



A PUBLICATION OF THE IAI COMPREHENSIVE CORPORATE REPORTING TASK FORCE

ACCOUNTANCY PROFESSION TO TAKE LEAD IN SUSTAINABILITY REPORTING

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Why Us? Why Accountants?

The world has seen an increased consumption, rapid economic growth, and globalization. Its impact on Environmental, Social and Governance (ESG) and sustainability becomes increasingly significant. Investors, creditors, and other stakeholders consider this as a key driver affecting their business model, particularly to achieve organizations' long-term sustainability performance. As a result, transparent measurement and disclosure of sustainability performance are now considered to be a fundamental part of effective business management, and essential for preserving trust in business as a force for good.¹

Sustainability reporting is a mean to inform stakeholders, including investors, about the transparent measurement and disclosure of sustainability performance, as well as for the preparers themselves to use the information internally for decision-making purposes. The decision of what information is to be created to

capture the relevant sustainability issues mostly relates to the accountant's role as a knowledge and information management expert². Some of the sustainability performance effects on a company that have taken place at the reporting date (or are included in the projections of the cashflows that support valuations and estimates of future cash flows) are therefore already represented as monetary amounts recognized in the financial reporting. Hence, it is important to have a coherent global system of interconnected corporate reporting.

Financial reporting has matured because of globally used IFRS Accounting Standards which were developed by the International Accounting Standard Boards (IASB), bring transparency, accountability, and efficiency to financial markets around the world. Accordingly, when the International Sustainability Standards Board (ISSB)—which operates under the governance structure of the IFRS Foundation—has an initiative that aims to ensure compatibility and interconnectedness of investor-focused baseline sustainability information that meets the needs of the capital markets³, its seen as the right step taken towards creating a strong linkage between financial and sustainability related information.

This is further highlighted in the Exposure Drafts IFRS Sustainability Disclosure Standards which were published by the ISSB on 31 March 2022, that requires sustainability-related financial information must be for the same reporting entity as the financial statements and published as part of its general-purpose financial reporting⁴. This interconnectedness between sustainability-related financial information in financial reporting is one of the main reasons why the accountancy profession needs **to take lead**.

¹ CDP, CDSB, GRI, IIRC and SASB. Statement of Intent to Work Together Towards Comprehensive Corporate Reporting: Summary of alignment discussions among leading sustainability and integrated reporting organisations. September 2020.

² Stefan Schaltegger and Dimitar Zvezdov, (2015) "Gatekeepers of sustainability information: exploring the roles of accountants", Journal of Accounting & Organizational Change, Vol. 11 Issue 3 pp. 333 - 361.

³ IFRS Foundation and GRI to align capital market and multi-stakeholder standards to create an interconnected approach for sustainability disclosures, 24 March 2022.

⁴ International Sustainability Standards Board, Exposure Draft IFRS® Sustainability Disclosure Standard: [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. Introduction page 6. March 2022.

Advocate for Smart Sustainability-Related Policymaking

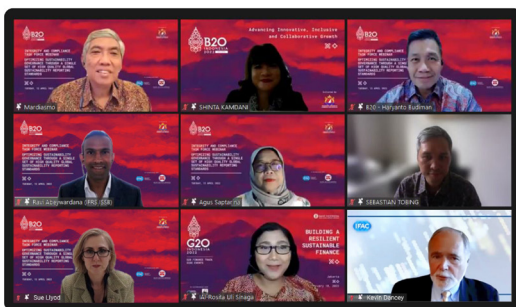
The time for action on sustainability for the accountancy profession to take lead is now. The accountancy profession should advocate for smart sustainability-related policymaking & regulation—starting with support for the new ISSB and requiring assurance of sustainability disclosures⁵. That is why, the Institute of Indonesia Chartered Accountants (IAI) as a professional organization that oversees all accountants in Indonesia and one of the co-founders and a member of the International Federation of Accountants (IFAC), which consists of 180 professional accounting associations representing 3.5 million accountants worldwide is actively advocating IFRS Sustainability Disclosure Standards as a single set of global sustainability reporting standards.

The effort made to advocate IFRS Sustainability Disclosure Standards as a single set of global sustainability reporting standards is conducted through The Business 20 (B20) Indonesia forum which is the official G20 dialogue forum with the global business community. B20 bases its work on the Task Force and Action Council which are entrusted with providing policy recommendations to the G20, and international organizations and institutions. IFAC and IAI are parts of the B20 Task Force Integrity and Compliance represented by the members of the IAI National Council.

