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18 August 2023

Dear Emmanuel,

**RE: ISSB Request for Information on Agenda Priorities**

The Association of International Accountants (AIA) welcomes the opportunity to provide comments to the ISSB's recently published Request for Information on Agenda Priorities.

AIA strongly supports the development of high-quality global standards for sustainability-related reporting.

As a member of the European Federation of Accountants (EFAA), AIA fully endorses and supports representations made by EFAA to this consultation process. This response is made in addition to those comments.

AIA believes in creating a global accountancy profession and supports the International Federation of Accountants (IFAC) in their vision of a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets and economies. AIA has adopted IFAC's Code of Ethics for professional accountants and incorporates IFAC's International Education Standards (IES) into qualifications.

The views expressed in this consultation response build upon AIA's role as a membership and qualifying body, supporting members to provide critical data to their clients and preparing accountants of the future for their key role in sustainability reporting. This response highlights not only some overarching comments for consideration but also detailed responses to the specific questions posed by the ISSB, with particular focus on the importance of SMPs and SMEs in this sustainability-reporting space.

Yours sincerely,



**David Potts**  
Director of Operations

Enc: consultation response – ISSB Request for Information on Agenda Priorities

# Consultation Response

## *ISSB Consultation on Agenda Priorities*

August 2023

# AIA Response: ISSB Consultation on Agenda Priorities

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The Association of International Accountants (AIA) welcomes this opportunity to provide comments on the International Sustainability Standards Board (ISSB) published 'Request for Information Consultation on Agenda Priorities.'

As a member of the European Federation of Accountants (EFAA), AIA fully endorses and supports representations made by EFAA to this consultation process.<sup>1</sup> This response is made in addition to those comments.

AIA commends the ISSB's forward-thinking approach and emphasis towards the need to address broader sustainability issues beyond climate; AIA acknowledges that these issues are multifaceted and that the ISSB approach aligns with the holistic view necessary for sustainable progress.

The development of sustainability reporting – and the ambition to place it on par with financial reporting – is an essential enabler to the achievement of sustainability objectives such as Net Zero. But becoming sustainable, and reporting on it, presents enormous challenges for SMEs as well as the substantial number of SMPs that advise and prepare reports for them. SMEs do not benefit from a 'one size fits all' approach to standards as they are generally too complex to have a meaningful impact and are therefore ineffectively applied. It is vital that in developing necessary sustainability reporting standards ISSB considers their proportionality and applicability carefully to ensure SMEs and SMPs can adapt to their implementation with the least amount of regulatory burden.

AIA firmly believes that these standards will help to improve trust and confidence in company disclosures surrounding sustainability to inform investment decisions, but that sustainability should not be limited to the largest companies. SMEs and SMPs have a key role to play in sustainability-related disclosures and addressing these concerns will ensure the inaugural IFRS S1 and IFRS S2 are widely implemented.

These new standards can only be considered successful when extensive adoption of the requirements has been implemented; AIA welcomes the ISSB's plans to support the implementation of the IFRS Sustainability Disclosure Standards, including assisting stakeholders obtain a common understanding of the standards and enabling the delivery of the comprehensive global baseline of sustainability-reporting disclosures.

To deliver this change the ISSB should continue to work with other stakeholders, including jurisdictional standard setters and professional bodies, to promote the IFRS Sustainability Disclosure Standards as the global baseline and to ensure interoperability of the requirements insofar as possible, considering jurisdictional differences and nuances. These jurisdictional differences are key, and it will be necessary to ensure that the ISSB works widely to avoid developing a diverging disclosure framework that will add to an already complex reporting landscape for both companies and the users of annual reports and accounts.

