepted/rejected along each minor, moderate or major degree there is no statistically significant difference across each stakeholder group,
>
> **H3**: For the total number of changes accepted/rejected there is no statistically significant difference across each stakeholder group,
>
> **H4**: For the total number of changes discussed/not discussed by the ISSB there is no statistically significant difference across each stakeholder group.

Statistical tests were performed using the Kruskal-Wallis test to determine whether the proposals accepted/ rejected and discussed/not discussed (dependent variable) differ across the eight respective stakeholder groups (independent variable). The researcher collated the frequency of the changes (based on the codes) at a group level to compare the differences among the groups, determining the group with the highest number of proposed changes broadly and specifically across each degree (minor, moderate and major). This analysis allowed the researcher to determine whether being the stakeholder group with the highest level of proposed changes was linked to the influence that may exist based on whether the ISSB accepted or discussed these proposed changes (Bamber & McMeeking, 2016).

Chi-square tests of association and Spearman's Rho tests of correlation were performed to determine whether there was any relationship between the number of proposals accepted/rejected and discussed across the stakeholder groups that proposed the changes. Acknowledging the limitations that come with running cross-tabulation tests over cells with low cell counts, the study remained consistent with the suggestions of Bamber and McMeeking (2016) wherein valid 2x2 Fisher's Exact tests were relied upon for cases where cell counts did not exceed five as prescribed. Equally, the data sets could not be combined owing to the nature of the study which looks to not treat all proposals as equal. With exception to the overall analysis, statistical associations for the individual ISSB questions were analysed to the extent that the assumptions to run a valid Chi-square test were met by the frequency of proposals submitted for the respective questions.

An analysis of the final IFRS S1 publication was used to analyse the frequency of the proposed amendments that had been accepted and enlisted by the ISSB. The percentage of the number of accepted changes from the total number of proposed changes per stakeholder group was ascertained. This determined the level of proposed changes per stakeholder group and provided insight into the group with the most accepted changes, which may provide evidence of their influence over the enlisting of IFRS S1. Insight was also drawn from comparing how many of these accepted changes were discussed. This was because changes that had been blindly accepted without any discussion may be indicative of evidence that supported the influence of the said stakeholder group, given that the ISSB would have decided to accept the proposed change without challenging the appropriateness of the amendment. Additionally, to answer the question of whether evidence of influence existed during the drafting of IFRS S1, an analysis of the staff paper (agenda reference 3C & 4B) on tentative change discussions was undertaken. The researcher collated the number of comments discussed per stakeholder as well as a record of which questions were discussed. The frequency of the (i) individual stakeholder and (ii) stakeholder group, with most questions discussed, may also indicate evidence of influence over the standard-setting process if these discussed changes are subsequently accepted.

In the analysis phase, the researcher systematically examined the stakeholder comment letters submitted wherein the changes were categorised according to their association with specific questions, focusing on thematic areas commonly highlighted in the sustainability reporting literature. Using descriptive analysis, patterns were identified in the types of proposals made by various stakeholder groups, particularly in relation to the overall aims and objectives of IFRS S1 and its applicability to existing sustainability standards. Additionally, statistical tests, such as the Kruskal-Wallis and Chi-square, were employed to determine whether there were significant differences in the proposals submitted by different stakeholder groups. These tests allowed for an assessment of the degree of alignment or divergence in stakeholder concerns regarding key sustainability issues. Finally, the proposed amendments were classified by their degree (minor, moderate, or major) to further explore the variations in stakeholder input and to determine how these comments were addressed by the ISSB in its final decisions.

3.5. Validity and reliability of the study

The researcher used a reputable and replicable data collection method (for example, Bamber & McMeeking, 2016) to ensure that the data is captured reliably. The researcher also used the stakeholder groups determined by the ISSB, as well as the survey questions specifically enlisted by the ISSB, to capture the proposed changes provided by the stakeholders. This method ensured validity because there was no bias associated with deciding on the stakeholder groups to use. Additionally, looking for explicit statements of support or welcoming and using a "yes" or "no" helped to minimise the level of subjectivity associated with answering the relevant research question. The following assumptions were run to ensure that the Kruskal Wallis tests were valid: firstly, the dataset consisted of 8 stakeholder groups (independent variable) which were higher than the two independent variables required for the test. Each of these 8 stakeholder groups was coded based on the degree of their response (dependent variable). Secondly, because the proposals were not expected to be worded similarly for all the different stakeholders that existed, it indicated that the data was not normally distributed which would also make the test valid. Lastly, the researcher used the Statistical Package for the Social Sciences (SPSS) to verify that the non-parametric test was valid and that the skewness and kurtosis of the data were not normally distributed. For the Chi-squared, Fisher's Exact and Spearman's Rho tests, only the tests that met the correct assumptions of the tests such as the appropriate cell frequency or the 2x2 distribution were accepted and used in the study to ensure the validity of these tests.

To support the validity of the analysis, key extracts and comments were quoted directly from the stakeholders' comment letters. The intended purpose of these extracts was to provide additional context on the arguments that were being presented by the relevant analysis.

The reliability of the ISSB staff report was verified by internal due diligence processes undertaken by the IFRS Foundation and the researcher believes that documents on any tentative changes are the most reliable feedback along with the final IFRS S1 publication. This increased the reliability of the analysis undertaken concerning the number of proposed amendments that were discussed, as the staff report discussed the proposed amendments in a reasonable amount of detail that would otherwise have not been distinguishable alone within the final publication of the standard.

Chapter 4 – *Findings and Discussion*

This section lays out the findings and discussions of the descriptive and statistical analyses performed on the data that was collected. The discussion is broken down into an analysis of the overall proposals followed by an analysis at a stakeholder level, along each degree including the acceptance/rejection rates and the rates at which the ISSB discussed the proposals. Thereafter, a statistical inferential analysis is provided of the overall and stakeholder aspects of the study to corroborate the descriptive analysis. Lastly, the descriptive and inferential analytics for the proposals under each of the ISSB questions are analysed.

Table 2 presents the total number of accepted and rejected changes classified according to the degree of change (minor, moderate and major) and how many of these changes were discussed by the ISSB.

Worth noting, accepted comments are those that lead to changes in the final standards, reflecting suggestions that align with the ISSB's goals and improve the clarity or applicability of the standards. Rejected comments, on the other hand, are those not incorporated, either because they conflict with the ISSB's objectives or are deemed impractical or unnecessary. However, both accepted and rejected comments can be discussed. A discussed comment indicates that it was acknowledged and considered during the decision-making process, but it may not necessarily result in changes to the standards. The key distinction is that while all accepted comments are discussed, not all discussed comments are accepted.

Table 2 – Accepted/rejected proposed changes per stakeholder group

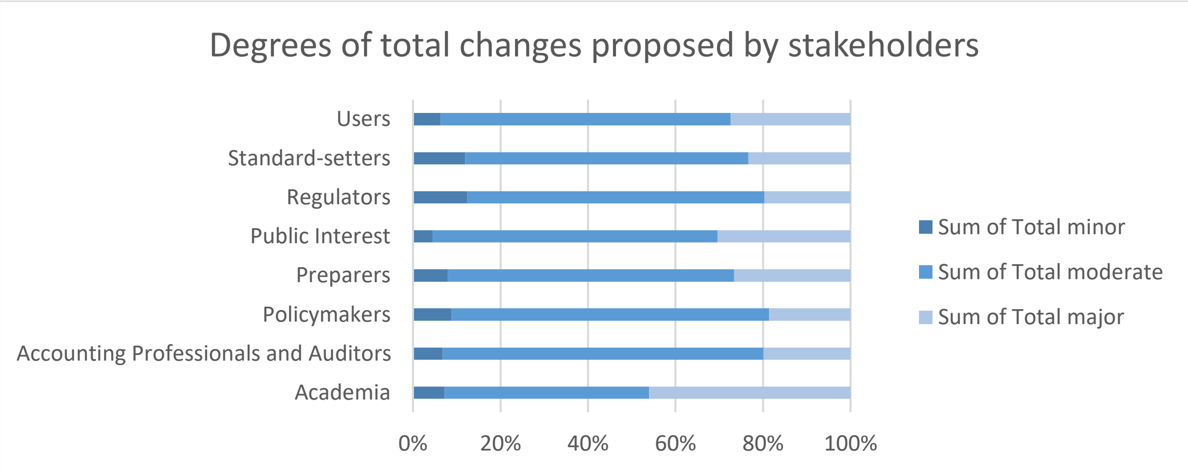
Stakeholder group	Number of proposed changes which were accepted or rejected by category of change									Number of proposed changes discussed by the ISSB/working groups	
	Accepted				Rejected				Grand total*		
	Minor	Moderate	Major	Accepted total/%	Minor	Moderate	Major	Rejected total/%		Yes/%	No/%
Preparers	2	48	9	**59/ 42%**	9	43	28	**80 / 58%**	**139**	92 / 66%	47 / 34%
Users	6	53	11	**70 / 49%**	3	41	28	**72 / 51%**	**142**	117 / 82%	25 / 18%
Academia	2	17	16	**35 / 23%**	9	54	54	**117 / 77%**	**152**	65 / 43%	87 / 57%
Public Interest	0	39	13	**52 / 33%**	7	64	35	**106 / 67%**	**158**	85/ 54%	73 / 46%
Regulators	2	45	10	**57 / 30%**	22	86	28	**136 / 70%**	**193**	87 / 45%	106 / 55%
Standard-setters	7	60	10	**77 / 37%**	18	76	39	**133 / 63%**	**210**	107 / 51%	103 / 49%
Policymakers	4	59	9	**72 / 33%**	15	97	31	**143 / 67%**	**215**	107 / 50%	108 / 50%
Accounting Professionals and Auditors	5	88	19	**112 / 45%**	12	96	31	**139 / 55%**	**251**	170 / 68%	81 / 32%
Grand Total	**28**	**409**	**97**	**534 / 37%**	**95**	**557**	**274**	**926 / 67%**	**1460**	**830 / 57%**	**630 / 43%**

*** Table 1 is sorted in ascending order according to the grand total column**

4.1. Overall analysis of the proposed changes in total and along each degree

From the total 120 stakeholder comment letters analysed, 1460 amendments have been proposed. As illustrated by Figure 1, moderate proposed changes comprise approximately 66% (966) of the total proposals on IFRS S1. This is closely comparable to the findings by Bamber and McMeeking (2016) and De Freitas et al. (2023), where most of the proposed changes were identified to be moderate. This implies that most stakeholders primarily asked for more guidance (illustrative and conceptual) and clarity regarding IFRS

Figure 1: Degrees of total changes proposed by stakeholders.

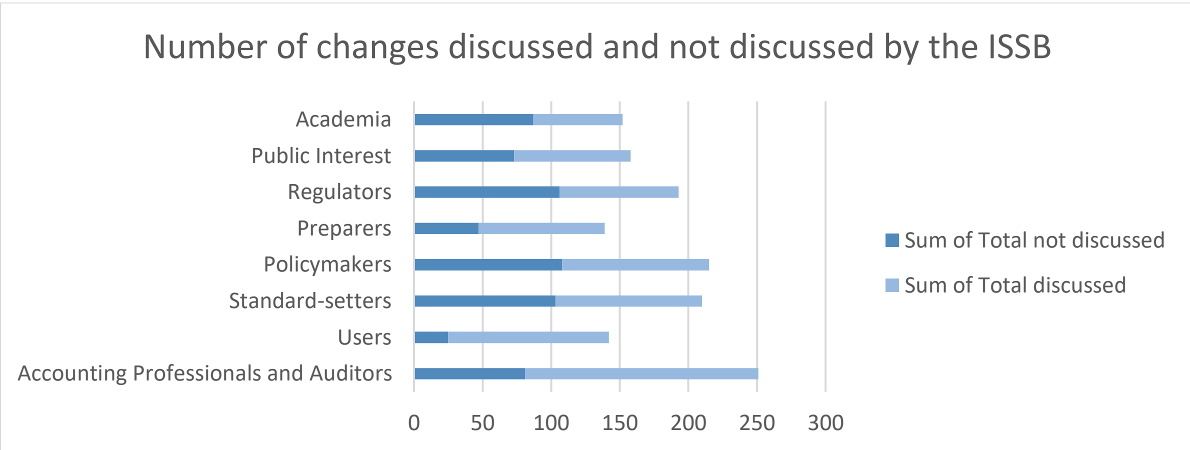


Findings in Figure 1 support the arguments made by De Freitas et al. (2023), that most stakeholders are prone to asking for more guidance or clarity to reduce the need for judgment when applying the standard. As standardisation of sustainability reporting is still in its infancy, stakeholders want to make sure that all reporting requirements are clear and practical to apply through cohesive and comprehensive illustrative examples and sources of guidance (Jorissen et al., 2012; Larson, 2007; Larson & Herz, 2013).

Comparably, minor and major proposed changes constitute 9% (123) and 25% (371) of the total proposed amendments, respectively. Similar to Bamber and McMeeking (2016) and De Freitas et al. (2023), more major changes were proposed compared to minor changes. A higher rate of major changes being proposed implies that more stakeholders disagreed or challenged the requirements of IFRS S1, than stakeholders who asked the ISSB to fix grammatical or spelling issues. A higher rate of changes disagreeing with or requesting the removal of concepts supports prior literature wherein stakeholders were seen to focus on the alignment of reporting standards rather than a focus on whether the correct grammar was used (Bamber & McMeeking, 2016; De Freitas et al., 2023; Georgiou, 2010; Plastun et al., 2007). Additionally, the mere existence of an ED by the ISSB suggests that a rigorous preliminary process would have been followed according to IFRS protocols wherein a majority of the issues on grammar or spelling would have been rectified.

The total number of accepted proposed changes stands at 534, making up approximately 37% of the total proposed changes. Consequently, a total of 926 proposed changes have been rejected by the ISSB. The rejection of a larger number of requested changes may indicate that the ISSB prioritises quality proposals over quantity. To guarantee a balanced and credible standard, the ISSB appears to prioritise input from a variety of stakeholders (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013). A rejected proposal does not always indicate a lack of influence on the part of the stakeholder, but it may reflect a rigorous evaluation process by the ISSB (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013). Moreover, accepting extensive changes could lead to confusion and reduced comparability across reporting periods as the standards develop over time (Jorissen et al., 2012; Larson & Herz, 2013). As indicated by Figure 2, a total of 830 proposed changes were discussed by the ISSB as evidenced by the discussed points included in the staff paper (agenda reference 3C and 4B), this makes up approximately 57% of the total proposed changes.

Figure 2: Number of changes discussed and not discussed by the ISSB.