Consequently, on 12 April 2022, IAI in collaboration with IFAC and the Indonesia Chamber of Commerce and Industry (KADIN) hosted an international webinar on “*Optimizing Sustainability Governance through a Single Set of High-Quality Global Sustainability Reporting Standards*”, the first of three side events to be organized as part of the B20 Indonesia activities for Indonesia’s G20 Presidency (hereafter, 1st B20 Side Event). These events are held to enhance the recognition and commitment of regulators and business communities, especially the accountancy profession, to advance collaborative engagement in promoting Sustainable Governance and Reporting to ensure long-term value creation as well as to raise awareness of the importance of a global Sustainability Reporting Standards as developed by ISSB to strengthen sustainability governance.

The aspiration to establish a strong linkage between the ISSB’s standards and existing financial reporting standards (i.e., IFRS) would require the expertise and competencies that the accountancy profession has built into our understanding of financial reporting. As Professor Mardiasmo mentioned in his remarks at the 1st B20 Side Event:

“For some comprehensive reasons, amongst others: accountants are at the center of information; accountants have the relevant skills and competencies; accountants are globally connected; accountants are subject to an ethical code.”



INTEGRITY AND COMPLIANCE TASK FORCE WEBINAR
OPTIMIZING SUSTAINABILITY GOVERNANCE THROUGH A SINGLE SET OF HIGH QUALITY GLOBAL SUSTAINABILITY REPORTING STANDARDS

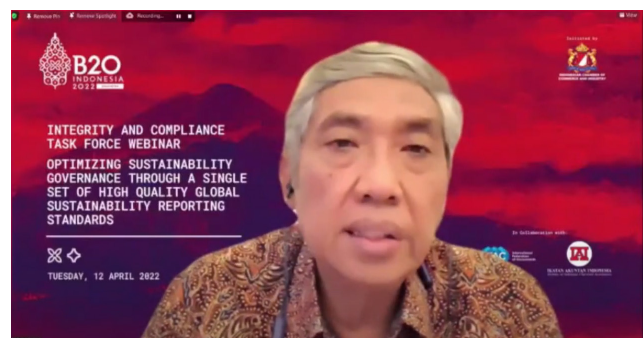


Figure 2 Professor Mardiasmo (President of IAI) gave an Opening Remarks at the 1st B20 Side Event.

Figure 1 Some of the speakers at 1st B20 Side Event: Optimizing Sustainability Governance through a Single Set of High-Quality Global Sustainability Reporting Standards.

⁵ International Federation of Accountants (IFAC), *Time for Action on Sustainability: Next Steps for the Accountancy Profession*, 23 February 2022.

This statement echoed by Kevin Dancey, CEO of IFAC in his remarks:

“We must leverage the fact that professional accountants are at the center of information flows and decision making, and we can use our skills and competencies to connect financial and non-financial information. I want to say more about this last point. This connection is critical to developing an integrated mindset within companies. This is the foundation for better decision making by senior management better oversight by boards of directors, better corporate reporting that truly enhances communication with stakeholders and finally provides for the assurance of ESG and financial reporting in a value-added interconnected way.

Finally, as the professionals in our day-to-day work we can take proactive steps to enable sustainable change by being proactive and reporting the effects of climate change in the financial statements, by breaking down ESG or financial information silos within companies, that’s the integrated mindset idea, by integrating ESG’s subject matter into the foundational skills and competencies, professional judgment, and integrity of professional accountants, and by advocating for smart policy making that is why we think it is important to actively engage here with the B20. That is what the accountancy profession can and must do to lead.”



Figure 3 Kevin Dancey (CEO of IFAC) gave an Opening Remarks at the 1st B20 Side Event

IAI and IFAC play an active role in the policy recommendation discussion at B20 Indonesia on which Shinta Widjaja Kamdani as Chair of B20 Indonesia rightfully said in her remarks that:

“Accountants play an instrumental part in the dialogue and cooperation between the public and private sector. IFAC and IAI have maintained their integrity and competence for years promoting the high value of the responsible transparent and high-quality business.”



Figure 4 Shinta Widjaja Kamdani (Chair of B20 Indonesia) gave an Opening Remarks at the 1st B20 Side Event

Furthermore, on the same occasion Haryanto T. Budiman as Chair of the B20 Indonesia Integrity & Compliance Task Force also acknowledged in his opening remarks that IAI and IFAC took part in the dialogue of policy recommendation to the G20 regarding the single set of high-quality global sustainability reporting standards.

