

Sustainability Working Group Information Gathering Report

This document summarizes the Information Gathering Work completed by the International Panel on Accountancy Education's (the IPAE or the Panel) Sustainability Working Group. It is based upon their report provided to the IPAE in November 2023, with updates for the publication of the Literature Review and a Gap Analysis completed in January 2024.

SUSTAINABILITY REPORTING PROJECT INFORMATION GATHERING ACTIVITIES

1. The SRP information gathering activities have progressed as planned.

2. **Stakeholder outreach:**

More than 60 stakeholder outreach engagements with individuals or groups have been concluded. These engagements have covered all regions (see Figure 1) and key stakeholder groups identified at the project inception including preparers, auditors, investors, academics, regulators and PAOs. Engagements were held with the following key stakeholders:

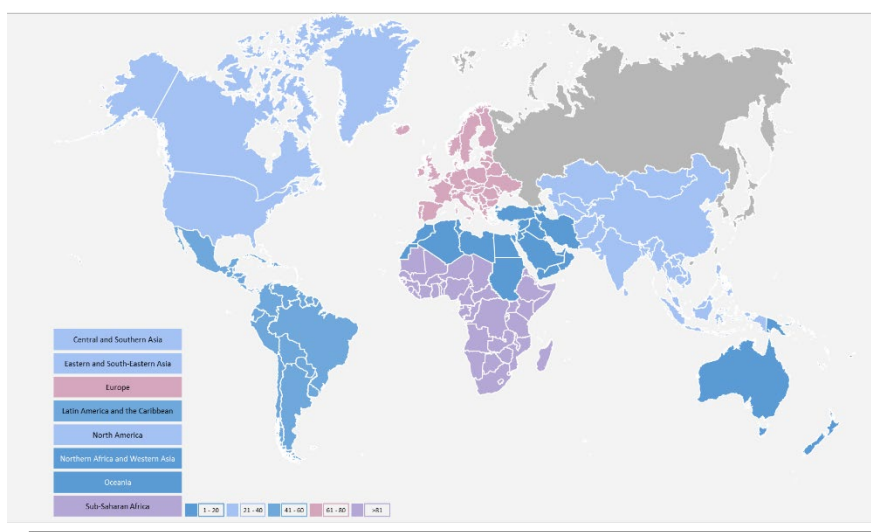


Figure 1: Map of Outreach

- IFAC Advisory Groups: Professional Accountants in Business Advisory Group, Small and Medium-sized Practices Advisory Group, PAO Development and Advisory Group, Public Policy and Regulation Advisory Group
- Standard setters: IFRS Foundation, IAASB, IESBA, IPSASB
- Global Accounting Alliance (CPD Sustainability Task Force), Accountancy Europe, European
- Regional engagements in Africa, the Caribbean, Middle East, Latin America, and South Asia
- Audit partners providing sustainability assurance and consulting services, and auditors who have transitioned from financial statement assurance to sustainability assurance services.
- Directors on corporate boards of US private and multinational entities



3. **Literature review:** A literature review conducted by an accounting academic recommended by the International Association for Accounting Education & Research (IAAER) was published in January 2024. This is available on IFAC's website [here](#).
4. **Global survey:** A stakeholder survey published in Arabic, English, French, Portuguese and Spanish received more than 300 responses from 78 countries. Initial analysis of the survey themes was undertaken using ChatGPT, with oversight and review by the Sustainability Working Group. The Sustainability Working Group also reviewed the results of ranking questions on 'What's new'. This work may be found in Appendix A.

GAP ANALYSIS OVERVIEW

5. The results of the information gathering work were used to conduct a detailed gap analysis of the key messages from the information gathering against "What hasn't changed" and "What's new" framework. The results of the analysis were used to update the "What's new" category as set out below. The full analysis can be found in Appendix B.

	Focus area	What's new
1	Business acumen	An integrated systems-thinking approach, which recognizes the interconnectivities of financial and sustainability risks and opportunities on business models and supply chains. A greater breadth and depth of understanding governance, strategy, and risk and whether its disclosure is a complete, neutral, and an accurate depiction of its sustainability-related financial information. Changing business models in the context of the global sustainability landscape, and the impact on an entity. Rationale for business decisions that either support or are contrary to sustainability-related financial information. Sustainability-related risks and opportunities. Sustainability-related financial and non-financial data and information will inform the decision making of internal (management) and external (investors) users.
2	Behavioral competence	Intellectual curiosity, agility, and life-long learning to effectively respond to the new opportunities presented by sustainability-related reporting. Enhanced collaboration through understanding the scope, underlying methods used, judgments made, and conclusions reached by experts and specialists (e.g., engineers, scientists). Applying existing critical thinking and problem-solving skills to quantify and translate non-financial data and associated risks and uncertainties into scenario analysis and financial statement data.