An above average discussion rate of proposals means that the proposed changes submitted by stakeholders are more likely to be discussed by the ISSB than not. There appears to be a reduced concern relating to the risk of stakeholders being rejected without being considered by the ISSB, similar to De Freitas et al. (2023). The ISSB's consideration of proposed changes appears to be fair which also agrees with both Bamber and McMeeking (2016) and De Freitas et al. (2023). Focus on the standardisation of sustainability standards appears to add a different dimension to spread of discussion and acceptance rates of stakeholders. The involvement of non-conventional financial reporting players such as Academics, Regulators and public interest organisations results in a couple of differing outcomes and results when compared to studies focused solely on standardisation from a financial reporting perspective. The discussion of proposed amendments submitted to IFRS S1 is vital during the standard-setting process because a failure to incorporate the interests of stakeholders may undermine the credibility of the standards. The discussion of comments from stakeholders could be seen as an exercise that is undertaken to ensure that the mutual interests of stakeholders are comprehensively addressed and represented within the standards. The implementation of oversight and due processes per IFRS guidelines leads stakeholders to believe that the ISSB is not being biased by favouring or considering only a specified set of participants (Bamber & McMeeking, 2016; De Freitas et al., 2023; Larson & Kenny, 2011; Malsch & Gendron, 2011).

The above average discussion rates also ameliorate the stakeholder management strategies implemented by the ISSB, as they contribute to a reduction in the underrepresentation of stakeholder interests which would otherwise undermine the credibility and comprehensiveness of IFRS S1. Having the ISSB discuss, on average, more than half of the proposed changes suggests that it is less likely to blindly accept a proposed change from any stakeholder. The blind acceptance of proposals without consideration would suggest that said stakeholder has relative influence over the ISSB, as these comments would not have been vetted for appropriateness to be included in the final publication. The blind acceptance of comments from stakeholders may also suggest that the ISSB has skewed engagement with the stakeholders often at the expense of the marginalised stakeholders and the credibility of the standards (Herremans et al., 2016; Manetti, 2011; Torelli et al., 2020). The ISSB did not discuss 630 (43%) of the total changes proposed by the collective group of stakeholders. Both the accepted and rejected changes as well as the number of changes discussed share similar characteristics to the findings by Bamber and McMeeking (2016), where most of the overall proposed changes were rejected and most of the changes having been discussed by the ISSB.

The existence of similarities between the findings of this study and those focused on financial reporting under the IASB (such as, Bamber & McMeeking, 2016; De Freitas et al., 2023), is due to multiple factors. Firstly, similarities are bound to exist in the processes that both the ISSB and IASB follow given that they are both housed under the IFRS Foundation. Both bodies will have had to apply the IFRS standardisation protocols which remain consistent regardless of the niche of their reporting standards. There are also similarities in the way that both the ISSB and IASB communicate their processes, using staff papers and working plans that are consistent with IFRS requirements (IFRS Sustainability, 2022). Therefore, it is unsurprising when the ISSB treats proposed changes submitted by stakeholders for IFRS S1 in a similar manner that the IASB would for similar studies. The alignment of reporting initiatives such as the focus on financial materiality instead of dual materiality by both the ISSB and IASB standards, also supports the argument on why the findings between these studies may have been similar. Consider, for example, if the ISSB had prioritised dual materiality (financial and impact materiality) like the EU's ESRS, over its choice of single materiality (financial). Had it been this case, the findings relating to the materiality aspect of the ISSB's process may have been completely different when compared to similar studies looking at materiality within the IASB standards.

4.2. Stakeholder analysis

In total, explicit statements of support constitute 54% (65) of the total comment letters analysed, with the remaining 46% (55) not having any explicit statement of support for IFRS S1. The 'Users' group had the most explicit statements of support with 12 out of the 15 respondents having communicated explicit statements of support. In contrast, Academics had the fewest number of explicit statements of support included in the comment letters, with only 4 out of the total 15 comment letters including an explicit statement of support. According to Jorissen et al. (2012), proposed changes that include explicit statements of an agreement are less likely to be rejected when compared to changes containing levels of negativity or not explicit statements. While the marginal effect of explicit statements is insignificant, it may be reasonable to consider whether disagreement indicates an incongruence between the ISSB and the lobbyist which affects the rate at which their proposed changes are accepted (Jorissen et al., 2012)

4.2.1. Proposed amendments by stakeholder groups

Out of all the stakeholders, standard setters proposed the highest number of minor amendments (25) with accounting professionals and auditors constituting the most moderate changes (184), with Academics proposing the highest number (70) of major changes. It may be interesting to consider whether standard setters decided to propose a relatively higher number of grammatical, rewording or spelling changes due to their own experiences with having their standards applied. The proposal of nuanced grammar and spelling may be a way of closing any loopholes which could lead to boilerplate disclosures caused by reporting entities that take advantage of poorly worded disclosure requirements (Adams & Narayanan, 2007; Saemann, 1999; Stenka & Taylor, 2010). It will be easier for reporting entities to apply IFRS S1 if the language it uses is consistent with existing sustainability reporting frameworks (Durocher & Fortin, 2011; Durocher et al., 2007; Jorissen et al., 2012; Larson, 2007). The interoperability between standard setters also plays a noticeable role in the communication of consistency between reporting standards, which explains the proposals requesting to make IFRS S1 grammatically consistent. The interconnectedness may also come as result of the closer access that standard setting bodies have from falling under the same broad standards foundation. Therefore, it is expected that standard setters will communicate concerns relating to non-alignment or inconsistency within IFRS S1, which has also been acknowledged by the ISSB as a key matter in its staff paper (agenda reference: 3C & 4D) (IFRS Sustainability, 2022).

The findings of this study indicate that accounting professionals and auditors requested more clarity and guidance on the disclosure requirements because they are believed to be focused on transferring the technical expertise to their staff and their clients (Preparers) (Durocher & Fortin, 2011; Saemann, 1999). Secondly, the submission of higher comments of clarity and guidance evident within this study suggests that accounting professionals and auditors acknowledge their responsibility of making sure that the disclosed information is verifiable, and will not make their job of assuring these disclosures difficult or impossible to undertake (Durocher & Fortin, 2011; Farooq & De Villiers, 2020; Georgiou, 2010; Jorissen et al., 2012; Larson, 2007; O'Dwyer et al., 2011).

Lastly, Academics appear to be more likely to propose a higher number of major changes due to the conflict that exists between the practical application (standard-setter perspective) and the theoretical application (academic perspective) of reporting requirements (Álvarez et al., 2014; Larson & Herz, 2011; Tandy & Wilburn, 1996). Academics are more likely to challenge the ISSB based on prior findings of research relating to the standardisation of sustainability reporting, verifiability of disclosure metrics and the application of the concepts of single materiality versus double materiality (Álvarez et al., 2014; Larson & Herz, 2011; Tandy & Wilburn, 1996). Furthermore, major changes may be requested by Academics to ensure that the standards are favourable to academic research. This could involve eliminating duplicate or unnecessary paragraphs that might hinder future research efforts (Adams & Narayanan, 2007; Saemann, 1999; Stenka & Taylor, 2010).

Accounting professionals and auditors submitted the most proposed changes (251) out of all eight of the stakeholder groups, making up approximately 17% of the total proposed changes submitted for IFRS S1. Submissions by this particular stakeholder group are important, as studies (such as, Chee Chiu Kwok & Sharp, 2005; De Freitas et al., 2023; Durocher & Fortin, 2011; Larson, 2007; Shields, 2014) find that voluminous submissions by expert groups such as accounting professionals, auditors and Regulators enhance the legitimacy of the ISSB.

This may be because the ISSB relies on these constituents to enforce these standards given its lack of legal authority to do so (Chee Chiu Kwok & Sharp, 2005; Shields, 2014). A high level of participation during the standardisation process indicates a higher proclivity towards the adoption of IFRS S1, which may increase the perceived credibility of the ISSB (Bamber & McMeeking, 2016; Durocher & Fortin, 2011; Giner & Arce, 2012; Jorissen et al., 2012; Manetti, 2011). The unequal treatment of stakeholder comments could lead to an incomprehensive understanding of the needs and interests held by these stakeholders. Stakeholders are more likely to participate positively in a process where they expect their interests to be addressed and where their suggestions will be considered at the very least (Herremans et al., 2016; Hörisch et al., 2014; Hörisch et al., 2020).

Preparers proposed the least number of changes (139) for IFRS S1, making up approximately 10% of the total proposed changes. This appears to contradict prior literature where Preparers were often found to have the highest number of proposed changes or comment letter responses (Durocher & Fortin, 2011; Georgiou, 2018). Interestingly, the reduced number of changes submitted by Preparers supports the arguments made in prior studies (such as, Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013; McNally et al., 2017), where Preparers are often seen to be less persuaded to provide additional comment letters or propose changes as they largely depend on accounting professionals and Regulators to engage on their behalf. Preparers are believed to rely on accounting professionals and auditors because they may not be entirely sure about what sustainability metrics to report on and rely on accountants and auditors to lobby for verifiable metrics – helping Preparers achieve credibility while reducing agency costs (Jorissen et al., 2012; Watts & Zimmerman, 1983). Preparers' reliance on third-party experts may also be evidenced by the frequent use of external reporting companies to assist in complying with ancillary or non-financial reporting requirements (McNally et al., 2017).

These findings support the arguments presented by Bamber and McMeeking (2016) and De Freitas et al. (2023), that the possible decrease in responses by Preparers is offset by the larger quantity of responses and changes proposed by accounting professionals and auditors – as evidenced by the current study's findings. However, the non-participation of Preparers should not always be seen as their shifting reliance on accounting professionals. It is believed that Preparers often use their discretion when deciding on whether to propose changes or comments on specific disclosure topics. Jorissen et al. (2012) suggest that Preparers participate depending on the potential impact of new financial reporting requirements on the firm's cashflow position – largely known as the *positive accounting theory* (Watts & Zimmerman, 1978). Based on the positive accounting theory, the lower turnout in proposed changes from Preparers suggests that they do not believe that the reporting requirements of IFRS S1 will have an additional cost or affect their accounting balances. The belief could be due to the existence of more robust reporting processes that already took sustainable factors into account such as the <IR> Framework.

In contrast with prior literature, Users have the highest rate of acceptance (49%) with a total number of 70 accepted changes out of the total of 142 proposed changes. This suggests that almost half of all the proposed changes by them were accepted by the ISSB. This is consistent with the findings by De Freitas et al. (2023), where Users are also found to have the highest rate of acceptance. The high participation rate by Users indicates that they believe the new reporting requirements will have an impact on the disclosure of the useful information needed to make financial decisions (Jorissen et al., 2012). An existing *taken-for-grantedness* of Users which was identified by Young (2006, p. 580), appears to be receding due to the increased consideration of this group by Standard-setters. A decreased docility in the participation of Users indicates signs of higher stakeholder activism within the group driven by goals to ensure that their interests are well represented (Young, 2006). Decreased selectiveness in the consideration of proposed changes from Users may also be indicative of more awareness from the ISSB in acknowledging the role played by them in the standard setting process (Young, 2006).

Interestingly, the total number of proposed changes by Users (142) stands as the second smallest number of changes proposed by any stakeholder group, with Preparers having the least number of changes proposed. This suggests that while Users might have provided the least number of changes, almost half of their proposed changes were valid enough to be accepted by the ISSB. This is contrary to arguments (see Durocher & Fortin, 2011; Durocher & Georgiou, 2022; Georgiou, 2010; Georgiou, 2018) which identify Users as a neglected stakeholder group during the standard-setting process due to their docility during the process.

4.2.2. Group engagement and acceptance rates

In comparison to all the other stakeholder groups, academic constituents have the lowest rate of acceptance (23%), with only 35 of the total 152 proposed changes being accepted by the ISSB. This may also indicate a shift by standard-setting bodies from relying on Academics to define what users might find as useful financial information, to taking the users' comments as direct accounts of what they find useful (Agrawal, 1987; Young, 2006). The ISSB may also demonstrate an efficient management of the stakeholder theory principles if it appropriately considers the usefulness of IFRS S1 disclosures on primary users, by hearing directly from these users instead of through other intermediaries. The representation of users' interests could lead to a more comprehensive understanding of their needs and contribute to the alignment of the broader interests of all the stakeholders (Freeman, 2010; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011). The involvement and consideration of user interests increases the efficiency of the standard-setting process that would be undermined by skewed engagement with the proposed changes (Hörisch et al., 2014; Sharma & Henriques, 2005; Torelli et al., 2020). There appears to be no relationship between the number of proposed changes and the rate at which the ISSB accepts those changes to be actioned within IFRS S1. Even with a lower number of proposed changes, users could be seen to wield higher influential power in this instance due to the infancy of standardised sustainability reporting and a possible inclination by the ISSB, to make sure that they account for all of the primary users' needs before the finalisation of an official reporting standard (Durocher & Fortin, 2011; Durocher et al., 2007; Jorissen et al., 2012; Larson, 2007).

Interestingly, accounting professionals and auditors who have the most changes proposed have the second highest rate of acceptance (45%) when compared to all other stakeholder groups. While this is also reflective of the findings by De Freitas et al. (2023), it indicates that the ISSB could truly view the changes submitted by these experts as steering them in the right direction in ensuring that its standards are not only verifiable but are also supported by the professionals within this industry for adoption (Durocher & Fortin, 2011; Larson, 2007; Shields, 2014). On average, the acceptance rate for all proposed changes relating to IFRS S1 is approximately 36%, which suggests that a little over 1 in every 3 changes proposed by stakeholders will be accepted by the ISSB, which also confirms that the ISSB does not simply accept any and every stakeholder's proposed amendment. The interrogation of comments by the ISSB enhances the credibility of the standards, due to the reduced inconsistencies in reporting which would otherwise be the consequence of selective and non-iterative management of stakeholder needs in setting IFRS S1 (De Freitas et al., 2023; Freeman, 2010; Hörisch et al., 2020; Manetti, 2011).

It follows that Users will have the lowest rate (51%) of rejection relating to the number of changes proposed, whilst respondents from academia have the highest rate (77%) of rejection for the number of total changes that they proposed. It is expected that the standard-setter will reject self-interested changes due to the risk of prejudicing other stakeholders at the expense of its moral and procedural credibility (Giner & Arce, 2012; Watts & Zimmerman, 1978), given that most stakeholders are likely to propose changes that suit their interests above those of others.

Accounting professionals and auditors have the largest number (170) of proposed changes that are discussed by the ISSB, this constitutes approximately 68% of the total number (251) of changes proposed by this stakeholder group. However, Users have the highest discussion rate (82%). This supports the prior arguments made concerning the ISSB's attempts to reinforce the credibility of their standards by ensuring that users' proposals are discussed thoroughly so that the IFRS S1 reporting requirements are sufficiently comprehensive to meet their needs (Agrawal, 1987; Durocher et al., 2007; Young, 2006). A higher discussion rate could likely suggest that the higher the number of explicit statements of support for the ISSB's standards, the higher the probability of the stakeholder's changes being accepted and discussed by the ISSB (Jorissen et al., 2012). The high rate of acceptance of changes coming from accounting professionals and auditors may confirm the arguments by Giner and Arce (2012) and Stenka and Taylor (2010), that Standard-setters often ensure that accounting professionals are satisfied with their standards while trying to not be seen as biased towards them. While this may be the case, it may impair the credibility of the ISSB if it is seen as prioritising the discussion of a particular stakeholder group's proposed changes (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019). This is because the selective incorporation of comments from stakeholders could lead to inconsistencies and gaps in the reporting process evidenced by an ineffective mechanism of addressing and aligning the mutual interests of stakeholders (Herremans et al., 2016; Hörisch et al., 2014; Manetti, 2011; Torelli et al., 2020).

