

Agenda Item 3-C.10 (Supplemental)

IESBA and IAASB Joint Stakeholder Survey – C.2 Evolving Expectations Concerning Sustainability Information – Regulatory and Geopolitical Changes

11.01. 0 – I do not agree that this is a trend to be considered

07. Accounting Firms

Forvis Mazars Global Limited (Mazars)

0 – I do not agree that this is a trend to be considered

Our answers to other questions have highlighted that regulatory and geopolitical changes are not areas where standard setting is appropriate. In those responses we have identified other areas where we believe non-authoritative material may be helpful.

11.02. 1 – Strongly decreasing in importance

02. Users of Financial or Non-Financial Information

Jane Wilson (Wilsojay Investments)

1 – Strongly decreasing in importance

I'm not sure what C.2 is referring to. Are there evolving expectations for sustainability info? I don't know, but I do know that issuers are FED UP and our public markets for stocks and bonds are imperilled by your activities

Koei Otaki (SMBC Nikko securities Inc)

1 – Strongly decreasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Royal Netherlands Institute of Chartered Accountants (NBA)

1 – Strongly decreasing in importance

By 2028 many jurisdictions may be moving into a first phase of mandatory sustainability reporting and assurance. Others may still be in an adoption phase. Through this period, we do not anticipate any drivers that would lead to an increase in importance of this trend for the Boards. Rather, in the next few years there will likely be more a period of monitoring and evaluating adoption and reporting practices

07. Accounting Firms

Kudos International

1 – Strongly decreasing in importance

11.03. 2 – Decreasing in importance

05. Regulators and Oversight Authorities

National Association of State Boards of Accountancy (NASBA)

See note to C.1. above.

2 – Decreasing in importance

12. Others

AIDS Committee of Toronto

See above.

2 – Decreasing in importance

Louise Willdridge (LBW Global)

2 – Decreasing in importance

11.04. 3 – Slightly decreasing in importance

02. Users of Financial or Non-Financial Information

CFA Institute

3 – Slightly decreasing in importance

See above. While the regulatory and geopolitical trends currently see environmental, social, and governance matters in retreat, at some point reality rears its head.

Goro Kumagai (The Securities Analysts Association of Japan)

3 – Slightly decreasing in importance

05. Regulators and Oversight Authorities

Martina Morrissey (IAASA)

3 – Slightly decreasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Auditing and Assurance Standards Board of Canada (AASBC)

- Evolving and divergent regulatory environments: As highlighted in our response to C.1, the sustainability regulatory and geopolitical environments diverge between the private and public sectors in Canada. In the private sector, there has been reduced sustainability regulatory activity. For example, the Canadian Securities Administrators (CSA) recent pause on further work on the development of a mandatory climate-related disclosure rule [<https://www.osc.ca/en/news-events/news/csa-issues-market-update-climate-related-disclosure-project>]. In contrast, in the public sector, regulatory focus and consequently demand are on the rise.

3 – Slightly decreasing in importance

Wirtschaftsprüferkammer (WPK)

3 – Slightly decreasing in importance

Expectations concerning sustainability information are primarily driven by regulation and politics and are not a new topic; standard setters have responded in a sufficient manner with the expansion of the Code of Ethics (CoE) and the issuance of ISSA 5000.

From an ethical perspective, a stable, principles-based IESBA Code is considered essential for its proper implementation by the profession.

07. Accounting Firms

BDO International Limited

3 – Slightly decreasing in importance

Refer to above comments in C.1 as well as the points noted in the Table above.

PricewaterhouseCoopers International Limited (PWC)

3 – Slightly decreasing in importance

Our approach to assessing importance

Refer to our assessment rationale under trend C.1. By the start of 2028, sustainability reporting and assurance frameworks are expected to be more established, reducing the likelihood that regulatory and geopolitical developments will drive significant new standard setting demands for the SSBs.

Overarching comments

The SSBs should continue efforts to promote the adoption of ISSA 5000 and the IESSA, while also monitoring jurisdictional adoption, including evaluating the nature, extent, and rationale for jurisdictional tailoring of the standards, including areas that may not have been adopted in full or in part. Such activity can usefully inform the post-implementation review of both standards.

09. Public Sector Organizations

Audit Board of Republic Indonesia

3 – Slightly decreasing in importance

Depends on each country jurisdiction

10. Member Bodies or Other Professional Accountancy Organizations

Malta Institute of Accountants (MIA Malta)

3 – Slightly decreasing in importance

12. Others

Wenzel Reyes (MindBridge)

3 – Slightly decreasing in importance

11.05. 4 – Slightly increasing in importance

02. Users of Financial or Non-Financial Information

Investment Company Institute

4 – Slightly increasing in importance

Jose Esposito (Credicorp Ltd.)

4 – Slightly increasing in importance

03. Preparers or Issuers of Financial Statements or Other Information

Business Europe

4 – Slightly increasing in importance

The boards should continue to monitor regulatory and market developments closely and respond where emerging practice indicates a clear need. An aspect of this is the considerations of the ethical and practical consequences of increased transparency and new reporting expectations as sustainability reporting frameworks continue to evolve.

