

Sustainability

Update on Common Issues for WS1 and WS2

Christelle Martin, Work Stream 2 Chair

Laura Leal, IESBA Principal

Szilvia Sramko, IESBA Principal

Jon Reid, IESBA Principal

IESBA Meeting – September 2023

Agenda

- 1) Coordination activities with the Sustainability Reference Group (SRG), IAASB and ISO
- 2) Update on Other Outreach Activities
- 3) Proposed:
 - Title and Numbering of Part 5
 - Title of the Code



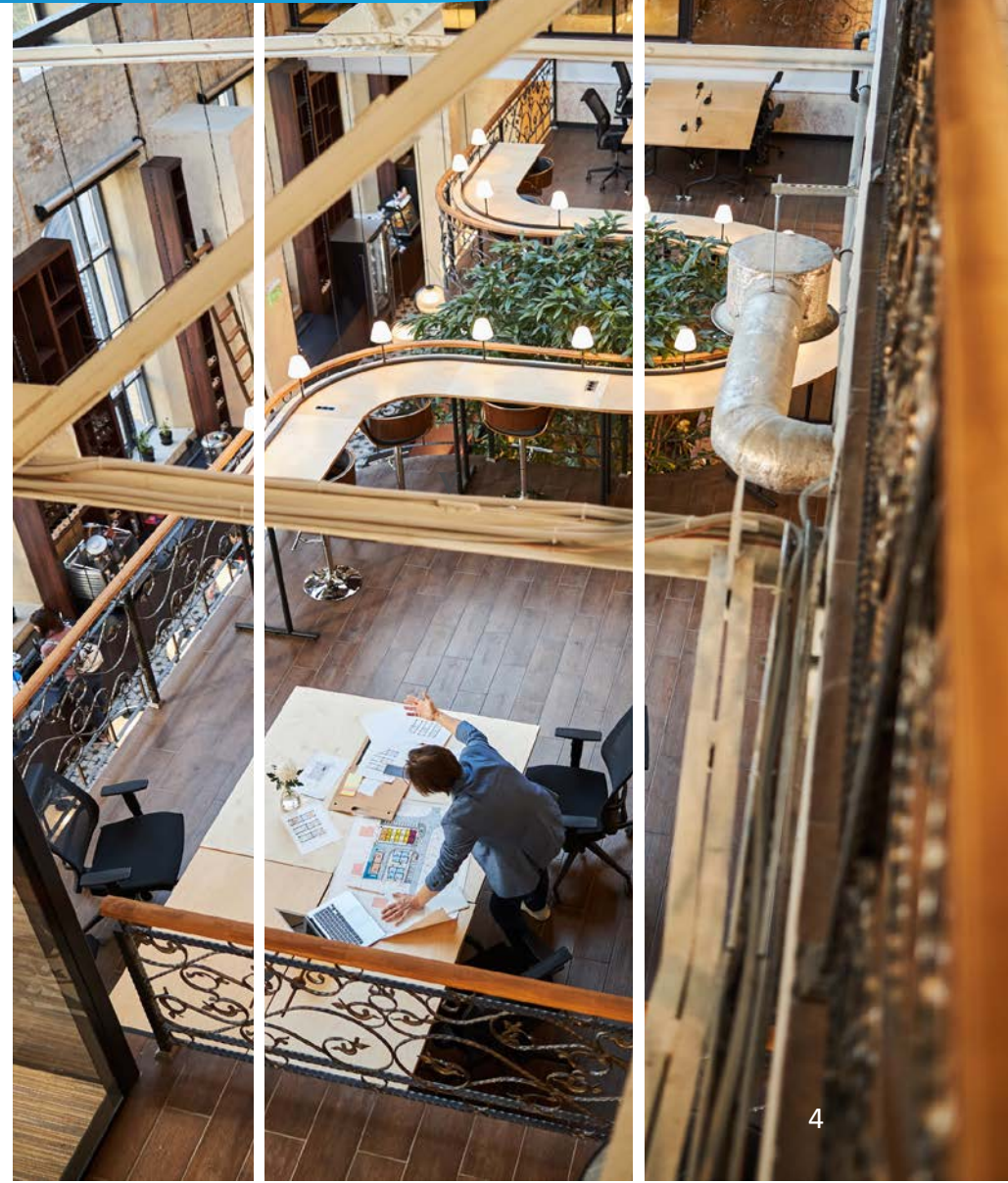


Update on Coordination & Outreach Activities



Coordination Activities

- ✓ Sustainability Reference Group:
 - Meeting on August 2
 - Written feedback on draft standards
 - Next meeting early October
- ✓ IAASB – Staff meetings throughout Q3
- ✓ ISO – technical meetings on August 7 and September 1
- ✓ IAF – ongoing engagement



Other Outreach Q3 2023

- ✓ ISSB
- ✓ Forum of Firms
- ✓ ISSB-ACMF Joint Conference in Singapore
- ✓ Accountancy Europe Roundtable
- ✓ IOSCO Sustainable Finance Task Force
- ✓ AccountAbility ESG and Boards Panel
- ✓ PPRAG Meeting
- ✓ Japan and Korea Outreach
- ✓ Nordic Federation General Assembly
- ✓ UofJ/PAFA and ICAN Conferences



Questions or Comments?





Proposed Title and Numbering of Part 5 Title of the Code



Title of Part 5

The Task Force considered the title of Part 5 taking into account:

1. The standards cover both ethics and independence and will apply globally
2. The standards are profession-agnostic and therefore no need to reference PAs
3. The ethics standards are proposed to apply to all sustainability assurance engagements (not just those subject to the independence scope)

Task Force proposes the title of Part 5 as:

“International Ethics and Independence Standards for Sustainability Assurance”



Part 5 Numbering

The Task Force considered whether Part 5 should be numbered in the 1000s vs 5000s:

- 1000s has the advantage of being sequential from Part 4B, which currently goes up to Section 990.
- 5000s:
 - Provides space for potential future standards between Parts 4B and 5.
 - Ensures Part 5 paragraphs all start with a 5 for clarity.
 - Creates a parallel with ISSA 5000.

The Task Force proposes to number Part 5 in the 5000s.

Part 5 Numbering

The Task Force will ensure the numbering in Part 5 is consistent with extant Parts 1 to 4A:

- For example, R5120.3 will be the equivalent to extant R120.3, R5300.4 equivalent to R300.4, and R5400.20 equivalent to R400.20 etc.
- Where extant paragraphs are not included in Part 5 there will be a reference to intentionally left blank to maintain numbering consistency.
- Where paragraphs are unique to Part 5 this will be indicated with an “a”, “b”, etc., for example paragraph R5360.18a, to maintain numbering consistency.

This consistency creates advantages to:

- Demonstrate Part 5's equivalence and same high bar as audit.
- Facilitate adoption and implementation for PAs, particularly if performing the audit and sustainability assurance.

Title of the Code

The Task Force considered changing the title of the Code and took into account:

- Changing the title could create jurisdictional implementation issues where the title is included in legislation.
- Including ethics and independence for sustainability assurance would make the title cumbersome.
- The Code has an established title and brand.

Accordingly, the Task Force proposes not to change the title of the Code



Do IESBA members agree
with the Task Force's
proposals?





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