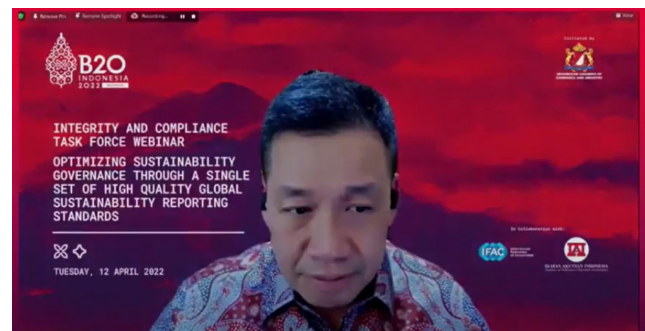


Figure 5 Haryanto T. Budiman as Chair of Task Force Integrity & Compliance B20 Indonesia gave an Opening Remarks at the 1st B20 Side Event

“After further discussion with key stakeholders including with IFAC and IAI, there is a need for us to address ESG in totality with a single set of high-quality global sustainability reporting standards. Our two policy actions related to sustainability reporting are first to improve sustainable governance measures. This is where we would like to recommend to the G20 to support standardized sustainability measures in compliance efforts including metrics, regulatory requirements for business in various sectors.”

Under G20 2021 in Italy, the G20 leaders have recognized the work program of the IFRS Foundation to develop a baseline global reporting standard under robust governance and public oversight which is IFRS Sustainability Disclosure Standards published by ISSB. Collectively, IAI will continue to advocate for strengthening Indonesia’s commitment, from recognition to encouragement for members of the G20 to lead by example and support the ISSB’s initiatives.

IFRS Sustainability Disclosure Standards

As established earlier in this article, on 31 March 2022, the ISSB published Exposure Draft IFRS Sustainability Disclosure Standard: [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (hereafter “[draft] IFRS S1”) and Exposure Draft IFRS Sustainability Disclosure Standard [Draft] IFRS S2 Climate-related Disclosures (hereafter “[draft] IFRS S2”). [Draft] IFRS S1 and [draft] IFRS S2 are significantly different from to existing sustainability disclosure framework because not only its build on existing initiatives⁶, but it’s also using a building-block approach in a way that allows jurisdictions to incorporate the IFRS Sustainability Disclosure Standards’ requirements to meet specific jurisdictional requirements and other Generally Accepted Accounting Principles (GAAP) such as US GAAP as explained by Sue Lloyd, the Vice-Chair of ISSB in her keynote speech at the 1st B20 Side Event:

“We refer to the IASB, but we will also refer to other GAAP and that’s because the ISSB is trying to write its standards in a way that would enable them to be used to complement the information provided in financial statements using IFRS requirements but also to facilitate communication in addition in conjunction with the financial statements prepared using other GAAPs such as US GAAP.”

Building blocks approach

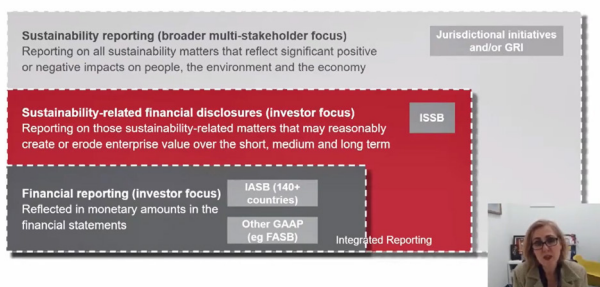


Figure 6 Sue Lloyd (Vice Chair of ISSB) explained about Building Block Approach at the 1st B20 Side Event

The way IFRS Sustainability Disclosure Standards complement GAAP is shown in the objective of [draft] IFRS S1, which is to require an entity to disclose information about its significant sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reporting when they assess enterprise

value and decide whether to provide a resource to the entity⁷. Also, the requirement related to the frequency of reporting is an entity shall report its sustainability-related financial disclosures at the same time as its related financial statements and the sustainability-related financial disclosures shall be for the same reporting period as the financial statements⁸. It should be noted that the general-purpose financial reporting includes but is not limited to an entity’s financial statements as Ravi Abeywardana (Technical Director of ISSB) clearly stated in his presentation about the IFRS Sustainability Disclosure Standards at the 1st B20 Side Event:

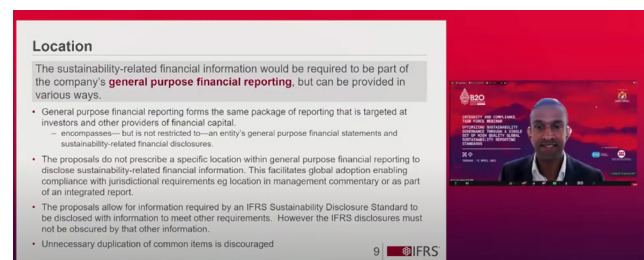


Figure 7 Ravi Abeywardana (Technical Director of ISSB) explained about [draft] IFRS S1 and [draft] IFRS S2

“The general-purpose financial reporting includes but is not limited to an entity’s financial statements, as well as sustainability related financial disclosures and that for example, as I mentioned, it can include a group consolidated financial statements, which would comprise of a parent company and subsidiaries.”