Focus area		What's new
		Adaptability and flexibility, including the ability to apply foundational accounting knowledge to new data types and new reporting requirements. Professional judgment and professional skepticism will be applied in the context of (i) sustainability-related disclosures including whether there are incomplete, omitted, or misleading disclosures, and (ii) whether underlying financial and non-financial data and information is relevant and reliable. Enhanced ability to clearly communicate and engage with a wide range of internal and external stakeholders on sustainability and finance topics.
3	Technical expertise	Knowledge, skills, practical experience, and competencies such as: - the ability to understand, apply and evaluate new reporting standards and requirements (e.g., IFRS S1 and S2, and other relevant frameworks) - the ability to understand and apply assurance standards (e.g., ISAE 3000 or ISSA 5000) to assurance engagements on sustainability-related disclosures - the ability to design, implement or evaluate processes and systems of internal control to produce reliable sustainability-related information - understanding different ways to measure, including science-based metrics - understanding relevant sustainability topics - applying judgment in sustainability-related materiality assessments - the ability to analyze large sustainability-related data sets and scenarios to support management decision making over short, medium, and long-term periods
4	Ethical Behaviors	Increased risk of management bias where there are new pressures to achieve disclosed long-term strategic commitments. Inadvertent or intentional greenwashing.

APPENDICES

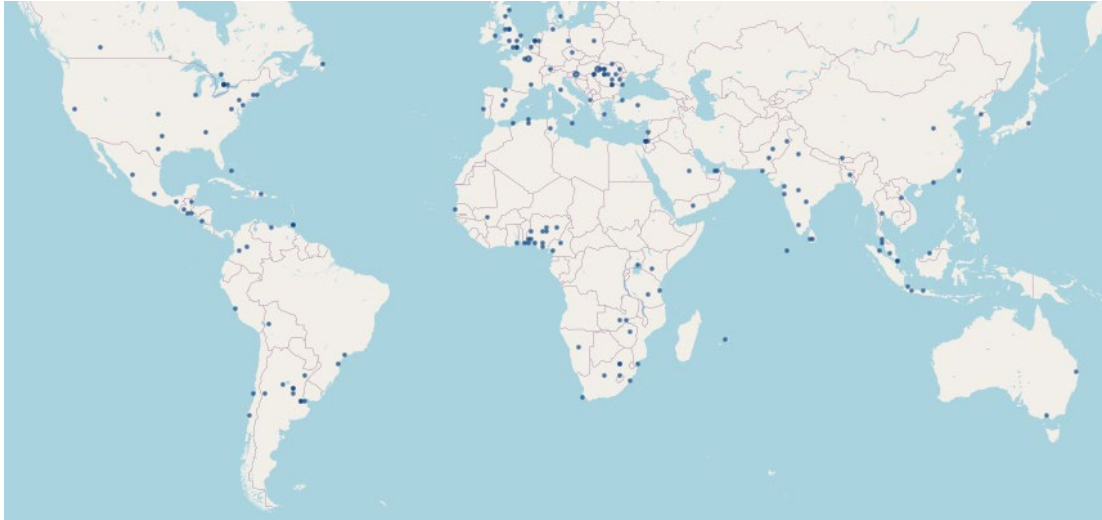
Appendix A: SUMMARY ANALYSIS OF SUSTAINABILITY REPORTING PROJECT SURVEY DATA

