

Sustainability Assurance – Respondents’ Detailed Comments to EM Question 6

Is the relationship between sustainability matters, sustainability information and disclosures clear? If not, what suggestions do you have for making it clearer?

6.2 Agree with comments

2. Preparer and Users of sustainability information

Link Asset Management Limited

The link between sustainability matters, information, and disclosures could be clearer. We suggest the standard explicitly outline how these elements interconnect, particularly emphasizing the impact on stakeholders and the environment. Clear guidelines on identifying and prioritizing sustainability matters, with a focus on stakeholder engagement and impact assessment, would enhance understanding and relevance.

MFIs' Internal Audit ESG Working Group

The relationship is clear but once again, the definition and relationship may need to follow the target criteria for the engagements.

5. National Auditing Standard Setters

Australian Auditing and Assurance Standards Board (AUASB)

Appendix 1 is critical in understanding the relationship between sustainability matters, sustainability information and disclosures and should therefore be integrated into the body of the application material.

Austrian Chamber of Tax Advisors and Public Accountants (KSW)

Yes, it is clear. These terms are often defined and explained in sustainability reporting frameworks such as ESRS and IFRS Sustainability Standards (S1 and S2). Therefore, practitioners will most likely be referring to the applicable framework, as necessary.

Comite Brasileiro de Sustentabilidade (CBPS)

Please refer to the same comments to Question 5 above

Compagnie Nationale des Commissaires aux Comptes (CNCC) and Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)

We believe that the relationship between sustainability matters, sustainability information and disclosures described in Appendix 1 of ED-5000 is clear. The diagram in Appendix 1 is very insightful in showing the relationship, not just between matters and information, but also between topics and aspects of topics.

As mentioned in question 5, we strongly encourage the IAASB to coordinate with the IESBA both on the definition of sustainability information and on the relationship between sustainability matters, sustainability information and disclosures.

The current exposure draft mentions Governance, Risks & Opportunities and Metrics & KPIs, which differ only slightly from the four pillars in the published standards (Governance, Strategy, Risk Management and Metrics & Targets), given that the two main international standards use the same pillars, as well as the

TCFD, even if the IAASB is developing the standard to be reporting framework neutral. We would therefore appreciate the IAASB to align the diagram in Appendix A with the four pillars used in ISSB standards, ESRS and TCFD to assist assurance practitioners in the consistent application of the standard.

Institut der Wirtschaftspruefer in Deutschland e.V. (IDW)

If one reads the definitions of sustainability matters, sustainability information, disclosures, the application material on topics and aspects of topics, and Appendix 1 carefully, the relationship between these is clear. However, we gather that practitioners may be confused about the unusual use of the term “disclosures”, which is completely different to how the term is used in the ISAs, other IAASB standards, and sustainability reporting frameworks. That is why in the IDW sustainability assurance standards we opted for the use of the term “information categories” rather than use the term “disclosures”.

Japanese Institute of Certified Public Accountants (JICPA)

An illustration in paragraph 2, Appendix 1 of ED-5000 could be better understood by making it clear that the table in the right box shows how the concept in the bottom left box is reflected in the disclosures in the sustainability information as follows:

Changing “Disclosures” in upper right box to “Sustainability Information”

Changing the green arrow from the bottom left box to the right table to cover the entire table in the right instead of just pointing toward “Aspect of Topics.”

Adding a note in the bottom left box that each of the “X” in the right table means “disclosure” in accordance with paragraph 4 of Appendix 1.

In addition, the circles around “Topics” and “Aspects of topics” in the top left box should not overlap each other; therefore, these two should be clearly separated in the box and show they have a matrix relationship by adding “X” between them.

Attached below is the suggested revised illustration in paragraph 2, Appendix 1 of ED-5000.

Malaysian Institute of Accountants - Auditing and Assurance Standards Board (MIA)

Additionally, we would like to suggest IAASB to consider expanding the examples in paragraph A32 to include topics such as supply chain management, data privacy and security, and waste management to align with specific local requirements related to sustainability disclosures.