Furthermore, some of the requirements in [draft] IFRS S1 has adapted from IAS 1: Presentation of Financial Statement and IAS 8: Accounting policies changes in accounting estimates and errors. Such as requirements about comparative information, assumptions it makes about the future, and other sources of significant uncertainties. The requirements in [draft] IFRS S1 further emphasize the key role of the accountant because it relies on the skills and competencies of professional accountants—combining an understanding of a company’s business model, risks/opportunities, systems/processes, and performance with knowledge of sustainability factors and the ability to collaborate with experts⁹. Rosita Uli Sinaga a Member of the IAI National Council and Chair of IAI Comprehensive Corporate Reporting Task Force also share the same spirit that:

⁶ IFRS Foundation. IFRS Foundation announces International Sustainability Standards Board, consolidation with CDSB and VRF, and publication of prototype disclosure requirements. 3 November 2021.

⁷ International Sustainability Standards Board, Op Cit., Objective page 22. March 2022.

⁸ International Sustainability Standards Board, Op Cit., Frequency of reporting page 35. March 2022.

⁹ International Federation of Accountants (IFAC), Op Cit.,

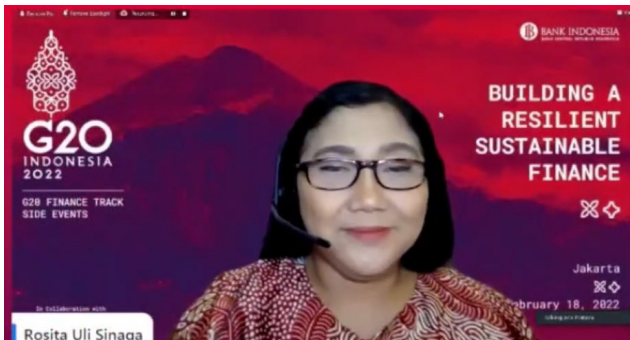


Figure 8 Rosita Uli Sinaga (Member of IAI National Council and Chair of TF CCR) emphasized the role of accountant in sustainability initiatives.

“Professional accountants usually are at the center of information flows and decision making. This has uniquely positioned us to capture, analyze, report and give assurance of the sustainability information together with financial information. In addition, because this report needs to be supported by a strong corporate governance, our profession as an accountant also has the skill set to drive this strong corporate governance.”

As previously mentioned, IFRS Sustainability Disclosure Standards are built upon existing frameworks. The [draft] IFRS S2 is the ISSB’s proposal for the first thematic IFRS Sustainability Disclosure Standard and is structured around the Task Force on Climate-Related Financial Disclosures (TCFD) four core elements of governance, strategy, risk management, and metrics and targets. Also, the [draft] IFRS S2 is built on Sustainability Accounting Standards Board (SASB) Standards. It further highlights the correlation between accounting and sustainability and surely emphasizes the key part that accountant hold. SASB Standards enable businesses around the world to identify, manage and communicate financial-material sustainability information to their investors. ISSB clearly stated in its Basic of Conclusion paragraph BC128¹⁰:

BC128 Most of the industry-based requirements included in the Exposure Draft are unchanged from those in the SASB Standards and thus the ISSB benefits from the prior experience of those using the SASB Standards and using the information resulting from their application. ...

The entity would apply IFRS S2 to disclose information about¹¹: (1) climate-related risks including but not restricted to: physical risks from climate change (physical risks); and risks associated with the transition to a lower-carbon economy (transition risks); and (2) climate-

related opportunities available to the entity. Accountants would need practitioners to provide professional assessments to help users disclose the requirement on IFRS S2. This is the same process in IFRS Accounting Standard, where some standards need assessment from law practitioners, business valuers and actuaries (e.g., in applying IAS 19 *Employee Benefits*, IFRS 13 *Fair Value Measurement*, etc). The ability and experience to collaborate with subject matter experts combined with deep knowledge of IFRS Accounting Standard are the one package skill and competencies owned by professional accountants.

