IESBA Strategy Survey 2022

Comments on Survey Question 1

Survey Question 1

What level of importance do you believe the IESBA should place on dedicating strategic focus to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period (2024-2027)?

Respondents	Comments
ACCA	We believe that the IESBA should dedicate a great level of importance, as part of its strategic focus, to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period (2024-2027). Close coordination with the IAASB and the ISSB will better inform and direct the IESBA's standard-setting strategy, emphasizing its role in the interconnected ESG ecosystem. We are very pleased to see relevant IESBA's initiatives towards this direction, to name a few; the Board's recent announcement to commit to readying global Ethics and Independence standards in a timely manner in support of sustainability reporting and assurance, the IESBA's response to the ISSB re the recently open consultations around sustainability reporting and the overall close IESBA's monitoring of the developments in the sustainability reporting and assurance space. Within this context, we observe an overarching objective for the IESBA, as we believe that it plays a key role in moving the profession forward. More specifically, we suggest that the services provided around sustainability could create an opportunity in attracting new talent in the accountancy profession, both from the traditional accounting students' perspective and other disciplines (engineers, lawyers etc). Therefore, IESBA's on-going work in this space could contribute not only to audit and reporting of sustainability information, but also to audit quality overall. Also, in response to the IESBA's work on fact-finding at this stage, we would like to draw the attention to the ACCA's thought leadership report on The CFO of the future which refers to the broadening of the role of the CFO and the importance of the evolving technical and ethical skills. This report could help increase the IESBA's understanding of the developing skillset and expertise of the PAIBs towards a more dynamic, complex and multi-faceted role.

Respondents	Comments
ACFBH	NOCLAR- much more accent on specific issue.
AE	Organisations of all sizes need to rapidly transform their business models to contribute to a sustainable economy. Accountancy Europe is committed to making sure that Europe meets its ambitious sustainability objectives and uses companies' reporting and assurance thereon as important means to this end. Therefore, sustainability reporting and assurance should be given the highest priority by all stakeholders including the IESBA. Potential starting point in this area would be reflecting on how to apply fundamental principles and the conceptual framework for specific circumstances related to sustainability reporting. This should include consideration of additional skills that professional accountants are expected to possess. Another area that deserves specific attention is the independence framework for assurance providers. Coordination with the IAASB will be of the utmost importance particularly on this subject matter as the IAASB has decided to work towards a standalone assurance standard for sustainability reporting which will cover both reasonable and limited assurance engagements. The IESBA should also be closely monitoring and influencing as best as possible the work of other stakeholders (e.g., the ISSB, the EU authorities and the SEC) in this area. This will contribute to a global and consistent approach to sustainability reporting and related assurance. Understanding the frameworks that will apply to sustainability reporting and assurance will help the IESBA determine the components of relevant ethical framework, including requirements related to independence. These outreach activities can also provide opportunities for promoting the Code and emphasizing how it guides our profession in serving public interest.
AIA	It is key that the IESBA places a very high level of importance on this area. In the foreseeable future sustainability reporting and assurance looks likely to assume equal importance to financial reporting and assurance and, as such, demands equivalent attention from international standard setters such as the IESBA and IAASB. Many of the ethical issues and principles are common to both forms of reporting and assurance. We are confident that professional accountants have the necessary assurance skills and ethical compass though may need to get better acquainted with the subject matter and collaborating with other experts.
APESB	APESB believe that a high level of importance should be placed on sustainability reporting and assurance developments. Based on the current global focus and the accelerated rate of proposed developments relating to sustainability reporting and assurance standards, APESB's view is that this should be one of IESBA's key strategic focuses for the remainder of the current strategic period as well as the future strategic period. APESB welcomes the IESBA's recent announcement at its June 2022 Board meeting to establish a project plan on sustainability and assurance matters by December 2022. We encourage the IESBA to maintain that timeline to ensure appropriate ethical