Appendix B: GAP ANALYSIS

APPENDIX A – SUMMARY ANALYSIS OF SUSTAINABILITY REPORTING PROJECT SURVEY DATA

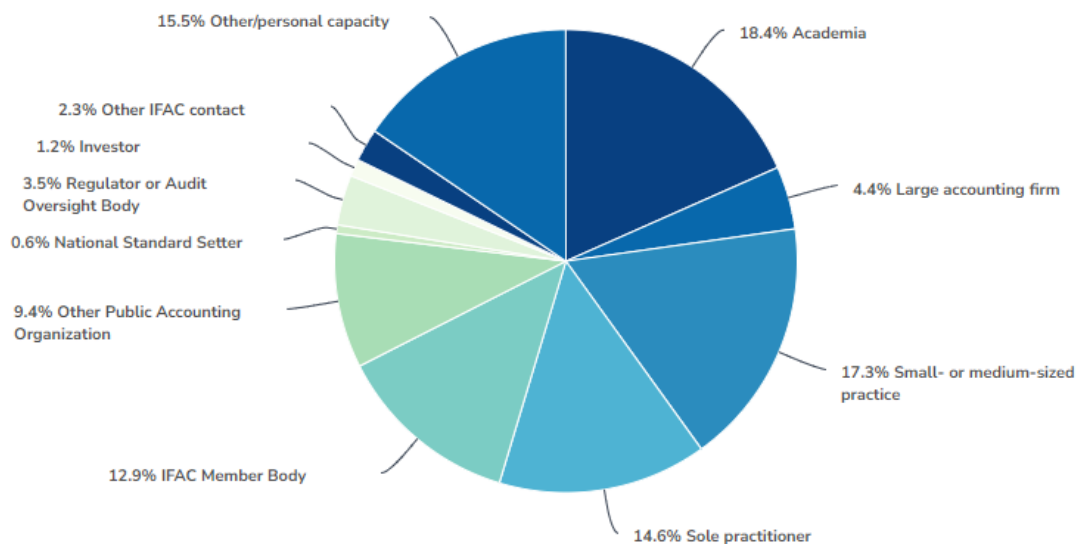
OVERVIEW OF 300+ COMPLETE RESPONSES RECEIVED

Geographical representation:



Stakeholder groups:

Note, due to an oversight there was not an option for “Preparer” or “Professional Accountant in Business.”





OPEN-ENDED QUESTIONS ADDRESSING “WHAT HASN’T CHANGED”

Questions were asked to respondents to elicit perspectives on the competencies that professional accountants already have that are transferable to sustainability reporting and assurance. The questions were customized for different stakeholder groups.

ChatGPT identified the following common key terms and phrases in the survey data:

1. Analytical thinking and innovation
2. Active learning and learning strategies
3. Complex problem solving
4. Critical thinking and analysis
5. Creativity, originality, and initiative
6. Leadership and social influence
7. Technology use, monitoring, and control
8. Technology design and programming
9. Resilience, stress tolerance, and flexibility
10. Emotional intelligence
11. Professional skepticism and judgement
12. Behavioral competence
13. Technical expertise
14. Ethical behavior
15. Business acumen
16. Governance, risk management, and control
17. Stakeholder relationship management
18. Communication
19. Digital and technological savvy
20. Data analytics and interpretation
21. Continuous improvement and learning agility
22. Strategic and innovation mindset
23. Global acumen and diverse perspective
24. Curiosity and life-long learning



OPEN-ENDED QUESTIONS ADDRESSING “WHAT’S NEW”

Questions were asked to respondents to elicit perspectives on the new competencies that professional accountants need for sustainability reporting and assurance. The questions were customized for different stakeholder groups.

ChatGPT identified the following common key terms and phrases in the survey data (parentheses added manually for context):

1. Sustainability (subject matter knowledge)
2. Financial Information (in the context of connection to sustainability information and decision making)
3. Sustainability Reporting Standards (e.g., IFRS S1, S2)
4. Assurance Standards (e.g., ISAE 3000, ISSA 5000)
5. Ethical Standards (in the context of application to sustainability reporting and assurance)
6. Professional Judgment and Skepticism (in the context of sustainability related disclosures, especially due to subjective measures and evolving standards)
7. Non-Financial Information
8. ESG Factors (Environmental, Social, Governance) (broader understanding of ESG factors and how they influence or integrate with financial data.)
9. Risk Management
10. Lifelong Learning
11. Strategic Vision
12. Green Finance
13. Measurement Metrics (including science-based metrics)
14. Regulatory Framework
15. Sustainability Reporting
16. Internal Control Processes
17. Global Thinking
18. Decision Making
19. Materiality Analysis
20. Professional Competencies
21. Collaboration with Experts (e.g., engineers and scientists)



OPEN-ENDED QUESTION ASKING ACCOUNTANCY EDUCATORS ABOUT NEW COMPETENCIES ALREADY INCLUDED IN THEIR LEARNING PROGRAMS

The following additional question was only asked to educators:

What are the top three new competencies of professional accountants developed in your learning programs that are most relevant to sustainability-related reporting and assurance?