Broadening the National Accounting Standard-Setter to Include IFRS Sustainability Disclosure Standards

Based on the context above, it can be concluded that the IFRS Sustainability Disclosure Standards is designed as part of a disclosure reporting system that includes both financial and climate-related disclosure, presented in sustainability reporting. IFRS Sustainability Disclosure Standards which build on existing sustainability framework and standards is expected to complement the IFRS Accounting Standards or other GAAP and another jurisdictional requirement. Based on that context, to ensure jurisdiction has interconnectivity between the Standards, the national accounting standard-setter would need to be broadened to include IFRS Sustainability Disclosure Standards.

372 participants

■ Agree ■ Disagree ■ Strongly Agree ■ Strongly Disagree ■ Undecided

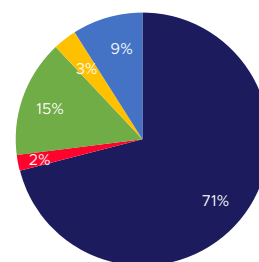


Figure 9 Live Poll during the 1st B20 Side Event

At the 1st B20 Side Event, moderator asked the audience whether they strongly disagree, agree, undecided, strongly agree, or disagree with the following statement:

“Since IFRS Sustainability Disclosure Standards are intended to meet the needs of the users of general-purpose financial reporting, therefore the national accounting standard-setter would need to be broadened to include IFRS Sustainability Disclosure Standards.”

¹⁰ International Sustainability Standards Board, *Exposure Draft IFRS® Sustainability Disclosure Standard: [Draft] IFRS S2 Climate-related Disclosures*. March 2022.

¹¹ *Ibid*. March 2022.

Precisely 372 participants voted. Based on the result, about 71% from participants voted agree and 15% from participants voted strongly agree. This means that 86% of voters agree that the national accounting standard-setter would need to be broadened to include IFRS Sustainability Disclosure Standards.

The survey was also conducted after the event to capture more data from larger participants. The number of attendees that participated in the survey is 843 participants. About 80% out of 843 participants voted agree and 12% voted strongly agree. This means that 92% of voters also agree that the national accounting standard-setter would need to be broadened to include IFRS Sustainability Disclosure Standards.

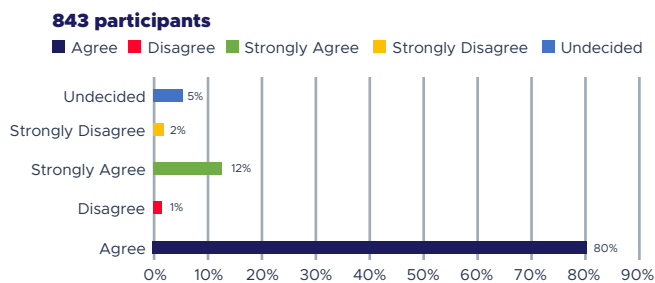


Figure 10 Survey after the 1st B2O Side Event

The result of the live polling and survey above also provide support to the statement that Professor Mardiasmo mentioned in his remarks:

“Mirroring the IFRS Foundation’s increasing focus on sustainability, in December 2020, IAI has established the IAI Comprehensive Corporate Reporting Task Force. The Task Force aims to promote and accelerate adoption of high-quality globally converged and accepted sustainability reporting standards. Furthermore, as a part of our ongoing journey to build a strong sustainability reporting ecosystem in Indonesia, IAI at our 14th congress that will be organized on December 15, 2022, will be proposing a change to our basic Articles of Association (AD/ART) to accommodate the establishment of the Indonesia Sustainability Standard Board. It is an extension of the trust that our government and stakeholders have given to IAI in successfully developing the financial reporting standard in Indonesia.”

Currently, IAI was given a mandate as the financial reporting standard setter in Indonesia through Dewan Standar Akuntansi Keuangan/Financial Accounting Standard Boards (DSAK IAI). DSAK IAI continues to actively implement the adoption of IFRS Accounting Standards through the process

of convergence to Standar Akuntansi Keuangan (SAK). Accordingly, mirroring the IFRS Foundation initiative in sustainability reporting, Indonesia should also adopt IFRS Sustainability Disclosure Standards.

