

Comments on the draft ISSA 5000

- 1. Do you agree with the terminology for sustainability matters, sustainability information and disclosures in ED-5000?**

No

We believe that the definition of sustainability matters should refer to environmental, social and governance matters rather than environmental, social, economic and cultural matters. In this way, the definition will be clearer and more in line with generally accepted reporting frameworks.

- 2. Do you agree with the way in which ED-5000 addresses the entity's "materiality process"?**

No

We believe that sufficient attention should be given to the practitioner's understanding of the entity's materiality assessment process as part of engagement planning. Only on the basis of such an understanding will the practitioner be able to assess whether all relevant sustainability information, both quantitative and qualitative, is disclosed and whether material sustainability information has not been omitted either by mistake or on purpose. Therefore, we believe that the standard should specify the nature and scope of the procedures to be performed on the materiality assessment process.

Materiality is mentioned in different parts of the standard, we suggest summarizing them in one part including double materiality.

- 3. Do you agree that ED-5000 appropriately addresses the topic of fraud (including "greenwashing") by focusing on the susceptibility of the sustainability information to material misstatement, whether due to fraud or error?**

No

Sustainability disclosures are susceptible to fraudulent reporting. As there is a fragile boundary what greenwashing is, it is necessary to define this term. There is an importance of risk assessment of fraud including a focus on omitting sustainability topics which are unfavourable for the entity. It might be useful to state more cases in practise.

- 4. Are there any other matters for which you wish to provide comments, or that the IAASB should consider in finalizing ED-5000? If so, please be specific about the matter(s) and whether you agree with the approach taken in ED-5000 and why. If you disagree with the approach taken, please indicate why and provide suggestions for how to improve or clarify the approach?**

Yes

Applicability of ED-5000 and the Relationship with ISAE 3410

ISSA 5000 explicitly states that it applies to all sustainability reporting engagements except when the practitioner is providing a separate conclusion on a greenhouse gas (GHG) statement, in which case ISAE 3410 applies. There may be situations where, for various reasons, a company issues e.g. a greenhouse gas (GHG) statements and adds a couple of other ESG indicators, in which case it is not clear at the moment which standard should be applied.

Groups and “Consolidated” Sustainability Information

ED-ISSA 5000 does not provide any guidance on how to perform engagements related to sustainability information of groups. In this context, we propose to add the relevant section to ISSA 5000 or prepare guidance.

Other comments

We further suggest that where the matter is not addressed in ISSA 5000, reference should be made to the relevant ISA.

We propose to add practical examples to ISSA 5000 on e.g. risks and procedures. At the same time, we propose the preparation of case studies and real-life examples to assist in the implementation of the standard.