ChatGPT generated the following summary of the responses to this question:

Based on the data provided, here's a summarized breakdown of the top three competencies developed in learning programs that are relevant to sustainability-related reporting and assurance, as perceived by accountancy educators:

- 1. Understanding of ESG Standards and Reporting:** Many educators highlighted the significance of developing a comprehensive knowledge about Environmental, Social, and Governance (ESG) standards. This includes understanding the guidelines, standards, and best practices related to ESG reporting. Familiarity with organizations like GRI (Global Reporting Initiative) or SASB (Sustainability Accounting Standards Board) is also deemed essential.
- 2. Integrative and Critical Thinking:** Another significant competency is the ability to integrate sustainability considerations into the wider business context and traditional financial reporting. This requires critical thinking skills, enabling accountants to evaluate the long-term impacts of business activities on society, environment, and the organization itself.
- 3. Stakeholder Engagement and Communication:** Engaging with various stakeholders, understanding their concerns, and effectively communicating sustainability-related information stands out as a key competency. This competency ensures that the sustainability reporting resonates with its intended audience and meets the needs of diverse stakeholders, ranging from investors to the general public.

Some other notable competencies mentioned include:

- **Data Analytics and Technology Skills:** With the increasing use of technology in sustainability reporting, accountants need to be proficient in using relevant tools and software. They should also have the ability to analyze and interpret complex data related to sustainability metrics.
- **Ethical Consideration and Professional Judgement:** Ethics plays a crucial role in sustainability reporting, and accountants must be trained to apply professional judgment in areas that might not have strict guidelines.
- **Risk Assessment related to Sustainability:** Recognizing and addressing potential sustainability risks can have significant financial implications, making it an essential skill for accountants.

In summary, the evolving nature of sustainability reporting requires accountants to be well-versed in a range of competencies. By integrating these skills into learning programs, accountancy educators are preparing the next generation of professionals to meet the growing demands of this field.



OPEN-ENDED QUESTION ABOUT OTHER FOCUS AREAS

An additional question was asked to all participants:

Are there other focus areas that you think should be considered by IFAC's Education Panel?

ChatGPT provided the following summary of the responses:

The collective feedback suggests a strong emphasis on the following areas:

- 1. Sustainability Reporting & Assurance:** The need for accountants to understand and implement sustainability reporting, with knowledge of various standards like GRI, SASB, TCFD, and IFRS.
- 2. Technology & Data Analytics:** Emphasizing the importance of accounting software proficiency, data analytics, AI, and the use of technology in monitoring sustainability.
- 3. Ethical Leadership and Professionalism:** Highlighting ethical decision-making, corporate governance, and social responsibility as key competencies.
- 4. Regulatory Knowledge:** Understanding the evolving landscape of regulations, including international taxation issues and the double materiality concept.
- 5. Practical Application & Continuing Education:** Calls for practical examples, case studies, and continuous professional development opportunities to keep pace with the changing dynamics of the industry.
- 6. Interdisciplinary Collaboration:** The importance of working with professionals from diverse fields, including environmental science, law, and technology, to enhance sustainability reporting and assurance practices.
- 7. Soft Skills Development:** Communication skills, internal control knowledge, and the ability to convey non-financial information effectively are seen as critical.

The diverse viewpoints captured in the survey responses provide a nuanced picture of the competencies that are deemed necessary for the accounting profession moving forward, particularly in light of sustainability challenges and the integration of new technologies. These insights can be instrumental in shaping educational curricula, professional development programs, and regulatory standards to ensure that accountants are well-equipped to meet the demands of the current and future business landscape.



OPEN ENDED QUESTION ABOUT CHALLENGES FOR PROFESSIONAL ACCOUNTANTS TO OBTAINED NECESSARY COMPETENCIES

All respondents were asked the following question:

What are the biggest challenges for professional accountants to obtain competencies needed to perform sustainability-related reporting and assurance services?

Chat GPT summarized the responses as follows:

The feedback from the survey respondents on the challenges faced by accountants in incorporating sustainability into their practices can be summarized into several key themes:

1. Education and Training Deficits:

- There is a significant lack of comprehensive education programs for accountants in sustainability.
- Training programs that do exist are perceived as insufficient for the holistic understanding of ESG (Environmental, Social, and Governance) regulations and practices.
- Respondents indicate a need for both immediate training applicable to current work environments and long-term integration of sustainability into basic university curricula.

2. Resource Constraints:

- Both large corporations and small-to-medium practices (SMPs) struggle with the resources required to implement sustainability reporting and assurance effectively.
- Respondents express the necessity of managing both internal and external documentation while complying with legal requirements and fostering hybrid work environments.

3. Complexity and Diversity of Data and Standards:

- The complexity of sustainability data, along with the need to adapt to new methods of data collection and analysis, is highlighted.
- Respondents mention the challenge of navigating multiple and constantly evolving sustainability frameworks and standards (e.g., SASB, GRI, TCFD, ISSB).