AIA noted the importance of alignment in its response to the draft European Sustainability Reporting Standards<sup>2</sup> published in 2022. Global and regional standards such seek to converge as far as possible

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<sup>1</sup> <https://efaa.com/efaa-responds-to-international-sustainability-standards-board-issb-consultation-on-agenda-priorities/>

<sup>2</sup> <https://www.aiaworldwide.com/news/news/aia-responds-to-eu-sustainability-reporting-standards/>

through a process of co-construction and by pursuing those standards that are most developed and where there is the greatest consensus. However, it is important that any global baseline must be sufficiently flexible and generic to allow for regional standards like ESRS. As such we support the development of a global baseline by the International Sustainability Standards Board (ISSB) and support IFAC's position as set out in its draft responses to the sustainability-related disclosures consultation and the climate-related disclosures consultation.

The views expressed in this consultation response build upon our role as a membership and qualifying body, supporting members to provide critical data to their clients and preparing accountants of the future for their key role in sustainability reporting. This response highlights not only some overarching comments for consideration but also detailed responses to the specific questions posed by the ISSB, with particular focus on the importance of SMPs and SMEs in this sustainability-reporting space.

### Feedback on Proposed Research Projects

- 1. Biodiversity, Ecosystems, and Ecosystem Services:** With a clear global shift towards environmental consciousness, businesses must understand the value of, and threats to, biodiversity. Such disclosures can guide investments that seek returns and contribute positively to the environment.
- 2. Human Capital:** AIA emphasises the importance of human capital in the accountancy profession and fully supports a research initiative in this area. With our members spanning globally, we understand the value of nurturing, training, and retaining talent.
- 3. Human Rights:** Respect for human rights is an ethical obligation essential for long-term business viability. Encouraging businesses to be transparent about their human rights practices can foster trust and promote a culture of responsibility.
- 4. Integration in Reporting:** AIA supports the initiative to explore integrated reporting. Transparency and a holistic approach to financial reporting can provide a clearer picture of an entity's financial position, risks, and future potential.

### Future Endeavours and Implementation of ISSB Standards

AIA acknowledges the substantial changes introduced by IFRS S1 and S2. Given our commitment to ensuring that our members remain at the forefront of their profession, we are keen to collaborate and provide support during the transitional phase of these standards. Ensuring an established global baseline for sustainability-related financial disclosures is crucial for fostering trust and consistency in capital markets.

With the ongoing foundational work, AIA recognises the ISSB's commitment, and the resources allocated. We believe in a collaborative approach and are ready to provide the necessary support, insights, or help to further the mission.

Thank you for considering this feedback; AIA looks forward to contributing constructively to the future of sustainable financial reporting.

**The sections that follow respond to the specific questions raised in the consultation document.**

## AIA Response: ISSB Consultation on Agenda Priorities

### Question 1: Strategic Direction and Balance of the ISSB's Activities

#### Re: Prioritisation of ISSB Activities

##### a) Ranking of Activities:

1. **Supporting the Implementation of ISSB Standards IFRS S1 and IFRS S2:** Proper implementation is the bedrock of success for any standard. Without a robust framework for practitioners to transition into these standards, their effectiveness will be compromised. AIA values timely, clear, and structured guidance for members, ensuring that the application of standards is consistent and in alignment with their intended purpose.
2. **Beginning New Research and Standard-Setting Projects:** The dynamic nature of sustainability challenges necessitates continuous research to remain relevant. Ensuring that standards reflect the most current sustainability challenges and opportunities as the landscape evolves is crucial.
3. **Researching Targeted Enhancements to the ISSB Standards:** While the foundational standards are vital, it's equally important to be agile and adaptive, refining the standards based on emerging data, feedback, and global developments. This approach ensures that the standards remain relevant and practical.
4. **Enhancing the Sustainability Accounting Standards Board (SASB) Standards:** As a leading force in the accountancy profession, AIA recognises the value of SASB standards. However, given the emergence of IFRS S1 and S2, the primary focus must remain on their effective roll-out and adaptation. As raised earlier care must be given to ensure the effective implementation of these standards by SMPs and their SME clients.