Sevdalina Paskaleva

4 – Slightly increasing in importance

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

4 – Slightly increasing in importance

Regulatory and geopolitical developments will continue to influence how sustainability requirements are defined and applied across jurisdictions. However, these factors primarily shape the external environment, while the core challenge for the SSBs remains supporting consistent, judgment-based assurance in the face of differing local rules and political priorities.

05. Regulators and Oversight Authorities

Independent Regulatory Board for Auditors (IRBA)

4 – Slightly increasing in importance

Geopolitical instability and related regulatory shifts can have significant implications for sustainability reporting and assurance across jurisdictions. These developments may affect operating conditions, supply chains, workforce stability, customer demand, and broader assessments of resilience and going concern, thereby reinforcing the interrelationship between sustainability information and financial reporting.

06. Jurisdictional and National Standards Setters (JSS)

Compagnie Nationale des Commissaires aux Comptes (CNCC) - Conseil National de l'Ordre des Experts Comptables (CNOEC)

4 – Slightly increasing in importance

To avoid the risk of fragmentation in assurance engagements—a risk that already exists in the area of sustainability reporting—we need awareness-raising and support measures to convince stakeholders that existing standards and the Code are fit for purpose. There is no need to draft new standards, and existing standards must remain framework neutral.

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- Evaluation of whether the regulations are being applied as expected.
- Sustainability has gone from being a voluntary agenda to a regulated and strategic space.
- Countries will need to define internal policies to align standards.
- Rapid regulatory and geopolitical evolution; reconfiguring the role of the profession in global governance.

4 – Slightly increasing in importance

Hong Kong Institute of Certified Public Accountants (HKICPA)

4 – Slightly increasing in importance

The recent standards have addressed key ethical and audit risks in sustainability reporting and assurance. However, regulatory and geopolitical developments affecting sustainability reporting and sustainability assurance continue to evolve across jurisdictions, requiring continued attention to implementation, adoption and global consistency.

Differences in regulatory timing, scope and ambition may create interoperability and comparability challenges, reinforcing the importance of monitoring adoption experiences and providing targeted implementation support rather than initiating new standard setting.

Japanese Institute of Certified Public Accountants (JICPA)

4 – Slightly increasing in importance

Saudi Organization for Chartered and Professional Accountants (SOCPA)

4 – Slightly increasing in importance

07. Accounting Firms

AFCA Desarrollos Profesionales

4 – Slightly increasing in importance

Considero que hay mucha lentitud en su adopcion y aplicacion.

Alan Am

4 – Slightly increasing in importance

Deloitte Touch Tohmatsu Limited

4 – Slightly increasing in importance

Expectations concerning sustainability information are uneven across jurisdictions and in some cases, mandatory reporting has been subject to regulatory pause. The implementation challenges of the sustainability standards are becoming clearer across jurisdictions as adoption is, and will continue to be, inconsistent and create cross-border execution challenges. The SSBs should focus more time and effort on resolving these pressures, including considering whether aspects such as independence requirements for value chain components should be paused or reconsidered.

José María Hinojal (BNFIX)

4 – Slightly increasing in importance

MAH, Chartered Accountants

4 – Slightly increasing in importance

Piotr Witek (Moore Polska)

4 – Slightly increasing in importance

RSM International Limited

Regulatory and geopolitical developments in the sustainability landscape are currently visible and, at times, volatile. However, regulatory change has always been a feature of the professional environment. We believe that the standard-setting boards should recognise regulatory fluctuation as an ongoing condition and ensure that standards are sufficiently robust to withstand such volatility.

We caution against attempts to respond rapidly to political leadership changes or short-term regulatory developments in individual jurisdictions. Given the inherently long timelines of standard-setting processes, such an approach may be impractical and potentially counterproductive. While regulatory and geopolitical developments should be monitored and considered, we believe the SSBs should focus on developing and issuing stable, high-quality standards that can endure across regulatory cycles.

See our responses to the questions under Questions 5B.1–5B.4 and 5C.1 above for further detail

4 – Slightly increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Association of Chartered Certified Accountants (ACCA)

4 – Slightly increasing in importance

Regulatory and geopolitical developments relating to sustainability are expected to increase modestly in importance, although the trajectory may be uneven across jurisdictions.

Recent developments indicate a degree of recalibration in certain regions, such as the European Union, which may affect the pace and scope of sustainability reporting and assurance requirements. At the same time, differing approaches across jurisdictions may contribute to increased complexity and uncertainty. From an IAASB perspective, these dynamics may affect the implementation and application of sustainability assurance standards across different regulatory environments.

From an IESBA perspective, varying regulatory approaches may influence the adoption and consistent application of ethics and independence standards in this area.

Overall, this trend highlights the importance of monitoring developments and supporting consistent implementation, rather than necessarily driving immediate new standard-setting initiatives.

Chamber of Hungarian Auditors (MKVK)

4 – Slightly increasing in importance

In EU Omnibus package reduces sustainability reporting and due diligence requirements for preparers.

Chartered Accountants Australia and New Zealand (CAANZ)

4 – Slightly increasing in importance

The global sustainability reporting and assurance ecosystem is still evolving and there are rapid changes. While jurisdictions continue to move forward with introducing mandatory regimes for aspects of sustainability reporting and assurance, we have also seen roll-back of sustainability reporting and assurance in some jurisdictions which creates uncertainty and inconsistencies.