7. Accounting Firms

BDO International Limited

We appreciate the inclusion of Appendix 1, which illustrates in a diagram the relationship between ‘sustainability matters’, ‘sustainability information’ and ‘disclosures’. This diagram, and paragraph 4 of Appendix 1, reinforces that ‘disclosures’ represent ‘pieces of information’ reported about ‘aspects of a topic’, consistent with the definition of disclosures as ‘specific sustainability information related to an aspect of a topic’ (paragraph 17(i)). However, the proposed conforming amendments to the International Framework for Assurance Engagements (the Framework) does not refer to the concept of disclosures.

To assist practitioners’ understanding of the meaning of ‘disclosures’ in the context of the Framework, we propose to clarify within ED-5000 that each disclosure (outcome) results from measuring or evaluating an aspect of a sustainability topic (underlying subject matter) by applying the relevant requirements of the

applicable sustainability framework (criteria). This would clarify that disclosures are the information recognized, measured, and presented about specific aspects of a sustainability topic.

We propose that the examples of sustainability topics and aspects of topics presented in paragraph A32 of ED-5000 could be expanded with two further columns, illustrating what 'disclosures' mean for each example as shown in the table below:

Sustainability information

Sustainability matters

Sustainability topics

Aspects of topics

Disclosure

The sustainability report (or the defined parts of the sustainability report) which is subject to assurance.

The specific subjects within each high-level domain on which entities report (e.g., environmental matters, social matters, economic matters, cultural matters), and that the entity has elected to report on (e.g., labor practices, which is a social matter).

Different dimensions of each topic (e.g., the governance of labor practices, the risks and opportunities arising from labor practices, etc.)

The specific information in a sustainability report (or its defined parts) that relates to an aspect of a topic.

For example, the description of how labor practices are established, monitored, reviewed, and remediated under the entity's policies, and the numerical disclosure of the number of employees by gender and role category.

Deloitte LLP

Use of the term "disclosures" in ED-5000 may be misunderstood as meaning "financial statement disclosures", particularly when sustainability information is presented in the same document as the financial statements (as is required under certain sustainability reporting frameworks or regulations). While we acknowledge that this distinction is addressed in the application material (paragraph A16), we suggest the IAASB replace the term "disclosures" with "sustainability disclosures" throughout the standard, where appropriate, to avoid misinterpretation.

Ernst & Young Global Limited

We believe that the relationship between sustainability matters, sustainability information and disclosures described in Appendix 1 of ED-5000 provides a clear overview. The diagram in Appendix 1 is very insightful in showing the relationship, not just between matters and information, but also between topics and aspects of topics.

We suggest that the IAASB provide "real life" examples of the concepts illustrated in Appendix 1, either in Appendix 1 or in updates to the EER guidance, as we believe that this will help in applying these concepts.

Finally, we suggest the following revisions to the diagram in Appendix 1 of ED-5000 for better clarity:

Change the term "disclosures" to "sustainability disclosures" throughout the Appendix

It is our understanding that the box on the top right of the diagram labeled "Disclosures" is a detailed representation of the box on the bottom left labeled "Sustainability Information". We propose the following modifications:

Change the arrow extending from the left box to the right to point to the entire right box, not just to "Aspects of topics"

Add a footnote below the diagram to indicate that each "X" is a "Sustainability Disclosure"

ETY sas

We recommend that the IAASB provide more practical examples to clarify the connection between sustainability matters, sustainability information, and disclosures across different sustainability engagement projects.

KPMG International

We consider that the relationship between sustainability matters, sustainability information and disclosures is clear. We also consider that the material included at Appendix 1 to the proposed standard, including the diagram/graphic, will be very helpful.

We suggest that the application material clarify that "aspects of topics" is equivalent to the terminology of "elements" or "content", used in certain sustainability reporting standards/frameworks, to help ensure that ISSA 5000 is able to be applied consistently in concert with such standards.