##### b) Reasons for Ranking and Types of Work to Prioritise:

1. **Supporting the Implementation of ISSB Standards:** Priority should be given to:
  - a. Conducting training sessions and webinars for practitioners.
  - b. Producing practical guidance materials, examples, and templates.
  - c. Establishing channels for timely queries and feedback from entities implementing the standards.
2. **Beginning New Research and Standard-Setting Projects:** Priority areas include:
  - a. Environmental concerns beyond climate, e.g., biodiversity and water scarcity.
  - b. Socio-economic implications of business practices, including fair wages, diversity, and inclusion.
3. **Researching Targeted Enhancements to the ISSB Standards:** Areas to focus on are:
  - a. Refining metrics and indicators based on real-world feedback.
  - b. Adapting standards to account for emerging technologies and methods in sustainability accounting.

**4. Enhancing the SASB Standards:** Prioritise:

- a. Integrating SASB with the new IFRS standards for seamless application.
- b. Addressing gaps and overlaps to ensure clarity and reduce redundancy.

**c) Additional Activities for the Scope of ISSB's Work:**

- 1. Stakeholder Engagement and Collaboration:** Engage with a diverse range of stakeholders, including businesses, NGOs, governments, and the public, to ensure a comprehensive understanding of sustainability challenges and opportunities.
- 2. Technology and Sustainability:** Research the impact of emerging technologies on sustainability and how they can be leveraged for sustainable business practices.
- 3. Global Cultural Considerations:** Understand cultural variations in sustainability perceptions and practices to ensure the standards are globally inclusive and applicable.

Ensuring the interoperability of the ISSB Standards with other sustainability standards including the European Sustainability Reporting Standards to avoid duplication of effort for companies having to comply with both sets of standards is important. This will be assisted by the timely publication of a reconciliation table between ISSB standards and ESRS.

AIA supports a balanced approach that ensures the effective implementation of established standards and the continuous evolution of standards to remain relevant in a rapidly changing world, remaining committed to collaborating with the ISSB in these endeavours.

## Question 2: Criteria for Assessing Sustainability Reporting Matters

### a) Assessment of Identified Criteria by the ISSB:

AIA recognises the challenges associated with prioritising sustainability-related reporting issues, given the dynamic nature of the field and the global context. We appreciate the ISSB's structured approach to developing criteria to make these decisions transparent and grounded.

The information provided shows that the ISSB is on the right track with the identified criteria. Effective criteria should balance urgency, feasibility, and long-term significance. By focusing on these areas, the ISSB ensures that the chosen reporting issues are immediate and foundational for future sustainability goals.

### b) Additional Criteria for Consideration:

- 1. Global Applicability:** Given the diverse business landscapes across countries and cultures, any issue added to the work plan must have broad relevance. Consideration of global applicability ensures that standards and guidelines have a wide-reaching impact and avoid being too region-specific.
- 2. Stakeholder Feedback:** Actively seek feedback from a diverse range of stakeholders, including businesses of various sizes, NGOs, governments, and the public. This will ensure that multiple perspectives are considered, leading to more comprehensive and well-rounded standards.
- 3. Scalability:** The chosen issues should be relevant for large corporations and smaller entities. It's crucial that the guidelines developed can be scaled according to the size and nature of the business, ensuring inclusivity.
- 4. The interconnectedness of Issues:** Sustainability challenges are often intertwined. Consider how they relate to or impact other sustainability challenges when prioritising issues. This will help in creating holistic solutions.
- 5. Technological Evolution:** Given the rapid technological advancements, it's vital to consider how these changes can impact or be leveraged for sustainability. The ISSB should be forward-thinking, anticipating how tech advancements might shape sustainability concerns and opportunities.
- 6. Ethical Implications:** Beyond the financial and operational aspects, the moral dimensions of sustainability issues should be a consideration. This aligns with AIA's commitment to ethical practices in accounting.

While the identified criteria by the ISSB provide a strong foundation, AIA believes that a more comprehensive set of standards, as suggested above, will ensure a holistic approach to sustainability reporting. We remain eager to support the ISSB in refining and enhancing these criteria for improving global sustainability practices.