Perspective from Other Key Stakeholders

The financial regulator in Indonesia, namely The Financial Services Authority (OJK) also support the ISSB’s initiatives. The Financial Services Authority (OJK) is an independent institution in carrying out its duties and responsibilities, free from interference by other parties, except for matters expressly governed in Law of The Republic of Indonesia Number 21 of 2011 on Financial Services Authority. The Function of OJK is to establish an integrated regulatory and supervisory system for all activities in the financial services sector¹². At the 1st B2O Side Event, Agus Saptarina as Director of Accounting Standards and Governance of OJK mentioned in the panel discussion session that:

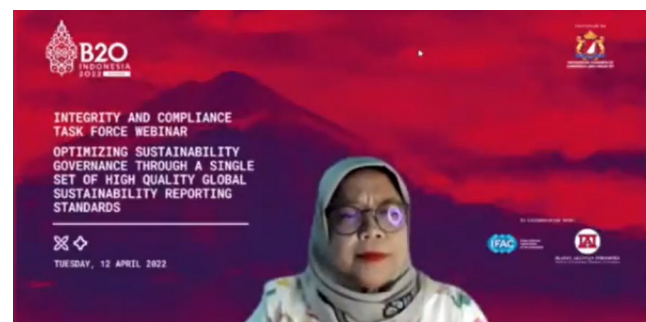


Figure 11 Agus Saptarina (Director of Accounting Standards and Governance of OJK) spoke at the 1st B2O Side Event

“OJK support the ISSB initiative to establish standards for sustainable financial reporting/ sustainability reports for Issuers and Public Companies and Financial Institution. Considering the differences and any diverse sustainability standard, it might be the obstacles for investors and stakeholders to assess the implementation of sustainable finance, OJK supports the implementation of international standards, including when the IFRS Sustainability Disclosure Standard has been issued.”

On the same occasion, OJK also raised a concern about whether IFRS Sustainability Disclosure Standards should be fully adopted in Indonesia and other jurisdictions. Or whether it can be adopted with adjustments, similar to adoption of IFRS Accounting Standards in Indonesia as the SAK.

¹² Law of The Republic of Indonesia Number 21 Of 2011 on Financial Services Authority

Investors are also key stakeholders in this issue. Particularly, since the IFRS Sustainability Disclosure Standards focused on meeting investor needs, as Sue Llyod mentioned in her speech: *“The IFRS Sustainability Disclosure Standards will focus on meeting investor needs, but they’ll be compatible with jurisdictional requirements that are designed to meet broader stakeholder information needs.”*

At the same event, Sebastian Tobing as the Head of Research Equity from BNP Paribas Asset Management shared his opinion representing the investors. Sebastian shared that ESG Reporting in Indonesia is something that is still relatively new. He further explained that only 50 out of 700 companies listed on the Indonesia Stock Exchange have done a comprehensive sustainability reporting. Meanwhile, they need access to data that contain sustainability-related information such as how much carbon footprint the companies produce, etc. Accordingly, Sebastian stated the need for standardized metrics:

“What I would like to see is as an investor are (1) for more companies to prepare a more comprehensive report that includes sustainability information and (2) to have standardized metrics of what needs to be reported, to help investors in understanding the business.”

In conclusion, investors want to get more sustainability-related information from the companies that meet their need which the IFRS Sustainability Disclosure Standard should be able to provide. At the 1st B20 Side Event, moderator asked the audience whether they strongly disagreed, agree, undecided, strongly agree, or disagree with the following statement:

355 participants

■ Agree ■ Disagree ■ Strongly Agree ■ Strongly Disagree ■ Undecided

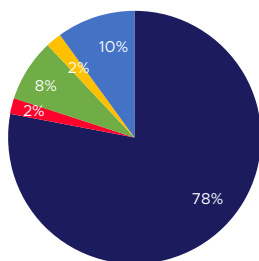


Figure 12 Live Poll during the 1st B20 Side Event

“The Exposure Draft IFRS Sustainability Disclosure Standard responds to calls from primary users (investors, lenders, and other creditors) of general-purpose financial reporting for more consistent, complete, comparable, and verifiable sustainability-related financial information to help them assess an entity’s enterprise value. Does it bring more value to your needs?”

Exactly 355 participants voted, with 78% voted agree and about 8% from participants voted strongly agree. This means 86% of voters agree that IFRS Sustainability Disclosure Standards help primary users (investors, lenders, and other creditors) of general-purpose financial reporting to assess an entity’s enterprise value.