Contrastingly, Academics have the least number (65) of proposed changes discussed by the ISSB, making up approximately 8% of the total changes that were discussed. This amount also constitutes approximately 43% of the total changes proposed by this particular group. This could be largely because Standard-setters are often known for finding academic comments or research difficult to understand and as a consequence difficult to include within their standards (Álvarez et al., 2014; Larson & Herz, 2011). On the other hand, Academics are often found to provide changes that are largely theoretical and often impractical to implement, which may contribute to the ISSB's reluctance to discuss their comments (Álvarez et al., 2014; Georgiou, 2010; Larson & Herz, 2011; Tandy & Wilburn, 1996). On average, approximately 7 proposed changes will be discussed by the ISSB per stakeholder group.

4.3. Inferential statistics – overall and stakeholder analysis

4.3.1. Statistical analysis of proposed changes

Statistical tests were performed on the data collected to answer the hypotheses previously mentioned in the data analysis and methodology section of this study. Using a Kruskal-Wallis statistical test, variability analyses were initiated to determine whether significant differences exist in the distribution of changes proposed, and proposals accepted/rejected including the number of proposals discussed by the ISSB. Additionally, statistical association and correlation tests were performed through Fisher's Exact and Spearman's Rho statistical tests, respectively. Table 3 illustrates the breakdown of statistical tests performed over the individual counts of changes proposed or accepted and/or discussed per stakeholder.

Table 3 – Statistical analysis at the overall and stakeholder level

Significance at a 1% (**) or at a 5% (*)	Value	
Stakeholder vs. degree of proposed change (H1)		
Kruskal-Wallis		
Minor		12.988
Moderate		29.377**
Major		5.802
Stakeholder vs. degree of proposed change accepted/rejected (H2)	**Accepted**	**Rejected**
Kruskal-Wallis		
Minor	10.332	16.962**
Moderate	34.653**	24.745**
Major	7.700	8.174
Stakeholder vs. total accepted/rejected (H3)	**Accepted**	**Rejected**
Kruskal-Wallis	28.860**	20.604**
Stakeholder vs. total proposals discussed/not discussed (H4)	**Discussed**	**Not discussed**
Kruskal-Wallis	35.796**	27.096**
Total accepted/rejected vs. total discussed/not discussed		
Fisher's Exact		0.657
Spearman's Rho		-0.019

The Kruskal-Wallis statistical analysis confirms that indeed significant differences exist in the moderate proposed changes from stakeholders ($p<0.001$) whilst there is no significant difference in the number of minor ($p=0.720$) and major ($p=0.563$) changes that stakeholder groups propose. This suggests that Null Hypothesis 1 (H1) is rejected concerning the moderate changes that were proposed by stakeholder groups, while the study fails to reject H1 for minor and major proposals from the stakeholders. Although the number of proposed changes per degree differs (minor: 123; moderate: 966 and major: 371), there seems to be no statistically significant difference in the number of proposals that stakeholder groups submit under each of the minor and major categories of change that this study has coded. This suggests that stakeholders are more likely than not to provide consistent or relatively similar proposals for issues related to correcting spelling and grammatical issues (minor degree changes) and when submitting proposals that disagree entirely with ISSB concepts or reporting requirements (major degree changes).

The chances that stakeholders would notice an incorrectly worded or spelt requirement or grammatical error are higher during a process like standard-setting given that is it subject to multiple forms of internal and external reviews. The absence of statistical differences among this degree of changes is likely to be supported by the fact that stakeholders have already become accustomed to sustainability reporting through the existing frameworks, and will most likely find it easier to identify instances where grammar or spelling issues create inconsistency or confusion within the reporting environment as a whole (Dumay et al., 2010; Jebe, 2014; Lozano, 2006; Plastun et al., 2007).

Interestingly, within the category of minor proposed changes, a significant difference (p=0.017) has been identified from a paired comparative analysis between the public interest and standard-setting stakeholder groups. This agrees with the descriptive analysis wherein standards setters proposed the highest (25) number of changes whereas public interest stakeholders submitted the least (7). While both parties may have proposed minor changes, the statistical difference which supports the higher number of standard-setter changes corroborates the analysis of this study about why Standard-setters have higher levels of minor proposals.

As mentioned previously, Standard-setters are believed to be better placed to suggest changes relating to the refinement of reporting requirements and the correction of grammatical and spelling errors as they are more likely to be familiar with circumstances where reporting entities bypass their reporting responsibilities due to the technicalities of poorly worded requirements (Bamber & McMeeking, 2016; De Freitas et al., 2023; Georgiou, 2010; Jorissen et al., 2012; Plastun et al., 2007). The incorporation of expertise from standard setters may assist the ISSB in ensuring the reliability of their standards as they would have actively managed the interests of a like-minded party who might have longer and more knowledgeable experience with addressing stakeholder comments (De Freitas et al., 2023; Freeman, 2010; Hörisch et al., 2020; Sharma & Henriques, 2005).

For the category of major proposed changes, there interestingly exists a statistically significant difference (p=0.025) in the distribution of major comments proposed between Preparers and the accounting professionals and auditors' stakeholder groups. This suggests that while both stakeholder groups may have proposed major changes on IFRS S1, the distribution of major changes appears more common amongst accounting professionals and auditors, which would explain why they have a higher number (50) of proposals when compared to Preparers (37). This further corroborates findings in prior literature where Preparers are often identified to rely more on accounting professionals and auditors in communicating disagreements (major changes) with reporting requirements, given the latter's responsibility in informing and guiding the application of IFRS S1 (Bamber & McMeeking, 2016; Durocher & Fortin, 2011; Larson, 2007).

4.3.2. Statistical rates of acceptance or rejection

To identify whether the significant influence is exerted by stakeholder groups on the standard-setting process, it becomes necessary to investigate whether there exist significant differences in the manner in which the ISSB chooses to accept/reject the proposals. The Kruskal-Wallis statistical analysis indicates that for the category of accepted proposals, a statistically significant difference ($p<0.001$) exists in the distribution of moderate proposed changes that are accepted by the ISSB. This suggests that Null Hypothesis 2 (H2) is rejected for the distribution of moderate changes that are accepted across stakeholder groups, however, the study fails to reject H2 for the minor ($p=0.171$) and major ($p=0.360$) degrees of change as there is no statistically significant difference in the manner in which the ISSB accepts these degrees across the stakeholder groups. The existence of a significant difference for moderate degree changes may be supported by several factors. For instance, in the present study, moderate proposals made up the highest number of changes (966) constituting approximately 66% of all changes. This would mean that owing to a thorough process, the ISSB would not accept all the moderate changes and if one is accepted it would have had to be a proposal that the ISSB believed was vital in ensuring that IFRS S1 is coherent and clear enough to apply consistently (Durocher & Fortin, 2011; Durocher et al., 2007; Jorissen et al., 2012; Larson, 2007). From the Kruskal-Wallis paired comparative analysis, Academics appear to have a statistically different acceptance rate of moderate changes than any other stakeholder group. In the context of this study, the probable reason behind this lies in the fact that ISSB accepted proposals from Academics at a rate of 23%, the lowest of all acceptance rates when compared to all other stakeholder groups. The rate at which the ISSB accepts comments from stakeholders will influence the rate at which stakeholders choose to participate in the standard-setting process (Bamber & McMeeking, 2016; De Freitas et al., 2023; Plastun et al., 2007; Tandy & Wilburn, 1996). When stakeholders perceive the process to be selective and biased towards other stakeholders, it may discourage their participation which would undermine the credibility of the standard as it would have failed to incorporate the mutual interests of all the relevant stakeholders (De Freitas et al., 2023; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

For the distribution of proposals rejected by the ISSB, there exists a significant difference in the way minor ($p=0.018$) and moderate ($p<0.001$) changes are rejected. This suggests that Null Hypothesis 2 (H2) concerning rejected proposals is rejected for minor and moderate degrees of change. The study fails to reject H2 for major proposals as there is no statistically significant difference (p=0.318) in the distribution of changes rejected by the ISSB. For all degrees of change, the ISSB rejects more than half of all the proposals that are made. Naturally, one of the significant differences that exist in the distribution of minor proposals rejected exists between Standard-setters and public interest stakeholders given that these stakeholder groups have the highest and lowest number of accepted minor changes respectively. The same number of minor proposals accepted for Standard-setters represents the total number of minor proposals rejected for public interest constituents (7). However, comparatively major changes are rejected on a more consistent basis with significantly less variability in the numbers. This could also be because the ISSB may be following a more thorough process when addressing major changes with stringent criteria, and in the process of maintaining procedural legitimacy there may be consistency in the rate at which these proposals are accepted which would then result in more uniformity amongst the rejected proposals in instances where the criteria are not sufficiently met (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013). Additionally, by managing the broader interests of all stakeholder groups the ISSB will be able to ensure that the standardisation process is iterative and will lead to fewer inconsistencies and gaps in their reporting frameworks (Adams & Narayanan, 2007; Bamber & McMeeking, 2016; Hörisch et al., 2020; Manetti, 2011; Saemann, 1999; Torelli et al., 2020).

Equally, the quality of the submissions from the stakeholders may render the major proposals unsuitable to be included in the final IFRS S1 standard for several reasons which include the fact that some stakeholders request definitional or conceptual changes that suit personal interests at the expense of general applicability to all stakeholders (Bamber & McMeeking, 2016; De Freitas et al., 2023; Giner & Arce, 2012; Watts & Zimmerman, 1978). For instance, CL 20 proposes that the:

> "IVSC would also recommend that any reporting requirements about the entity's financial position, performance and cash flows should link to the International Valuation Standards and in particular to IVS 105 Valuation Approaches and Methods, which provides further detail on producing IVS-compliant cash flows."

Even though the application of valuation standards enhances the quality of the metrics that are being reported on, the recommendation to have these specific standards considered and linked when reporting on IFRS S1 favours this stakeholder more than it favours the interests of primary users.

Interestingly, for the paired comparative analysis of major changes, there exists a significant difference in how changes between Users and Academics are rejected. This may be explained by the fact that on an overall basis, Users have a higher acceptance rate whilst Academics have the lowest, which would suggest that users have the lowest rejection rate while Academics have the highest. Similar to De Freitas et al. (2023), Users in this study are rejected at a lower rate, which may be a result of standard-setting bodies placing less reliance on Academics in defining what would constitute useful information for users. The ISSB could enhance credibility by allowing users to define what would be useful for themselves and accepting their comments at a higher rate lends itself to the reporting objectives of IFRS S1, which is to provide useful information on sustainability-related information to primary users (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019). Conversely, the isolated consideration of comments from Users at a rate higher than other stakeholder groups may lead to an ineffective process which comes because of the mismanagement of interests from marginalised stakeholders (Herremans et al., 2016; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

For robustness purposes, untabulated Kruskal-Wallis tests were rerun using the rates (%) of acceptance/rejection as opposed to using the number of proposals accepted/rejected as described in the discussions above, to determine whether there exists any difference between the tests performed. Interestingly, a rerun based on rates takes into consideration the data points long each degree where stakeholders did not propose changes. This means that, where stakeholders did not propose any changes for a particular degree, it also meant that the ISSB would not be able to decide on whether or not to accept given the absence of said proposal. The abstained proposals would result in statistical errors (0/0) and for purposes of this study were excluded. Naturally, the study cannot consider these cases as part of the rerun variability tests given that these stakeholders did not have any proposals to accept or reject in the first place.

According to the rerun, the appears to be a significant difference in the rate at which the ISSB accepts/rejects minor ($p=0.036$) and moderate proposals ($p<0.001$) for the stakeholders that proposed these categories of change. Contrastingly, there appears to be no significant difference in the rate at which the ISSB accepts/rejects major proposed changes ($p=0.725$). While the statistical analysis that was performed over the respective rates confirms the results described above, there appears to be a difference for minor accepted comments when comparing the number of proposals accepted to the rate represented by these accepted changes. This suggests that while there may be an insignificant difference in the distribution (number) of minor proposals accepted across stakeholder groups ($p=0.171$), there is a significant difference in the rate (total number of minor proposals/total minor changes proposed) at which the ISSB decides to accept changes from stakeholders. It may be plausible to consider that while the ISSB may accept a consistent number of proposals across all stakeholders, this may not be reflective of the consistent rate of minor change acceptance as stakeholders propose varying numbers of changes along each degree recognised by this study. The exclusion of all the statistical error data points, as mentioned above, may further explain this difference given that a large of stakeholders did not submit minor proposals.

4.3.3. Statistical correlation between comments discussed versus those accepted

At an overall level, the Kruskal-Wallis analysis reveals that there is a statistically significant difference in the total number of proposals accepted ($p<0.001$) and rejected ($p=0.004$) by the ISSB. Consequently, the study rejects Null Hypothesis 3 (H3) relating to the accepted/rejected proposals. From the paired comparative Kruskal-Wallis analysis there appears to be a significant difference between the number of proposals submitted by constituents from the accounting professionals and auditors group compared to all the other stakeholder groups. Firstly, this stakeholder group has the highest number of accepted proposals (112) making up approximately 21% of all accepted changes with the remaining 79% dispersed among the seven other stakeholder groups. Secondly, it is evident from the analysis that the number of accepted proposals from accounting professionals and auditors is positively skewed, with a higher number of stakeholders within this group having above-average rates of acceptance. A statistically significant difference exists in the total distribution of rejected proposals however this significant difference does not appear to favour one stakeholder over the other, as evident from the paired Kruskal-Wallis analysis, the dispersion of statistical differences appears to exist amongst all stakeholder groups. This may be largely driven by the statistical differences identified above in the minor and moderate proposals that were rejected by the ISSB, which together make up approximately 70% of the total 926 changes that the ISSB rejected.

Similarly, to identify whether stakeholder groups exert significant influence the study would benefit from analysis of whether how the ISSB discusses proposals favours a particular stakeholder group, which may provide insights into whether proclivity towards a certain group's proposals exists during the standard-setting process. The Kruskal-Wallis statistical analysis indicates that there is a statistically significant difference ($p<0.001$) in the way the ISSB chooses to discuss or not discuss proposals from stakeholders. As a result, this study rejects Null Hypothesis 4 (H4). From the analysis, there appears to be a significant difference in how User and preparer proposals are discussed compared to all the other stakeholders. This agrees with the descriptive analysis of the discussion rates that each stakeholder group has. In this study, Users have the highest discussion rate (82%) with Preparers having the second highest discussion rate (66%) which appears to be the reason behind the statistical difference identified above. The ISSB may be interested in prioritising the discussion of comments coming from Users and Preparers given that IFRS S1 will have a more direct impact on these stakeholder groups compared to all other stakeholders. The alignment of interests from users and Preparers may be of use to the ISSB considering their roles as end users of the standard whose interests are vital in ensuring that the standards are comprehensive (Adams & Narayanan, 2007; Bamber & McMeeking, 2016; Hörisch et al., 2020; Manetti, 2011; Saemann, 1999; Torelli et al., 2020). Underrepresentation of comments from these stakeholders may lead to an incomplete understanding of their needs, which could be the driving interests that support proclivity towards the adoption of IFRS S1 (Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020). The ISSB maintains its credibility by making sure that it discusses all the comments submitted by users, given that IFRS S1 intends to provide them (primary users) with useful information and proposals from Preparers as they likely have higher bargaining power in deciding on whether or not to adopt IFRS S1 in instances where the standards are not mandated (Durocher & Fortin, 2011; Larson, 2007; Larson & Herz, 2013).