### Question 3: New Research and Standard-Setting Projects for ISSB's Work Plan

#### Re: Prioritisation of New Research and Standard-Setting Projects

##### a) Approach to New Projects:

AIA acknowledges the balance to be struck between in-depth focus on a single project and broader, incremental work on multiple projects. Both approaches have merits. An in-depth guide allows for a comprehensive understanding and development of guidelines on a particular issue. At the same time, a broader scope ensures that multiple pressing matters are addressed, albeit at a more incremental pace.

Given the complex and interconnected nature of sustainability challenges and the urgent need for action in multiple areas, AIA believes the ISSB should work on more than one project. This multi-pronged approach ensures that while we delve deep into critical areas, we cast a broader net to address multiple sustainability challenges concurrently.

##### b) Prioritisation of Projects:

- 1. Biodiversity, Ecosystems, and Ecosystem Services:** The impacts of climate change, urbanisation, and industrialisation are evident in their effect on our ecosystems. This not only has environmental repercussions but also has significant socio-economic implications. Businesses must understand their role and responsibility in preserving biodiversity; clear guidelines will aid them.
- 2. Human Capital:** With rapid technological advancements, the nature of work and employment is evolving. Businesses need to ensure their workforce's well-being, continuous learning, and ethical treatment. This aligns with AIA's vision of nurturing potential across diverse demographics.
- 3. Human Rights:** As businesses expand globally, they should respect and promote human rights across their operations and supply chains.
- 4. Integration in Reporting:** While essential, this project can be seen as complementary to the other three. Once the guidelines and standards for the different areas are more established, integrating them seamlessly into financial reporting will be the next logical step.

AIA believes that addressing multiple projects concurrently ensures a comprehensive approach to sustainability challenges. By prioritising biodiversity and ecosystems, human capital, and human rights, the ISSB will address some of our time's most pressing challenges. Meanwhile, the integration in reporting can be developed in parallel as the guidelines for the other areas evolve.



## Question 4: Biodiversity, Ecosystems and Ecosystem Services

### Re: Prioritisation and Insights on Biodiversity, Ecosystems, and Ecosystem Services

#### a) Priority Subtopics:

- 1. Habitat Destruction and Fragmentation:** This is of paramount importance. Habitat destruction threatens biodiversity and affects ecosystem services that industries rely upon. The deterioration of these services can have significant financial implications.
- 2. Over-exploitation of Resources:** Over-extraction and misuse of resources can lead to resource scarcity, affecting businesses' operations and increasing the cost of raw materials.
- 3. Pollution and Contamination:** Industries, especially in sectors like manufacturing and energy, play a significant role in pollution. Understanding and measuring their impacts is vital for investors to assess long-term viability and compliance risks.
- 4. Climate Change and Biodiversity:** Climate change impacts can result in unpredictable changes in biodiversity and ecosystem services. This connection is crucial given the growing importance of climate change in investment considerations.

Suggested Subtopic: **Land Use and Land Cover Change:** Conversion of natural landscapes for agricultural, industrial, or urban uses affects biodiversity and ecosystem services. This change can result in reduced water quality, soil degradation, and loss of carbon sequestration capabilities.

#### b) Differentiated Risks and Opportunities:

Sustainability-related risks and opportunities vary across business models, economic activities, and geographic locations. For instance:

- **Agriculture vs. Tech Industry:** While an agricultural entity in Brazil may face risks associated with deforestation and habitat destruction in the Amazon, a tech company in Silicon Valley might be more concerned about its carbon footprint and energy usage.
- **Geographic Location:** Companies operating in coastal regions might be more concerned about sea-level rise and its effects on biodiversity, while those in arid areas might focus more on water scarcity and its impact on local ecosystems.

#### c) Materials and Organisations to Prioritise:

- 1. IPBES Reports:** The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) offers a comprehensive assessment of biodiversity and ecosystem functions. Prioritising IPBES materials ensure scientific rigour.
- 2. World Wildlife Fund (WWF) Resources:** WWF has extensive research on habitat destruction, endangered species, and human-induced changes. Their resources would provide a grounded understanding of the challenges.
- 3. Convention on Biological Diversity (CBD):** As a multilateral treaty, CBD's materials are critical for understanding international commitments and regulations related to biodiversity.