The SSBs need to continue to focus on adoption of ISSA 5000 and the IESSA, including outreach with both PAPs and NPAPs globally.

Chartered Accountants Ireland (CAI)

4 – Slightly increasing in importance

Given the highly fragmented and evolving sustainability reporting landscape, careful consideration should be given to removing or refining requirements that add unnecessary complexity without clear public interest benefit. For example, certain aspects of value-chain considerations may be challenging to apply consistently across jurisdictions and reporting frameworks, and could benefit from reassessment in light of practical experience. In this context, simplification and clarification, while maintaining robustness and quality, are critical to supporting consistent implementation and reinforcing trust.

Given the evolving and sometimes uncertain regulatory environment, priority should be given to consolidation, evidence-gathering and effective implementation, supported where necessary by practical guidance, rather than further expansion of requirements. This approach is important to mitigate the risk of added complexity and support consistency and trust in sustainability reporting and assurance, even as regulatory expectations continue to evolve.

European Federation of Accountants and Auditors for SMEs (EFAA)

EFAA considers regulatory and geopolitical changes in the sustainability reporting and assurance landscape to be slightly increasing in importance. The regulatory environment has evolved significantly beyond climate-related disclosures, with expanding requirements covering broader environmental, social, and governance matters, alongside amendments to existing frameworks and the possible emergence of additional jurisdictional and international obligations. At the same time, EFAA notes that some jurisdictions are recalibrating or revisiting previously announced sustainability reporting and assurance requirements. This creates uncertainty for preparers, assurance providers, and users of information, particularly where timelines, scope, or assurance expectations differ across regions.

From EFAA's perspective, these developments underscore the importance of internationally consistent, interoperable, and proportionate standards that can accommodate evolving jurisdictional requirements while preserving comparability and trust in sustainability disclosures. Particular attention should be given to supporting SMEs and SMPs in navigating this changing landscape and in managing the associated compliance and implementation challenges.

4 – Slightly increasing in importance

Institute of Public Accountants (IPA)

IPA agrees with the observation that:

"The sustainability regulatory landscape has evolved beyond climate reporting, with amendments to existing regulations and the potential emergence of new jurisdictional and international requirements. On the other hand, some jurisdictions are in the process of recalibrating their previously announced requirements around sustainability reporting and assurance." We think the "recalibration" enables each jurisdiction to initially implement the sustainability requirements in the form and timeframe that is appropriate for the jurisdiction. We are of the view that subsequent to the initial implementation timeframe, it is likely there will be more

consistency in the application of the sustainability requirements. However, this is predicated on the SSB's ability to address/mitigate the risk of fragmentation in B.2.

4 – Slightly increasing in importance

Institute of Singapore Chartered Accountants (ISCA)

4 – Slightly increasing in importance

As explained in our response above, we expect trend C.1 to be the most important trend. Trend C.2 matters but more as a supporting driver to trend C.1.

Malaysian Institute of Accountants (MIA Malaysia)

4 – Slightly increasing in importance

Our approach to assessing importance

As we detailed in our assessment of trend C.1, the anticipated maturation of sustainability reporting and assurance frameworks by 2028 will likely diminish the impetus for significant new standard-setting driven by regulatory and geopolitical developments. However, we would expect that there should be continuing importance placed on the monitoring of adoption and implementation of the sustainability reporting and assurance standards as well as the development of non-authoritative guidance materials. Overarching comments

In this context, the SSBs should concentrate their efforts on promoting the consistent, global adoption of ISSA 5000 and the IESSA. This promotional work should be complemented by a structured monitoring program to track jurisdictional adoption. Such a program should analyze the nature, extent, and rationale for any local adaptations of the standards and identify provisions not adopted. The resulting insights will form a critical evidence base for the subsequent post-implementation review of both pronouncements.

Pan African Federation of Accountants (PAFA)

4 – Slightly increasing in importance

From an African perspective, regulatory and geopolitical developments in sustainability reporting will continue to shape the work of the IAASB and IESBA, though with varying intensity across jurisdictions due to differences in regulatory maturity and policy priorities.

The sustainability regulatory landscape is becoming increasingly dynamic, with some jurisdictions expanding requirements while others recalibrate or delay implementation. In Africa, this is reflected in diverse national approaches, varying levels of readiness, and evolving regional efforts toward harmonisation, including through initiatives such as the AfCFTA and regional regulatory cooperation.

For the SSBs, this reinforces the need for strong global coordination and interoperability of sustainability standards, to reduce fragmentation and ensure comparability across jurisdictions. At the same time, standards and related guidance should remain sufficiently flexible to accommodate differing implementation timelines and capacities.

Both IAASB and IESBA should also consider enhancing timely non-authoritative guidance and implementation support mechanisms, to assist jurisdictions navigating regulatory uncertainty and transition periods, while maintaining a consistent global baseline for assurance quality and ethical conduct.

Polish Chamber of Statutory Auditors (PIBR)

4 – Slightly increasing in importance

South African Institute of Chartered Accountants (SAICA)

4 – Slightly increasing in importance

South African entities that form part of multinational groups headquartered in jurisdictions that have adopted sustainability reporting standards may be required to obtain sustainability assurance from local assurance providers. This dynamic heightens the need for robust, high quality sustainability assurance and ethics standards and implementation guidance that are globally applicable, in order to mitigate the risk of greenwashing and to maintain public trust in sustainability information.