Respondents	Comments
	standards will be in place to meet various governmental, regulatory and stakeholder expectations of international reporting and assurance requirements. It will also be important to ensure the accounting profession has a leading role and its reporting, assurance and ethical standards become the benchmark for global sustainability reporting and assurance.
BDO	BDO believes that standard-setting action relating to the developments in sustainability reporting and assurance should be a key priority for the IESBA. Sustainability reporting is now, or soon will be, required in all corners of the world. This is going to result in a whole new world of reporting and assurance related services which firms will be asked to provide, either as part of or separately from the audit of the financial statement. The IESBA Code is currently drafted with a focus on ethics and independence as they relate predominantly to financial reporting. Given the breadth and depth of sustainability reporting, BDO believes a stand back look will be beneficial in assessing whether the IESBA Code remains fit for purpose to cover the myriad of new circumstances and situations which professional accountants and auditors are going to be faced with in dealing with new and expanded reporting obligations. BDO therefore encourages the IESBA to identify the key areas of the IESBA Code that may need to be revised and/or additional guidance provided to ensure the IESBA Code remains fit-for-purpose in establishing the standard of behaviour expected of a professional accountant, whether in business or public practice. The scope of this project must include the International Independence Standards (IIS) because independence will be required as much in the non-financial reporting space as it has been historically in the financial reporting space. Having said that, BDO is pleased to see that the IESBA has committed to readying the IESBA Code in support of sustainability reporting and assurance, where the importance of co-ordinating this work closely with the IAASB and ISSB is recognised [1]. BDO believes that a global ethical standard guiding sustainability reporting will reinforce comparability and reliability of reporting and will result in more transparency for the market. This will strengthen corporate governance and provide higher investor and public confidence. BDO believes that there is an urgent need for guidance on how to apply the IIS as it relates to sustainability services as the demand for these services are increasing, thus exposing the profession if the independence standards are not consistently applied.
BICA	IESBA is key to driving ethics principles and independence associated with sustainability disclosure information emanating from developments in sustainability reporting and assurance. IESBA should therefore play a role in the standard-setting processes to ensure that their influence is felt at various standard setting bodies.

[1] IESBA Commits to Readying Global Ethics and Independence Standards Timely in Support of Sustainability Reporting and Assurance | IFAC (ethicsboard.org)

Respondents	Comments
CAANZ	We strongly support the IESBA conducting a review of the Code for this purpose. It is important that the Code is subject matter agnostic, i.e., that it can be used for preparing and assuring a variety of subject matters, including sustainability-related information. A principles-based Code with universal applicability achieves this purpose. We do not believe that the Code should specifically refer to or address sustainability reporting and assurance as this is inconsistent with a principles-based approach and may result in further revisions to the Code being required for other subject matters. We welcomed the IESBA's announcement on 13 June regarding the priority placed on sustainability reporting and assurance.
CACR	Given the accelerated growth in the disclosure of sustainability information, IESBA should place a high level of importance on dedicating strategic focus through standard-setting action to the developments in sustainability reporting and assurance. In our view, such focus will serve the public interest through the existence of internationally recognized, consistent basis for all of those involved in sustainability assurance engagements.
CPAA	Global developments in sustainability reporting and assurance are of critical importance to the accounting profession and to society at large. The need to ensure that the profession is well placed to respond to the challenges and opportunities presented cannot be overstated. Hence, the IESBA should place a high level of importance and strategic focus on this topic. However, feedback from our members suggests that the IESBA should carefully consider how it responds through standard setting action. That is, our members are concerned with the increasing length of the Code of Ethics for Professional Accountants (the "Code") and the move to continually add new requirements to the Code, rather than rely on developing and providing non- authoritative guidance and other materials.
CPAC	The Public Trust Committee (PTC) believes that the IESBA should place a high level of importance on standard-setting action in response to developments relating to reporting and assurance of sustainability information because professional accountants (PAs) are already taking an active role in this area. In Canada, ethical requirements are in place to dissuade PAs from performing work outside their area of competence. Therefore, IESBA-developed sustainability reporting and assurance ethical standards could serve to enhance a PA's competence and further encourage involvement by PAs in this growing field. We are of the view that it is in the public interest to ensure that appropriate standards are in place for these types of assurance engagements, and that it is clear what type of assurance is being provided, and the relevant independence or other ethical requirements that apply. The PTC also encourages that IESBA take a balanced approach in developing standards that considers both consulting and assurance services that professional accountants in business (PAIBs) and PAPPs would leverage. We believe there is a significant amount of work to be done in examining the extant Code to determine which aspects of sustainability reporting and assurance would not be captured and where revisions to the Code are necessary. For example, we note that section 220 of the IESBA Code appears broad enough to include sustainability reporting for PAIBs, therefore as a start, IESBA could consider