Suggested Material: **Reports by Local Environmental NGOs:** Local NGOs often have on-the-ground insights and case studies that can provide a deeper understanding of region-specific challenges.

In conclusion, understanding biodiversity and ecosystem services is vital for informed investment decisions. Tailored insights based on industry, business model, and location are crucial for a comprehensive view. Leveraging established resources ensures that the ISSB builds upon robust scientific and policy foundations.

## Question 5: Human Capital

### Re: Insights and Prioritisation on Human Capital Research Project

#### a) Priority Subtopics:

- 1. Employee Well-being and Mental Health:** In the current climate of global health crises, the mental well-being of employees has become paramount. It not only affects productivity but also long-term employee retention and company reputation.
- 2. Equity, Diversity, and Inclusion:** As global movements stress on diversity and equality, companies that prioritise EDI can benefit from a wider talent pool, improved corporate reputation, and better financial performance.
- 3. Talent Acquisition and Retention:** Talent remains a crucial differentiator in competitive industries. Understanding how businesses attract, develop, and retain talent can give insights into their strategic planning and future performance.

Suggested Subtopic: **Employee Upskilling and Reskilling:** In an era of rapid technological advancements, the ability of companies to upskill or reskill their employees can determine their adaptability to change.

- **Description:** It refers to the training and development opportunities companies provide their employees to equip them with new or enhance their existing skills.
- **Importance:** With rapid technological advancements, companies need to innovate constantly. Investors would find value in understanding how prepared a company's workforce is for future challenges.

#### b) Differentiated Risks and Opportunities:

Yes, risks and opportunities related to human capital vary widely based on the industry, business model, and geography:

- **Tech vs. Manufacturing Industry:** While a tech company in Silicon Valley might prioritise diversity and innovation, a manufacturing entity might focus on employee safety and training.
- **Geographic Location:** Regulatory environments, cultural nuances, and economic conditions can make certain aspects of human capital more relevant in specific regions. For instance, due to regulatory standards, European companies might focus more on work-life balance. In contrast, Asian counterparts might prioritise skill development due to a rapidly growing tech landscape.

#### c) Materials and Organisations to Prioritise:

- 1. World Economic Forum (WEF) Reports:** WEF regularly addresses talent mobility, upskilling, and workforce strategy in the context of global economic changes. Their insights can be precious.
- 2. Society for Human Resource Management (SHRM) Materials:** As a leading HR organisation, SHRM extensively researches best practices in HR management, diversity, and employee well-being.

**3. International Labour Organization (ILO) Standards:** ILO's work conditions, employee rights, and safety standards can serve as a foundational guide.

Understanding the intricacies of human capital is integral to informed investment decisions. A nuanced approach considering industry, business model, and geographic factors can provide comprehensive insights. Established global and industry-specific resources can help in building a robust framework.

## Question 6: Human Rights

### Re: Insights and Prioritisation on Human Rights Research Project

#### a) Priority Subtopics within Human Rights:

##### 1. Supply Chain Ethics:

- a. **Description:** Addresses the human rights implications of ethical treatment, working conditions, and workers' compensation in all an entity's supply chain tiers.
- b. **Importance:** Companies linked to unethical supply chains can face reputational damages, legal consequences, and divestment. This information is vital for investors to assess an entity's long-term sustainability and risk exposure.

##### 2. Right to Privacy in the Digital Age:

- a. **Description:** Considers the rights of consumers and employees related to data privacy and the ethical use of their personal information.
- b. **Importance:** With increasing data breaches and privacy concerns, how businesses handle data can be a significant risk factor. Investors need insights into a company's data handling practices to gauge potential regulatory and reputational risks.