Clarity regarding the use of the term "Disclosures"

Notwithstanding the above, whilst we recognise the IAASB's intentions in using the term "disclosures" in respect of more specific/granular sustainability information related to an aspect of a topic, we are concerned that the use of this term in this context may give rise to confusion. We highlight that the term "disclosures" is an established and clearly understood term in a different context, in respect of wider audit and assurance engagements with reference to providing information at a more granular level that is important to users' understanding. We are concerned that use of the term as envisaged in ED-5000 may be confusing, in particular, because the concept of "disclosures" as already understood in terms of providing more granular information is also applicable to sustainability assurance engagements, and in a number of places in this response we refer to the need for the standard to refer to such disclosures. We note that the ISAs refer to "classes of transactions, account balances and disclosures" with certain ISAs placing particular emphasis on the importance of such disclosures and whether these are appropriate. For example, this is a key feature of ISA 540R, and we note that ISA 540R has been used as the basis for the development of content in relation to estimates and forward-looking information in ED-5000. Accordingly, we recommend that the IAASB explore using a different term in ISSA 5000, such as "areas" or similar, to refer to such information, and define this accordingly, to enable the term "disclosures" to continue to be used as currently understood.

Mazars

(See also comments in Q5).

We note that in the diagram in the appendix the IAASB has only partially aligned the aspects of topics with the pillars used in the major sustainability reporting standards (ESRS and IFRS SDS). The current guidance includes Governance, Risks & Opportunities and Metrics & KPIs, which differ only slightly from the four pillars in the published standards (Governance, Strategy, Risk Management and Metrics & Targets). Whilst we appreciate that the IAASB is developing the standard to be reporting framework-agnostic, given that the two major international standards use the same pillars, which are also consistent with those in the TCFD, it

seems highly unlikely that other standards will be developed using a different structure. We would therefore urge the IAASB to align the diagram in Appendix A with the four pillars used in ISSB standards, ESRS and TCFD to assist assurance practitioners in the consistent application of the standard.

MHA

As noted above, we believe the relationship between “sustainability matters” and “sustainability information” is sufficiently clear, although we believe the diagram in Appendix 1 should form part of the body of the proposed standard. We welcome the clarity of the ‘dimensional’ view that paragraph A32 introduces with respect to “topics” and “aspects of the topics” in relation to the definition of “disclosure(s)” in paragraph 17(i) and recommend that the table in paragraph A32 is added to paragraph 17(i) to emphasise the difference between “disclosures” and “sustainability information”.

While we understand the IAASB’s desire for ISSA 5000 to remain framework-agnostic, we believe that some specific examples, perhaps under the IFRS Sustainability Disclosure Standards issued by the ISSB, or European Sustainability Reporting Standards issued by EFRAG, in an appendix or supplementary material would aid the practitioner in understanding the dimensional approach adopted by the IAASB.

PKF International Limited

To provide further clarity, we recommend that the content of A16 be brought into the definition of “disclosure” (para 17 (f)).

We note that the definition of “disclosure” (para 17 (f)) introduces the term “topic” which is not defined in ED-5000. We recommend either of the following:

a definition is inserted to clarify what “topic” means in the context of ED-5000 and to clarify how the term differs from “sustainability matters” or “sustainability information”, or

the word “topic” is removed if considered, on reflection, to be superfluous.

RSM International

Appendix 1, in particular the diagram, was helpful in understanding the relationship between sustainability matters, sustainability information and disclosures.

10. Member Bodies and Other Professional Organizations

Accountancy Europe

Yes, it is clear. These terms are often defined and explained in sustainability reporting frameworks such as European Sustainability Reporting Standards (ESRS) and IFRS Sustainability Standards. Therefore, practitioners will most likely be referring to the applicable reporting framework, as necessary.

ASSIREVI – Association of the Italian audit firms

In our opinion, the relationship between sustainability matters, sustainability information (the underlying subject matter and subject matter information of an assurance engagement and related conclusion) and the related disclosures (the object for which the proposed standard develops the requirements to be applied by the practitioner when developing and performing the assurance engagement plan - risk identification, understanding internal control, performance of procedures, etc.) is clearly defined in Figure 1 in paragraph 36 of the EM (and Appendix 1 of ED-5000). This figure, and the references to the disclosures throughout the

standard, imply that they are individual components/elements of the sustainability information and, hence, the sustainability information comprises a set of disclosures.

This relationship may not be similarly clear from the definitions. Therefore, we propose that the definition of Disclosure(s) provided in point i) of ED-5000.17 be amended as follows:

Disclosure(s) – Specific sustainability information related to an aspect of a topic within the sustainability information. (Ref: Para. A15-A16)

Belgian Institute of Registered Auditors

Appendix 1, in particular, the diagram, was helpful in understanding the relationship between sustainability matters, sustainability information and disclosures.

