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Please find below our comments to the three questions related to the M1, M2 and M3 sections.

- 1) M1: Ethos goes for a “Comply or Explain” approach moving to mandatory in 2 years after implementation of the rule (option 1)
- 2) M2: If option 1 prevails, we agree with the proposal. If option 2 prevails (which we are not in favour of), then we do consider that a baseline for reporting should also be introduced. Leaving to companies the task to report under 10 very broad headers would not allow companies to disclose information that is systematic, consistent over time and comparable across sectors/indexes etc). A minimum of indicators to be disclosed under each header should be mandatory (on a comply or explain basis at the beginning if most investors accept for a transitory period).
- 3) M3: Ethos also favours the GRI Content Index. However if any of the 4 options you propose should be chosen, then we consider Option 4 as preferable, followed by option 2.

----- Reference (original questions) -----

M1

While a majority of responders agreed that M1 should be mandatory, with the rest of the report potentially being 'comply or explain', it looks as though-- in order to get broad investor consensus across various markets-- the full proposal would need to become 'comply or explain'. We would like to know which option below has greater investor support. Expanded comments are welcome.

1. Comply or Explain, moving to mandatory in 2 years after implementation of the rule
2. Comply or Explain, moving to mandatory in 2 years in markets where an acceptable reporting threshold is not met, and where acceptable is defined by the exchange working with stakeholders in that market

M2 (this was previously section M3-- the general ESG disclosure categories)

1. If a GRI Content Index does not move forward into the rule itself (see this current draft), then we make the ‘headers’ and ‘sub headers’ in the new M2 section mandatory on a comply or explain basis [in other words, if the Content Index becomes a generic ask not based on the GRI Index, then it would trigger more specific disclosure under the ESG disclosure categories to include not just the 10 headings, but an edited sublist of suggested topics to report under each as well].[Employee relations AND freedom of association and safety and...] This would provide us with more consistency that a lack of a specific index in the other section would not provide
2. If the GRI Content Index moves forward in the rule as written in the first draft (the Consultation Paper), the ESG recommended subcategories of disclosure under those 8 (now 10) disclosure categories (for ex., freedom of association, toxins, etc) would be left as is--just recommendations for reporting

M3 (was previously section M2-- the Content Index)

A slight majority of commenters still favored the GRI Index as the basis for a disclosure map; however, in order to gain the broadest consensus, we have suggested these possible variations. We would like to know which option investors prefer. If you have other ideas for compromise here, please be specific.

1. Have a generic Content Index with a reference to GRI, or its equivalent, in the recommendation section (the current draft).
2. Move forward with GRI Content Index, but with a window to revise or replace every 3 years, in order to move to a better mapping/index initiative if one emerges.
3. In the Index, only report on the most material issues that have been defined in M1.
4. Take the GRI Content Index (now G4) and edit it and streamline/condense it to make a simpler version.