In this context, it is imperative that the Boards work very closely with each other and sustainability reporting standard setters, such as the International Sustainability Standards Board (ISSB), given that the adoption of reporting standards will ultimately drive the demand for, and adoption of, assurance standards.

SAICA acknowledges and commends the Boards for developing sustainability assurance and ethics standards that are framework neutral, as this approach supports applicability across jurisdictions regardless of the sustainability reporting frameworks in use. At the same time, it is important that the Boards remain within their remit of setting standards for practitioners, rather than responding directly to regulatory expectations, notwithstanding the legitimate needs and requirements that regulators may place on assurance engagements.

In the South African context, ISSA 5000 and the International Ethics Standards for Sustainability Assurance (IESSA) have been adopted by the local regulator, the Independent Regulatory Board for Auditors (IRBA). However, sustainability reporting itself is not yet mandatory, and engagements are currently underway with relevant authorities regarding the potential adoption of sustainability reporting standards, including associated timelines. As a result, entities that are currently implementing sustainability reporting in South Africa are doing so largely on a voluntary basis, reinforcing the importance of scalable, principles based assurance and ethics standards supported by strong implementation guidance.

The Code already provides a strong ethical foundation. The priority is not additional requirements, but:

- Monitoring whether the Code sufficiently addresses greenwashing risks and
- Issuing application guidance where gaps emerge in practice.

11.06. 5 – Increasing in importance

02. Users of Financial or Non-Financial Information

First Nations Financial Management Board

There is no denying that Indigenous rights are becoming better understood with each passing year. As set out in our introductory comments, the ILO No. 169, passed in 1989, has only been ratified by 24 countries. By contrast, there are more than 140 countries that have endorsed the UNDRIP. What's more, several countries that originally did not adopt UNDRIP (Canada, US, Australia and New Zealand) all changed their positions and approved UNDRIP.

Examples of companies' losing value or expending significant resources as a result of violating Indigenous rights are becoming more common. And, happily, examples of companies and governments partnering with Indigenous nations at the outset is also more common. What all of this says, taken together, is that Indigenous rights are becoming increasingly understood and respected as time passes.

The SSBs must ensure that their understanding of Indigenous rights is current and robust enough to ensure all standard setting activities are able to capture material Indigenous impacts.

5 – Increasing in importance

Impax Asset Management

5 – Increasing in importance

From Impax's perspective, the SSBs should:

- Support global coherence and interoperability, particularly with ISSB-aligned frameworks.
- Monitor regulatory developments closely and respond with timely guidance to address implementation challenges.
- Help prevent a loss of momentum in assurance quality and ethical standards amid political or regulatory shifts.

Martin Lawrence (Ownership Matters Pty Ltd)

5 – Increasing in importance

There will presumably be conflicting pressures on policymakers to increase climate response mechanisms and demands from reactionary forces to get rid of what sustainability reporting now exists

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

5 – Increasing in importance

Regulatory and geopolitical developments in sustainability reporting should also be considered in light of the increasing complexity and interconnectedness of sustainability-related risks.

While some jurisdictions are expanding requirements and others are recalibrating them, there is a risk that fragmentation may undermine comparability and limit the usefulness of sustainability information for globally diversified investors.

As investor focus increasingly extends beyond entity-level disclosures to system-level considerations, the need for globally consistent and interoperable approaches becomes more important. Without such consistency, the aggregation and comparison of information across firms and jurisdictions may be constrained, reducing the ability of investors to assess broader risk environments.

In this context, coordination among international standard setters, including alignment between assurance, reporting and ethics frameworks, may play an important role in maintaining trust and effectiveness in sustainability-related disclosures.

03. Preparers or Issuers of Financial Statements or Other Information

Ajinomoto Co., Inc.

5 – Increasing in importance

Regulatory change increases companies' disclosure costs and administrative burdens.

The SSBs are expected to support an environment in which companies can make consistent disclosures by enhancing interoperability through collaboration with other standard setters and regulators.

05. Regulators and Oversight Authorities

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

5 – Increasing in importance

Stakeholders in a broad meaning believe that greenwashing is a significant potential problem, this being when an organization makes false or misleading statements about sustainability information (intentional or unintentional). This concept is very similar to that of 'creative accounting' – where financial information is manipulated to serve the needs of the preparer of the information, rather than for the needs of the users of that information. Greenwashing can be considered to be fraudulent reporting. Added to this, the systems and processes that are generating sustainability information are often subject to change as the sustainability reporting requirements develop. Therefore, there is a higher risk of error, as well as deliberate misstatement, in the sustainability information that is published.

These risks, when coupled with the potential difficulties of obtaining evidence over qualitative disclosures and future-oriented information means that there can be danger of issuing an inappropriate assurance opinion. There is a reputation risk for the assurance provider if they report positively on sustainability information which turns out to be incorrect, inaccurate or exaggerated.

Given the risks of greenwashing mentioned above, further research is required on the definition on greenwashing by the SSBs.

Tokyo Stock Exchange

Based on the content outlined in Answer B, among other factors, we believe its importance will increase.

