

Sustainability Reporting Update (Presentations) Cover Note: Reporting Standard-Setters and State of Play on Assurance

Objective of the Discussion

The reliability and quality of sustainability reporting, and investors', regulators', and other stakeholders' trust in the information, hinge on the effectiveness of the external reporting supply chain. The IAASB considers that it is critical that sustainability reporting frameworks provide suitable criteria for the preparation of sustainability information as a precondition for an assurance engagement. Therefore, developments in sustainability reporting have a significant impact on sustainability assurance engagements, including the effect on significant assurance practitioner judgments in areas of reporting that involve significant management judgment.

Although proposed ISSA 5000¹ is framework neutral,² it is appropriate to consider relevant general purpose sustainability reporting frameworks in the development of the proposed standard. This assists with ISSA 5000 appropriately accommodating sustainability topics, aspects of topics and disclosures, as well as the intended user perspective, encompassed by such reporting frameworks. Therefore, the IAASB is monitoring the developments in sustainability reporting through outreach with key sustainability reporting standard setters and through the work of the IAASB's Sustainability Standard Setters' Liaison Working Group (SSS LWG – see *Agenda Item 4 for further details*), which was established in January 2023.

Furthermore, the Sustainability Assurance Task Force considered it opportune that, during the March 2023 IAASB meeting, the Board be provided with three presentations from key international and regional sustainability standard setters of general purpose sustainability reporting frameworks: International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI) and European Financial Reporting Advisory Group (EFRAG), along with an update from International Federation of Accountants (IFAC) on [The State of Play: Sustainability Disclosure & Assurance benchmarking study](#).

The sustainability reporting standard setters' presentations will be focused on:

- The current status of development of the respective sustainability reporting standards,
- The focus of future standard-setting, and
- Assurability considerations, which may impact the suitability of reporting criteria (e.g., arising from comment letters or other market feedback).

¹ Proposed International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*

² IAASB standards are framework neutral and do not make references to specific reporting frameworks except by example and to the extent necessary to clarify the IAASB's intent.

Structure of the Sustainability Reporting Update Presentations

1. The IAASB discussion will comprise the following:

	Presentation time	Question time
Introduction (Tom Seidenstein)	10 minutes	
<i>Presentations from key speakers:</i>		
<ul style="list-style-type: none"> ISSB update on S1³ and S2⁴ and future plans <i>Presenter: Sue Lloyd, Vice-Chair of the ISSB</i> 	40 minutes	15 minutes
<ul style="list-style-type: none"> GRI update and interconnections with other sustainability reporting standard setters <i>Presenter: Bastian Buck, Chief of Standards, GRI</i> 	40 minutes	15 minutes
<i>Break</i>	30 minutes	
<ul style="list-style-type: none"> EFRAG update on European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (CSRD) <i>Presenter: Patrick de Cambourg, Chair of the EFRAG Sustainability Reporting Board</i> 	20 minutes	10 minutes
<ul style="list-style-type: none"> IFAC update on the State of Play in Sustainability Assurance <i>Presenter: David Madon, Director Sustainability, Policy & Regulatory Affairs, IFAC</i> 	40 minutes	20 minutes

³ Exposure Draft IFRS® Sustainability Disclosure Standard [Draft] IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*

⁴ Exposure Draft IFRS® Sustainability Disclosure Standard [Draft] IFRS S2 *Climate-related Disclosures*