Respondents	Comments
	developing a parallel of section 220 into Part 3 of the Code to cover PAPPs commencing work in this, perhaps, otherwise unfamiliar topic. It was noted that any standard-setting action should be written with enough clarity to inform the PA and provide regulators with enforceable and prosecutable ethical standards.
Cristian Munarriz	High importance, because of the urgent need for sustainability reporting and assurance and lack of clarify in current code.
CSCADG	We believe the level of importance is high however we are concerned that a reporting framework which has been globally supported and generally accepted would first need to be developed before meaningful progress could be made in the area of standard setting.
Deloitte	Deloitte Global supports the IESBA dedicating time to identifying and responding to emerging issues, as an important input in maintaining the Code's relevance. However, Deloitte Global considers that the principles and conceptual framework in Part 4B of the Code are already adequate to be applied to many assurance services and other services provided by PAs in Practice to assurance clients. We recognize development of the international sustainability disclosure and reporting standards is an evolving area and once complete, the IESBA may determine Part 4B is not sufficiently robust in certain instances. However, the IESBA standard-setting actions should not precede these other initiatives. In the meantime, the Board can consider providing timely, relevant and practical guidance to professional accountants on the application of the fundamental principles in Part 4B of the Code to the particular facts and circumstances related to sustainability assurance to help professional accountants properly apply the extant Code. Ethical guidance that is specific to the preparers of sustainability information would also be helpful for PAIBs.
Dilip Jain from Crowe Global	Sustainability reporting an assurance should be a major focus area since it relates a larger public interest of sustaining the environment we work in.
EFAA	We believe the IESBA should place a very high level of importance on this area. In the foreseeable future, in the EU at least, sustainability reporting and assurance looks likely to assume equal importance to financial reporting and assurance and, as such, demands equivalent attention from international standard setters such as the IESBA and IAASB. Many of the ethical issues and principles are common to both forms of reporting and assurance. We are confident that professional accountants have the necessary assurance skills and ethical compass though may need to get better acquainted with the subject matter and collaborating with other experts

Respondents	Comments
EY	We believe that standard-setting addressing sustainability assurance and reporting should be a very high priority for the IESBA. In fact, we believe this is a focus area that should be immediately actioned by the IESBA and should not be postponed until the 2024-2027 strategy period.
FIPECAFI	It is important, due to sustainability is relevant as part of the ESG.
Frederik Eloff from SAICA	A high level of importance. Responding to changes in technology and access to and demand for reliable information on a quick turnaround basis by users, may lead to standard setting actions.
HKCIPA	Given the rapid expansion of the market demand for sustainability information and the related reporting and assurance services, we agree that it is essential for the IESBA to understand the roles and responsibilities of professional accountants in the provision of sustainability reporting and related assurance services, and assess whether the current provisions to the Code remain robust and fit for purpose. In addition, we consider that this topic is closely related to the ISSB's two exposure drafts on the proposed standards on general sustainability-related disclosure requirements and climate-related disclosure requirements which were released in March 2022, and also the IAASB has prioritized its focus on sustainability assurance, these necessitate an immediate action for the IESBA to assess the ethical implications arising from the provision of sustainability reporting and assurance services by PAIBs and PAPPs.
IAFEI	IESBA should make it a priority to dedicate strategic focus to responding thru standard-setting action to the developments in sustainability reporting and assurance in the 2024-27 strategy period. This is in keeping with IESBA's role of upholding high ethical conduct of professional accountants who perform assurance/review engagements re sustainability compliance. This is to address public interest as well. For accountants in industry, the standards to be developed will serve as reference on their company's meeting expectations from a sustainable entity.
ICAEW	ICAEW considers the area of sustainability reporting and assurance to be extremely important and recommends that IESBA prioritize this area above introducing minor amendments to existing ethical standards. Substantial work needs to be done on ethical considerations concerning Professional Accountants in Business (“PAIB”). PAIBs are the preparers of reported information and are often involved in advising their boards on the consequences of business decisions around sustainability. They can face significant ethical dilemmas when looking what courses of action to recommend and how to report the demands of business profitability against “fair” reporting and accusations of “greenwashing”. Indeed, in