5 – Increasing in importance

UK Financial Reporting Council (UK FRC)

5 – Increasing in importance

As for B.1 and C.1.

06. Jurisdictional and National Standards Setters (JSS)

New Zealand Auditing and Assurance Standards Board (NZAuASB)

5 – Increasing in importance

Future changes for sustainability assurance in New Zealand are dependent on government decisions. There are no current plans to require assurance beyond assurance over greenhouse gas emissions disclosures in climate statements. Voluntary reporting and assurance may continue to fluctuate with regulatory and geopolitical changes. The changing landscape makes it challenging for firms to attract and retain appropriate skills, due to increased uncertainty over how the landscape will evolve. The voluntary market for nature-based reporting is increasing. Assurance over voluntary reporting may increase. This assurance will require broad capabilities.

07. Accounting Firms

Baker Tilly International

5 – Increasing in importance

Standards need to remain responsive and proportionate.

Gats-Ratings Professionals

5 – Increasing in importance

We have to reduce our Over reliance on Fossil Fuel before Sustainability Efforts will work.

Jack Schoeman (PWC)

The main problem here is the confusion caused by different regions having different rules. This makes it very hard to have a single global standard of quality. We do not need more legislation or more layers of regulation that just add to the mess. Instead the SSBs should provide one solid global baseline that works regardless of local politics. This is the only way to keep things stable and ensure the profession stays relevant no matter where you are.

5 – Increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Anum Atique (Islamic Non Banking Financial Institution)

6 – Strongly increasing in importance

09. Public Sector Organizations

Sanford Rich (NYC Board of Education Retirement System)

Dispersion in disclosure will make transparency important.

5 – Increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Belgian Institute of Tax Advisors and Accountants (ITAA)

5 – Increasing in importance

With the launching of Omnibus, Europe wants to come back on a part of the previous regulations put in place. This is to improve competitiveness and give some breathing room for the companies and different sectors.

Consejo General de Economistas de España

5 – Increasing in importance

IAASB

Sustainability regulation will continue to generate laws, specific regulations in each jurisdiction.

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

5 – Increasing in importance

Kenichi Akiba (Waseda University)

5 – Increasing in importance

Nicole Ratzinger-Sakel (University of Hamburg Business School)

5 – Increasing in importance

12. Others

Eri Murakami (Wood Design Studio Inc.)

To highlight the clear differences from the SDGs, we have developed a set of framework standards that even sole traders can implement 於 IAASB

5 – Increasing in importance

Wai Man (Emily) Ho

5 – Increasing in importance

11.07. 6 – Strongly increasing in importance

02. Users of Financial or Non-Financial Information

International Corporate Governance Network (ICGN)

6 – Strongly increasing in importance

The SSBs should invest in supporting adoption and implementation to help keep fragmentation in check. As jurisdictions recalibrate or diverge in their sustainability reporting and assurance requirements, the SSBs can play an important role in promoting interoperability, consistency and confidence. This should include timely implementation support and continued outreach with investors and other users. Capacity-building, partnerships and targeted implementation support may be particularly important in helping jurisdictions implement globally consistent baselines in a proportionate and operable way.

Kei Tsuchiya (The Securities Analysts Association of Japan)

6 – Strongly increasing in importance

I hold the same view as expressed in C1.

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

6 – Strongly increasing in importance

Regulatory and geopolitical developments relating to sustainability are likely to have a substantial impact on the future reporting and assurance landscape. Recent developments illustrate that jurisdictions may pursue different pathways, recalibrate requirements or adopt differing approaches to sustainability reporting and assurance. Such developments increase the risk of fragmentation and reduced comparability.

The SSBs therefore have an important role in promoting interoperability and supporting globally coherent approaches while maintaining high-quality standards. In responding to evolving regulatory landscapes, simplification and proportionality objectives should not weaken the reliability or usefulness of sustainability information for investors and other users.

Monitoring implementation experience and proactively identifying emerging challenges will also become increasingly important. As sustainability assurance frameworks mature, agile mechanisms for addressing implementation questions and ensuring consistency across jurisdictions may become essential.

03. Preparers or Issuers of Financial Statements or Other Information

Ascendia EOOD

Advocating for the importance of independent verification and necessary audit of sustainability disclosures... limited assurance on sustainability data should be a temporary option, but not a permanent solution for the quality of the reporting.

6 – Strongly increasing in importance

Japan Business Federation – Keidanren

As with B-1 and C-1

6 – Strongly increasing in importance

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

6 – Strongly increasing in importance

No matters or additional impacts to highlight.

Public Accountants and Auditors Board Zimbabwe (PAABZ)

1. Assured sustainability information is increasing, becoming a requirement in some export markets. Acceptance of the ISSA 5000 based audits for international trade purposes is an area of key interest for most entities. There has been increased fragmentation of the reporting frameworks and standards, which the ISSB moved into address. The same risk lies with assurance on whether assurance under the ISSA 5000 will be globally accepted to avoid double audits. 2. As the ISSB develops its standards further, the ISSA 5000 must continuously be assessed for adequacy. The call for disclosure on social aspects may result in audit evidence which is more on the qualitative side and difficult to verify.