Chartered Accountants Ireland

We believe the relationship between sustainability matters, sustainability information and disclosure is clear. However, we have some drafting suggestions to improve clarity.

We believe the diagram and the information set out in Appendix 1 to ED-5000 is of significant importance to a reader's understanding of the relationship between sustainability matters, information and disclosures and therefore we believe it would be beneficial to include this material in the standard itself to give it more prominence.

In relation to the definition of "Sustainability matters - Environmental, social, economic and cultural matters, including..." in paragraph 17(vv) subparagraph (i)'s clarity could be enhanced by replacing the words "or the impact on the entity," with "or those same impacts on the entity".

The table in paragraph A32 adds to the clarity of understanding of the relationship between sustainability matters, topics and aspects of topics and we believe the table could be improved by adding some examples of cultural matters to the list of topics in the table.

Consejo General de Economistas de España

Please see our response to Q5 above.

Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC)

The relationship between sustainability matters, sustainability information, and disclosures as presented in ED-5000 is clear. This clarity is reinforced by the fact that these terms are commonly defined and elaborated upon in established sustainability reporting frameworks, such as the European Sustainability Reporting Standards (ESRS) and the International Sustainability Standards Board (ISSB).

CPA Ireland

CPA Ireland considers that the relationship between the three terms is clear in the ED.

As the assurance of sustainability information evolves and develops, we would welcome further guidance and in particular examples to assist practitioners.

European Federation of Accountants and Auditors for SMEs (EFEAA)

Please see our response to Q5 above.

We do not completely agree with the IAASB's view "that governance is related to the actions taken by the entity to address sustainability matters, and therefore is an aspect of a topic" We see governance is more about business conduct and as such may warrant treatment as a topic alongside environment and society.

We also question the way in which 'sustainability disclosures' are differentiated from 'sustainability information'. 'Disclosure' is often defined as making new or secret information known, that is information that has been published.

European Federation of Financial Analysts Societies (EFFAS)

The IAASB standard is clear in how to address the sustainability matters, information, and disclosures. Regarding disclosures particularly, the standards should be clear in what is considered disclosure and what is "location" within the scope of the reporting information.

Institute of Chartered Accountants in England and Wales (ICAEW)

The diagram in Appendix 1 is not unhelpful, but further practical examples may help to illustrate the link between sustainability matters and sustainability information. We are aware that some other jurisdictions have provided practical examples and this is an approach the IAASB should consider.

We encourage the IAASB to consider whether there would be benefit in closer alignment with the pillars used in major international sustainability reporting standards, ie, Governance; Strategy; Risk Management; and Metrics and Targets.

We are concerned that both the differing characteristics, and the relationship between, Sustainability Information (subject matter information) and Disclosures is potentially confusing. It may be unclear whether the Disclosures are simply part of the Sustainability Information on which the practitioner is providing an assurance conclusion or whether they are classed as other information that the practitioner reads for consistency.

ED 5000 includes the following definition of 'disclosures':

"Specific sustainability information related to an aspect of a topic"

We suggest that the following might be more understandable:

"Information recognised, measured and presented within the sustainability information, relating to specific aspects of sustainability topics"

It would be helpful if there was some more application material with illustrative examples of 'Sustainability matters' in A32 alongside the current narrative on topics and aspects of the topics. Again, we refer the IAASB to guidance produced by other jurisdictions.

We believe there would be value in illustrating established criteria in the application material. We do not believe that this would undermine the 'framework neutral' nature of the proposed standard so long as examples from alternative frameworks were included.

Institute of Chartered Accountants of Ghana

Detailed comments (if any): Using the term "disclosure" come with some risk due to its common English meaning and the specific context in which it is used in an audit of financial statements. There could be potential confusion about the meaning and scope of the term when applied between audit and sustainability assurance engagements carried out by professional accounting practitioners who are also auditors of the entity.

Institute of Chartered Accountants of Pakistan (ICAP)

It is suggested that few examples may be added to explain the relationship between sustainability information, sustainability matters and disclosures.