843 participants

■ Agree ■ Disagree ■ Strongly Agree ■ Strongly Disagree ■ Undecided

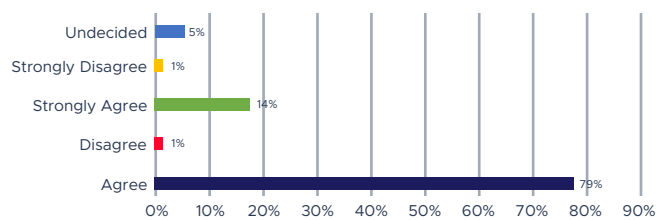


Figure 13 Survey after the 1st B20 Side Event

Post-event survey with 843 responses show 79% voted agree and 14% voted strongly agree. This means that 93% of voters also agree that IFRS Sustainability Disclosure Standards help primary users (investors, lenders, and other creditors) of general purpose financial reporting to assess an entity’s enterprise value.

The result of the live polling and survey above also provide support to the statement which Sebastian also stated during the event:

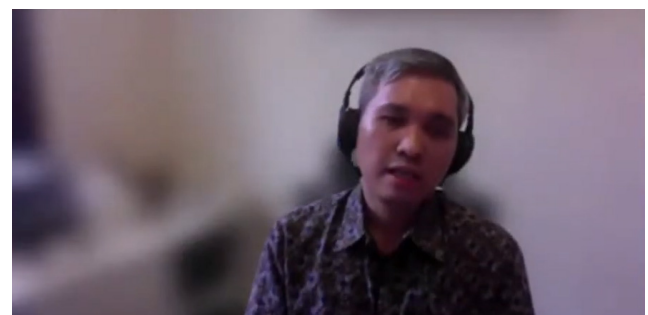


Figure 14 Sebastian Tobing (Head Research Equity from BNP Paribas Asset Management) shared what’s on investor minds at the 1st B20 Side Event

“Now if you look at the ISSB proposal, like what Bu Rosita mentioned as well earlier, is that having something where is compatible also with the existing with the locals and also the other Standards that are going that helps the companies a lot. And whichever makes it easier for the companies, is we think it’s great because that would help them would make it, it encourages them to do the reporting and to do a more comprehensive sustainability reporting, which of course as investors, that’s what we would like.”

An Assurance on Sustainability Reporting

Aside from the standardized & interconnected sustainability reporting standards, primary users of general-purpose financial reporting especially investors are also demanding for high-quality assurance on sustainability reporting. As the accountancy profession is taking lead, professional accountants should foster trust and confidence in the sustainability information companies report by requiring high-quality assurance, conducted following standards set by the International Auditing and Assurance Standards Board (IAASB)¹³.

At the 1st B20 Side Event, Isabelle Tracq-Sengeissen as a Member of IAASB and the IAASB's Sustainability Assurance Consultative Group mentioned the need for international standards for assurance and sustainability due to the fragmentation issue:

"We see now that multiple assurance standards do exist. [Such as] IAASB standards and guidance that can be used for assurance engagement on sustainability, and ESG information. But other standard setters have also established standards such as ISO or AA1000. So, therefore, as much as there is a risk of fragmentation in the reporting standards, which may somewhat be addressed with the ISSB [and/or] GRI we see also a risk of fragmentation in the assurance space. And if we have this fragmentation, this would lead to confusions among users who may not clear or understand the difference between the various assurance frameworks."

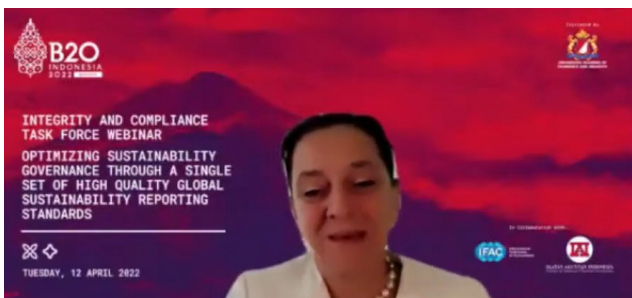


Figure 15 Isabelle Tracq-Sengeissen (Member of IAASB and the IAASB's Sustainability Assurance Consultative Group) spoke at the 1st B20 Side Event.

Furthermore, Kusumaningsih Angkawidjaya as a Council Member of the Indonesian Institute of Certified Public Accountants (IAPI) mentioned: "IAPI has recent limited research on 50 largest listed entities by market capitalization as of

31st March 2022. Based on the result, revealed that 33 out of 50 entities have issued some sustainability reports in 2021. On the specific result, 13 of 33 entities have assurance statements in which 54% use ISAE 3000 (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information) limited assurance and 46% use AA1000 as a moderate level. This result indicates that ISAE 3000 or our local equivalent SPA3000 have not been widely used in our jurisdiction and also indicate that there are multiple assurance standards and also fragmentation in assurance. IAPI has the same view as ISSB that there's an urgent need for a high-quality international standard for assurance on sustainability to ensure credibility, reliability, and accuracy of sustainability-related disclosure. IAPI think that it is very important to process adopt ISAE 3410 the standard for assurance engagement on greenhouse statements. IAPI believes that this standard will be very relevant for addressing a growing demand for stakeholders for trusted carbon emission information."