3. The sustainability topic is continuously evolving. The issues about materiality continue to be highly debated and global metrics put in the international standards may not relate to other jurisdictions. The IAASB and IESBA must ensure that assurance frameworks allow for the proportionality of local context while maintaining global rigor.

6 – Strongly increasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Brazil Institute of Independent Auditors (IBRACON)

6 – Strongly increasing in importance

No.

Instituto Mexicano de Contadores Públicos (IMCP)

6 – Strongly increasing in importance

See answer for question C1.

07. Accounting Firms

Grant Thornton International Ltd (GTI)

We expect evolving regulatory and geopolitical expectations concerning sustainability information to be a primary driver for a) how entities develop sustainability processes and controls; and b) the demand for assurance services over sustainability reporting. We recommend monitoring these expectations during both the 2028-2031 period and the 2026-2028 period when sustainability reporting regulations and related assurance standards become effective in certain jurisdictions. The impact of recent changes to reporting requirements (such as the EU's Omnibus I Directive) and regulations (such as the SEC voting to end defense of its rules related to disclosure of climate-related risks and greenhouse gas emissions) in some jurisdictions contrasts with efforts to adopt assurance standards in other jurisdictions (such Australia, Brazil, Kenya, and the U.K.). We recommend monitoring expectations paired with significant outreach to preparers, users, and practitioners to avoid standard setting actions that may be premature or difficult to implement in a rapidly changing environment.

Because of differences in jurisdictional expectations, full alignment may be difficult. This reinforces the need for principles based, scalable standards that are globally operable and can be applied consistently. If the SSBs establish new mechanisms to develop materials in a more agile fashion, we believe those same mechanisms should also be deployed across non sustainability standards, rather than establishing sustainability-specific mechanisms (see our response to Trend B.3).

6 – Strongly increasing in importance

Krzysztof Burnos

6 – Strongly increasing in importance

Shreekant Prasad (Govindham Consultancy Services)

6 – Strongly increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Keung Ho Keung Ricky

6 – Strongly increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Asociación Interamericana de Contabilidad (AIC)

6 – Strongly increasing in importance

Las expectativas de los usuarios y gobiernos respecto a sostenibilidad, es relevantes, sobre todo en economías menores (pequeñas) o con poco músculo para efectúa analíticas de información y tomar decisiones razonadas y seguras.

Pavel Dimitrov (Union of Accountants in Bulgaria)

6 – Strongly increasing in importance

Regulatory and geopolitical developments are reshaping expectations for sustainability reporting and assurance across jurisdictions. These changes require globally aligned, high-quality standards to ensure consistency, comparability, and public trust. A rating of 6 reflects the critical importance of monitoring regulatory shifts, supporting harmonization, and ensuring that sustainability-related standards remain responsive to evolving global requirements.

11. Academics

Kiran Seth (Sunway University)

6 – Strongly increasing in importance

12. Others

Cristian Emmanuel Munariz

6 – Strongly increasing in importance

IAASB should consider adding non-authoritative material regarding emerging topics in sustainability rather than issuing new standards until a post-implementation review of ISSA 5000 is carried out.

Kazuhiro Yoshii (Securities Firm)

6 – Strongly increasing in importance

With regard to sustainability disclosure and its assurance, it is crucial not only to establish assurance providers' standards and ethical guidelines but also to build internal control systems to ensure the reliability of the information. To this end, the role of those charged with governance is of paramount importance. Unfortunately, however, the development of relevant rules in the governance sphere has lagged behind. This is a matter of serious concern.

Mahmoud Bilal (Unimar)

6 – Strongly increasing in importance

11.08. Letters providing separate ratings for IAASB or IESBA

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

5 – Increasing in importance

Matters for the IESBA:

APESB observes that regulatory and geopolitical developments are reshaping sustainability reporting and assurance. Jurisdictions are moving at different speeds, adopting different frameworks, and responding to local policy priorities, creating an uneven global landscape. This increases the risk of fragmentation and puts pressure on international standards to remain coherent and adaptable. In this context, it is important that the IESBA's ethical requirements continue to support consistent, high quality sustainability reporting and assurance across jurisdictions with different regulatory settings.

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

3 – Slightly decreasing in importance

IESBA and IAASB rating: 3

We anticipate that during the 2028–2031 strategic period, sustainability reporting and assurance frameworks will be more established. Therefore, we recommend you continue to promote the adoption of ISSA 5000 and the IESSA, while monitoring jurisdictional barriers and variations to inform future joint and standalone PIRs, including assessments of whether the standards remain practical and operable.

Australian Auditing and Assurance Standards Board (AUASB)

5 – Increasing in importance

Risk of Global Fragmentation

While ISSA 5000 was intended to be reporting framework neutral, there may be cases where it does not have regard to the circumstances of major reporting regimes, such as ISSB standards. The IAASB may need to consider emerging issues on the adoption of these standards, including a disconnect in setting materiality for assurance and reporting purposes under ISSB standards.

Institut der Wirtschaftsprüfer (IDW)

3 – Slightly decreasing in importance

IAASB

Changing expectations regarding sustainability information are largely driven by regulatory and geopolitical developments. Similar dynamics of regulatory change and rising expectations have been observed for many years. From an IAASB perspective, these are not developments that can be directly shaped through standard setting, as they are primarily determined by legislators and regulators, with standard setters having only a limited ability to respond.