##### 3. Indigenous Peoples' Rights:

- a. **Description:** Involves respect for the rights of indigenous peoples when companies operate in or near their territories.
- b. **Importance:** Infringements can lead to legal actions, operational delays (e.g., in mining or infrastructure projects), and reputational damages. Investors need to understand these risks to make informed decisions.

#### b) Variance in Sustainability-Related Risks and Opportunities:

Yes, the risks and opportunities related to human rights differ widely across industries, business models, and geographies:

- **Tech vs. Apparel Industry:** Tech companies might face higher risks related to data privacy, while apparel companies might be more exposed to supply chain ethics issues.
- **Geographic Differences:** Companies operating in regions with a history of human rights abuses or ongoing conflicts might face unique challenges, such as working amidst potential child labour or forced labour.

For instance, a European IT company might face stringent data privacy regulations due to GDPR. In contrast, a mining company in Africa might face indigenous peoples' rights challenges.

#### c) Materials and Organisations to Prioritise:

- a) **United Nations Guiding Principles on Business and Human Rights (UNGPs):** As a foundational framework on the responsibilities of businesses concerning human rights, UNGPs provide comprehensive guidelines that can guide standard-setting.

- b) **Amnesty International Reports:** Their investigative reports on human rights infringements by corporations can offer invaluable insights into prevailing issues and sectors at risk.
- c) **Global Reporting Initiative (GRI) Standards:** Given its widespread use and focus on sustainability, the GRI standards offer sector-specific insights into human rights issues.

Addressing human rights within the sustainability framework is not just an ethical imperative but also a business necessity. A comprehensive, industry-tailored approach, underpinned by globally recognised guidelines and investigative reports, will serve the corporate and investor communities effectively.

## Question 7: Integration in Reporting

### Re: Recommendations and Insights on Integration in Reporting Research Project

Integration in reporting is a foundational initiative that has the potential to enhance the relevance, coherence, and comparability of all sustainability reports. However, the urgent nature of some topics, such as biodiversity and human rights, means they also command immediate attention. A balanced approach would be to:

- **Initiate the integration in reporting project** while ensuring that a dedicated team works in parallel on developing standards for urgent topics.
- Utilise the findings and structures developed during the integration project to **enhance and streamline** the sustainability reports for individual topics.

#### b) Approach to Advancing the Integration Project

AIA advocates for an **ISSB-led project** that leverages input from the IASB:

- **Rationale:** This approach ensures that the focus remains on sustainability reporting while benefiting from the IASB's experience. A joint project could dilute the emphasis on sustainability due to competing priorities.
- **Conduct:** Establish regular consultation points between the ISSB and IASB, setting clear milestones to gather IASB insights while maintaining ISSB's steering control.

#### c) Building on Existing Concepts:

- **IASB's Exposure Draft Management Commentary:**
  - **Agree.** It offers a structured approach to non-financial reporting and emphasises the value of narrative disclosures.
  - **Concepts to Incorporate:** Discussion on the entity's purpose, focus on value creation and preservation, and forward-looking information related to sustainability risks.
- **Integrated Reporting Framework:**
  - **Agree.** It's an established framework that many entities recognise and have adopted.
  - **Concepts to Incorporate:** Multi-capital approach, the linkage between strategy and resource allocation, and focus on relationships and stakeholders.
- **Other Sources:**
  - **SASB Framework.** Given its emphasis on industry-specific ESG topics and its wide adoption, it provides valuable sector-based insights.
  - **GRI Standards.** Especially for their detailed disclosure guidelines related to sustainability topics.

#### d) Additional Suggestions:

- **Stakeholder Engagement:** Regularly engage with investors, companies, and NGOs to ensure

the relevance of integrated reporting.

- **Education and Training:** Offer webinars, workshops, and training sessions for entities transitioning to integrated reporting under the new standards.
- **Pilot Testing:** Before full-scale adoption, test the integrated reporting framework with a select group of companies across different sectors to identify challenges and refine the approach.

While the push for integration in reporting is commendable, the ISSB must maintain sight of pressing sustainability issues that require immediate attention. A phased, collaborative, and stakeholder-engaged approach will be most beneficial.