Institute of Chartered Accountants of Sri Lanka

In determining sustainability matters, sustainability information and disclosures, sources of additional guidance should be available with examples for defining the same. We suggest that the IAASB provide “real life” examples of the concepts illustrated in Appendix 1.

Instituto de Auditoria Independente do Brasil - Ibracon

The proposed changes in accordance with the framework do not address the concept of ‘disclosures’.

Thus, we propose to clarify in ED-5000

Instituto de Censores Jurados de Cuentas de España (ICJCE)

There is no specific literature on how the term “disclosure” defined in paragraph 17 and A16 differs from that in the context of an audit of financial information. If practitioners, that may also be the auditors, this may result in confusion about the meaning and scope of the term “disclosure”.

Korean Institute of Certified Public Accountants (KICPA)

ED-5000 clearly describes the relationship between sustainability matters, sustainability information and disclosures.

However, the term, disclosure, has different meanings in other standards such as ISA, which may cause confusion to the standard users. In this regard, we propose the use of other term (e.g.: Metric which is used SASB standard), instead of disclosure.

Malta Institute of Accountants (MIA)

We believe that practical examples would further aid the relationship between these terms.

New York State Society of Certified Public Accountants (NYSSCPA)

Response: Yes, this aspect of the proposal is clear. This does not reduce the importance of our response to question 5.

Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA-BF)

Our members will welcome the IAASB provide more practical examples to clarify the connection between sustainability matters, sustainability information, and disclosures across different sustainability engagement projects.

Pan African Federation of Accountants

It is recommended that the IAASB provide additional practical examples to clarify the connection between sustainability matters, sustainability information, and disclosures across different sustainability engagement projects.

Saudi Organization for Chartered and Professional Accountants (SOCPA)

SOCPA believes the relationship between sustainability matters, sustainability information, and disclosures in ED-5000 is generally clear. However, there are few areas where it could be improved. One area where the relationship could be made clearer is the concept of double materiality. ED-5000 does explicitly refer to the concept of double materiality in paragraph 12. However, ED-5000 does not provide explicit guidance on how to assess the relevance of sustainability information in the context of double materiality. This is an area where ED-5000 could be improved.

11. Academics

Monash University

While it is good to provide some examples of topic areas such as climate, labor practices, and biodiversity, we believe these examples are not sufficient. It will be good to provide a few more examples on these topics of importance.

6.3 Neither agree or disagree

4. Regulators and Audit Oversight Authorities

Independent Regulatory Board for Auditors (IRBA)

The IRBA encourages the IAASB to include more practical examples in the application material to ED-5000, to clarify the relationship between sustainability matters, sustainability information and disclosures. The examples should encapsulate various forms of “sustainability” engagements, such as green bonds, ICMM subject matters and Key Performance Indicators, among others.

5. National Auditing Standard Setters

American Institute of Certified Public Accountants (AICPA)

Appendix 1 of ED-5000 is very helpful in clarifying the relationship between sustainability matters, sustainability information, sustainability topics, and aspects of sustainability topics.

However, there is a risk that the term “disclosures” will be misunderstood, as that term has both a common English meaning and a specific meaning in the context of an audit of financial statements. We do not believe that paragraph A16 is sufficient to resolve or avoid the confusion that will be created by using the same word (disclosure). Rather, we suggest replacing “disclosures” with “sustainability disclosures”.

Also, paragraph A10 states, “when the disclosures relate to a number of topics and aspects of topics, separate conclusions may be provided on each aspect.” However, the illustrative report in Illustration 3 states that the conclusions are on the disclosures. We suggest saying in this illustrative report that the conclusions are on the “selected sustainability information for each topic.” This is consistent with the other illustrative reports and the requirements in paragraphs 163, 168 and 170 to form a conclusion and report on “sustainability information.”

7. Accounting Firms

Altat Noor Ali Chartered Accountants

6.1 The relationship between sustainability information and sustainability is clear.

6.2 The relationship between the three is not clear to us.

6.3 The term disclosure is not the same as commonly understood by us professional accountants. This adds to the conclusion.

6.4 Simplify terms>> There has to be a way to avoid too mouthful terms like ‘Sustainability information’ and ‘sustainability matters’?

Nexia International

We believe the proposed modifications we noted in our response to Question 5 will help make the relationship appropriately clearer at this time.