Respondents	Comments
	an ideal world, if the initial businesses decisions made by the PAIBs met all the UN sustainability goals, there would be little need to audit and report on what the business had done. Whilst the emphasis at present appears to be on reporting and assurance around climate change, and rightly so, the UN sustainability goals are significantly wider than this and reporting, and assurance of that reporting, is only the visible end product of the underlying business decisions. We would expect to see, over the short term, an expansion of interest in sustainability from reporting and assurance on the narrower issues to the wider arena including areas such as carbon reporting, pay and modern slavery. IESBA's focus will need to cover all these areas from the ethical considerations for PAIBs making business decisions, through to the ethic decisions in presentation and reporting. There may be the need therefore for broader ethical standards covering the all such areas. As regards sustainability reporting any ethical standards should take into account the reality that "sustainability reporting" involves considerably more judgement, estimation and uncertainty than purely financial reporting. Whilst primarily a role for IASB and ISSB, concerns over greenwashing, the lack of unification in terms of metrics, approach and reporting and the manifold reporting standards and frameworks available in themselves give rise to the ability for unethical manipulation of sustainability reporting.. Given the global focus on sustainability reporting by stakeholders, IESBA should ensure that it is involved with the development of reporting standards to the extent necessary to ensure they limit such opportunities for unethical behavior. One area in particular is the need to unify reporting and assurance standards to reduce complexity and reduce the likelihood that information provided in reports gives a false or misleading impressions .
ICAS	As noted by IESBA, given the growth in the disclosure of sustainability information, and increasing calls for assurance to be provided on such information, we believe that it is of a high level of importance that the IESBA should focus on standard-setting in relation to sustainability reporting and assurance in the next strategy period. This should also be supported by non-authoritative material as appropriate. As IESBA set out in its recent response to the International Sustainability Standards Board (ISSB) on its proposed sustainability reporting standards and with which we agree: "For sustainability reporting to meet the needs of stakeholders in the public interest, the infrastructure that supports sustainability reporting and assurance must be underpinned by high standards of ethical behavior and independence together with a robust system of quality management, oversight and enforcement. IESBA is a critical part of that infrastructure. While global sustainability reporting standards will be essential to meet the information needs of investors and other stakeholders, we believe it is critical to recognize the role of ethics in supporting public trust in sustainability reporting and assurance."
IDW	It is unclear to us why new standard setting projects in relation to ethical and independence requirements for assurance engagements in this area are needed because the Code already covers ethical and independence requirements for assurance engagements generally, and these apply. For this reason, we do not believe that new ethical and independence requirements for sustainability should be a high priority.

