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M1:

1. “Process” is in bold. “Outcome” should also be in bold to provide some balance.
2. I don’t see how companies a can also cover what is NOT material. I don’t think that proposal is particularly reasonable, or would go anywhere. The point is to focus on what’s material, not to cover every single issue in the world. This proposal would end up burying the material info in boilerplate.
3. Defining materiality – I think the idea is to ensure that companies clearly describe how they define it, how they establish the scope of the inquiry, and who is involved. I think it’s a bit risky for us to define it. However, we could add some language about “long-term value creation” that could steer the company in the right direction. The GRI and IIRC definitions are both broader than what we generally get, but they’re not identical.
4. Add to 1A guidance: Uncertainties regarding likelihood and timeframes should be resolved in favor of disclosure.
5. 1C. I would rewrite this as follows (I moved IIRC down):

Companies should prioritize for investors the disclosure of ESG issues that are most financially material and business relevant, and how the management of those issues are integrated into corporate strategy and performance. **[Companies should also disclose significant impacts on key stakeholders and/or the environment that may impact the company’s value creation proposition.]** Connectivity of ESG issues to corporate goals, value creation, resource allocation, compensation, and performance should be demonstrated. Companies can seek guidance, where needed, to better assess relevance, demonstrate value, and improve conciseness and comparability. Companies might benefit from reviewing key performance indicators or materiality maps from investor initiatives, such as the **International Integrated Reporting Council**, Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), Project Delphi, or their equivalent, as they are launched or updated, for this exercise.

M2:

1. I thought we were adding bribery & corruption as a new category?
2. “born” should be “borne.”
3. Should probably reference the UN Guiding Principles on Business and Human rights as a resource