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**Organization:** International Corporate Governance Network (ICGN)

ICGN has heard through a few channels that there may have been a misunderstanding about one of the points made in our letter of April 30 commenting on the INCR's consultation on a proposed sustainability disclosure listing standard for global stock exchanges. The specific paragraph is as follows:

*With regard to the specific proposals made, we do not support mandating the inclusion of (a link to) the GRI Index in annual filings. These disclosures do not necessarily address the need of capital market participants, and we are not in favour of prescribing a format. We strongly recommend that companies and investors contribute to the development of industry-specific standards, for example by SASB, along with piloting the integrated reporting framework.*

Claudia Kruse, who chairs the ICGN's Integrated Business Reporting Committee, and I wanted to clarify the intention behind the point made in this paragraph of our letter as we believe it would be unfortunate if the apparent misinterpretation, as we understand it, was perpetuated.

Firstly, the key point is that ICGN does not, as a matter of principle, endorse any specific organization. In our letter, we mentioned GRI as it was referenced in the consultation document; we mentioned SASB simply as one example of an initiative that may well move reporting along in a way that provides industry-specific data that could be used readily by those making investment and engagement decisions. This should not be interpreted as ICGN having a preference for either framework.

Secondly, ICGN prefers a "comply or explain" or voluntary approach to governance-related reporting and does not support prescriptive reporting requirements against a sole standard. Referencing examples of different possible approaches and recommending that companies explain and justify their choice is more likely, in our view, to result in more relevant reporting.

As a general point, we, like others, wish to encourage companies and investors alike to get involved in continuing to develop industry-specific standards by whatever initiative. We are also keen to encourage cooperation between the various standard setters and framework producers. In our view, everyone has something to offer in this rapidly evolving area and the greater the collaboration the more likely we are to develop a resilient framework that will serve its purpose over the long term.