4. Assurance Complexity:

- Particularly for SMPs, there is a lack of familiarity with assurance engagements, which adds intricacy when providing assurance for sustainability.
- Non-Big 4 firms find it particularly intricate to offer these services due to their less extensive experience with such engagements.

5. Cultural and Mindset Changes:

- A shift in the organizational role of accountants is required, moving beyond traditional financial reports to include sustainability assessments.
- Overcoming exaggerated optimism, resistance to change, and developing a business vision aligned with sustainable models are cited as necessary cultural shifts.

6. Technical and Soft Skill Development:

- There is a call for continuous training in technical aspects and sustainable business models.

- Soft skills such as adaptability, open-mindedness, and communication are essential for the integration of sustainability into accounting practices.

7. Regulatory and Language Barriers:

- The availability of regulations in all languages, especially for non-English speakers, and the global standardization of regulatory and collegiate entities are viewed as significant hurdles.
- The respondents note the reluctance of some managers to communicate on sustainability, suggesting a managerial barrier to transparency.

8. Financial Considerations:

- Financial measurement of sustainability impacts and the economic value of sustainability services, particularly in the perception of clients who may not recognize or pay for such services, are highlighted concerns.

9. Interdisciplinary Collaboration:

- There is a need for greater collaboration with other professionals to handle the scope of sustainability, indicating a departure from traditional, siloed accounting roles.

10. Global Knowledge and Compliance:

- Respondents feel that accountants should have a global understanding of all possible standards and maintain compliance with sustainability standards, which can be daunting given the variability and multiplicity of standards.

In summary, respondents to the survey reflect a profession at a crossroads, recognizing the importance of sustainability but grappling with the practical challenges of integrating it into accounting practices. The responses underscore the need for systemic change encompassing education, standardization, cultural shifts, and the development of new competencies to equip accountants for the evolving demands of sustainable business practices.



OPEN ENDED QUESTION ON THE DIFFERENCE BETWEEN COMPETENCIES NEEDED FOR IPD VS CPD

All respondents were asked the following question:

Do you believe there is a difference in the sustainability-related reporting and/or related assurance services competencies needed for newly qualified professional accountants as compared to experienced professional accountants? If yes, please explain in what ways the competencies are different.

ChatGPT summarized the responses as follows:

1. **Educational Foundation:** Young professionals have benefitted from up-to-date curricula that incorporate modern topics like ESG. However, they need to gain what experience provides, such as professional judgment, risk assessment skills, and professional skepticism.
2. **Experience and Depth:** Experienced accountants often have an in-depth understanding of sustainability, capable of addressing complex strategic issues. Their experience spans diverse situations and evolving responsibilities throughout their careers.
3. **Task Differentiation:** Newer accountants tend to engage in operational tasks like data collection and report preparation. On the other hand, experienced professionals typically handle leadership roles, manage large-scale sustainability projects, and engage in strategic decision-making related to sustainability.
4. **Guidance and Learning:** Newly qualified accountants may be more focused on foundational learning and might require closer supervision. Their initial training might have included basic sustainability concepts, while experienced accountants, with their in-depth knowledge, might play leadership roles and guide their junior counterparts.
5. **Adaptability:** Some respondents mentioned that experienced accountants have the ability to adapt due to their vast exposure, but others feel they might not be as committed to changes, especially those involving new methodologies.
6. **Awareness and Vision:** New professionals might have a more intrinsic and deeply rooted perspective on sustainability. However, the analytical and management tools that come with experience give seasoned professionals an edge.
7. **Risk Assessment:** New accountants may lack experience in risk assessment and would need to rely on experience to gain this crucial skill.
8. **Continuous Learning and Updating:** The field requires constant updating and research capacity. While newer accountants may be more in tune with the current academic environment, experienced ones might need to put in more effort to adapt to new paradigms, especially those of sustainability.

In summary, the primary distinctions between the two groups center on educational foundation, depth of experience, nature of tasks, adaptability, and approach to learning and risk assessment in the realm of sustainability-related reporting and assurance services.



RESULTS OF RANKING QUESTIONS

In the following questions, participants were asked to rank “what’s new” competencies which were provided in the survey, under each of the four focus areas. Graphic visuals were generated by the survey tool

A. Business acumen

16. Considering the “what’s new” competencies professional accountants may need for sustainability-related reporting, how would you rank the importance of each new expectation related to business acumen in the context of sustainability-related reporting (Drag each competency to the desired position)?

2023 Sustainability & Accountancy Education Survey

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Understanding the role of governance, strategy, and risk	1		1,063	296
Understanding changing business models	2		932	290
Understanding data and information to inform decision making	3		869	291
Understanding of implications of risks and opportunities	4		862	292
Understanding the rationale for business decisions	5		700	286

Lowest Rank Highest Rank

B. Behavioral competence

17. Considering the “what’s new” competencies professional accountants may need for sustainability-related reporting, how would you rank the importance of each new expectation related to behavioral competence in the context of sustainability-related reporting (Drag each competency to the desired position)?

2023 Sustainability & Accountancy Education Survey

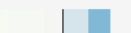
Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Critical thinking	1		1,476	297
Intellectual curiosity	2		1,367	290
Enhanced collaboration with experts and specialists	3		1,270	292
Professional judgement	4		1,141	293
Life-long learning	5		1,092	292
Agility	6		1,011	288
Professional skepticism	7		934	288

Lowest Rank Highest Rank

C. Technical expertise

18. Considering the “what’s new” competencies professional accountants may need for sustainability-related reporting, how would you rank the importance of each new expectation related to technical expertise in the context of sustainability-related reporting (Drag each competency to the desired position)?

2023 Sustainability & Accountancy Education Survey

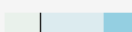
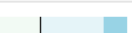
Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Ability to understand, apply and evaluate new reporting standards	1		1,142	297
Understanding of the different sustainability metrics	2		918	293
Ability to design, implement or evaluate processes and systems of internal control	3		883	292
Ability to understand, apply and evaluate assurance standards	4		851	293
Understanding of energy flows and emission sources	5		654	289

Lowest Rank Highest Rank

D. Ethical behavior

19. Considering the “what’s new” competencies professional accountants may need for sustainability-related reporting, how would you rank the importance of each new expectation related to ethical behaviors in the context of sustainability-related reporting (Drag each competency to the desired position)?

2023 Sustainability & Accountancy Education Survey

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Awareness of management bias	1		659	299
Ability to recognize intentional greenwashing	2		610	295
Ability to recognize inadvertent greenwashing	3		521	294

Lowest Rank Highest Rank



APPENDIX B – GAP ANALYSIS

- (1) The SRP information gathering phase resulted in a significant volume of feedback about potentially new areas of focus for professional accountants. As the proposed IES updates would be based on incorporating learning outcomes to address points in the “What’s new” framework, for completeness, a gap analysis was proposed to review the feedback against the initial “What’s new” focus areas.
- (2) To conduct this detailed review, IFAC staff looked at the key findings of three primary sources of information gathering:
 - (a) The Sustainability & Education [Literature Review](#);
 - (b) The results of the [stakeholder outreach](#); and
 - (c) The global survey analysis (Agenda Item 4, [Appendix B](#) from the November 2023 IPAE meeting).
- (3) IFAC staff analyzed and summarized the key themes from each of these sources. The results are presented in the below table, which is aligned to the four focus areas from the “What’s new” framework. The SWG reviewed this gap analysis in their 25 January 2024 meeting papers.

Focus area	Literature review themes	Stakeholder outreach themes	Global survey themes
Business acumen	Systems thinking - ability to apply knowledge of topic interconnectivity to (a) understand the various financial statement impacts of sustainability metrics and (b) propose innovative solutions to associated risks	Integrated / connected thinking; value creation; risks and opportunities; understanding the business; value chain	Integrative and critical thinking; changing business models; risk assessments for sustainability; green finance/investment
Behavioral competence	Interpersonal skills - ability to communicate across groups and disciplines to gain an understanding of inputs to sustainability metrics Critical thinking and problem solving - ability to quantify and translate non-financial data and associated risks into financial statement data Adaptability and flexibility - ability to apply foundational accounting knowledge to new types of data reporting and new reporting requirements	Collaboration; communication skills Strategic thinking; professional judgement and skepticism; working with experts; analytical / critical thinking; estimates and uncertainties; consideration of different user types Lifelong learning; intellectual agility; transferable skills	Stakeholder engagement and communication

Focus area	Literature review themes	Stakeholder outreach themes	Global survey themes
Ethical behaviors		Ethics - generally and specifically for sustainability; integrity; green washing; professional competence and due care	Ethical considerations and professional judgement
Technical expertise	Technological capability - ability to analyze non-financial data and large data sets	Data collection and analysis; technology Sustainability topics: Professional standards; reporting standards Risks and opportunities User types Legislative requirements Ethical considerations for sustainability (contained in updates to ethics standards); greenwashing; Sustainability-related assurance Sustainability metrics Reporting skills Materiality Scenario analysis	Data analytics and technology; Data models/big data; programming skills ESG standards and reporting; multi-capital models; intangibles Long term assessments Multi-stakeholder Measuring ESG impact

(4) IFAC Staff reviewed these themes against the original “What’s new” framework for gaps. The following gaps were noted in the original “What’s new” focus areas:

- (a) **Business acumen** – while the original items discussed relevant components of sustainability relevant for understanding the impact of sustainability on governance, strategy, risks and opportunities, business models, and decision-making, it lacked mention of integrating/connecting sustainability and financial data and issues, as well as systems-thinking.
- (b) **Behavioral competence** – the original ‘What’s new’ included elements of intellectual curiosity, critical thinking, agility, lifelong-learning, collaboration, professional judgment and skepticism, however discussed them at a high-level. To align with the more specific themes from the information gathering, IFAC Staff proposed language to expand the discussions on critical thinking, problem solving and communication, as well as to reflect a common theme about the transferrable knowledge accountants already have.



- (c) **Technical expertise** – the original ‘What’s new’ captured much of the main themes. Small gaps were noted to reflect wider sustainability frameworks than IFRS Sustainability Standards, as well as a need to consider broader sustainability topics than initially mentioned (energy flows and emission sources), such as sustainability metrics and targets. Data analysis was also frequently highlighted by stakeholders.
- (d) **Ethical behaviors** – the original ‘What’s new’ was consistent with the themes highlighted by stakeholders, so no further amendments were suggested for this focus area.

- (5) IFAC Staff drafted updated ‘What’s new’ topics to address these gaps. These are reflected in the table in bold below.
- (6) After the four drafting group sessions, IFAC Staff then reviewed each topic in ‘What’s new’ against the proposed updates to IESs 2, 3, and 4. Where gaps existed, IFAC Staff updated language to ensure all topics were covered.
- (7) The below table notes where IFAC staff believe each topic has been addressed in the learning outcomes.

What's new	Learning outcome
Business acumen	
An integrated systems-thinking approach, which recognizes the interconnectivities of financial and sustainability risks and opportunities on business models and value chains.	Overall approach to embed sustainability throughout the learning objectives. IES 2(k)(iii) updated to discuss business model, value chain, and the strategy of an organization. IES 3(a)(i) update to reflect multi-disciplinary approach which highlights interconnectivities. Updates for ‘informed conclusions’ throughout also draw on an integrated systems-thinking approach.
A greater breadth and depth of understanding governance, strategy, and risk and whether its disclosure is a complete, neutral, and an accurate depiction of its <i>sustainability-related financial information</i> .	IES 2(a) updated to reference sustainability-related disclosures -- this would be implied in here given requirements in IFRS S1/S2 on governance, strategy and risk. IES 2(f) viewed as including sustainability within it. Minor adjustment to (iv) and (v) to expand reporting.
Changing business models in the context of the global sustainability landscape, and the impact on an entity.	Above change to IES 2(k)(iii), as well as updates to IES (2)(c) to include scenario analysis and longer horizons.
Rationale for business decisions that either support or are contrary to sustainability-related financial information.	Updates to IES 2(b) and (c) address management decision making. Updates for informed conclusions throughout also supports this point on decision-making.

What's new	Learning outcome
Sustainability-related risks and opportunities. Sustainability-related financial and non-financial data and information will inform the decision making of internal (management) and external (investors) users.	IES 2(f)(iii) includes reference to an organization's risks and opportunities. Given amendment to IES 2(a) to reference sustainability-related disclosures, this would cover sustainability-related risks and opportunities. IES 2 (b)(c) and (k) would cover the internal management users. External users are defined in reporting frameworks/standards therefore, implied through the reporting frameworks for the local jurisdiction, so covered through updates in IES 2(a).
Behavioral competence	
Intellectual curiosity, critical thinking, agility, and life-long learning to effectively respond to the new opportunities presented by sustainability-related reporting. Enhanced collaboration through understanding the scope, underlying methods used, judgments made, and conclusions reached by experts and specialists (e.g., engineers, scientists). Applying existing critical thinking and problem solving skills to quantify and translate non-financial data and associated risks and uncertainties into scenario analysis and financial statement data. Adaptability and flexibility - ability to apply foundational accounting knowledge to new data types and new reporting requirements.	Many IES 3 competencies can be read as covering these elements already, as the learning objectives are financial/sustainability agnostic. Specific amendments add further emphasis (especially IES 3(c)(vi)). IES3(b)(i) introduces the concept of working in multi-disciplinary teams. IES 3(a)(iii) – adds additional wording on evaluating work of specialists. Updates to IES 2(a) for sustainability disclosures, IES 2(b) for scenario analysis, IES 3(a)(i) for collaborative approach covers this. IES 3(c)(i) covers lifelong learning and proposals include updates for intellectual curiosity (IES 3(c)(vi)). Updates to IES 2 (a) for sustainability disclosures, IES 2(b) for scenario analysis, IES 3(a)(i) for collaborative approach addresses this. IES 3(a)(vi) also describes adaptability to new or changing facts and circumstances. IES 3(c) covers lifelong learning and proposals include updates for intellectual curiosity.

What's new	Learning outcome
Professional judgment and professional skepticism will be applied in the context of (i) sustainability-related disclosures including whether there are incomplete, omitted, or misleading disclosures, and (ii) whether underlying financial and non-financial data and information is relevant and reliable. Enhanced ability to clearly communicate and engage with a wide range of internal and external stakeholders on sustainability and financial topics.	IES 4(a) covers professional skepticism and professional judgment - this would already be applicable to these cases. Updated language on IES 4(a)(ii) include on communicating with stakeholders to address points on greenwashing/misleading disclosures. New IESBA codes on sustainability include reference to inquiring mind and professional skepticism on sustainability assurance. We will do a review of IESBA / IAASB sustainability updates as part of this work. IES 3(b) - update of wording to mention multi-disciplinary teams to address internal stakeholders. External stakeholders would be implied in relevant reporting frameworks. IES3 (b)(ii) already covers communication in all situations. IES3 (b)(iii) language updated with language on diversity, equity and inclusion in communications.
Technical expertise	
Knowledge, skills, practical experience, and competencies such as: - the ability to understand, apply and evaluate new reporting standards and requirements (e.g., IFRS S1 and S2, and other relevant frameworks) - the ability to understand and apply assurance standards (e.g., ISAE 3000 or ISSA 5000) to assurance engagements on sustainability-related disclosures - the ability to design, implement or evaluate processes and systems of internal control to produce reliable sustainability-related information	IES 2 - Table A (a) Financial accounting and reporting language includes reference to the IFRS S1 and S2 frameworks, and language had be updated to include other types of reporting to cover other frameworks. IES 2(e) - Assurance learning outcomes updated to reflect assurance as the overall topic wrapper, with audit as a focus area. Also updated to focus on differences between types of assurance engagements. Full ability to apply ISAE 3000 or ISSA 5000 is considered beyond the scope of IPD, but additional guidance will be developed to provided illustrative learning outcomes for this type of work. IES 2(f) covers controls and governance, IES 2(a) covers preparing this information. Where relevant, language updated to include 'automated tools and techniques' to reflect comments on new data analysis / big data models / AI. This terminology is consistent with IAASB.

What's new	Learning outcome
- Understanding different ways to measure, including science-based metrics - understanding relevant sustainability topics energy flows and emission sources applying judgement in sustainability-related materiality assessments the ability to analyze large sustainability-related data and scenarios to support management decision making over short, medium and longer-term periods	IES 2(b)(i) and (v) updated to include reference to organizational metrics and targets. IES 2(a)(iv) update to include sustainability-related financial disclosures would include relevant metrics and targets as required by IFRS S1 and S2. IES 2(a)(vi) includes interpreting of non-financial data which would include science-based metrics. Implied through updates throughout for sustainability aspects. For reporting, no specific learning outcome as implied in IES 2(a) as an IFRS S1 and S2 requirement Updates for IES 2(e) to include elements of assurance engagements which includes this for assurance engagements. IES 2(c)(iii) updated to include short, medium and long-term financial performance and position, as well as reference to scenario analysis.
Ethical behaviors	
Increased risk of management bias where there are new pressures to achieve disclosed long-term strategic commitments. Inadvertent or intentional greenwashing.	IES 4(a)(ii) and (b)(iii) includes language on bias and threats. Language has updated in (a)(ii) and (b)(v) for reporting to address greenwashing risks. Language has updated in (a)(ii) and (b)(v) for reporting to address greenwashing risks. Latest working draft language of IESBA sustainability ethics proposals include language what require practitioners to not be associated with reports, returns, communications or other information where they believe information 'contains a materially false or misleading statement' or 'omits or obscures required information where such omission or obscurity would be misleading'. These updates will be implied in IES4 (b)(vi).