## Question 8: Other Comments on the ISSB's Activities and Work Plan

### Re: Additional Comments and Recommendations

- 1. Collaboration with Existing Frameworks:** The ISSB must work alongside other sustainability frameworks and initiatives to avoid the risk of further fragmenting the reporting landscape. Efforts should be made to harmonise standards and guidelines, focusing on complementing rather than duplicating efforts.
- 2. Focus on Materiality:** The principle of materiality remains a cornerstone of relevant and decision-useful reporting. The ISSB should offer clear guidelines and criteria on how entities should assess the relevance of sustainability risks, ensuring that reports are both comprehensive and pertinent.
- 3. Technology and Digital Reporting:** As we move into an increasingly digital age, it is essential to consider the role of technology in reporting. The ISSB should explore digital reporting platforms, interactive reports, and AI-driven analytics to enhance the utility and accessibility of sustainability data.
- 4. Addressing the SME Sector:** While large corporations often have the resources to navigate complex reporting standards, Small and Medium-sized Enterprises (SMEs) might need help. Tailored guidelines and simplified reporting structures for SMEs can help capture a broader spectrum of sustainability data.
- 5. Continuous Stakeholder Engagement:** Regular consultations with a diverse group of stakeholders, from investors to environmentalists, will ensure that the ISSB's standards remain relevant and address the real-world challenges and needs of the business community.
- 6. Educational Initiatives:** Rolling out new standards and guidelines is just one part of the puzzle. The ISSB should also focus on educational initiatives, workshops, and training sessions to ensure that entities understand and can effectively implement the standards. Courses and training need to be mandated and financially supported so that the urgency of societies responses is understood fully across society and the business world.
- 7. Periodic Review Mechanism:** The sustainability landscape is rapidly evolving. There should be a mechanism for periodic standards reviews to remain relevant and practical, considering new research, emerging risks, and stakeholder feedback.
- 8. Consideration for Developing Economies:** Understanding sustainability challenges that vary significantly across regions, especially between developed and developing economies, is crucial. The ISSB should ensure its standards are adaptable and considerate of the unique challenges faced by entities in growing regions.
- 9. Financial support:** It is essential that developing and adopting new standards is not impinged by financial constraints. It is essential that funds are raised from corporations with excess profits and applied to promote education and finance the changes that are required to transition society to a towards a sustainable future.

While the ISSB's efforts to standardise sustainability reporting are commendable, the real challenge lies in implementation, adaptability, and continuous evolution. A collaborative, inclusive, and forward-thinking approach will ensure the success of this initiative.

## About AIA

The Association of International Accountants (AIA) was founded in the UK in 1928 as a professional accountancy body and promotes the concept of 'international accounting' to create a global network of accountants.

AIA is recognised by the UK government as a recognised qualifying body for statutory auditors under the Companies Act 2006, across the European Union under the mutual recognition of professional qualifications directive and as a prescribed body under the Companies (Auditing and Accounting) Act 2014 in the Republic of Ireland. AIA also has supervisory status for its members in the UK under the Money Laundering Regulations 2017. AIA is a Commonwealth Accredited Organisation. AIA is a member of the European Federation of Accountants and Auditors (EFAA) for SMEs and SMPs.

AIA believes in creating a global accountancy profession and supports the International Federation of Accountants (IFAC) in their vision of a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets and economies. AIA has adopted IFAC's Code of Ethics for professional accountants and also incorporates IFAC's International Education Standards (IES) into its qualifications and policies.

AIA has members working throughout the whole spectrum of the accountancy profession. Many of our members are at the top of the accountancy industry, from senior management to director level. Conversely, significant numbers of our members work in small and medium sized businesses (SMEs) and we strive to champion the importance of SMEs and their needs.

## Further Information

The above replies represent our comments upon this consultation document. We hope that our comments will be helpful and seen as constructive. AIA will be pleased to learn of feedback, and to assist further in this discussion process if requested.

If you require any further information, please contact:

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