Respondents	Comments
IFAC SMPAG	Overall, the SMPAG supports IESBA focusing on developments in sustainability reporting and assurance in its next strategy period and exploring its potential role and actions, which may not involve standard setting. The SMPAG is made up of members from 22 countries in regions around the world, so views on the timeline for addressing sustainability reporting and assurance matters are currently very jurisdiction specific. Sustainability reporting is already a priority in developed countries, particularly the US, the EU, and the UK, whereas, driven by developments at the ISSB, it is expected to become a priority elsewhere in future. Some believe this should be a top priority and consider that 2024 may be a bit late. We therefore support the establishment of the Sustainability Working Group and consideration of non-authoritative guidance. It is key that the IESBA should work in parallel with the ISSB and IAASB. Furthermore, for SMPs whose main clients are SMEs, consideration of scalability will be also necessary. We would also ask the Board to consider whether there are changes needed to the Code itself to address sustainability reporting and assurance. For example, there are PAs currently doing this work and applying the conceptual framework and other guidance already applicable to assurance services in the Code. Perhaps the Board should explore how the current Code could be applied when providing sustainability assurance and what sections are being used by PAs in providing those services, rather than focusing on additional standard-setting actions. The Board may find that developing non-authoritative guidance to address specific issues around sustainability assurance may be all that is necessary. The SMPAG believes that changes to the Code should only be introduced if it is found that the current conceptual framework and related sections of the Code that apply to assurance services are not adequate to address sustainability services.
Ikhlaas Dooreemeah from BDO International Limited	High importance
IOSCO	We have included our comments related to the potential future sustainability-related project 2024-2027 in this potential sustainability strategic focus area. We encourage the IESBA to be proactive in considering enhancements to be responsive to the global momentum in this space, beginning with climate change disclosures as some major jurisdictions are already proposing approaches that would consider assurance of climate-related disclosures.
IRBA	Developments in ESG are happening rapidly. We need to understand what forces are driving this momentum and distinguish between the motives and intentions of each. This will then help the IESBA to bring an independent perspective to its own deliberation.

Respondents	Comments
	The accounting profession has again taken the lead in ESG developments, with firms recognizing the market opportunity the work in the area presents. The work that firms do should be one input to IESBA's considerations of what its priorities should be. We agree that it is important to continue researching what impact ESG developments may have on the Code. Specifically, we support the statement that "*fact-finding work must precede and will help circumscribe the scope and direct the focus of, any standard-setting work in order to achieve the greatest possible impact*" and agree that independence for assurance engagements other than audit and review engagements needs to be a specific area of focus. In the context of the other strategic pillars this, in our view, carries equal weight as the pillar "strengthening independence standards for audit engagements". Practically, it may make sense to consider combining these two pillars into one strategic pillar that explores "strengthening independence standards for ALL assurance engagements, including ESG". This proposal is made based on the below thoughts / questions as we deliberated our response: • ESG is topical (in some areas), but from a reporting and preparing perspective first, the fundamental principles remain relevant to ESG assignments. • Do / Should the ethical standards for PAPPs, PAIB and other assurance providers really be different? • To continue developing / expanding the Code to cater for different service lines, builds further complexities into the Code that may undermine its effectiveness. Consequently, we caution against over-emphasizing the importance of this strategic pillar based on very short-term market interest that is still developing and stress the importance of strengthening independence provisions for ALL assurance services. As MG reforms slowly unfold, and influence the composition of the IESBA, with more non-practitioner Board members, the voice of non-practitioners in this area will particularly relevant.
ISCA	We believe that sustainability reporting and assurance is expected to continue to be the main focus globally in the coming years, hence ethical standards need to keep up with global developments to stay relevant. As such, we are supportive of the IESBA Sustainability Working Group formed in Q1 2022 to begin fact finding work on sustainability reporting and assurance which will help circumscribe the scope and direct the focus of any standard-setting work. Once the Working Group has completed its work, the IESBA should start its strategic focus on sustainability reporting and assurance as soon as possible and continue it into the next strategy period 2024-2027. Hence, we are of the view that IESBA should place a high level of importance on dedicating strategic focus to responding through standard-setting action to the developments in sustainability reporting and assurance in its Strategy and Work Plan ("SWP") for the period 2024 – 2027.
JICPA	In light of the rapid increase in disclosure of ESG information in the financial market and the growing need for assurance, and the fact that practices are already ahead of the standard-setting actions, we believe that a speedy response is required in setting up a framework for sustainability reporting and assurance. Considering the current situation where companies are already disclosing information that does not have any certified third-party assurance, we believe that it is in the public interest