10. Member Bodies and Other Professional Organizations

Center for Audit Quality

The relationship between sustainability matters, sustainability information and disclosures will be clear if the revisions proposed in Question 5 are taken into account.

Chartered Accountants Australia and New Zealand (CA ANZ) and the Association of Chartered Certified Accountants (ACCA)

Please see comments in response to Q5 above

South African Institute of Chartered Accountants (SAICA)

SAICA recommends that the IAASB consider providing further practical examples to demonstrate the relationship between sustainability matters, sustainability information and disclosures across a range of possible sustainability engagements.

11. Academics

Deakin University

Refer to our answer for Question 5.

6.4 Disagree with comments

6. Global Standard Setter

Social Value International

The proposed standard does not adequately distinguish between dependencies (i.e. those resources that the entity relies on create value) and impacts (or externalities experienced by other parties resulting from production or consumption of products or services). This distinction is important as it is the logic that underpins many reporting frameworks on sustainability matters. As currently drafted, there is a danger that the proposed standard could be read as not being framework agnostic but placing too heavy an emphasis on what is typically understood as financial materiality and falling relatively silent on those externalized costs borne by the entity's stakeholders.

7. Accounting Firms

PricewaterhouseCoopers International Limited

Disclosures

With respect to the use of the term “disclosures”, we consider there to be a potential risk for misunderstanding by practitioners and users because of the specific meaning of this term in the context of

an audit of financial statements, in the EU Corporate Sustainability Reporting Directive (“CSRD”), and the common English meaning attached to it.

In light of the fact that there are already defined terms of “sustainability matters” and “sustainability information”, we think there is a good case for grouping these related definitions together in the definitions section to reinforce their integrated relationship. We therefore recommend that the defined term “sustainability disclosures” be adopted and used throughout the standard. While this change may not eliminate all such risk, we believe the realignment within the definitions section will help with overall understanding of how these three terms are related and are to be interpreted.

Please also see our response to question 5 regarding the relevant definitions of sustainability matters and sustainability information.

8. Assurance Practitioner or Firm - Other Profession

Academy for Practical Training on Sustainability Assurance (APTISA)

See answer to Q 5 above

9. Public Sector Organizations

Government Accountability Office - US

Detailed comments (if any): We believe that the relationship between sustainability information which relates to information about sustainability matters and the related disclosures requires further clarification (ED-5000 A32, A15). The exposure draft clarifies the term “disclosure(s)” does not mirror the meaning of “financial statement disclosures” as portrayed in financial reporting frameworks but is employed in the bounds of sustainability reporting and sustainability assurance engagements to denote specific sustainability information pertinent to an aspect of a topic (ED-5000 paragraph A16). We suggest narrowing the scope of the above terms along with further differentiation to reduce the probability of misinterpretation and inconsistent interpretation of the terminology by practitioners and intended users.

Office of the Auditor General (New Zealand)

The terminology needs to be simplified. It is currently written from the perspective of a practitioner who has an audit and assurance background, i.e., the ISAE 3000 definitions of subject matter information, underlying subject matter and criteria have been adapted to apply to sustainability information.

Sustainability reporting can be generally defined as reporting that provides an overview of the economic, environmental, social and cultural impacts, caused by an entity’s activities. ED-5000 should therefore clarify that the definitions in this standard are written from a conceptual perspective of the matter that is subject to audit or assurance.

Topics and aspects of topics should form part of the definition for sustainability matters in order to link to the current definition of ‘Disclosure’. Our response to question 1 recommends that the main definition should be the Disclosure definition and the other definitions should be subsets of that definition. To illustrate, here are our thoughts on the definitions:

Disclosure(s) – An entity's reporting on Sspecific sustainability information (in accordance with Laws and Regulations, the Applicable Sustainability Reporting Framework, and/or entity-developed criteria) related to an aspect of a topic, which is the subject of the assurance engagement.

Sustainability information – can be described as linformation about sustainability matters. Sustainability information results from measuring or evaluating sustainability matters against the applicable criteria. For purposes of the ISSAs, sustainability information is the equivalent of “subject matter information” in other IAASB assurance standards.

