

Meeting: IESBA

Meeting Location: New York

Meeting Date: June 10-13, 2024

Agenda Item 4 (Updated)

Sustainability

Objectives of Agenda Item

1. To consider:
 - (a) A report-back on the feedback provided by stakeholders on the Exposure Draft, [Proposed International Ethics Standards for Sustainability Assurance \(including International Independence Standards\) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting](#) (Sustainability ED) during the recent outreach activities; and
 - (b) An update on the number of respondents and comment letters to the ED.
2. To discuss on a preliminary high-level basis, subject to the full analysis of the ED comments:
 - (a) Identified matters for coordination between the IESBA and IAASB regarding sustainability assurance; and
 - (b) Other key matters on which IESBA members' input is sought to inform the IESBA Sustainability Task Force's (TF) discussion regarding the proposed way forward.

Activities Since December 2023

3. The Sustainability ED and the Explanatory Memorandum were published on January 29, 2024, with a 101-day comment period.
4. In Q1 and Q2, IESBA members and Staff participated in an extensive global outreach campaign on the ED that included:
 - Two interactive global webinars and other webinars in partnership with other organizations, such as UNCTAD and regulators;
 - Seminars at 5 locations (Toronto, Brussels, Tokyo, Melbourne and Sydney);
 - Various other meetings with a wide range of stakeholder groups (including regulators, investors, and preparers) worldwide.
5. IAASB and IESBA Staff have formed a Sustainability Coordination Working Group to identify and address matters requiring coordination between the two Boards. The Sustainability Coordination Working Group met several times during this period to discuss IESBA Staff's and IAASB Staff's proposals to their respective Task Forces.
6. The public consultation on the Sustainability ED ended on May 10, 2024, and 88 respondents submitted their comment letters to date. The [comment letters](#) are available on the IESBA's website.

The appendix to this cover note includes the list of respondents to the Sustainability ED by stakeholder group.

Approach to the Session

Report-back on Outreach

7. IESBA Staff will provide:
 - (a) A report-back on the outreach activities in Q1 and Q2; and
 - (b) An overview of respondents to the Sustainability ED and a preliminary high-level summary of key areas raised by respondents for further IESBA attention.

Coordination Matters

8. The Chair of the IAASB Sustainability Task Force, Josephine Jackson, the IAASB Program and Technical Director, Willie Botha, and IAASB Consultant Dan Montgomery will participate in the session addressing IAASB-IESBA coordination.
9. The Chairs of the IAASB and IESBA Sustainability Task Forces will provide a joint update on matters requiring coordination between the two Boards. In this regard, Workstream 1 (WS1) and Workstream 2 (WS2) proposals are included in **Agenda Item 4-B** under “Matters for Coordination.” The slides for the IAASB Sustainability Task Force’s presentation are being developed and will be incorporated into **Agenda Item 4-B**. The updated **Agenda Item 4-B** will be made available to the Board prior to the session.

Other Matters

10. From the feedback received during the global outreach campaign and IESBA Staff’s preliminary review of a sample of the comment letters, the TF has identified a few additional matters, not subject to coordination, on which IESBA members’ input is needed to inform the TF’s further discussions on whether any changes are necessary to the ED proposals.
11. WS1 and WS2 proposals regarding such matters are included in **Agenda Item 4-B** under “Other Matters.”

Action Requested

12. IESBA members are asked to:
 - (a) Consider the report-back on the global outreach campaign and share any comments or reactions; and
 - (b) Discuss and provide directional feedback on the matters identified for IAASB-IESBA coordination as well as the other matters for consideration in **Agenda Item 4-B**.

Material Presented

For Discussion

Agenda Item 4-A	Outreach Report-Back
Agenda Item 4-B	Coordination and Other Matters

Next Steps

13. Before the IAASB considers the final draft of proposed ISSA 5000 for approval in September 2024, the Sustainability Coordination Working Group and the IESBA and IAASB Chairs will hold regular meetings to further progress of any open matters for IAASB-IESBA coordination based on the input received from both Boards at their respective June meetings. The first meeting of the Board Chairs, Task Force Chairs and lead project staff is scheduled for July 15, 2024.
14. The IESBA will receive a full analysis of the comment letters to the Sustainability ED and proposed changes to the ED for first-read at its September 2024 meeting.