Based on the determination of whether comments were accepted and whether the proposals were discussed, a Fisher's Exact test was performed on the data set given that it fulfils the 2x2 distribution required to validly run the test. According to Fisher's Exact test for association, there appears to be no association ($p=0.657$) between the number of changes that are accepted and whether the ISSB discussed these proposals. This suggests that not all questions that are discussed by the ISSB will be accepted thereafter and vice versa. This could reflect well on the procedural legitimacy of the ISSB as it indicates that while the ISSB may discuss changes proposed by stakeholders it does not guarantee or suggest that the comments will be accepted as a result (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019). This is supported by the fact that, on average, more than half of all the proposed changes (57%) that are submitted will be discussed by the ISSB. Still, it does not suggest that the ISSB will accept an equal number of changes given the variance in the average acceptance rate (37%). It reflects well on the ISSB if it discusses most of the proposed changes from stakeholders, as it suggests that the body thoroughly considers proposals from stakeholders before deciding on whether to accept them. Conversely, it may reflect poorly on the ISSB if it appears to be accepting comments that it may have not discussed as it would indicate some sort of influence, given that it would accept comments from certain stakeholders without fully interrogating their proposals. The acceptance of comments without discussion may indicate evidence of skewed engagement by the ISSB, which may contribute to an overall ineffective standard-setting process that undermines the credibility of the standards (De Freitas et al., 2023; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

According to Spearman's rank, there appears to be no correlation (p=0.839) between the total proposals accepted by the ISSB and whether the ISSB discusses these comments. There appears to be no relationship between the number which the ISSB accepts and the number of proposed changes that it discusses, which means that an increase in changes that are discussed by the ISSB will not necessarily increase the number of proposals that are accepted. This could potentially indicate that the ISSB focuses on the quality and substance of a proposed change when deciding on whether or not to accept and not on whether or not it discussed the proposed change (Giner & Arce, 2012; Jorissen et al., 2012). It is important to recognise that the decision taken to discuss a comment does not necessarily suggest that the ISSB agrees with that comment enough to accept which favours the lack of association and correlation between the number of accepted and discussed changes (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019).

4.4. Analysis of responses on key sustainability reporting focal points

Owing to the differences that have been identified in the way stakeholders propose changes for certain questions under the ISSB survey, the study would benefit from determining whether stakeholder groups provide significantly different proposals and whether there is any association with particular questions. Proclivity towards specific questions may be indicative of themes to which stakeholder groups are more concerned, providing more insight into whether the ISSB has made its decisions having acknowledged these key areas of concern.

This section of the study looks at analysing the proposed changes according to each of the ISSB survey questions. The descriptive analysis breaks down the questions into four thematic areas that are highly focussed on in prior literature which studies sustainability reporting, taking into consideration the standard-setting perspective. Included in this analysis are the Kruskal-Wallis and Chi-square statistical tests that were performed over the questions.

Like Bamber and McMeeking (2016), the study remains aware of the unreliability that is caused by running the association and binomial distribution tests with low-frequency cells (normally accepted as five). The study would not benefit from the combination of cells given its inherent focus on disaggregating and classifying the proposed changes based on their degree (minor, moderate or major), given the cross-respondent analysis that it intends to perform. Responses were collected based on the ISSB's layout of the survey questions which also included combined sub questions that stakeholders submitted proposals to. Acknowledging this, tests were run over questions that yielded both reliable difference and association statistical tests given that these questions would have adequate frequencies and appropriate scaling to meet the assumptions of the proposed tests. The following questions yielded reliable binomial distribution tests because of having cell frequencies above the given threshold of five: Question 1(a) and (b); Question 2(a) and (b); Question 4(b); Question 7(b) and Question 8(a).

Table 4 illustrates the breakdown of the statistics that were run over the questions that met the necessary statistical assumptions based on differences in the changes proposed and whether the ISSB's discussion of these comments is associated with a particular stakeholder group.

The overall aim, proposed objective, global baseline and compliance status

In total 200 proposed changes were submitted for Question 1(a) to (d), this question relates to the overall aim of IFRS S1, its application with other IFRS sustainability standards and the audit and regulation perspective. Most of the proposed changes under this question represent the overall degree of changes that stakeholders communicate through their comment letters. Interestingly, the appears to be a little deviation in the frequency of comments submitted by stakeholders across all sub questions. The reason behind this could be due to shared goals that exist amongst most of the stakeholder groups on what is expected from sustainability reporting. Most stakeholders have a shared consensus on the role of sustainability reporting in achieving corporate transparency, and credibility and enforcing ethical behaviours within the corporate environment (Adams & Narayanan, 2007; Amran & Haniffa, 2011; Eccles et al., 2012). In addition to this, most of the proposed changes are moderate, asking for clarity and guidance on aspects of IFRS S1 linked to the overall aim and objectives of the standards. The reason behind these proposals could be due to the existence of sustainability reporting standards, and the need for more clarity and guidance on whether IFRS S1 converges or is consistent with these standards which stakeholders are more familiar with in application (Larson, 2007; Shields, 2014). The management of mutual interests during the standardisation process leads to consistency in the way reporting standards are drafted, with the inclusion of the broader needs of all stakeholder groups frameworks (Adams & Narayanan, 2007; Bamber & McMeeking, 2016; Hörisch et al., 2020; Manetti, 2011; Saemann, 1999; Torelli et al., 2020).

The Kruskal-Wallis statistical analysis for Question 1(a) and (b) indicates that there is no statistically significant difference ($p=0.332$) in the distribution of proposals that are submitted by stakeholders regarding the overall aim of IFRS S1. This suggests that stakeholders submit relatively similar proposals in manners that are consistent with one another. While stakeholders suggest varying degrees of change regarding IFRS S1 the distribution of the comments for these questions indicates a general commonality in the comments that are communicated by the stakeholder groups.

Table 4 – Statistical analysis according to the respective ISSB survey question

Significance at a 1% (**) or at a 5% (*)	**Value**
Question 1(a) and (b) - Overall aim of IFRS S1	
Kruskal-Wallis	8.004
Pearson Chi-Square	8.038
Question 2(a) - Proposed Objective	
Kruskal-Wallis	7.298
Pearson Chi-Square	7.754
Question 2(b) - Definition of sustainability-related financial information	
Kruskal-Wallis	11.241
Pearson Chi-Square	7.059
Question 4(b) - Disclosure requirements for core content	
Kruskal-Wallis	4.462
Pearson Chi-Square	9.036
Question 7(b) - Sources of guidance	
Kruskal-Wallis	7.745
Pearson Chi-Square	20.156**
Question 8(a) - Definition and applicability of materiality	
Kruskal-Wallis	6.010
Pearson Chi-Square	20.156**

Interestingly, a significant difference appears to exist between Regulators and Preparers due to the differences in the distribution of the proposed changes across each degree of change. Differences may exist in the distribution of proposals submitted by Regulators and Preparers concerning the overall aim of IFRS S1 for several reasons. For instance, where Preparers may submit changes that request for less burdensome reporting requirements, Regulators may instead be asking for more clarity and guidance on how to effectively regulate compliance with the proposed reporting requirements (Durocher & Fortin, 2011; Jorissen et al., 2012). The Chi-square test for association indicates that there is no association (p=0.329) between the proposals that are submitted by stakeholders and how the ISSB chooses to discuss or accept these questions. This indicates that while stakeholders may comment on the overall aim of IFRS S1 there is no direct association between the comments that the ISSB discusses and the stakeholder group that it chooses to discuss. This suggests that there is an indication of bias in the way that the ISSB undertakes this process which reflects well on the procedural legitimacy of the organisation given that there appears to be no influence exerted on it by any of the stakeholder groups. The unequal treatment of stakeholder interests could potentially lead to misalignment in the addressing of comments within the reporting requirements, leading to gaps in the frameworks and poorer participation from misrepresented stakeholder groups (Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

Many of the general comments relating to the overall aim related to proposed changes for more clarity or guidance on the assessment of enterprise value, with some stakeholders requesting that the concept be entirely removed from the standard. The ISSB's decision to align sustainability reporting concepts provides it with the opportunity to enhance its legitimacy, as it may be seen as adopting widely accepted sustainability reporting practices that Preparers are more comfortable reporting on and where primary users are still able to gain useful information to make their financial decisions (Adams & Narayanan, 2007; Adams & Frost, 2008). Interestingly, this prompted the ISSB to resolve to remove any references to enterprise value from the objective in their final IFRS S1 publication. The reasons cited include plans to redeliberate the meaning and to clearly articulate its relation to sustainability-related information in future (IFRS Sustainability, 2022). While the major proposed changes for Question 1 are fewer than the moderate changes, the ISSB still decided to remove the concept from its standard (an action that could be perceived to have been motivated by a higher degree of major proposed changes). The decision to redeliberate on a concept that many of the stakeholders did not request to be removed may also enhance the credibility of the ISSB's due process as it reflects well on the organisation's post-implementation and review processes (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Hörisch et al., 2020; Wachira et al., 2020).

As expected, accounting professionals and auditors have the most moderate responses concerning Question 1(d), which addresses the audit and regulatory aspects of IFRS S1. As mentioned previously, accounting professionals and auditors are more likely to propose amendments that require additional clarity and guidance on how the ISSB intends to make sure that their standards are verifiable (Adams & Frost, 2006; Jorissen et al., 2012; Larson, 2007). Accounting professionals and auditors need to make sure that they have sufficient knowledge of IFRS S1 to advise their clients on how to apply it but to also ensure that they provide quality assurance services to their clients, which also allows them to maintain their legitimacy akin to the ISSB's objectives to achieve the same (ref). On the other hand, Academics have the highest number of major changes proposed for Question 1(d), this may be indicative of the respondents requiring more theoretical processes or changes that allow auditors or Regulators to respectively assure and enforce the standard (Larson & Herz, 2011; Shields, 2014).
Additionally, Academics have the advantage of being able to address any inconsistencies and shortfalls relating to IFRS S1 due to their exposure to research on existing sustainability frameworks including the contribution of IFRS S1 on current reporting cultures (Larson & Herz, 2011; Shields, 2014). For instance, CL 1 disagrees that the standard does not provide auditors and Regulators with a suitable basis to determine compliance. This disagreement is largely supported by the belief that IFRS S1 does not change the current reporting culture because it does not provide clear, consistent and verifiable information to report on. Lastly, it may be

appropriate to consider that constituents from academia are not confined to the field of accounting. The participation of Academics from the fields of law, environmental and social science in addition to those in accounting, may explain the higher number of major changes proposed as their varying insights could lead to increased requests for more comprehensiveness (Larson & Herz, 2011; Shields, 2014). This could be an attempt by the ISSB to ensure uniformity and consistency with the sources of guidance that it encourages reporting entities to consult. In total 98 proposed changes for Question 1 were accepted by the ISSB, which constitutes 49% of all the proposed changes for this question, which is above the overall average acceptance rate for all the proposed changes for IFRS S1.

In total 149 proposed changes were submitted by stakeholders on Question 2. The proposed changes for Question 2(a) to (b) are reflective of the current dilemmas that have been identified by prior literature (Bebbington et al., 2008; Dilling, 2010; Plastun et al., 2007; Wachira et al., 2020) to exist within sustainability reporting. Most of the requests under these questions relate to clarity on the absence of the definition of sustainability in IFRS S1. The lack of clarity on this definition has led many stakeholders to propose changes that relate to guidance on how to identify ‘sustainability-related financial information’. The lack of clarity on some of the reporting requirements may pose a challenge in the efforts made by the ISSB in managing the diverse needs of stakeholders, as it would mean that many of the stakeholders would not understand the requirements enough to resonate with them or to consider them as apt responses to their interests (Herremans et al., 2016; Hörisch et al., 2014; Manetti, 2011).

Interestingly, while the question related to whether the definition of the term was clear, most stakeholders proposed to get more clarity rather than asking for it to be removed or deleted from the standard. Giner and Arce (2012), confirm in their study that there appears to be a reluctance by stakeholders to provide arguments against requirements by the IASB (ISSB) as it could seriously damage their credibility, especially if they’re seen to be opposing initiatives that contribute to users receiving additional useful information apart from financial results (i.e., sustainability reporting). The ISSB took the decision instead to remove the definition of ‘sustainability-related financial information’ from the final IFRS S1 publication (IFRS Foundation, 2023b; IFRS Sustainability, 2022). It appears that the ISSB has followed the same pattern (similar to enterprise value) in instances where concepts or definitions are too ambiguous to provide comprehensive guidance on, and the standard-setting body decides to remove the concept. This may contribute positively to the credibility of the ISSB as it appears to be following credible standardisation processes that take into consideration the impact of unclear disclosure requirements (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019). Additionally, it helps with fostering higher stakeholder participation rates as they would trust the ISSB to not be selective in addressing their comments related to obstacles that could be introduced by incoherent reporting requirements frameworks (Adams & Narayanan, 2007; Hörisch et al., 2020; Manetti, 2011; Saemann, 1999; Torelli et al., 2020). However, this may also impact the ISSB's cognitive legitimacy as stakeholders may think that the ISSB is unclear on its agenda and the disclosure requirements that it wishes to introduce because of how easy it takes decisions to remove concepts that were at the crux of IFRS S1 (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Herremans et al., 2016; Shields, 2014). In the management of stakeholder interests the ISSB would have to ensure that it does not allow itself to be perceived to be under-resourced or incapable of managing and dealing with the diverse needs of stakeholders in a consistent and unbiased manner (Bamber & McMeeking, 2016; Chee Chiu Kwok & Sharp, 2005; De Freitas et al., 2023; Durocher & Fortin, 2011; Jorissen et al., 2012). These perceptions often lead to an undermining of the ISSB's standardisation process and a decreased proclivity towards the adoption of its standards bearing the concerns related to whether they would be reliable and consistent with other sustainability reporting frameworks.

For Question 2(a) relating to the proposed objective for IFRS S1, the Kruskal-Wallis statistical analysis indicates that there is no significant difference ($p=0.399$) in the distribution of comments submitted regarding the proposed objective of the standard. Like the previous question, this could indicate that stakeholders share the same concerns and submit proposals that are relatively alike. As the proposed objective of the standard provides a means for entities to report on sustainability-related information, it allows stakeholders to provide changes that are generally consistent when asking for more clarity or disagreeing outright. Interestingly, a significant difference exists between the distribution of changes from public interest stakeholders and other stakeholder groups, which is supported by them having the highest number of changes for IFRS S1. This could be a result of reluctance and push-backs against a proposed objective that has a focus on financial impact as opposed to taking into consideration the impact on people and the planet (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Herremans et al., 2016; Shields, 2014). The Chi-square test indicates that there is no association ($p=0.355$) between the stakeholder groups and the number of proposals that the ISSB discusses or accepts relating to the proposed objective. Given that there seems to be no significant difference in the changes proposed it appears appropriate that the ISSB does not show favour in the proposals that it chooses to discuss considering the similarity across these proposals. The lack of association indicates that the ISSB does not heed to influence or pressure exerted by stakeholders who may propose changes relating to the proposed objective. Furthermore, during the standardisation process, certain stakeholder groups may choose to communicate shared interests more frequently than other groups, wherein the acceptance of these mutual interests would appear as if the ISSB prioritises the comments that come from said stakeholder group (Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Sharma & Henriques, 2005). This further suggests a strengthened cognitive legitimacy on the part of the ISSB as more stakeholders would hold positive views about its processes and decisions.

