
**UNCTAD, OECD, CDSB and GRI Workshop on
Climate Change Reporting**

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SESSION II

**INFORMATION NEEDS OF A GREEN ECONOMY:
PROMOTING NEW PRACTICES, ALIGNING EXISTING
PRACTICES**

PRESENTED BY

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Workshop on Climate Change Reporting

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Overview

(1) IAASB: International Standard on Assurance Engagements (ISAE) 3410
“Assurance Engagements on Greenhouse Gas Statements”

(2) PAIB Committee “Investor Demand for Environmental, Social, and Governance Disclosures: Implications for Professional Accountants in Business”

ISAE 3410

- Sustainability reporting v. single issue
- Entities increasingly quantifying emissions
 - Emissions Trading Schemes
 - Regulatory disclosure regimes
 - Voluntary disclosure (e.g., sustainability reports, CDP)
- Timeline
 - 2007 – Project proposal
 - 2008 – Roundtables
 - 2009 – Consultation paper
 - 2010/11 – Exposure Draft
 - 2012 – Standard (yesterday!)

ISAE 3410

- Accountants well suited, but not a “captive” domain:
 - Need both assurance AND emissions quantification and reporting
 - Accountants may need to use experts, but not always
 - ISAE 3000 – open to broader application?
- Both limited assurance and reasonable assurance
 - LA ≠ primarily inquiries and analytical procedures
 - Need to assess risks and design appropriate responses

Investor Demand for ESG Disclosures ...

- Evolving trend – greater interest in, and integration of, ESG factors into investment processes and decisions
- Evidence?
- Investor approaches:
 - Positive and negative screening
 - Engagement
 - ESG integration
- Sector-neutral list of core KPIs

... Implications for Professional Accountants in Business

- Engage investors to understand their needs
- Incorporate ESG factors/non-financial information in governance and accountability arrangements
- Link financial and non-financial performance and outcomes to improve understanding of sustainable value creation
- Ensure information is material, timely, consistent and comparable
- Bring together data to support internal and external decision making.



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