Respondents	Comments
	to ensure the reliability of disclosed information by establishing an assurance framework for disclosed information as soon as possible from the perspective of investor protection. The IESBA plans to complete its fact-finding work within the current strategic period, by 2023, after which we believe the IESBA should make the resources be concentrated on this matter so that it can move quickly to the standard-setting process.
KPMG	We believe the IESBA should prioritize this as a matter of strategic focus with a high level of importance. The demand for high quality information and for assurance over such information, as well as the activity of other standard-setters, regulators and other bodies in this area all support this prioritization. We agree with the IESBA that it would be helpful to consider matters such as the relevance and applicability of the PIE concept to sustainability assurance engagements, the independence provisions that should apply to those involved, and the involvement of PAPPs in the preparation and reporting of sustainability-related information. We encourage the IESBA to work closely with other standard setters involved, given the pace of change in this area. We note, for example, that matters such as the meaning of materiality are already under close consideration by IAASB, IASB and ISSB, so it is important that any IEBSA initiatives are closely aligned with the work of other boards
LCPAA	The IESBA should prioritize the following topics to align with the next 4 years strategic work plans such as: 1. Strengthening independence standards for audit engagements; 2. Raising the bar of ethical behavior for professional accountants in business; 3. Promoting timely adoption and effective implementation of the Code; and 4. Responding to developments relating to reporting and assurance of sustainability information. We are currently focusing on the issued standards.
Leaf Excellence	Not as much as improving existing standards.
MIA	Sustainability reporting and the subsequent assurance over the non-financial information are the undisputed current trend. With the IFRS Foundation establishing a new Board to develop Sustainability Disclosure Standards and increasing market demand for credible sustainability information (therefore the need for assurance), IESBA has to ensure that it is responding effectively to all these market developments with a fit for purpose Code applicable to accountants, be it preparers and the practitioners. Hence, the Board must ensure a strategic focus in these 2 areas in the next few years as part of the Board's Strategy & Work Plan (SWP) 2024-2027.

Respondents	Comments
MNP	We believe that the IESBA should dedicate a high level of importance to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period. There has been, and continues to be, a major shift in the demand for sustainability reporting by investors and other stakeholders. The development and adoption of sustainability standards must go beyond the development of reporting and assurance sustainability standards and include the development of relevant ethical requirements, including independence, in support of the public interest. Further, we agree that the IESBA and IAASB must coordinate their projects around sustainability standards to ensure they are consistent and interoperable.
NRF	Considering the global emphasis on ethics in relation to providing sustainability reporting and assurance services, we support the IESBA in dedicating strategic focus on further exploring their role and actions in these areas. Aligning IESBA's SWP period with the IAASB's is an important step to enable closer coordination and consistency between the work done by both standard setting boards on topics with mutual interest. For example, although we understand there may be reason to assess the robustness of the IIS in Part 4 B, the timing and any actions related to such a review need to be closely coordinated with the IAASB's work on a new assurance standard for sustainable reporting. The fundamental principles and the conceptual framework in the Code should be generic and robust enough to be applied on all services provided by PAs. With that in mind and since services related to sustainability are already being provided by both PAPPs and PAIBs, we would encourage the IESBA to focus on providing non-authoritative guidance rather than standard-setting actions, unless necessary. Outreach activities and monitoring, influencing and collaborating with other stakeholders, such as standard setters, regulatory bodies and legislators will be key in promoting the role of ethics and raising awareness of the Code. Finally, we encourage the IESBA not to address these matters only from a PIE perspective but taking an inclusive approach since sustainability reporting and assurance will impact all kinds of entities.
OECD	**OECD Directorate: DAF (Directorate for Financial and Enterprise Affairs)** The level of importance should be high. A global analysis of 1 400 large listed companies in 22 major jurisdictions found that 91% of companies reported some level of sustainability information, and that 51% of those that disclosed sustainability information in 2019 provided some level of assurance by a third party. Eighty-three percent of these assurance engagements, however, resulted in only "limited" assurance reports (IFAC and AICPA – "The State of Play in Sustainability Assurance"). Not-yet-published OECD analysis shows that, based on a sample of 3000 listed corporations in 2021 representing half of the global market capitalisation **OECD Directorate: EXD/DO (Executive Directorate / Director's Office)**