Appendix

List of Respondents to the Sustainability ED as of May 31, 2024

#	Abbrev.	Respondent	Region
Regulators and Oversight Authorities, Including MG members			
1.	ACRA	Accounting and Corporate Regulatory Authority (Singapore)	Asia Pacific (AP)
2.	BAOA	Botswana Accountancy Oversight Authority	Middle East and Africa (MEA)
3.	CEAOB ¹	Committee of European Auditing Oversight Bodies	Europe (EU)
4.	ESMA ²	European Securities and Market Authority	EU
5.	IAASA	Irish Auditing & Accounting Supervisory Authority	EU
6.	IOSCO ³	International Organization of Securities Commissions	GLOBAL
7.	IFIAR ⁴	International Forum of Independent Audit Regulators	GLOBAL
8.	IRBA	Independent Regulatory Board for Auditors (South Africa)	MEA
9.	NASBA	National Association of State Boards of Accountancy (US)	North America (NA)
10.	PAABZ	The Public Accountants and Auditors Board of Zimbabwe	MEA
11.	SGX	Singapore Exchange Limited	AP
12.	UK FRC	United Kingdom Financial Reporting Council	EU
Investors and Other Users			
13.	Ceres	Ceres Accelerator	NA
14.	DIR	Daiwa Institute of Research Ltd.	AP
15.	IAIP	Indian Association of Investment Professionals (CFA Society India)	AP
16.	MSCI	Morgan Stanley Capital International	GLOBAL
17.	NBIM	Norges Bank Investment Management	EU
18.	SAAJ	The Securities Analysts Association of Japan	AP
Preparers and Those Charged with Governance			
19.	AJM	Asma Jan Muhammad (PA)	AP

¹ CEAOB represents auditing oversight bodies in all 27 EU member states.

² ESMA is the EU's financial markets regulator and supervisor, and its Board of Supervisors is composed of the heads of the national competent authorities of all 27 EU member states.

³ IOSCO represents securities regulators in more than 130 jurisdictions, representing more than 95% of the world's securities markets.

⁴ IFIAR consists of independent audit regulators from 56 jurisdictions representing Africa, North America, South America, Asia, Oceania, and Europe.

#	Abbrev.	Respondent	Region
20.	BD	Bruno Dirringer	EU
21.	ICFOA	International CFO Alliance	GLOBAL
Public Sector Organizations			
22.	AGNZ	Office of the Auditor General of New Zealand	AP
23.	GAO	US Government Accountability Office	NA
24.	UNCTAD ARL	UNCTAD's Latin America Regional Alliance	Latin America (LA)
Independent⁵ National Standard Setters			
25.	APESB	Accounting Professional & Ethical Standards Board (Australia)	AP
26.	NZAuASB	New-Zealand Auditing & Assurance Standards Board	AP
Professional Accountancy Organizations (PAOs)⁶			
27.	ACCA δ	Association of Chartered Certified Accountants	GLOBAL
28.	AE	Accountancy Europe	EU
29.	AIC	Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)	LA
30.	AICPA δ	American Institute of Certified Public Accountants Professional Ethics Executive Committee	NA
31.	BICA δ	Botswana Institute of Chartered Accountants	MEA
32.	CAANZ δ	Chartered Accountants Australia and New Zealand	AP
33.	CAI δ	Chartered Accountants of Ireland	EU
34.	CNCC-CNOEC δ	Compagnie Nationale des Commissaires aux Comptes and Conseil National de L'Ordre Des Experts-Comptables	EU
35.	CFAR	Chamber of Financial Auditors of Romania	EU
36.	CBPS-CFC-IBRACON	Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente	LA
37.	CPAA	CPA Australia	AP
38.	CPAC δ	Chartered Professional Accountants Canada Public Trust Committee	NA
39.	EFAA	European Federation of Accountants and Auditors for SMEs	EU

⁵ NSS that have a mandate to set national ethics standards, including independence requirements, in their jurisdictions and which do not belong to PAOs are categorized as "Independent National Standard Setters."

⁶ For purposes of this categorization, a PAO is a member organization of professional accountants, of firms, or of other PAOs. PAOs include but are not limited to IFAC member bodies. **PAOs that have full, partial, or shared responsibility for setting national ethics standards, including independence requirements, in their jurisdictions are indicated with a "δ."**

