

**Meeting:** IESBA  
**Meeting Location:** Virtual  
**Meeting Date:** November 8, 2024

## Agenda Item

# 1

### Sustainability

#### Objectives of Agenda Item

1. To consider the proposed changes to the following Sections of the International Independence Standards (IIS) in the proposed International Ethics Standards for Sustainability Assurance (IESSA):
  - Section 5405 – Group Sustainability Assurance Engagements
  - Section 5406 – Another Practitioner Whose Sustainability Information is Used in a Sustainability Assurance Engagement
2. To provide input and direction to Workstream 1 (WS1) on its proposed revisions.

#### Activities Since September 2024

3. At its September 2024 meeting, the IESBA considered and discussed an analysis of significant comments raised by respondents to the Exposure Draft, [Proposed International Ethics Standards for Sustainability Assurance \(including International Independence Standards\) \(IESSA\) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting](#) (Sustainability ED), and the Sustainability Task Force's responses.
4. In September, the Board's discussion included matters for coordination between the IESBA and IAASB regarding sustainability assurance. The IAASB and IESBA agreed on the principles regarding the key matters for coordination at a joint session. Subsequently, the IAASB approved the [International Standard on Sustainability Assurance 5000 \(ISSA 5000\)](#).
5. The Task Force met in October to discuss comments received from IESBA members and some stakeholders (including IFAC) as well as the PIOB, and develop updated proposals for the Board's consideration.
6. The Sustainability Reference Group (SRG) also held a meeting in October where the IESBA representatives provided an overview of the main outcomes of the IESBA September 2024 meeting. Comments from the SRG members were taken into consideration by the Task Force when developing its proposals.

#### Matters for IESBA Consideration

7. **Agenda Item 1-A** sets out proposed revisions to Sections 5405 and 5406 of the IIS in the IESSA. The document includes the changes from the Sustainability (ED) in mark-up. The amendments from the [proposed revised text](#) for the September 2024 IESBA meeting are highlighted in yellow. WS1's explanations and rationale regarding these amendments are added to the document in grey boxes.

8. **Agenda Item 1-B** includes visual aids to the independence requirements in Sections 5405 and 5406 as presented in Agenda Item 1-A.

### **Next Steps**

9. At the December 2024 IESBA meeting, the Task Force will:
- (a) Provide the Board for second read:
    - (i) The proposed IESSA; and
    - (ii) The proposed revisions to the Code regarding sustainability reporting; and
  - (b) Seek the Board's approval of the final pronouncement.

### **Material Presented**

#### *For Discussion*

Agenda Item 1-A          Proposed Changes to Sections 5405 and 5406 (Mark-up from ED)

#### *For Reference*

Agenda Item 1- B          Flowcharts to Independence Requirements in Sections 5405 and 5406

### **Action Requested**

10. IESBA members are asked to:
- (a) Consider the proposed changes in **Agenda Items 1-A**; and
  - (b) Provide input and direction to WS1 on its proposals.