IESBA

From an ethics standpoint, these developments do not alter the fundamental need for a principles-based approach. If anything, the increasing pace of change further highlights the importance of a stable, principles-based Code that can be applied consistently across a wide range of evolving circumstances. Consequently, in line with our comment under C.1., because the IESBA has only recently issued the IESSA, we do not think it is timely to launch additional major workstreams in this space. The priority should be widespread, consistent implementation, and any further work by the IESBA should be limited to focused, practical adjustments to the IESSA where application experience points to a discrete issue that needs clarification or modification.

We do not support IESBA undertaking a project that considers of need for ethics standards for preparers of sustainability information since the focus of this project is on all individuals involved in preparing sustainability information, not just professional accountants. We believe IESBA's focus should be on professional accountants. The credibility of services professional accountants provide is closely tied to the competence, ethics, and accountability associated with licensure; weakening this foundation could erode confidence and create confusion about the qualifications needed to perform high quality engagements. We are very concerned about the long-term consequences to the global profession and thereby the consequences to the public interest, because of decisions to develop profession-agnostic standards.

Nordic Federation of Public Accountants (NRF)

2 – Decreasing in importance

We believe the considerations outlined under C1 equally apply here. The continuing demand for sustainability assurance appears to be decreasing, reflecting reduced political focus and market interest, as well as the EU's decision to develop its own assurance standard.

07. Accounting Firms

Ernst & Young Global Limited (EY)

Our impact rating for this trend is based on our considerations for the IAASB. With regard to the IESBA, we believe the impact rating would be 0 (I do not agree that this is a trend to be considered).

The primary objective of sustainability reporting and assurance is to enhance transparency. In light of the current regulatory and geopolitical environment, it is critical for the Boards to prioritize efforts that bring sustainability frameworks and standards closer

together, rather than creating more differences to widen them further. Achieving strong interoperability between international standards and jurisdiction specific regulations should therefore be a key priority. The following paragraphs provide further recommendations specific to each Board:

IAASB matters

In light of the challenges related to the fragmented regulatory environment noted above, users of the report will need to understand what level of assurance was obtained and on what basis (i.e., which assurance standards were applied). We recommend the IAASB prioritize its advocacy of ISSA 5000, including NAM materials on differences with other assurance standards (including ISAE 3000, which may continue to be authoritative in some jurisdictions). Consistent with our comments on agility, it is important that sustainability be a specific focus in identifying implementation challenges with ISSA 5000 and determining responsive actions, both NAM and potential narrow scope amendments.

IESBA matters

Preparers of sustainability information are generally not professional accountants and therefore fall outside IESBA's core remit. We believe IESBA should defer any further standard setting activities for non-professional accountants until additional experience is gained from the adoption and implementation of the already issued IESSA.

6 – Strongly increasing in importance

KPMG International Limited

5 – Increasing in importance

increasing in importance, IESBA – 5 Increasing in importance

We expect the trend "Regulatory and Geopolitical Changes" to increase in importance for IESBA, and slightly increase in importance for the IAASB, over the survey period, in terms of impacting the sustainability reporting landscape and therefore as a driver of sustainability related actions for the SSBs.

IAASB

As noted elsewhere in our response, we recommend that the IAASB strongly advocate for the adoption of ISSA 5000 as a robust, principles-based, scalable, foundational standard capable of providing limited and reasonable assurance for all types of sustainability information.

We believe it is important for the IAASB to undertake outreach and engagement with regulators, standard-setters, including jurisdictional standard-setters, and other bodies, to promote the benefits of the global adoption and consistent implementation of ISSA 5000 for sustainability assurance engagements, and to understand the potential barriers to doing so. We consider that robust advocacy of ISSA 5000 is critical to help drive adoption as a global baseline.

Furthermore, we note that in certain jurisdictions, regulators and standard-setting bodies are exploring jurisdictional customization of ISSA 5000, including adaptations and carve-outs of aspects of the standard, which increases fragmentation. We support the IAASB's work with bodies, in particular, relevant European policy makers and other stakeholders at the EU and national level within Europe, to promote consistent understanding that ISSA 5000 is framework-neutral, and scalable. As such, the requirements therein are applicable only as relevant, and in a manner that is proportionate in the engagement circumstances. Therefore, there should be little need for adaptations or carve outs of the standard. Where jurisdictions plan to undertake customization activities, we recommend that the IAASB discourage them from making detailed, line-by-line modifications and amendments, which would cause significant divergence on a global basis. Instead, we believe the IAASB's focus should be on collaborative activities with reporting standard-setters such as ISSB, EFRAG and others, and regulators, to discuss concerns and practical challenges and develop supplemental guidance. The objective of such guidance should be to enable ISSA 5000 to remain a global baseline, and to ensure interoperability, where possible, for jurisdictions that elect to adopt a modified version of ISSA 5000 or adopt alternative assurance standards.

IESBA

Regulatory and geopolitical developments are increasing in importance as a driver of sustainability related work for the IESBA. Approaches are diverging across jurisdictions, with some being recalibrated or scaled back. At the same time, there is a growing disconnect between political agendas and public expectations. Together, this creates uncertainty and complexity for preparers, practitioners, and users.

