Meeting: IESBA
Meeting Location: Hybrid
Meeting Date: June 6-8, 2022

Agenda Item 2

Sustainability

Objectives
1. To:
   (a) Consider and approve a proposed Terms of Reference for the Sustainability Working Group.
   (b) Obtain input on a sustainability stakeholder questionnaire.
   (c) Discuss specific issues that are relevant to the development of a Staff Publication to highlight the applicable provisions in the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) that addresses concerns about misleading sustainability information (i.e., greenwashing).

Working Group
2. The Working Group comprise:
   • Mark Babington, Chair
   • Vania Borgerth, IESBA member
   • Laurie Endsley, IESBA member
   • Christelle Martin, IESBA member
   • Jens Poll, IESBA member

Activities Since Last IESBA Discussion
3. The Working Group met in person and twice via video conference to prepare the agenda materials for this meeting.

Targeted Stakeholder Engagement
4. Since the March 2022 meeting, the Chair of the Working Group met with several key stakeholders, including representatives of the following organizations/ groups:
   • Forum of Firms (FoF).
   • Global Public Policy Committee (GPPC).
   • Global Reporting Initiative (GRI).*

* Meeting was held jointly with representatives of the IAASB.
• IESBA’s National Standards Setters Liaison Group.
• Institute and Faculty of Actuaries on Ethics and Sustainability.
• International Organization of Securities Commissions (IOSCO).*
• International Sustainability Standards Board (ISSB).

5. In addition, the topic of sustainability was raised in various meetings held between the IESBA Chair and a broad range of stakeholders as part of the IESBA’s UK and US Q2 2022 outreach (see Agenda Item 1-B).

6. The Chair of the Working Group will brief the IESBA on the key outcomes of these meetings as part of his presentation in June.

Sustainability Webinar

7. On May 18, 2022, the IESBA Chair moderated a conversation between the Working Group Chair and Financial Conduct Authority Director of ESG, Sacha Sadan about the role of the Code in instilling public trust and confidence in sustainability reporting and assurance. The recorded webinar is accessible on the IESBA's website.

8. During the June 2022 meeting, the Working Group Chair will highlight key takeaways from the webinar conversation.

Matters for Consideration

Terms of Reference and Questionnaire

9. During the June Meeting, the Working Group will walk through the proposed Terms of Reference and the proposed sustainability stakeholder questionnaire and will ask IESBA member to provide their reactions and input.

Staff Publication

10. During the June meeting, the Working Group Chair will lead a discussion about specific issues that will inform the development of a Staff Publication aimed at explaining how the Code addresses concerns about misleading sustainability information (i.e., greenwashing).

Material Presented

Agenda Item 2-A Proposed Sustainability Terms of Reference
Agenda Item 2-B Proposed Sustainability Questionnaire

Actions Requested

11. The IESBA is asked to:
   (a) Consider and approve the Sustainability Working Group Terms of Reference.
   (b) Provide input on the sustainability stakeholder questionnaire.
   (c) Discuss issues that are relevant to the development of the staff publication to address concerns about misleading sustainability information (i.e., greenwashing).