Respondents	Comments
	Sustainability is the issue of our time; the IESBA should place significant strategic focus to standard-setting action in this area. That focus should ensure that the IESBA's response is well adapted to ensure that all firms / organisations are able to adopt any standards it develops. A standard that would be too heavy or that would not include transitory measures is more likely to fail. For all of the reasons, the IESBA needs to be very thoughtful about scope and scalability**.** **OECD Directorate: EXD/PBF (Executive Directorate / Programme, Budget and Financial Management)** High importance as Professional Accountants, whether in practice or in business, will require standards to maintain professional reputation and mitigate risks in this new area of reporting. **OECD Directorate: GOV/PSI (Public Governance / Public Sector Integrity)** The importance for an evidence-and risk-based approach and financial sustainability corresponds with the fact that the integrity strategies depend on multiple implementation agents and that the integrity strategies covers multi-annual financial plans that are linked with the medium-term expenditure framework and public availability of the full action plan, together with the corresponding monitoring reports. A "whole-of-society" approach to public integrity requires companies and civil society organisations to ensure that their engagement with the public sector respects the shared ethical norms, principles and values of society. How this materialises depends on the role each actor has in society. For companies, it can involve complying with environmental and human rights standards when carrying out their business activities, paying their fair share in taxes, refraining from offering bribes, and ensuring that lobbying activities align with the long-term sustainability goals set by the company (*see OECD Public Integrity Handbook*).
PwC	We strongly support the proposed focus by the IESBA on developing appropriate guidance, and changes to the Code and IIS if necessary, in relation to the ethical (including independence) issues raised by the growing demand for sustainability reporting and assurance thereon. The profession clearly has a major role here and has, as a core starting point, existing frameworks, ethical standards, and reporting standards to undertake this critical work. We anticipate that this will be a major focus of IESBA's efforts over the next couple of years, which we fully support, and agree with the sentiment expressed at the recent Board meeting that this should be fast-tracked given the importance attached to this by external stakeholders. In the short term, relevant guidance can be issued given that any standard setting process takes more time. We recommend that the Board clearly identifies and focuses on the relevant ethical issues, such as the provision of related non-assurance services. For example, the suggestion above that the Board may look at PAIB's "mission critical" role suggests that the focus might be wider than is appropriate for a code of ethics. We concur that it is appropriate for the Board to consider whether Part 4B is fit for purpose in the context of ESG assurance reporting and could envisage that there might be some enhancements where the entity is both a public interest entity and the reporting is itself of heightened public interest. This could involve looking at the growing range of services that PAs provide in this space but we do not see that as a separate project given that the principles relating the provision of non-assurance services

Respondents	Comments
	are already well established in the IIS. This said, while it is clearly important that independence standards are robust and appropriate, we believe that they should not inappropriately hinder professional accountants and firms' ability from contributing their valued knowledge and experience in this space. This work effort will inevitably consume considerable time and resources and which will have an impact on the ability to pursue other initiatives. Our comments on other potential areas of focus reflect this. The IESBA has finite resources and we recommend that it focuses on those areas where it can make a real impact and help set appropriate ethical standards for PAs.
RSM	In our view the IESBA should place high importance on dedicating strategic focus to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period as well as broader aspects related to Environmental, Social and Governance requirements as set out in question 3. below. This is because: - This is a new and emerging area and it is important that the IESBA is informed in this area in order to respond quickly and effectively - Sustainability reporting is important to the public interest and will become more and more relevant to public trust in organisations - It is important that the IESBA remains relevant and fit-for-purpose and so it needs to respond to this trend - It is likely that Professional Accountants will have significant involvement in sustainability reporting. For example, Professional Accountants will be involved in developing standards, in ensuring that organisations comply with associated regulations, in reporting on compliance with standards and providing consultancy services on and providing assurance with respect to compliance with those standards - The IESBA has a vital role to play in helping ensure ethical behaviour of Professional Accountants involved in matters that impact the public interest. A key issue associated with sustainability reporting is ensuring that there is consistency in the way that associated data points across an organisation's supply chain and operations is measured, how the subject matter associated with the data points is assessed and how this is governed and reported. There will be challenges in agreeing on and setting up the structures internationally to ensure consistency. It is therefore important that the IESBA does not develop requirements and application guidance in isolation. The IESBA should continue to work closely with the IAASB, the International Organization of Securities Commissions, other relevant international bodies and regulatory bodies in major jurisdictions. It is also important that there is a level playing-field for those organisations that provide assurance on sustainability reporting as set out in the response to number 2 below.