The Kruskal-Wallis statistical analysis for Question 2(b) relating to the definition of sustainability-related financial information indicates that there is no significant difference (p=0.128) in the distribution of comments that are submitted by stakeholders. This is likely supported by the fact that approximately 75% of the proposed changes are moderate, mainly through requests for clarity on the term which indicates more uniformity in the proposed changes for this question. This relatively large influx of changes requesting more clarity may have influenced the action taken by the ISSB to remove the term from the final IFRS S1 publication. There appears to be no association (p=0.423) according to the Chi-square test, between the stakeholder groups and the number of changes that the ISSB chooses to discuss or accept. This implies that the ISSB did not favour any stakeholder when deciding on which proposals to discuss as the way it carried out these discussions indicates no association with the proposed changes of a selected group of stakeholders.

Generally, the proposed amendments to the IFRS S1 parts that relate to the proposed objective and overall aim are reflective of the overall comments that are communicated by stakeholders. This is because most of the proposed changes relate to the clarity of definitions, the clarification of shortfalls within concepts and reporting requirements as well as the impracticality of assessing materiality according to IFRS S1 guidelines. In total 86 proposed amendments were accepted by the ISSB on Question 2, which constitutes approximately 58%. This suggests that stakeholders are more likely to have their proposed change accepted if it relates to Question 2, than not. This finding is largely supported by the fact that the ISSB would have decided to remove the definition of 'sustainability-related financial information' after having seen the number of changes commenting on the ambiguity of it – thereby focusing on providing clarity on how to identify sustainability-related risks and opportunities (IFRS Sustainability, 2022).

Unsurprisingly, the ISSB aims to have the objectives that it proposes through IFRS S1 become a global baseline that is widely adopted or consulted when reporting on sustainability-related risks and opportunities. Interestingly, Question 14 relating to the applicability of IFRS S1 as a global baseline does not follow the pattern of proposed changes submitted for the majority of the IFRS S1 questions. Instead, out of all the 69 proposed changes submitted by stakeholders, most of these responses (33) relate to a major degree of changes which constitutes approximately 49% of all the proposed changes for this question. Most stakeholders commenting on IFRS S1 believe that the ISSB would struggle to position IFRS S1 as a global baseline on sustainability reporting due to the inconsistencies that it has when compared to the existing sustainability reporting framework. The existence of inconsistencies in the manner that the ISSB addresses comments from stakeholders may undermine the credibility of the standards and could potentially impact the management of relationships with stakeholders, especially considering the unequal treatment of their comments during this process (Freeman, 2010; Herremans et al., 2016; Manetti, 2011).

For instance, many of the stakeholders addressed the inconsistencies between the adoption of single materiality when the majority of sustainability reporting standards (e.g., GRI, ESRS) adopt the double materiality concept (Eccles et al., 2012; Torelli et al., 2020). In addition to this, stakeholders raised an issue on the absence of a *comply or explain* provision to allow entities to explain the instance where they did not comply with the requirements of IFRS S1. Instead, the ISSB has chosen to only allow reporting entities that comply with all the reporting requirements of IFRS S1 to include an explicit statement of compliance in their reporting (Jorissen et al., 2012). This could explain why a majority (67%) of the proposed changes for Question 12 are major proposed changes, who largely disagree with the ISSB's decision to not consider a *comply or explain* provision. The motivations behind these proposed changes could be an attempt by stakeholders to have the IFRS S1 standards align with existing sustainability and integrated reporting frameworks which adopt this kind of provision to allow them to integrate disclosure requirements from these frameworks with those of IFRS S1 (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Gray & Milne, 2002; Herremans et al., 2016; Shields, 2014).

Scope, core content and general features of comparable and consistent information

Standard setters, accounting professionals and auditors equally proposed the highest number of changes (7) about the scope (Question 3) of IFRS S1. Most of the proposed changes regarding the scope of IFRS S1 relate to the considerations of whether the explicit recognition of only the GAAP[5] is appropriate considering the ISSB's objectives of being accessible to all Preparers regardless of their reporting frameworks. Given that the IFRS S1 relies on the SASB as its main source of guidance (IFRS Foundation, 2023b), it is unsurprising that a reference to the GAAP would be made. The SASB standards originate from the United States of America

[5] The generally accepted accounting principles (GAAP) are reporting standards adopted in the United States of America.

and before the merger of the organisation with the IFRS Foundation, they were largely adopted by companies in this jurisdiction (Bamber & McMeeking, 2016; De Freitas et al., 2023). The SASB standards were likely developed to largely accommodate the reporting requirements of companies that apply GAAP, which would make reasonable sense why the IFRS S1 standard would apply to not only Preparers using the IFRS reporting standards but extend to those that use GAAP (Akisik & Gal, 2011; Gordon, 2008).

Most stakeholders also suggested that the IFRS S1 standard extend its scope beyond its application to just primary users to include other stakeholders who may also be interested in the sustainability disclosures such as environmentalists; Academics; Regulators and Policymakers. This request constitutes most of the major proposed changes that have been submitted by stakeholders. The ISSB's response to this discussion was to maintain the scope and application of IFRS S1 to apply only to the primary users of financial statements (IFRS Foundation, 2023b; IFRS Sustainability, 2022). This could be largely driven by the standard's focus on material sustainability risks and opportunities which have an impact on the value of the reporting entity, as opposed to the impact on the people and planet aspects of the triple bottom line (Dilling, 2010; Hahn & Kühnen, 2013; Tsalis et al., 2020). Such a decision may not prove favourable to efforts made by the ISSB in managing stakeholder expectations and their comments, as it would marginalise those stakeholders who have a higher interest in planet and people-related issues that may not be addressed in IFRS S1 (Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020).

In total 129 proposed changes were submitted by stakeholders for Question 4. While moderate changes continue to make up most of the proposed changes for this question, there is a considerable increase in the number of major changes that have been submitted. A third of approximately all the proposed changes submitted for Question 4(b) are major changes. While this is the case, only a few of these major changes were requests by stakeholders to have the ISSB consider the impact of disclosure requirements on commercially sensitive information. Commercially sensitive disclosures could have several impacts on the core content that the ISSB intends to have Preparers report on. For instance, commercially sensitive information may lead to data gaps in the sustainability report due to certain information being omitted (McKay & Gardner, 2013). Another impact could be delayed reporting as entities would rather take on the cost of not reporting on time opting to rather wait until the information is no longer considered to be sensitive (McKay & Gardner, 2013). Considering the implications of ignoring this aspect, it makes reasonable sense why the ISSB decided to explicitly address and include relief related to the reporting of commercially sensitive information in the final IFRS S1 publication. The ISSB's consideration of commercially sensitive information contributes positively to its procedural legitimacy as it will likely be seen to be following correct processes and taking into consideration the impact of disclosures on competitive strategies that also contribute to the value that reporting entities intend to create (McKay & Gardner, 2013). The ISSB accepted a total of 63 proposed changes for Question 4, this constitutes approximately 49% of all the proposed changes for this specific question – which is above the average overall acceptance rate for all the proposed changes submitted to IFRS S1.

The variability analysis of Question 4(b) according to the Kruskal-Wallis test indicates that there is no significant difference (p=0.725) in the distribution of changes submitted concerning the disclosure requirements for core content on IFRS S1. This suggests again that stakeholders submitted changes that were relatively similar to one another, which is another indicator that stakeholders are generally interested in standards that are consistent with one another to reduce any reporting complexities that may be introduced by a standard with completely different reporting objectives and requirements when compared to existing sustainability reporting standards (Ioannou & Serafeim, 2017; McKay & Gardner, 2013; Reimsbach & Hahn, 2015). This existence of uniformity among comments submitted by stakeholder groups may assist the ISSB in managing these interests and ensure that these stakeholder groups are adequately represented in the standards, which may enhance the ISSB's credibility (De Freitas et al., 2023; Freeman, 2010; Manetti, 2011). It may be important for stakeholders to communicate consistent changes or concerns regarding the core content on which to report to avoid the possibility of having voluminous reporting requirements which would be burdensome for reporting entities to comply with, reducing the quality of the sustainability reports and decreasing the usefulness of the information is reporting on. According to the Chi-square test, there appears to be no association (p=0.250) between the number of changes that the ISSB discussed/accepted and the stakeholder groups that proposed the changes. This indicates that there are no signs of impartiality in the way the ISSB approaches changes relating to the core content of the standard.

Given that the core content of sustainability reporting disclosures involves a substantial number of estimates largely due to the inability to accurately quantify some of the sustainability-related processes (Ioannou & Serafeim, 2017; Reimsbach & Hahn, 2015), an analysis of the proposed changes relating to the comparability and consistency of these disclosures alongside those relating to the core content may provide valuable insights. The total number of proposed questions for Questions 11(a) to (c) amounts to 77. Following the pattern of the overall comments submitted on IFRS S1, most responses to this question had a moderate degree of change. A large portion of the stakeholders asked for clarity and a reconsideration of the requirement to retrospectively adjust any changes in estimates made relating to IFRS S1 disclosures. Most of the stakeholders cited an inconsistency of these requirements with the IAS 8 requirements to prospectively adjust any changes in estimates, which could lead to inconsistencies in the annual reports that are prepared by reporting entities. Evidence of reporting inconsistencies may suggest that the interest of certain stakeholders may not have been considered leading to gaps in the instances where these stakeholders are expected to use IFRS S1 frameworks (Adams & Narayanan, 2007; Bamber & McMeeking, 2016; Hörisch et al., 2020; Manetti, 2011; Saemann, 1999; Torelli et al., 2020). This inconsistency could impact the cognitive legitimacy held by stakeholders regarding the ISSB, as many of them would not be inclined to apply or adopt the standards and if they do, they will question the benefits of doing so due to the conflict between financial and sustainability reporting requirements (Bamber & McMeeking, 2016; Deegan, 2002; Majer et al., 2018). These arguments prompted the ISSB to amend the requirement to retrospectively revise comparative information disclosed in sustainability reporting, placing limits on the application of such a requirement in addition to the guidance on how to treat changes in estimates of sustainability-related metrics and targets (IFRS Foundation, 2023b; IFRS Sustainability, 2022). The ISSB accepted 24 proposed changes related to Question 11. This constitutes an acceptance rate of approximately 31%, which suggests that there's a lower chance that a stakeholder's proposed change will be accepted if it relates to changes in comparability and consistency of sustainability-related information.

Materiality

In total 212 proposed changes were submitted for Question 8(a) to (d) broadly relating to the topic of materiality regarding the disclosure of sustainability-related metrics and targets. Most of the proposed changes submitted were for Question 8(a) regarding the clarity of the definition of materiality. The majority of proposed comments for this particular question relate to requests for more clarity and guidance on the concept of financial materiality as adopted by IFRS S1. When compared to other sustainability reporting frameworks, the ISSB has taken a position similar to the TCFD (used to model IFRS S1) by focusing on linking the impact of sustainability-related metrics and targets on the financial value of the reporting entity (IFRS Foundation, 2023b; IFRS Sustainability, 2022). This decision is also supported by the scope of IFRS S1 which intends to provide useful information to primary users of financial statements (IFRS Foundation, 2023b; IFRS Sustainability, 2022).

Generally, for Question 8 most proposed changes relate to two aspects, Firstly, more stakeholders requested more clarity on how to differentiate the application of *significance* and *material* given that IFRS S1 appears to be using them interchangeably across the standard with little guidance on what is meant by them. Following this, the ISSB resolved to remove the word *significant* from the final IFRS S1 standard with the cited reasons being that the body plans to redeliberate the clarity of the term and its application concerning the overall objective of the standard (IFRS Sustainability, 2022). According to IASB (2018), assessing the significance may be more onerous due to the added judgment that will be required, as opposed to considering the materiality of an accounting policy. This suggests that the ISSB's decision could also be supported by efforts to streamline and ensure that there is a reduced level of judgment required for reporting entities to apply when disclosing sustainability-related information (Lamberton, 2005; Unerman & Zappettini, 2014). Guidance would also be appropriate given that Preparers' interpretations of materiality differ which could affect the consistency and comparability of the sustainability reports they provide (Cerbone & Maroun, 2020; Lamberton, 2005; Unerman & Zappettini, 2014). The decision to remove the term indirectly answers the requests for additional clarity or guidance and reduces the chances of stakeholders finding the standard too ambiguous to apply, which could impact the cognitive legitimacy held by these stakeholders regarding the ISSB. In addition to this, the concept of materiality is far more common and widely accepted across various accounting-related practices, the selection of this term instead of *significant* will assist the ISSB in ensuring that its standards are consistent with accounting practices which are already widely adopted (Georgiou, 2010; IASB, 2018; Plastun et al., 2007).

Secondly, most of the major changes requested by stakeholders on this question related to the adoption of single materiality over double materiality. The stakeholders believed that the standard would not effectively lead to a change in the existing sustainability reporting cultures as it does not take into the consideration impact of materiality which relates to the people and planet aspects of the triple bottom line as previously mentioned (Eccles et al., 2012; Hahn & Kühnen, 2013; Unerman & Zappettini, 2014).

The Kruskal-Wallis statistical analysis for Question 8(a) on the definition of materiality suggests that there is no significant difference ($p=0.539$) in the comments proposed by stakeholders relating to materiality. This indicates uniformity and consistency in the comments that are proposed by stakeholders, most of which are moderate proposals with requests for more guidance and clarity on the difference between the application of the concepts of materiality and significance under IFRS S1. Interestingly, Policymakers and Regulators have the highest number (12) of proposed changes each, which may be supported by their role and responsibilities within the reporting environment in regulating compliance with the relevant standards. There's an increased responsibility placed on Regulators and Policymakers to make sure that concepts such as materiality are clearly defined and outlined to ensure consistency in the application of regulations and compliance requirements (Jorissen et al., 2012; Larson, 2007; Larson & Herz, 2013). A higher request for more clarity and guidance on the application of the definition of materiality under Question 8(a), may assist in making the regulatory processes of reporting on sustainability through IFRS S1 more practical for Policymakers and Regulators (Jorissen et al., 2012). While there may be insignificant differences in the distribution of changes proposed regarding IFRS S1, there most certainly exists room for differences in the substance of the proposed changes submitted. For instance, two different stakeholders may both ask for guidance and clarity on materiality with one asking for more elaboration on the reporting requirements and the other asking for clarity on how the suggested materiality definition takes into consideration double materiality. Taking this into consideration, there may be a plausible reason why an association is evident in the way the ISSB chooses to discuss and accept comments.