#	Abbrev.	Respondent	Region
40.	FACPCE	Federación Argentina de Consejos Profesionales de Ciencias Económicas	LA
41.	GAA ⁷	Global Accounting Alliance	GLOBAL
42.	HKICPA δ	Hong Kong Institute of Certified Public Accountants	AP
43.	ICAEW δ	Institute of Chartered Accountants in England and Wales	EU
44.	ICAS δ	The Institute of Chartered Accountants of Scotland	EU
45.	ICPAU δ	Institute of Certified Public Accountants of Uganda	MEA
46.	IDW δ	Institut der Wirtschaftsprüfer (Germany)	EU
47.	IICA	Institute of Indonesia Chartered Accountants	AP
48.	IFAC ⁸	International Federation of Accountants	GLOBAL
49.	INCP	National Institute of Public Accountants of Colombia	LA
50.	IPA δ	Institute of Public Accountants (Australia)	AP
51.	ISCA δ	Institute of Singapore Chartered Accountants	AP
52.	IWP	Institut Österreichischer Wirtschaftsprüfer:innen	EU
53.	JICPA δ	Japanese Institute of Certified Public Accountants	AP
54.	KICPA	Korean Institute of Certified Public Accountants	AP
55.	MIA (Malaysia) δ	Malaysian Institute of Accountants	AP
56.	MIA (Malta)	The Malta Institute of Accountants	EU
57.	MICPA δ	Malaysian Institute of Certified Public Accountants	AP
58.	NBA δ	Royal Netherlands Institute of Chartered Accountants	EU
59.	NYSSCPA	New York State Society of CPAs	NA
60.	PAFA ⁹	The Pan-African Federation of Accountants	MEA
61.	PICPA	Pennsylvania Institute of Certified Public Accountants	NA
62.	SAICA δ	South African Institute of Chartered Accountants	MEA
63.	SOCPA	Saudi Organization for Chartered and Professional Accountants	MEA
64.	WPK δ	Wirtschaftsprüferkammer (Germany)	EU
Other Assurance Providers and Accreditation Bodies (non-PAs)			
65.	AA	AccountAbility	GLOBAL

⁷ GAA represents 10 PAOs.

⁸ IFAC represents over 180 PAOs in more than 135 jurisdictions.

⁹ PAFA consists of 56 professional accountancy organizations in 45 countries across Africa.

#	Abbrev.	Respondent	Region
66.	IAF ¹⁰	International Accreditation Forum	GLOBAL
67.	JAB	Japan Accreditation Board	AP
Accounting Firms¹¹ and Sole Practitioners			
68.	ASSIREVI*	Association of the Italian Audit Firms	EU
69.	BDO*	BDO International Limited	GLOBAL
70.	BKTI*	Baker Tilly International	GLOBAL
71.	DTTL*	Deloitte Touch Tohmatsu Limited	GLOBAL
72.	EY *	Ernst & Young Global Limited	GLOBAL
73.	GTIL*	Grant Thornton International Limited	GLOBAL
74.	KPMG*	KPMG IFRG Limited	GLOBAL
75.	Mazars*	Mazars Group	GLOBAL
76.	Moore*	Moore Global Network Limited	GLOBAL
77.	MU	Muhammad Umar - Mo Chartered Accountants	MEA
78.	PKF*	PKF Global	GLOBAL
79.	PP	Pitcher Partners Advisors Proprietary Limited	AP
80.	PWC*	PricewaterhouseCoopers International Limited	GLOBAL
81.	RSM*	RSM International Limited	GLOBAL
Academia and Research Institutes			
82.	AFAANZ	The Auditing and Assurance Standards Committee of the Accounting and Finance Association of Australia and New Zealand	AP
83.	DIRC	Deakin University Integrated Reporting Centre	AP
84.	NNN	Nada Naufal, Director at the American University of Beirut	MEA
85.	NRS	Professor Nicole Ratzinger-Sakel	EU
86.	NSU	Nova Southeastern University (Florida)	NA
Others			
87.	IBA ¹²	The International Bar Association	GLOBAL

¹⁰ The IAF is a worldwide association representing 95 accreditation bodies, 27 association members, and 6 regional accreditation groups.

¹¹ Forum of Firms members are indicated with a *. The Forum of Firms is an association of international networks of accounting firms that perform [transnational audits](#). Members of the Forum have committed to adhere to and promote the consistent application of high-quality audit practices worldwide, and use the ISAs as the basis for their audit methodologies. They also have policies and methodologies for the conduct of such audits that are based to the extent practicable on and use the International Standards on Auditing (ISAs), and policies and methodologies which conform to the IESBA Code and national codes of ethics as the basis for their audit methodologies.

¹² The IBA's membership comprises more than 80,000 individual international lawyers from leading law firms and some 190 bar associations and law societies across over 170 countries.

#	Abbrev.	Respondent	Region
88.	IIA ¹³	The Institute of Internal Auditors	GLOBAL

¹³ The IIA is an international professional association representing over 245,000 internal auditors.