Respondents	Comments
Tony Alizzi from Hewlett Packard Enterprise	Highly important. Choices around capital allocation are increasingly made on sustainability factors. The lack of clarity and standardization in reporting makes this very difficult. Example - I work for a NYSE listed company which has 5 different sustainability ratings agencies rating the company. This is ridiculous. How can 5 individual agencies have a different view on the same company, when each is using different proprietary criteria, and yet be considered credible in using relevant and ethical measurement standards?
UKFRC	The IESBA should place a very high level of importance on the need to respond to developments in sustainability reporting and assurance. The development of an ecosystem based around reporting and assurance standards is progressing in response to the requirements and expectations of multiple stakeholders. This ecosystem requires a robust ethical dimension to ensure sufficient levels of public trust in the information being reported and assured. The development of sustainability reporting is likely to require the development of new assurance skills, concepts, and business models for accountants, whether they are reporting under new standards or assuring that reporting. Ensuring that these are developed and delivered with a robust ethical mindset from the outset, consistent with current requirements for professional accountants, will help prevent negative outcomes which could undermine public confidence in sustainability reporting as well as the accountancy profession more generally. In addition, the IESBA should not underestimate the level of resource successfully developing and delivering a project will require, especially given the ambitious timetable set by the ISSB. In considering the next strategy period, the IESBA will need to have a clear understanding of projects that can either be cancelled or postponed.
Validor Management	For advanced accounting policy and economics sustainable
WFE	We highly support IESBA to focus strategically on developments in sustainability reporting and assurance during its next strategy period. Given that sustainability reporting standards are currently being developed by different standard-setters around the globe, e.g., IFRS, EFRAG and the CFA Institute, that will require accounting and audit input, it is essential that IESBA incorporates sustainability reporting in its work. The developments in this area are moving rapidly and IESBA should engage with these developments to determine how they may impact the IESBA standards. IESBA should also consider coordinating with IAASB to ensure the work of the two Boards are in sync
WPK	This topic should be a **top priority** to IESBA since the issue of sustainability is among the most relevant issues for the profession currently.

Respondents	Comments
	Sustainability-related disclosure is now a core component of the corporate reporting ecosystem, as reflected in global and jurisdiction-specific initiatives. Climate and other ESG matters are decision critical. Regulatory frameworks must promote rigor, clarity, and consistency of information, both to meet investor demands and those of other stakeholders. Alignment among all these initiatives is imperative for decision-useful information. It is critical that a harmonized, global system of sustainability and climate disclosure is created and that a patchwork of standards and regulations emerging across jurisdictions is avoided. IESBA should play a key role in this area by addressing these complex issues from an ethical perspective. This will ensure public confidence in the profession and the reliability of the information it provides. However, IESBA should first check whether the existing principles-based provisions of the Code are not sufficient to adequately cover the topic of sustainability from an ethical perspective. Only if this is not the case, IESBA should consider appropriate changes, but in doing so closely coordinate with the relevant stakeholders and especially the IAASB.
XRB	The XRB considers this should be a dedicated strategic focus area of the highest possible importance. This is an evolving area where leadership and inclusivity of a broader range of subject matter and assurance expertise is needed. The pace of change in both sustainability reporting and assurance demands an urgent response from a standard setting perspective. We encourage the IESBA to engage broadly, including with other professionals. In NZ, the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act introduces mandatory climate- related disclosures (CRD) for most New Zealand listed issuers and large banks, non-bank deposit takers, insurers, and investment managers. Climate reporting entities (CREs) will be required to disclose CRD for accounting periods that start on or after 1 January 2023. The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act also has assurance implications, in that the disclosures relating to greenhouse gas (GHG) emissions will be required to have independent assurance, performed in accordance with the XRB's assurance standards. The XRB's assurance and professional and ethical standards are not limited to professional accountants, rather the XRB's mandate extends to non-professional accountants providing assurance in this space. We consider that work on this initiative cannot wait until the next strategy period. Work should commence immediately.