May 10, 2024

Gabriela Dias
Chair, IESBA and Co-CEO, International Foundation for Ethics and Audit
International Ethics Standards Board for Accountants (IESBA)
529 5th Avenue
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Re: Proposed International Ethics Standards for Sustainability Assurance (Including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting

It is a pleasure to submit comments on behalf of Ceres and the Ceres Accelerator for Sustainable Capital Markets. Ceres is a nonprofit organization with 35 years of experience working on climate change with the world’s leading investors and companies to drive sustainability in the bottom line and through ambitious federal and state climate and clean energy policy. The Ceres Accelerator works to transform the practices and policies that govern capital markets in order to reduce the worst financial impacts of the climate crisis. It spurs capital market influencers to act on climate change as a systemic financial risk, driving the large-scale behavior and systems change.

Ceres works with leading global investors and companies. Our Investor Network currently includes over 220 institutional investors that collectively manage over $45 trillion in assets. Ceres is a founding partner of the Net Zero Asset Managers Initiative and the Paris Aligned Investor Initiative, which includes investors focused on sustainable investments within their portfolios and other assets. Our Company Network includes more than 50 of the largest global companies and banks with whom we work on an in-depth basis on climate strategy and disclosure, among other issues.

Ceres has been a strong supporter of the use of independent third parties for the provision of assurance reports on sustainability information. Indeed, we recently published a report on this topic, “Closing the Gap: Investor Insights into Decision-Useful Climate Data Assurance,”
accompanied by the webinar, “Rest Assured: Uncovering the Essential Role of Third-Party Assurance in Climate Data.” The report explained how high-quality, independent assurance can “close the gap” with respect to the credibility of sustainability reporting. We also provided comments to the IAASB on its proposed International Standard on Sustainability Assurance (ISSA) 5000 last year.

Ceres believes that the IESBA’s Exposure Draft on International Ethics Standards for Sustainability Assurance and ethics standards for sustainability reporting sets forth an appropriate framework for ethical conduct by sustainability assurance practitioners. We also endorse the approach that the standards apply regardless of the provider’s professional background.

The IESBA draft states that "[t]he goal of these standards is to mitigate greenwashing and elevate the quality of sustainability information, thereby fostering greater public and institutional trust in sustainability reporting and assurance.” Ceres believes that the standards fully address these goals and that the standards, when adopted, will reduce the presence of "greenwashed" sustainability reporting.

Accordingly, we support the IESBA’s efforts and urge it to move forward with the adoption of the proposed standards.

For further information, please contact Thomas L. Riesenber (triesenberg@ceres.org), Ceres' Senior Regulatory Advisor.

Sincerely,

Thomas L. Riesenber
Senior Regulatory Advisor