

I would like to submit the following comments on the proposed listing standards. Efforts of the INCR, stock exchanges and WFE to develop standards on sustainability reporting are appreciated. However, I think the standards could be improved by addressing the following.

Materiality Assessment:

The standards should explicitly recognize that factors which might appear immaterial when viewed in isolation can have systemic or cascading impacts when evaluated for synergistic effects across factors. For example, employee relations, government relations and product safety practices could work together to present material risks to business plan sustainability when, viewed in isolation, a company's practices are unexceptional. Companies should not be able to avoid recognition and disclosure of material sustainability risk factors by conducting an analysis that artificially segments consideration of related factors.

Similarly, an explicit comply or explain time horizon standard should be included. Given the perpetual exposure that some investors and other stakeholders have to company practices, a minimum analysis period of at least ten years (or more than one business cycle for the particular industry) would seem appropriate for a sustainability listing standard.

GRI Content Index:

Sustainability factor reporting should be integrated within financial filings to the extent feasible. Behavioral research has demonstrated that material ESG data is treated differently when it is integrated with financial information. Beneficiaries of investment fiduciaries would be better protected from the human biases of their investment intermediaries if disclosures are presented in a way that facilitates unbiased analysis.

Disclosure Categories:

Several disclosure categories are not clearly covered. For example, resource constraints may or may not be viewed as falling within environmental impact and could be explicitly mentioned. In addition, business model sustainability (including exposure to developing competition and associated risks) could be explicitly referenced. While this might seem obvious, recognizing business sustainability and related threats as relevant to the

standards would better link them to existing financial disclosures.

A broader statement is also merited which recognizes that sustainability disclosures should be applied with an understanding that they are relevant to ongoing viability of a company's "social license" to exist and pursue its business activities. Economic history is littered with examples of business models that were rendered obsolete by reputation risks or imposition of regulatory limits. Sustainability standards should reflect the fact that companies exist to serve society, not the other way around.

Thank you for taking these comments into consideration in your ongoing work to develop these important disclosure standards.

Respectfully submitted,

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