The Chi-square test for association suggests that a moderate association (p=0.005) exists between the proposals that the ISSB discusses/accepts and the stakeholder groups that submit these changes. There appears to be an inconsistent consideration of changes by the ISSB based on the stakeholder groups from which these proposals emanate. According to the adjusted residuals, there appears to be a positive discussion and acceptance association for the proposals submitted by accounting professionals and auditors; Policymakers; Regulators and Users. Contrastingly, there appears to be a negative discussion and acceptance association for proposals submitted by Academics; Preparers; Standard-setters and public interest stakeholders. Policymakers along with accounting professionals and auditors have the highest adjusted residual (2.1), which suggests that there's a higher proclivity towards the discussion and acceptance of proposed changes relating to the definition of materiality that come from these stakeholder groups. On the other hand, Academics have the highest negative adjusted residual (-3.5) for Question 8(a), which suggests that there's higher reluctance from the ISSB to discuss and accept changes that come from Academics when it relates to the definition of materiality. Policymakers along with accounting professionals and auditors have more experience in dealing with reporting compliance and may be better suited to provide proposals over the applicability of materiality considering their knowledge and familiarity with industry-specific nuances relating to concept (Eccles et al., 2012; Torelli et al., 2020; Unerman & Zappettini, 2014). Additionally, auditors are better placed to decide and verify the accuracy and reliability of material sustainability reporting disclosures that primary users through a more practical means when compared to assessments made by Academics, which would at times be considered to be largely theoretical and abstract (Jorissen et al., 2012; Majer et al., 2018; Shields, 2014). Therefore, it would be in the best interests of the ISSB to ensure that it communicates the diverse needs of auditors and professional accountants in the standards, given the roles that they play in ensuring that reporting entities comply with the set reporting boundaries (Durocher & Fortin, 2011; Manetti, 2011; Saemann, 1999; Torelli et al., 2020)

Interestingly, accounting professionals and auditors submitted the most moderate changes for Question 8(c), requesting more illustrative guidance on how to apply the concepts of materiality and significance in identifying sustainability-related risks and opportunities that an entity may be exposed to. This coincides with the arguments presented earlier regarding the implications of ambiguous disclosure requirements, that is, the more unclear the requirement is the more frequent the requests are for more illustrative guidance on how to practically apply the principles of IFRS S1 (Bamber & McMeeking, 2016; Lamberton, 2005). A total of 104 proposed changes regarding the entire Question 8 were accepted by the ISSB which constitutes an acceptance rate of 49%, which is higher than the average acceptance rate of all the proposed changes submitted to IFRS S1.

This goes to show that while Question 8 has the highest number of proposed changes compared to any other question, the rate at which the ISSB decides to accept the requested change is not necessarily linked to this trait. On the ISSB's part, this reflects well on their procedural legitimacy as it suggests that the body does not blindly accept requested changes based on the volume of responses it received for that particular question but on the substance of the proposed changes that it received (Bamber & McMeeking, 2016; Deegan, 2019; Durocher & Fortin, 2011).

Reporting responsibilities on the connectivity, presentation, frequency and location of disclosures

In total 152 comments were submitted on Question 5(a) to (c) which relates to the reporting entity responsible for reporting on the related financial statements. The majority of proposed changes relating to this question relate to the ambiguity of how to apply IFRS S1 to instances where reporting entities do not control the related entity. For instance, this would apply where the reporting entity has an interest that allows it to exert significant influence over the related entity or in cases where there are joint operations or ventures between the parties (De Freitas et al., 2023; Stenka & Taylor, 2010). Most of the changes proposed are to a moderate degree and relate to requests for more guidance or clarity on what ISSB identifies as control over a related entity. A costly and burdensome reporting requirement on related financials may reduce the stakeholder's inclination to adopt IFRS S1, which could impact the legitimacy of the ISSB given the perceived lack of clarity that appears to be present within its standards (Bamber & McMeeking, 2016; Deegan, 2002; Hörisch et al., 2020; Wachira et al., 2020).

The stakeholders also presented several moderate changes for Question 6 which relates to the connectivity of the information reported using IFRS S1. For both Question 6(a) and (b) approximately 88% of the proposed changes relate to requests for more guidance and clarity on how to report on the connectivity between risks and opportunities including with information included in the financial. Without clear guidelines on how connectivity exists between the sustainability reporting standards stakeholders will not consistently report on IFRS S1 disclosures, and if they do it will likely not be in the form prescribed by the ISSB. In instances where reporting entities are unclear on how to apply the requirements of IFRS S1 on connectivity, they will likely provide boilerplate disclosures which contribute to the rise in *greenwashing* within sustainability reports (Mahoney et al., 2013; Wu et al., 2020). If a disconnection is evident between sustainability risks and opportunities and global reporting norms, the credibility of the ISSB could be questioned possibly as a result of being perceived as being irrelevant to topical issues that exist within the sustainability space.

A total of 122 proposed changes were submitted on Question 7(a) to (b), which relates to the fair presentation of information and the sources of guidance that the ISSB recommends that stakeholders should consult when reporting on IFRS S1. Interestingly, the majority of stakeholders correctly identified an issue with making the sources of guidance mandatory instead of voluntary. The requirements of the IFRS S1 ED stated that entities 'must' consult the listed sources of guidance, however, the ISSB amended the final IFRS S1 publication to instead include 'may' consult the listed sources of guidance. The majority of stakeholders who requested changes requested more clarity on the hierarchy or level of prioritisation that they should use when applying the sources of guidance. Without direction on which sources to apply and in which order of relevance when reporting through IFRS S1, many stakeholders would resort to simply reporting on existing reporting frameworks and limit their consideration of IFRS S1-related sources like the SASB as the last resort (Jorissen et al., 2012; Larson, 2007; Larson & Herz, 2013). The acceptance rate for Question 7 is approximately 52%, which suggests that more than half of the proposed changes submitted on this question were accepted, which could also be evidenced by the ISSB's decision to make any references to the sources of guidance a voluntary requirement (IFRS Sustainability, 2022). The inclusion of voluntary reporting requirements may contribute positively to the standardisation process as it would allow the ISSB to better manage the interests of all stakeholders, taking into consideration their capabilities and any resource limitations that would pose a challenge had these requirements been made mandatory (Hörisch et al., 2014; Manetti, 2011; Maubane et al., 2014; Torelli et al., 2020).

Looking at Question 7(b), which focuses on the sources of guidance that apply when reporting on IFRS S1, there appears to be no significant difference (p=0.356) in the distribution of changes proposed by stakeholders. In line with the analysis of the prior questions, this indicates that the responses towards this question were consistent among the stakeholders with relatively similar concerns surrounding the clarity of the sources of guidance that were cited within IFRS S1. Interestingly, the Exposure Draft requirements for IFRS S1 provided that stakeholders 'shall' apply the various sources of guidance, which meant that reporting entities were expected to have considered all sources of guidance when reporting through IFRS S1 (IFRS Sustainability, 2022). Even though a select number of stakeholders communicated outright disagreement with these requirements, a large majority of stakeholders preferred to instead ask for more clarity on the requirements given the confusion it creates. The reluctance to disagree with the requirements of the ISSB's standards corroborates the arguments suggested by Giner and Arce (2012), that stakeholders often refrain from communicating disapproving comments or changes due to the negative impact it may have on their legitimacy. Giner and Arce (2012) further suggest that stakeholders want to avoid being seen as dismissive by not wanting to accept reporting requirements and may want to retain credibility as they do not want to appear to not have the necessary expertise to implement the recommendations of the standard. This would support why a large number of changes proposed were moderate even though the ISSB resolved to change the requirements to make the application of the SASB standards a mandatory guide with other sources of guidance such as the GRI cited as voluntary elections (IFRS Sustainability, 2022).

According to the Chi-square statistical test, there appears to be a moderate association (p=0.005) between the number of comments that are discussed by the ISSB and the stakeholder groups that proposed the changes. This suggests that for Question 7(b), there appear to be indicators of the ISSB accepting and discussing proposals based on stakeholder groups. For instance, an analysis of the adjusted residuals indicates a favourable association of proposals discussed and accepted related to accounting professionals and auditors; Preparers; Regulators; Users; Policymakers and standard setters. An unfavourable association relating to discussion or acceptance appears to exist for Academics and public interest stakeholders. Accounting professionals and auditors have the highest adjusted residual (2.3) which suggests that there exists a positive association between the changes submitted by this stakeholder group and the rate at which ISSB discusses and accepts their proposals.

Contrastingly, Academics have the highest negative adjusted residual (-3.2) for Question 7(b), which suggests that the ISSB discusses and accepts changes that come from Academics at a lesser rate if they relate to the sources of guidance that should apply for IFRS S1. The existence of an association between the number of proposals discussed/accepted and the stakeholder groups for Question 7, may indicate signs of possible influence in favour of the group of stakeholders with an observed positive association. This may suggest that with decisions relating to the use of additional sources of guidance or other sustainability frameworks, the ISSB appears to favour changes or proposals from any stakeholder apart from Academics and public interest stakeholders. This could be largely due to reluctance from the ISSB to rely on Academics due to the perception that their proposals are widely impractical due to a heavy focus on theoretical aspects of sustainability reporting (Álvarez et al., 2014; Georgiou, 2010; Larson & Herz, 2011; Tandy & Wilburn, 1996). With a greater focus on the financial impact of sustainability-related information, proposals from public interest stakeholders may be reluctantly discussed or accepted as they are more likely to focus on broader social and environmental-related impact due to their diverse interests (Herremans et al., 2016; Hörisch et al., 2014; Manetti, 2011).

The next part of the analysis looks at the how, where and when of sustainability reporting under IFRS S1. Question 9 of the ISSB's survey, relates to the frequency at which reporting entities are expected to provide sustainability reports. Approximately 39% of the requested changes are of a major degree, the stakeholders who submitted these changes often cited a disagreement with the requirement to have the sustainability report provided at the same time as the financial reports and for the same reporting period as the financial statements. For instance, CL 47 mentions that;

> 'We note that sustainability reports are currently issued a period after the financial statements have been issued. Therefore, without transition relief, Preparers of general-purpose financial reporting might find this requirement a significant burden.'

Taking this comment into consideration, it is unsurprising that most of the stakeholders disagreed with the current requirement and requested transition relief longer than the current prescribed period. Given that current reporting practices allow entities to report after the issue of financial statements, it may reduce the stakeholders' proclivity to adopt IFRS S1 likely as a result of burdensome cost obligations (Adams & Narayanan, 2007; Dilling, 2010; Elgert & Krueger, 2012; Gray & Milne, 2002). This ISSB responded by including a transition relief provision in the final IFRS S1 publication which applies for the first year in which entities are expected to start reporting (IFRS Foundation, 2023b). The ISSB's decision could be likely supported by two factors, firstly, the stakeholders could have influenced the ISSB to include the transition provisions as an attempt to avoid having reporting entities not adopt the standard. Secondly, the ISSB could have also taken the decision cognisant of the impact on its legitimacy, that is if the ISSB considers the likely costs of reporting at the same time and provides relief it could contribute to stakeholders perceiving them as cognitively legitimate by doing the right thing (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Hörisch et al., 2020; Wachira et al., 2020).

In total 88 proposed changes were submitted on Question 10(a) to (d), relating to the location of the information including the requirements of cross-referencing and integrating disclosures. Interestingly, for the two questions relating to the location of the information and the requirement for integrated disclosures, Regulators proposed the highest number of changes. For instance, out of the 8 proposed changes relating to Question 10(a) on the location of the disclosures, 4 (50%) of the proposed changes related to minor change requests relating to the rewording of the location reporting requirements. This decision could be because Regulators want to reduce any opportunities that may be created by ambiguous reporting requirements, which would make their task of regulating the reporting consistently a difficult task to undertake (Larson, 2007; Shields, 2014). Regulators have the enforcement power and would likely want to reduce any inconsistencies which would make their regulation legally burdensome, due to conflicting interpretations of what is expected from reporting entities to be compliant with IFRS S1 (Larson, 2007; Shields, 2014) such as the requirements of compliance as addressed by Question 13. Approximately 20% of the proposed changes on Question 10 were accepted by the ISSB, which could be supported by the fact that the ISSB rejected the majority of the requests to have the information and disclosures mandatorily included in the Management Commentary report instead of elsewhere within a reporting entity's annual reports.

Lastly, Questions 15 to 16, address the matters of digital reporting as well the costs, benefits and likely effects of an IFRS S1 publication. While the ISSB did not discuss the detailed implications of the standards, a discussion on the taxonomy of IFRS sustainability reporting aspects and its eventual increase in scope have been addressed. The majority of comments related to these questions requested to have the ISSB run field tests on IFRS S1 to be able to sufficiently ascertain the cost effects and likely benefits of reporting using the standard. A discussion on the taxonomy of sustainability reporting standards contributes positively to the perceived credibility of the ISSB, due to increased transparency as well as the consistency and clarity that it provides to all stakeholders which could be encompassed in the ISSB's initiatives for managing mutual interests between stakeholders (Bamber & McMeeking, 2016; De Freitas et al., 2023; Hörisch et al., 2020).

Chapter 5 – *Conclusion*

5.1. Summary of Findings

The purpose of this study was to identify whether the changes proposed by stakeholders along varying degrees of relative importance (minor, moderate and major), along with the rate at which the ISSB discussed and accepted these proposals indicated influence on the standardisation process. This paper used the findings related to the purpose of the study to examine the credibility of the ISSB based on the way that it manages mutual interests between stakeholders, mainly in the way it chooses to accept/reject and discuss proposals submitted by stakeholders concerning IFRS S1.

In pursuit of managing stakeholder needs as well as prioritising mutual interests, the ISSB would have had to address key principles encompassed within the stakeholder theory. The ISSB would have had to ensure that it takes into consideration the diversity among stakeholders and the crucial need for adequate representation in the standardisation process (Herremans et al., 2016; Hörisch et al., 2014; Hörisch et al., 2020; Manetti, 2011). Furthermore, in keeping in line with objectives to keep IFRS S1 consistent, the ISSB would have had to ensure that it is not selective or skewed in its engagement with comments from stakeholders. The management of these principles can be expected to lead to a positive perception of the procedural legitimacy of the ISSB, as the credibility of IFRS S1 would not be undermined by a biased standard setting process (Bamber & McMeeking, 2016; De Freitas et al., 2023; Freeman, 2010; Herremans et al., 2016).

This study found that overall, moderate proposals constitute the majority (66%) of the proposed changes submitted to the ISSB followed by major and minor proposals, respectively. Accounting professionals and auditors submitted the most changes overall and proposed the highest number of moderate changes while Preparers submitted the least number of changes overall, this may be supported by arguments made by prior studies regarding the increase in reliance that is placed by Preparers in submitting proposals on their behalf (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012; Larson & Herz, 2013). Conversely, this may indicate that Preparers believe that the IFRS S1 reporting requirements do not directly affect the cashflows and financial position of their entities, which is believed to be the largest motivator for why they submit responses during the standard-setting process (Jorissen et al., 2012; Watts & Zimmerman, 1978). There appears to be no significant difference in the way stakeholders propose changes except regarding moderate proposals that they make. However, there seems to be a significant difference in the distribution of moderate proposals which is supported by the higher number of changes proposed under this category and the varying nature in which clarity and guidance have been requested by stakeholders. The presence of varying natures of interest reemphasises a key responsibility held by the ISSB of ensuring that, the diverse needs of all stakeholder groups are represented and integrated into broad sets of mutual interests.