Sustainability matters – can be described as economic, eEnvironmental, social, economic and cultural matters, including:

(i) The impacts of, caused by an entity's activities, products and services on the environment, society, economy or culture, or the impacts on the entity, and. Sustainability matters consist of numerous topics and aspects of topics.

(ii) The entity's policies, performance, plans, goals and governance relating to such matters.

For purposes of the ISSAs, sustainability matters being measured or evaluated in accordance with the applicable criteria are the equivalent of “underlying subject matter” in other IAASB assurance standards.

Information deleted from the current definitions of Sustainability information and Sustainability matters could be moved to application material as set out below:

For the purposes of the ISSAs,:

The entity's disclosures areSustainability information is the equivalent of “subject matter information” in other IAASB assurance standards.

For purposes of the ISSAs, sSustainability matters being measured or evaluated in accordance with Laws and Regulations, the applicable Sustainability Reporting Framework(s) or entity-developed criteria are the equivalent of “underlying subject matter” in other IAASB assurance standards.

The picture in the appendices is very useful and could be used to clarify the scope of the engagement if it was included upfront in the introduction or scope of the standard.

Office of the Auditor General of Alberta

Detailed comments (if any): ISSA 5000 requires a definition of sustainability in order to prevent multiple definitions being used and creating confusion, misinterpretation(s) and/or manipulation. We recommend the following definition of “meeting the needs of the present without sacrificing the ability to meet the needs of the future.” A definition of sustainability is needed to assist with bounding the definition(s) of sustainability matters. The definition of sustainability matters as allowing an “impact on the entity” approach only, with the presence of the “or” in the definition, is inappropriate because it is too narrow in scope. Sustainability matters also should not include “economic” matters. Absence a definition of sustainability, adding “economic” to the definition of sustainability matters widens their scope as to bring anything within the scope of sustainability, especially combined with “impacts on the entity” reporting. For example, how would the entity's value creation process, or new product development process, or sales strategy, not be a sustainability matter, even if the reporting had nothing to do with reducing negative impacts on stakeholders and the environment? Because almost anything could be considered “relevant,” it may result that nothing is relevant, sacrificing understandability as well. The focus on “disclosures” is excessively tied to the “information needs” foundation of the standard, which is incorrect. Instead, the standard should define “sustainability performance” as part of sustainability matters, and be clear that sustainability performance

involves the actions taken by the entity to reduce negative sustainability impacts, or increase positive sustainability impacts. This is closer to a stewardship, accountability, or performance concept as the subject of the assurance engagement as the fundamental basis for the standard.

Institute of Chartered Accountants of Scotland (ICAS)

Please refer to our response to question 5 in relation to the proposed definitions. We are, however, supportive of the proposed approach to distinguishing between the respective concepts.

Instituto Mexicano de Contadores Publicos (IMCP)

Even though we recognize that the terms sustainability information and disclosures have been defined in the proposed ISSA 500, we still consider that there is some confusion on when to use each one or how the different terms affect the planning, assessment and responses to the risks. They could also be misunderstood and create inconsistencies in the application of the proposed standard. We suggest that the proposed standard includes additional application material or examples to assist practitioners.

11. Academics

Accounting and Finance Association of Australia and New Zealand

The relationship between sustainability information and disclosure is not sufficiently clear in its current form. We suggest that Paragraph A32 should indicate the four topics of environmental, social, economic, and cultural (ESEC) matters. An entity reporting on sustainability must disclose at least one of these ESEC topics. The table following section A32 could then show the four required topics, and illustrative examples of each.

12. Individuals and Others

Capitals Coalition

The proposed standard does not adequately distinguish between dependencies (i.e. those resources that the entity relies on create value) and impacts (or externalities experienced by other parties resulting from production or consumption of products or services). This distinction is important as it is the logic that underpins many reporting frameworks on sustainability matters. As currently drafted, there is a danger that the proposed standard could be read as not being framework agnostic but placing too heavy an emphasis on what is typically understood as financial materiality and falling relatively silent on those externalized costs borne by the entity's stakeholders.

Japan Accreditation Board (JAB)

Without seeing Explanatory Memorandum Section 1-E, it is difficult to set how ED 5000 define the scope of assurance for sustainable information and disclosures in related with A2 description. In order to provide appropriate scope of assurance, A2 needs to clarify the scope of assurance.