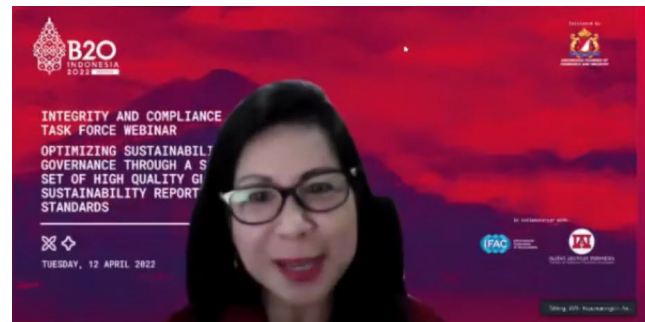


Figure 16 Kusumaningsih Angkawidjaya (Council Member of IAPI) spoke at the 1st B20 Side Event

It can be concluded that many companies have multiple assurance standards which can be differently used in each jurisdiction. Therefore, there's an urgent need for a high-quality international standard for assurance for sustainability information, to ensure credibility, reliability, and accuracy of sustainability related disclosure. This statement is also supported by the result of live polling survey conducted at the 1st B20 Side Event.

On the following statement:

"There is an urgent need to develop assurance standards for sustainability reports based on the Exposure Draft IFRS Sustainability Disclosure Standard?"

¹³ International Federation of Accountants (IFAC), Op Cit.,

Responses from 344 participants show 68% voted agree and 19% voted strongly agree. This means 87% of voters agree that there is an urgent need to develop assurance standards for sustainability reports.

344 participants

■ Agree ■ Disagree ■ Strongly Agree ■ Strongly Disagree ■ Undecided

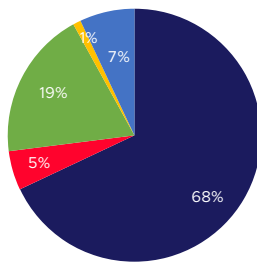


Figure 17 Live Poll during the 1st B20 Side Event

Post-event survey with shows about 77% out of 843 participants voted agree and 15% voted strongly agree. This means that 92% of voters also agree that there is an urgent need to develop assurance standards for sustainability reports.

843 participants

■ Agree ■ Disagree ■ Strongly Agree ■ Strongly Disagree ■ Undecided

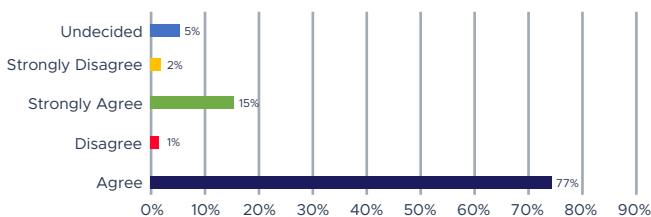


Figure 18 Survey after the 1st B20 Side Event

What's Next?

First and foremost, the [draft] IFRS S1 and [draft] IFRS S2 are open for comment until 29 July 2022. Accounting professionals who take lead in the initiative surely should contribute by submitting feedback. Since the [draft] IFRS S1 and [draft] IFRS S2 does not include a proposed effective date might be one of many important things to be considered.

During the Emerging Economies Group (EEG) Meeting on 16 May 2022, Ravi Abeywardana as Technical Director of ISSB informed that the ISSB will determine an effective date in the process of finalizing the [draft] IFRS S1 and [draft] IFRS S2 based on the comments it receives on the period that entities believe is necessary to apply the

proposals and why. Also, Ravi stated that the IFRS Sustainability Disclosure Standards would be available for immediate voluntary adoption.

What will happen in the future? Accountants should be ready and have a collaborative mindset at every level of their function. Between strategic level, operating level, and reporting level, the functional role and position of a professional accountant are correlated with corporate sustainability development. Accountants will exercise their authority as creators of value for the company at the strategic level. While at the operating level, accountants will act as providers of sustainable development values and will act as keepers and reporters at the reporting level. During this time, the role of the accountant in sustainable development needs to have a principle of continuous improvement according to the new economic conditions¹⁴.

¹⁴ Inna Makarenko and Alex Plastun (2017). The role of accounting in sustainable development. Accounting and Financial Control, 1(2), 4-12.