On average the ISSB will accept changes proposed by stakeholders at a rate of 37%, which suggests that proposals from stakeholders are less likely to be accepted than they are to be rejected by the ISSB. Four out of the eight stakeholder groups had their proposals accepted at rates higher than the average. Users are accepted at a higher rate (49%) than any other stakeholder group, followed by accounting professionals and auditors (45%) with Academics having the lowest rate of acceptance (23%) out of all the stakeholder groups. This is believed to be largely caused by a shifting focus towards users by the standard-setter, which was previously found to be deficient in similar studies looking at interactions between users and standard-setting bodies (Durocher et al., 2007; Georgiou, 2010; Young, 2006). A higher acceptance rate for Users in the case of sustainability reporting may suggest that the ISSB is choosing to have the standard structured in a manner that suits the very users included in the objectives of the reporting standards. Accounting professionals and auditors have the highest number of proposals accepted which may be due to their voluminous proposal submissions. Having the second highest rate of acceptance may also indicate a higher reliance on expertise from these professionals and an increased inclination to rely on their judgment given their role as expert advisors and verifiers of corporate reports (Bamber & McMeeking, 2016; De Freitas et al., 2023; Jorissen et al., 2012). The selective consideration of comments from this stakeholder group may be justified in that it may allow the ISSB to rely on these experts to ensure that IFRS S1 is reliable and consistent with reporting norms in the industry. However, it may also result in the marginalisation of other stakeholder groups whose reaction may be to reduce their participation in similar endeavours that are undertaken by the ISSB in future.

There seems to be a significant difference in the rate at which the ISSB accepts/rejects minor and moderate proposals across the stakeholder groups. This suggests that indicators of bias or proclivity towards stakeholders who proposed minor and/or moderate changes exist. While some decisions taken to rely on certain stakeholder groups may be plausible, such as relying on the experience of Standard-setters for issues related to the spelling and grammar of reporting requirements, it still suggests that significant influence may be exerted on the ISSB. Given the infancy of IFRS S1 and the ISSB, there may be rational reasons why placing higher reliance on certain stakeholders reinforces the credibility of the standard-setting body and its processes. For instance, relying on comments from Standard-setters on minor changes may ensure that the reporting requirements are consistent with existing sustainability reporting frameworks (Adams & Narayanan, 2007; Saemann, 1999; Stenka & Taylor, 2010). From this, it seems like the strategic management of stakeholders and the acknowledgement of the role that they play in the standardisation process has been taken into consideration in the setting of IFRS S1. Secondly, showing higher interest in the proposals from accounting professionals and auditors may not only ensure that the standard's requirements are complete but may also encourage these experts to lobby for the uptake of these standards, which may eventually reinforce the credibility of the organisation (Durocher & Fortin, 2011; Larson, 2007; Shields, 2014). Nonetheless, there's a statistical difference in the way in which the ISSB accepts and rejects proposals regarding IFRS S1 along with the varying degrees of change coded for by this study.

Interestingly, the ISSB will on average discuss more than half (57%) of the proposed changes submitted by stakeholders. This reflects well on the legitimacy of the ISSB as it suggests that it will most likely deliberate and consider the changes before deciding on whether or not to accept them (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019). Users' proposals are discussed at the highest rate (82%) of all stakeholders, followed by accounting professionals and auditors (68%) with Academics having the lowest rate of discussion (43%). These results appear to correlate with the rates at which changes are accepted, which would possibly indicate that to have a higher number of changes accepted, a stakeholder would likely require a higher number of changes to be discussed. There appears to be a significant difference in how ISSB discusses the comments across stakeholder groups. This suggests that the ISSB does indeed show favour when deciding on whose proposals to discuss during the standardisation process. The difference in the way the ISSB discusses comments may reflect well on the procedural legitimacy of the ISSB, as it may suggest that the organisation has stringent requirements for deciding on which proposals to discuss (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019; Jorissen et al., 2012). Furthermore, there appears to be no association between the number of proposals accepted and discussed by the ISSB. This may suggest that having a proposal discussed by the ISSB does not automatically suggest that it will be accepted by them. Instead, the ISSB appears to be accepting proposals having taken careful consideration of the substance of the proposed change, whether or not it is practical, and the impact it might have on the consistency and cohesion that the IFRS S1 requirements want to achieve (Adams & Narayanan, 2007; Saemann, 1999; Stenka & Taylor, 2010). Therefore, while the ISSB may appear to be selective in deciding on whose proposals to discuss, it may be the result of stringent processes and requirements that are mandated by the IFRS Foundation.

These results are reinforced by the analysis of the individual questions from which the proposed changes come. From an analysis of four key areas of research in sustainability reporting, there appear to be instances where the ISSB treats comments from certain stakeholders favourably over others. In these instances, the ISSB appears to prioritise the proposals of Users, Standard-setters, accounting professionals and auditors that it finds to be more suited to provide more relevant proposals and, in some cases, more reliable. The existence of statistical associations in the questions analysed confirms that the ISSB accepts/rejects certain stakeholders based on the question that they choose to submit proposals. The existence of an imbalanced treatment of responses to certain sustainability topics or themes may be indicative of deficient procedural legitimacy within the ISSB, which may affect the credibility that is afforded to the organisation (Bamber & McMeeking, 2016; De Freitas et al., 2023; Deegan, 2002; Deegan, 2019; Jorissen et al., 2012).

Furthermore, the results from the analysis of the variance between the inclusion of explicit statements of support confirm that there is no significant difference in the way that the ISSB accepts or discusses comments regardless of whether they include explicit statements of support. This further corroborates the findings by Jorissen et al. (2012), where an insignificant association was found to exist between the two variables – that is whether the inclusion of an explicit statement of support suggests that the stakeholders' proposals will be accepted at a higher rate.

The results of the findings discussed above suggest that there exists significant influence from Users, Preparers, standard setters, accounting professionals and auditors when it relates to the standardisation of IFRS S1. This conclusion is evidenced by the inconsistent distribution of acceptance and discussion of proposals by the ISSB. It is important to acknowledge that signs of influence on the ISSB may not always be indicative of poor credibility on the part of the standard-setter (Deegan, 2002; Deegan, 2019; Guthrie & Parker, 1989). Evidence of such an occurrence may speak more to the mismanagement of mutual interests between stakeholders rather than indicating poor credibility of the standards (Hörisch et al., 2020; Manetti, 2011; Torelli et al., 2020). The ISSB may need to continuously remain aware of the changing dynamics between stakeholders along with their changing needs. However, this exercise may not prove helpful in the case of standard setting where the process is heavily reliant on information from stakeholders in a timely and consistent manner. Admittedly, selectiveness in the standard-setting process may undermine the very same purpose of consulting various stakeholders. Conversely, this could be a justified strategy if the decision is taken to mainly consider the views of stakeholder groups who hold higher expertise on specific topics in sustainability or corporate reporting. This is because it may prove favourable to do so for all the stakeholders who are interested in IFRS S1 as there would be a high level of content quality at which the standards would be drafted.

Considering the role of different stakeholders within the niche of corporate reporting, showing higher interest in proposals from certain stakeholders may reinforce the credibility of the ISSB. For instance, if it is seen to be supported by prominent industry constituents like accounting professionals and auditors, they may be afforded credibility and legitimacy by other stakeholders who also consider accounting professional and auditors to be experts (Freeman, 2010; Georgiou, 2010; Jorissen et al., 2012; Saemann, 1999; Shields, 2014). Nonetheless, the existence of influence during the standard-setting process may well explain why certain stakeholders continue to be active participants during the standard-setting process while others appear to be withdrawing from the process (Giner & Arce, 2012; Jorissen et al., 2012). Significant influence appears to come from moderate proposals as opposed to major ones, the impact of which differs in the final IFRS S1 standard. Arguably, requests for more clarity provide the ISSB with more liberty in deciding on how to explain or include additional guidance which may challenge the notion of whether the stakeholders directly influence the ISSB's standardisation decisions. On the other hand, had there been significant influence noticeable among the major proposals, it would have been arguably more indicative of direct influence as these changes often don't allow the ISSB to decide on what to include or exclude as they act more as directives to delete or change the definitions and certain concepts, than it would had these comments been moderate requests for clarity (Bamber & McMeeking, 2016; De Freitas et al., 2023).

5.2. Research contributions, implications and recommendations

This study contributes to research calling for studies addressing stakeholder practices in sustainability reporting (like Adams & Abhayawansa, 2022; Manetti, 2011), including their contributions to shaping corporate social responsibility and sustainability reporting practices.

This study extends the research work performed by Bamber and McMeeking (2016); De Freitas et al. (2023) and Chee Chiu Kwok and Sharp (2005), who examined whether stakeholders influence the standardisation process through the proposed changes included in comment letters submitted to the ISSB. Similar to Bamber and McMeeking (2016) and De Freitas et al. (2023), it extends research on stakeholder influence by weighting the proposed changes according to their degrees (minor, moderate and major), which classify the type of change requested by the stakeholders. It ultimately contributes to research that focuses on identifying the role of stakeholders in influencing the ISSB's standardisation process.

Additionally, it contributes to research that focuses on understanding the standardisation

process (see Adams & Narayanan, 2007; Bamber & McMeeking, 2016; Georgiou, 2010;

Jorissen et al., 2012; Shields, 2014) of reporting standards whether financial or sustainability related. It provides insights into how the ISSB manages conflicting proposals from stakeholders and sheds light on what contributes to the rate at which it chooses to discuss and accept changes that are proposed by various stakeholders. It extends research into the fairness of the standard-setting process and the impact of lobbying dynamics on the process. The study contributes to research that integrates the roles of stakeholders in achieving sustainable development by looking at the role of Preparers, accounting professionals and auditors, users, Policymakers, Regulators, Standard-setters, Academics and public interest stakeholders at a foundational level, evaluated through the proposals and contributions made by stakeholders towards the shaping of sustainability reporting standards.

This study also contributes to research that intends to identify the interplay between stakeholder influence and the credibility of the standard setter. It considers the role of the stakeholder theory in standard-setting and whether there exist instances where Standard-setters may be perceived to favour certain stakeholders based on their relative influence, which subsequently impairs the credibility of the process and the standard-setter (Bamber & McMeeking, 2016; Deegan, 2002; Deegan, 2019; Wachira et al., 2020). Lastly, it contributes to research focused on legitimacy (like Bamber & McMeeking, 2016; De Freitas et al., 2023), by examining the necessity of biased approaches in standard-setting to eventually attain credibility from more influential participants in the reporting environment. It reflects and adds to research that looks at the complex nature of legitimacy and the varying ways in which entities with different responsibilities achieve and choose to maintain it.

5.3. Limitations and future areas of research

A limitation of this study is that it focuses solely on the proposed comments submitted to IFRS S1 and not on other recent or similar sustainability reporting standards. Future research may consider examining the proposed changes submitted to IFRS S2 as well as considering the implications of climate-related disclosures on the types of proposed changes that stakeholders submit. A comparative study could be performed for the results of IFRS S1/S2 to the results analysed for the standardisation of the ESRS. In addition, future research may look to increase the sample size taking into consideration additional respondents under each of the respective stakeholder groups analysed in this study. Comparing responses from a larger stakeholder group level may provide different results than those that were identified by this study, which may contribute to research on whether the volume of proposals submitted by stakeholders helps in increasing the chances of having their comments accepted. The study also chose to not control for or look at a jurisdictional analysis of the proposals as previously undertaken in similar studies, future studies could instead include a regional analysis and group samples based on regions by choosing an equal amount of proposed changes for each region to examine which one likely receives the highest acceptance rate which may be indicative of regional influence on the standard setting process.

Additionally, future research endeavours may be enriched by taking into consideration the lobbying effects that could be evident during standardisation before the release of the ED for public comment by the ISSB or other standard-setting bodies. The involvement of key stakeholders on the board of the ISSB and IASB alike, as well as significant donors to these organisations, may provide insight into possible opportunities for lobbying on standards before being released for public comment (which may explain the docility of certain stakeholders during the proposal or comment letter submission phase of the process). Additionally, consideration can be given to how the ISSB used specific techniques to enhance its legitimacy and that of IFRS S1 and S2, in future studies. Similar studies could consider stakeholder influence over standard-setting in the long run (year-on-year) by considering any changes that are made to the final IFRS S1 standard which may be linked to comments that were proposed by stakeholders during the ED phase. A post-feedback analysis would enrich the study as it would suggest that certain stakeholders are prioritised more during the publication of revised versions of the standards as opposed to during the inception of these standards.

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Appendix 1: IFRS S1 Questionnaire

Question 1—Overall approach
The Exposure Draft sets out overall requirements with the objective of disclosing sustainability-related financial information that is useful to the primary users of the entity's general purpose financial reporting when they assess the entity's enterprise value and decide whether to provide resources to it. Proposals in the Exposure Draft would require an entity to disclose material information about all of the significant sustainability-related risks and opportunities to which it is exposed. The assessment of materiality shall be made in the context of the information necessary for users of general purpose financial reporting to assess enterprise value. (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? (b) Do you agree that the proposed requirements set out in the Exposure Draft meet its proposed objective (paragraph 1)? Why or why not? (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? (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?

Question 2—Objective (paragraphs 1–7)
The Exposure Draft sets out proposed requirements for entities to disclose sustainability-related financial information that provides a sufficient basis for the primary users of the information to assess the implications of sustainability-related risks and opportunities on an entity's enterprise value. Enterprise value reflects expectations of the amount, timing and uncertainty of future cash flows over the short, medium and long term and the value of those cash flows in the light of the entity's risk profile, and its access to finance and cost of capital. Information that is essential for assessing the enterprise value of an entity includes information in an entity's financial statements and sustainability-related financial information. Sustainability-related financial information is broader than information reported in the financial statements that influences the assessment of enterprise value by the primary users. An entity is required to disclose material information about all of the significant sustainability-related risks and opportunities to which it is exposed. Sustainability- related financial information should, therefore, include information about the entity's governance of and strategy for addressing sustainability-related risks and opportunities and about decisions made by the entity that could result in future inflows and outflows that have not yet met the criteria for recognition in the related financial statements. Sustainability-related financial information also depicts the reputation, performance and prospects of the entity as a consequence of actions it has undertaken, such as its relationships with, and impacts and dependencies on, people, the planet and the economy, or about the entity's development of knowledge-based assets. The Exposure Draft focuses on information about significant sustainability-related risks and opportunities that can reasonably be expected to have an effect on an entity's enterprise value. (a) Is the proposed objective of disclosing sustainability-related financial information clear? Why or why not? (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?

Question 3—Scope (paragraphs 8–10)
Proposals in the Exposure Draft would apply to the preparation and disclosure of sustainability-related financial information in accordance with IFRS Sustainability Disclosure Standards. Sustainability-related risks and opportunities that cannot reasonably be expected to affect users' assessments of the entity's enterprise value are outside the scope of sustainability-related financial disclosures. The Exposure Draft proposals were developed to be applied by entities preparing their general purpose financial statements with any jurisdiction's GAAP (so with IFRS Accounting Standards or other GAAP). 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?

Question 4—Core content (paragraphs 11–35)
The Exposure Draft includes proposals that entities disclose information that enables primary users to assess enterprise value. The information required would represent core aspects of the way in which an entity operates. This approach reflects stakeholder feedback on key requirements for success in the Trustees' 2020 consultation on sustainability reporting, and builds upon the well- established work of the TCFD. **Governance** The Exposure Draft proposes that the objective of sustainability-related financial disclosures on governance would be: to enable the primary users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage significant sustainability-related risks and opportunities. **Strategy** The Exposure Draft proposes that the objective of sustainability-related financial disclosures on strategy would be: to enable users of general purpose financial reporting to understand an entity's strategy for addressing significant sustainability-related risks and opportunities. **Risk management** The Exposure Draft proposes that the objective of sustainability-related financial disclosures on risk management would be: to enable the users of general purpose financial reporting to understand the process, or processes, by which sustainability-related risks and opportunities are identified, assessed and managed. These disclosures shall also enable users to assess whether those processes are integrated into the entity's overall risk management processes and to evaluate the entity's overall risk profile and risk management processes. **Metrics and targets** The Exposure Draft proposes that the objective of sustainability-related financial disclosures on metrics and targets would be: to enable users of general purpose financial reporting to understand how an entity measures, monitors and manages its significant sustainability-related risks and opportunities. These disclosures shall enable users to understand how the entity assesses its performance, including progress towards the targets it has set. Are the disclosure objectives for governance, strategy, risk management and metrics and targets clear and appropriately defined? Why or why not? Are the disclosure requirements for governance, strategy, risk management and metrics and targets appropriate to their stated disclosure objective? Why or why not?

Question 6—Connected information (paragraphs 42–44)
The Exposure Draft proposes that an entity be required to provide users of general purpose financial reporting with information that enables them to assess the connections between (a) various sustainability-related risks and opportunities; (b) the governance, strategy and risk management related to those risks and opportunities, along with metrics and targets; and (c) sustainability-related risks and opportunities and other information in general purpose financial reporting, including the financial statements. (a) Is the requirement clear on the need for connectivity between various sustainability-related risks and opportunities? Why or why not? (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?

Question 7—Fair presentation (paragraphs 45–55)

The Exposure Draft proposes that a complete set of sustainability-related financial disclosures would be required to present fairly the sustainability-related risks and opportunities to which an entity is exposed. Fair presentation would require the faithful representation of sustainability-related risks and opportunities in accordance with the proposed principles set out in the Exposure Draft. Applying IFRS Sustainability Disclosure Standards, with additional disclosure when necessary, is presumed to result in sustainability-related financial disclosures that achieve a fair presentation.

To identify significant sustainability-related risks and opportunities, an entity would apply IFRS Sustainability Disclosure Standards. In addition to IFRS Sustainability Disclosure Standards to identify sustainability-related risks and opportunities, the entity shall consider the disclosure topics in the industry-based SASB Standards, the ISSB's non-mandatory guidance (such as the CDSB Framework application guidance for water- and biodiversity-related disclosures), the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the needs of users of general purpose financial reporting, and sustainability-related risks and opportunities identified by entities that operate in the same industries or geographies.

To identify disclosures, including metrics, that are likely to be helpful in assessing how sustainability-related risks and opportunities to which it is exposed could affect its enterprise value, an entity would apply the relevant IFRS Sustainability Disclosure Standards. In the absence of an IFRS Sustainability Disclosure Standard that applies specifically to a sustainability-related risk and opportunity, an entity shall use its judgement in identifying disclosures that (a) are relevant to the decision-making needs of users of general purpose financial reporting; (b) faithfully represent the entity's risks and opportunities in relation to the specific sustainability-related risk or opportunity; and (c) are neutral. In making that judgement, entities would consider the same sources identified in the preceding paragraph, to the extent that they do not conflict with an IFRS Sustainability Disclosure Standard.

(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?

(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.

Question 8—Materiality (paragraphs 56–62)
The Exposure Draft defines material information in alignment with the definition in IASB's *Conceptual Framework for General Purpose Financial Reporting* and IAS 1. Information 'is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of general purpose financial reporting make on the basis of that reporting, which provides information about a specific reporting entity'. However, the materiality judgements will vary because the nature of sustainability-related financial information is different to information included in financial statements. Whether information is material also needs to be assessed in relation to enterprise value. Material sustainability-related financial information disclosed by an entity may change from one reporting period to another as circumstances and assumptions change, and as expectations from the primary users of reporting change. Therefore, an entity would be required to use judgement to identify what is material, and materiality judgements are reassessed at each reporting date. The Exposure Draft proposes that even if a specific IFRS Sustainability Disclosure Standard contained specific disclosure requirements, an entity would need not to provide that disclosure if the resulting information was not material. Equally, when the specific requirements would be insufficient to meet users' information needs, an entity would be required to consider whether to disclose additional information. This approach is consistent with the requirements of IAS 1. The Exposure Draft also proposes that an entity need not disclose information otherwise required by the Exposure Draft if local laws or regulations prohibit the entity from disclosing that information. In such a case, an entity shall identify the type of information not disclosed and explain the source of the restriction. (a) Is the definition and application of materiality clear in the context of sustainability-related financial information? Why or why not? (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? (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? (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?

Question 9—Frequency of reporting (paragraphs 66–71)
The Exposure Draft proposes that an entity be required to report its sustainability- related financial disclosures at the same time as its related financial statements, and the sustainability-related financial disclosures shall be for the same reporting period as the financial statements. 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?

Question 10—Location of information (paragraphs 72–78

The Exposure Draft proposes that an entity be required to disclose information required by the IFRS Sustainability Disclosure Standards as part of its general purpose financial reporting—ie as part of the same package of reporting that is targeted at investors and other providers of financial capital.

However, the Exposure Draft deliberately avoids requiring the information to be provided in a particular location within the general purpose financial reporting so as not to limit an entity's ability to communicate information in an effective and coherent manner, and to prevent conflicts with specific jurisdictional regulatory requirements on general purpose financial reporting.

The proposal permits an entity to disclose information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, such as information required by regulators. However, the entity would be required to ensure that the sustainability-related financial disclosures are clearly identifiable and not obscured by that additional information.

Information required by an IFRS Sustainability Disclosure Standard could also 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. For example, information required by an IFRS Sustainability Disclosure Standard could be disclosed in the related financial statements.

The Exposure Draft also proposes that when IFRS Sustainability Disclosure Standards require a disclosure of common items of information, an entity shall avoid unnecessary duplication.

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

(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?

(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?

(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?

Question 11—Comparative information, sources of estimation and outcome uncertainty, and errors (paragraphs 63–65, 79–83 and 84–90)

The Exposure Draft sets out proposed requirements for comparative information, sources of estimation and outcome uncertainty, and errors. These proposals are based on corresponding concepts for financial statements contained in IAS 1 and IAS 8.
However, rather than requiring a change in estimate to be reported as part of the current period disclosures, the Exposure Draft proposes that comparative information which reflects updated estimates be disclosed, except when this would be impracticable
—ie the comparatives would be restated to reflect the better estimate.

The Exposure Draft also includes a proposed requirement 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.

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

(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?

(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

Question 12—Statement of compliance (paragraphs 91-92)

The Exposure Draft proposes that for an entity to claim compliance with IFRS Sustainability Disclosure Standards, it would be required to comply with the proposals in the Exposure Draft and all of the requirements of applicable IFRS Sustainability Disclosure Standards. Furthermore, the entity would be required to include an explicit and unqualified statement that it has complied with all of these requirements.

The Exposure Draft proposes a relief for an entity. It would not be required to disclose information otherwise required by an IFRS Sustainability Disclosure Standard if local laws or regulations prohibit the entity from disclosing that information. An entity using that relief is not prevented from asserting compliance with IFRS Sustainability Disclosure Standards.

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

Question 13—Effective date (Appendix B)

The Exposure Draft proposes allowing entities to apply the Standard before the effective date to be set by the ISSB. It also proposes relief from the requirement to present comparative information in the first year the requirements would be applied to facilitate timely application of the Standard.

(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.

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

Question 14—Global baseline

IFRS Sustainability Disclosure Standards are intended to meet the needs of the users of general purpose financial reporting to enable them to make assessments of enterprise value, providing a comprehensive global baseline for the assessment of enterprise value. Other stakeholders are also interested in the effects of sustainability-related risks and opportunities. Those needs may be met by requirements set by others, including regulators and jurisdictions. The ISSB intends that such requirements by others could build on the comprehensive global baseline established by the IFRS Sustainability Disclosure Standards.

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

Question 15—Digital reporting

The ISSB plans to prioritise enabling digital consumption of sustainability-related financial information prepared in accordance with IFRS Sustainability Disclosure Standards from the outset of its work. The primary benefit of digital consumption as compared to paper-based consumption is improved accessibility, enabling easier extraction and comparison of information. To facilitate digital consumption of information provided in accordance with IFRS Sustainability Disclosure Standards, an IFRS Sustainability Disclosures Taxonomy is being developed by the IFRS Foundation. The Exposure Draft and [draft] IFRS S2 *Climate-related Disclosures* Standards are the sources for the Taxonomy.

It is intended that a staff draft of the Taxonomy will be published shortly after the release of the Exposure Draft, accompanied by a staff paper which will include an overview of the essential proposals for the Taxonomy. At a later date, an Exposure Draft of Taxonomy proposals is planned to be published by the ISSB for public consultation.

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

Question 16—Costs, benefits and likely effects
The ISSB is committed to ensuring that implementing the Exposure Draft proposals appropriately balances costs and benefits. (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? (b) Do you have any comments on the costs of ongoing application of the proposals that the ISSB should consider?

Question 17—Other comments
Do you have any other comments on the proposals set out in the Exposure Draft?

Appendix 2: Coding of sampled stakeholders

Users	**Coding**
Australian Council of Superannuation Investors	CL1
Australian Shareholders' Association (ASA)	CL2
United Kingdom Shareholders' Association and ShareSoc	CL3
Corporate Reporting Users' Forum (CRUF)	CL4
Canadian Investor Relations Institute	CL5
The Investor Relations Society	CL6
Better Finance	CL7
CBV Institute	CL8
Global Steering Group for Impact Investment	CL9
International Corporate Governance Network	CL10
Investment Association	CL11
Responsible Investment Association Australasia	CL12
Andrés Salazar	CL13
Claus Beckenhaub	CL14
Council of Institutional Investors	CL15
Standard-setters	
CDP	CL16
ISO CCCC	CL17
Australian Accounting Standards Board and Auditing and Assurance Standards Board	CL18
International Auditing and Assurance Standards Board (IAASB)	CL19
International Valuation Standards Council	CL20
Malaysian Accounting Standards Board	CL21
CINIF	CL22
Sustainability Standards Board of Japan (SSBJ)	CL23
Accounting Standards Committee of Germany (DRSC e.V.)	CL24
First Nations Financial Management Board	CL25
Fundação de Apoio ao Comitê de Pronunciamentos Contábeis [FACPC]	CL26
RICS	CL27
IFSB	CL28
GLENIF - GLASS	CL29
Accounting Standards Board Canada	CL30
Preparers	
Virgin Money UK PLC	CL31
CarbonPump Pty Ltd	CL32
QBE Insurance Group	CL33
Capital Group	CL34
BP plc	CL35
FirstRand	CL36
Standard Chartered Bank	CL37
Shell International B.V.	CL38

Rolls-Royce	CF39
Moody's Corporation	CF40
Impak	CF41
Burberry Group PLC	CF42
Deutsche Bank	CF43
IEK Consulting	CF44
Legal & General Plc	CF45
Accounting professionals and Auditors	
Deloitte	CF46
PricewaterhouseCoopers International Limited	CF47
KPMG International Limited	CF48
EY	CF49
BDO	CF50
Association of Chartered Certified Accountants (ACCA)	CF51
SAICA	CF52
SAIPA	CF53
Accountancy Europe	CF54
Canada's Auditing and Assurance Standards Oversight Council (AASOC) and Accounting Standards Oversight Council (AcSOC)	CF55
UK Endorsement Board	CF56
Botswana Institute of Chartered Accountants	CF57
Chartered Accountants Australia and New Zealand / CPA Australia	CF58
Grant Thornton International Limited	CF59
The Malaysian Institute of Certified Public Accountants (MICPA)	CF60
Regulators	
Financial Reporting Council	CF61
Capital Market Authority	CF62
Singapore Exchange	CF63
European Securities and Markets Authority (ESMA)	CF64
Securities and Exchange Commission (SEC), Thailand	CF65
Securities and Exchange Board of India (SEBI)	CF66
Botswana Accountancy Oversight Authority	CF67
European Banking Authority	CF68
The Dutch Authority for the Financial Markets (AFM)	CF69
The Swedish Financial Reporting Board	CF70
JSE Limited	CF71
Canadian Securities Administrators	CF72
Basel Committee on Banking Supervision	CF73
Saudi Central Bank	CF74
ICPAR	CF75
Policymakers	
Office of the Superintendent of Financial Institutions	CF76
New Zealand External Reporting Board	CF77

China Securities Regulatory Commission	CL78
Study Group on Disclosure Policies for Non-financial Information	CL79
Financial Services Commission (FSC) and Korea Accounting Institute (KAI)	CL80
UK Finance	CL81
Ministry of Finance- Saudi Arabia	CL82
Autorité des marchés financiers (French AMF)	CL83
Autorité des normes comptables (ANC)	CL84
Comisión Nacional de Valores de Argentina	CL85
Comissão de Valores Mobiliários	CL86
China Accounting Standards Committee	CL87
Superintendencia Financiera de Colombia SFC	CL88
South African Reserve Bank (Prudential Authority)	CL89
Ville de Montréal and City of Edmonton	CL90
Public Interest	
We Mean Business Coalition	CL91
Carbon Tracker Initiative and Planet Tracker	CL92
Accounting for Sustainability	CL93
Canada Strong and Proud	CL94
World Animal Protection	CL95
Council for Inclusive Capitalism and Coalition for Inclusive Capitalism	CL96
Business Council for Sustainable Development Australia (BCSD)	CL97
Commonwealth Climate and Law Initiative	CL98
ShareAction	CL99
Italian Foundation for Business Reporting (O.I.B.R.)	CL100
Shift	CL101
Social Value Canada	CL102
Alianza Regional Latinoamericana	CL103
The Shareholder Commons	CL104
EIRIS Foundation	CL105
Academics	
Professor Carol ADAMS	CL106
HEC Montreal and University Concordia (JMSB)	CL107
University of Sao Paulo, Faculty of Economics, Business Administration and Accounting	CL108
COLLECTIVE ACADEMIC	CL109
ITAM University	CL110
J Robert Gibson	CL111
Jarad Johnson	CL112
ANEFAC - Brazil	CL113
University of Gothenburg	CL114
UNSW Sydney	CL115
USP Ribeirão Preto	CL116
Venencio Tauringana	CL117
CUEB China ESG Institute	CL118

Pontificia Universidad Javeriana	CL119
InCont - FEA-RP/USP	CL120