Given the recent development of the IESSA, rather than further expansion, the priority should be effective post implementation management. Accordingly, the focus should be on responding in an agile manner to emerging issues with implementation of the IESSA including:

- monitoring regulatory developments;
- analyzing specific barriers to adoption and significant operational challenges such as:
 - o independence requirements extended to entities within the value chain;
 - o practical application of group sustainability assurance engagements;
 - o rotation of key sustainability assurance leaders where service prior to the effective date of the IESSA is included in the count of years served; and
 - o use of another practitioner where the IESSA may not be used as the ethical and independence standard.
- revisiting such provisions in the IESSA to determine if the provisions are essential in supporting the quality of sustainability assurance engagements and serving the public interest. Where they are not, narrow-scope amendments or other avenues to alleviate such barriers and ease operational concerns should be pursued.

09. Public Sector Organizations

United States Government Accountability Office (GOA)

2 – Decreasing in importance

No specific remarks for this item.

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

1 – Strongly decreasing in importance

IAASB rating: 1 Strongly decreasing in importance

Evolving expectations concerning sustainability information are primarily driven by regulatory and geopolitical developments. Similar discussions around regulatory change and increasing expectations have existed for many years. From an IAASB perspective, this is not something that can be directly addressed through standard setting. These developments are driven by legislators and regulators, and standard setters can only react at a very limited level.

IESBA rating: 1 Strongly decreasing in importance

From an ethics perspective, these developments do not fundamentally change the need for a principles-based approach. On the contrary, the increasing pace of regulatory and geopolitical change reinforces the importance of having a stable, principles based Code that can be applied in different situations.

Global Accountancy Alliance (GAA)

1 – Strongly decreasing in importance

Combined Rating: 1

As the IESSA has only recently been issued, we do not think it is timely to launch additional major workstreams in this space. The priority should be widespread adoption and consistent implementation.

We are not supportive of IESBA undertaking the project "Consideration of need for ethics standards for all preparers of sustainability information" since the focus of this project is on all individuals involved in preparing sustainability information, not just professional accountants. We believe IESBA's focus should be

on professional accountants. The credibility of services professional accountants provide is closely tied to the competence, ethics, and accountability associated with licensure; weakening this foundation could erode confidence and create confusion about the qualifications needed to perform high-quality engagements. We are very concerned about the long-term consequences to the global profession and thereby the consequences to the public interest, because of decisions to develop profession-agnostic standards.

Institute of Chartered Accountants in England and Wales (ICAEW)

1 – Strongly decreasing in importance

IAASB rating: 1

IESBA rating: 0

ICAEW notes the concern of many domestic economies (including the UK) at the current time to simplify regulatory reporting requirements and to ensure that such requirements do not inadvertently impede growth. Following the UK's adoption of a framework for sustainability reporting that mandates the use of the IESSA and ISSA (UK) 5000, and, along with establishment of sustainability reporting and assurance regimes in other jurisdictions where ICAEW has a substantial membership, such as in Hong Kong, or CSRD in Cyprus, ICAEW does not consider that any new initiatives by the SSBs are required at this time.

Institute of Chartered Accountants of Scotland (ICAS)

Combined IESBA AND IAASB – Rating - 1

As noted above, given that the IESSA is yet to be introduced in many jurisdictions, we believe that the priority should be obtaining broad adoption and consistent implementation, rather than undertaking further major workstreams in this area. We do not support the IESBA undertaking a project on ethics standards for all preparers of sustainability information. The IESBA's remit should remain focused on professional accountants. Profession-agnostic standards risk weakening the link between high-quality engagements and the competence, ethics, and accountability associated with professional qualification and licensure, that would risk undermining confidence in the accountancy profession and would not serve the public interest.

1 – Strongly decreasing in importance

International Federation of Accountants (IFAC)

2 – Decreasing in importance

IFAC agrees that regulatory and geopolitical changes in sustainability reporting and assurance are relevant for the SSBs, particularly as jurisdictions are moving at different speeds and, in some cases, in different directions. The SSBs should therefore prioritize monitoring, coordination with relevant reporting standard setters, and implementation support.

Further work should be grounded in clear evidence of need, including adoption patterns, implementation experience, practical challenges, and any gaps in existing assurance, ethics or independence requirements. It should also consider proportionality, SME/SMP relevance, cost-benefit, and unintended consequences, given the different impacts sustainability-related requirements may have across sectors, entity sizes and jurisdictions.

11.09. No rating provided but with comments

01. Monitoring Group

International Organization of Securities Commissions (IOSCO) Committee

C - Evolving Expectations Concerning Sustainability Information – Moderate Influence

10. Member Bodies or Other Professional Accountancy Organizations

CPA Australia

0 – I do not agree that this is a trend to be considered

C.2 Sustainability-related regulatory and geopolitical changes:

Monitor for interoperability implications, but avoid treating shifting jurisdictional requirements as a reason to reopen global standards. The SSBs should support consistent application across differing reporting regimes through guidance and coordination, while recognising that regulatory recalibration is outside the SSBs' control and may not be stable enough to justify standard changes.

11.10. No specific response

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

02. Users of Financial or Non-Financial Information

Sarasin & Partners

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

Committee of European Auditing Oversight Bodies (CEAOB)

Irish Auditing & Accounting Supervisory Authority (IAASA)

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor