

JICPA

SUSTAINABILITY CAPACITY BUILDING SYLLABUS



The Japanese Institute of Certified Public Accountants
Sustainability Capacity Building Council

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I Sustainability Capacity Building for Professional Accountants

1. Background of Sustainability Capacity Building

In light of the recent surge in the significance of sustainability in corporate management and investor behavior, and the advancement of efforts to disclose sustainability information and ensure its credibility, there is an increasing need for professional accountants to enhance their knowledge and capabilities in sustainability. In response to this recognition, the Japanese Institute of Certified Public Accountants (hereafter referred to as “we,” “us,” “our,” or “JICPA”) has launched its sustainability capacity-building initiatives for professional accountants since 2022.

The JICPA has conducted comprehensive studies on the optimal approach to sustainability education for professional accountants. Then, the JICPA published the Sustainability Education Study Project Team Report "Discussion Paper - Integrating Sustainability into Professional Accountants' Competency -" in June 2022 and the Sustainability Education Study Special Committee Report "Sustainability Capacity-Building Policy and Actions" in April 2023.

Based on the results of these studies, the JICPA established the Sustainability Capacity Building Council (hereinafter referred to as the "Council") in August 2023, and the Council discussed and issued the "JICPA Sustainability Capacity Building Syllabus" (hereinafter referred to as the "Syllabus").

< Need to enhance knowledge and understanding of sustainability >

(1) The need for professional accountants to have a holistic view as they act in the public interest

Professional accountants are responsible for audits, which are acts of a highly public nature; therefore, they need knowledge and understanding that help them understand things holistically. As professional experts, they need to be aware of society's demand for sustainability and contribute to creating a sustainable society, a common global challenge, based on their high ethical standards and professional knowledge.

(2) Progress in sustainability disclosure

The international and domestic development of sustainability-related regulations and standards for capital markets has progressed in parallel. Professional accountants who support high-quality disclosure need to deepen their knowledge and understanding of sustainability-related rules and standards. In addition, non-listed companies are also being required to collect and manage sustainability-related information properly because

companies disclosing sustainability information need to implement sustainability initiatives and gather such information throughout their value chains, including the non-listed companies. It implies that professional accountants who serve non-listed companies also need to know and understand sustainability disclosure.

(3) Significance of considering sustainability-related risks and opportunities in financial statement audits

Understanding the financial impact of climate change and other environmental issues is essential in financial statement audits. Failure to adequately consider medium- to long-term sustainability-related risks could ultimately bring risks to financial statement audits. Further, sustainability-related risks and opportunities are closely connected with Key Audit Matters (KAM). Issues associated with the environment and society are also relevant to rules and regulations in jurisdictions where companies operate businesses, and thus, could affect their business continuity and resilience.

(4) Sustainability as a common language for dialogue with senior management and investors

It has become increasingly difficult to view the overall picture of corporate activities with accounting and financial information alone. Sustainability information and other information outside of financial statements have become more important. Mastering the common language of sustainability information provides a baseline for proper dialogue with companies and investors in capital markets.

In financial statement audits, auditors should deeply discuss the company's sustainability with management. In circumstances where sustainability issues are high on the management agenda, it is critical that professional accountants understand sustainability in the context of management strategies and business risks during financial statement audits.

Further, sustainability has become more important in corporate management, strategy planning, risk management, and corporate governance. Knowledge and understanding of sustainability have thus become essential for any professional accountant, including professional accountants serving as independent directors, professional accountants in business, and other professional accountants supporting businesses.

(5) Public demand for assurance on sustainability disclosures

In circumstances where long-term corporate value reflecting sustainability has become more important, and regulations and standards on sustainability disclosure have advanced,

ensuring the reliability of sustainability information has become a key issue. As discussions on future models of assurance engagements have progressed globally, it is imperative that we contribute to building an environment where we can effectively carry out assurance on sustainability information in Japan. With this in mind, we should strive to develop assurance practitioners.

Also, we now see a greater demand for assurance providers to ensure sufficient expertise, skills, and competencies in sustainability and assurance engagements. Professional accountants, as the experts in auditing, should upgrade their expertise necessary for assurance engagements of sustainability information based on their current expertise in providing high-quality assurance to sustainability information.

2. JICPA policies on capacity building in sustainability

The objectives of professional accountants' capacity building in sustainability are to help them contribute to achieving high-quality disclosure, realizing resource allocation in capital markets from a long-term perspective, and ultimately developing a sustainable society and economy. More concretely, professional accountants are expected to fulfill these objectives through constructive dialogue and coordination with companies and investors, and by deepening their knowledge and understanding of various sustainability-related issues, the interrelationship of sustainability with corporate management and corporate value, and corporate disclosure and how to ensure its reliability.

< JICPA policies >

(1) JICPA looks ahead to future mega trends and supports autonomous learning of professional accountants

Given the rapidly evolving needs related to sustainability, professional accountants need to address sustainability issues proactively and be able to anticipate changes to create new value. The JICPA will ascertain the overall picture and changing sustainability trends to show its members areas for learning and support autonomous learning.

(2) JICPA supports our members in having fundamental sustainability knowledge and understanding and acquiring diverse expertise simultaneously as professional experts

Given the importance of sustainability in corporate management, corporate value, and disclosure, all our professional accountant members need to have fundamental knowledge and understanding of sustainability.

On the other hand, areas requiring a more advanced level of expertise, including assurance

engagements for sustainability reporting, need an environment where our members can obtain the necessary skills and competencies in their fields and positions and develop diverse sustainability expertise. We will design sustainability education so that professional accountants can acquire diverse expertise that matches their circumstances and interests.

(3) JICPA coordinates and collaborates with initiatives related to sustainability education in Japan and overseas

We collaborate with international initiatives on a fundamental approach to sustainability education and its contents, considering the current global development of sustainability-related disclosure and ensuring its reliability and the characteristics of audit firms as members of global networks.

In Japan, we also actively cooperate with audit firms that provide sustainability education to professional accountants and with other organizations that offer sustainability education, such as companies, investors, and other capital market participants.

3. Skills and competencies required of professional accountants

The importance of knowledge and understanding of sustainability has been growing for all professional accountants, irrespective of their positions, such as external auditors, professional accountants serving as independent directors, and professional accountants in business. Meanwhile, domains that require a more advanced level of expertise, including assurance engagements for sustainability reporting, require them to acquire the necessary skills and competencies in their respective fields and positions.

Based on the awareness above, we have identified and classified these skills and competencies in developing the syllabus for professional accountants' sustainability capacity-building. These have been divided into the two categories: Those required of all professional accountants and those required of professional accountants who take up leading roles in assurance engagements.

(1) Skills and competencies required of all professional accountants

Based on the recognition of the need for enhancing skills and competencies in sustainability for professional accountants, we have defined the sustainability-related skills and competencies that all professional accountants should have as follows:

- (i) To obtain a holistic understanding of sustainability-related issues and the social and economic consequences based on the comprehensive knowledge base

- (ii) To understand the basic framework of the interrelationship between sustainability and business, as well as corporate value
- (iii) To engage in intensive and constructive dialogue with senior management and directors regarding major sustainability trends and their impact on sectors and companies
- (iv) To have the necessary knowledge and understanding of requirements for sustainability-related disclosure (e.g., regulations and standards)
- (v) To understand the purpose and basic framework of assurance engagements

(2) Skills and competencies required of professional accountants who take up leading roles in assurance engagements

The skills and competencies required of professional accountants who will take up leading roles in assurance engagements (hereinafter referred to as "key personnel in assurance engagements" or "key personnel") are summarized below. The key personnel in assurance engagements represent those who serve as assurance engagement leaders or those who lead assurance teams onsite.

We identified the following three requirements that are critical for assurance providers (organization or team level) to fulfill in order to meet the needs of capital markets in the assurance of sustainability information: (i) Building trust in assurance engagements and assurance providers (including professional ethics and independence in addition to competence), (ii) Ensuring sufficient resources of an assurance engagement team including diverse expertise, and (iii) Cooperating with financial statement audits (toward providing integrated audit and assurance). We also clarified the skills and competencies required of the key personnel of an assurance firm fulfilling these requirements.

We have reviewed and identified the roles required of key personnel in assurance engagements and the knowledge and understanding necessary to fulfill them in light of the requirements for a firm providing assurance engagements. More concretely, the firm needs to satisfy the requirements to maintain trust in assurance, build an assurance team with diverse expertise, and integrate with financial statement audits.

Roles required of key personnel in assurance engagements

Key personnel in assurance engagements should lead the entire process of assurance engagements, plan and implement assurance procedures that effectively manage risks associated with the assurance of sustainability information, and form an opinion for that assurance engagement.

- Evaluating engagement risk associated with an assurance of sustainability

information

- Developing an implementation plan for an assurance engagement (timeline and procedures)
- Communicating with members of the board of directors and audit committee
- Communicating with an audit team
- Evaluating results of works performed
- Forming an opinion (conclusion) for an assurance engagement

Skills and competencies required of key personnel in assurance engagements

In fulfilling the above role, besides the comprehensive knowledge and understanding of the underlying subject matter of sustainability assurance engagements, key personnel are required to have the following knowledge and understanding:

- Comprehensive knowledge and understanding of sustainability
- Understanding of corporate management and corporate governance
- Understanding of companies' material sustainability-related risks and opportunities
- Understanding of disclosure regulations and standards
- Understanding of disclosure processes and internal controls
- Understanding of the interrelationship of sustainability with financial reporting and financial statement audit
- Advanced and professional knowledge and expertise in assurance engagements
- Understanding of professional ethics and independence required of those involved in assurance engagements

II JICPA Sustainability Capacity Building Syllabus

1. Overview

(1) Objectives

The syllabus presents an overall picture of the knowledge and understanding that should be provided through education programs designed to cover the sustainability-related skills and competencies required of professional accountants. It also offers specific guidelines for delivering lectures on the individual themes and subjects of the programs.

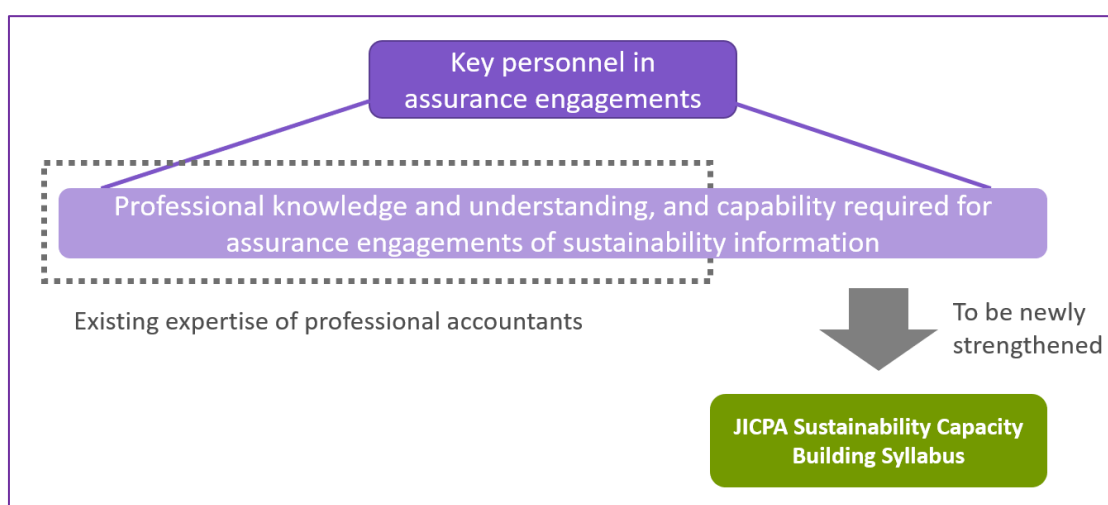
(2) How it works

For the providers of education programs, the syllabus serves as guidelines for the planning and implementing the training programs. For professional accountants who are learners of the programs, the syllabus serves as a "compass" that helps them understand the entire picture and details of themes they should learn about sustainability and study based on plans developed on their own.

(3) Development policy

In the development of the syllabus, we identified and focused on the expertise professional accountants should additionally acquire by classifying the elements of knowledge and understanding for assurance of sustainability information into what they already have and what they should newly obtain or strengthen. This approach will facilitate effective and efficient capacity building in sustainability for professional accountants (Figure 1).

Figure 1: Expertise required of key personnel in assurance engagements and syllabus



(4) Target members

Our members whom this syllabus targets are as follows.

	Target members
Basic Level	<ul style="list-style-type: none"> • All professional accountants
Advanced Level	<ul style="list-style-type: none"> • Key personnel in assurance engagements • Professional accountants who are not involved in assurance engagements but need to obtain a higher level of knowledge and understanding of sustainability

(5) Development and update process

Because sustainability has been and is expected to continue developing rapidly, we will regularly update the syllabus to ensure it is consistent with the needs of the times.

In developing this syllabus, the Council, which consists of professional accountants and external experts, held discussions based on the draft syllabus presented as an appendix of the Sustainability Education Special Committee Report released in April 2023 and exchanged opinions with audit firms.

The Council will continue to periodically review and update the syllabus, considering changes in sustainability, its actual utilization, and the development of professional accountants' skills.

2. Structure of Syllabus

The syllabus is comprised of two layers, the Basic Level and the Advanced Level, and is grouped into four subject areas, respectively (Figure 2 Syllabus Structure).

The Basic Level aims to provide educational programs for all professional accountants to attain the basic knowledge and understanding of sustainability, irrespective of their roles, such as external auditors, professional accountants serving as independent directors, and professional accountants in business. On the other hand, the Advanced Level is designed to deliver programs to develop key personnel in assurance engagements.

(1) Introduction to Sustainability

This subject area covers the basic concepts of sustainability, the relationship of business and investments with the environment and society, sustainability-related initiatives by companies and investors, and an overview of professional accountants' roles and required professional ethics with sustainability.

(2) Sustainability, and Corporate Management and Governance

This subject area covers integration of sustainability into governance, strategy, and risk management including the background and the approaches as well as management and governing bodies' roles in sustainability, organizational arrangements for fulfilling these roles, risk management processes related to sustainability, and internal control processes to properly collect, measure, manage, and report sustainability information.

It also covers domestic and international policies related to sustainable finance, types of sustainable finance including investments and loans, and their regulations and schemes.

(3) Disclosure

This subject area covers sustainability-disclosure regulations and standards. It also includes laws and regulations related to environment and society surrounding sustainability disclosure (e.g., the Act on Promotion of Global Warming Countermeasures of Japan), trends in disclosure practices, and other major issues regarding sustainability information.

In addition, it covers disclosure frameworks and standards as well as trends in disclosure practices by thematic topics of sustainability, touching on the background for respective thematic disclosure and related policies. These topics include climate change, biodiversity, ecosystems, ecosystem services, human capital, and human rights.

Furthermore, various industry characteristics and industry-specific disclosure are expected for sustainability disclosure. Thus, this subject area also incorporates industry-specific sustainability disclosure topics, such as an overview of significant sustainability themes by industry and their relationship with business, industry-specific disclosure topics and metrics required by the Sustainability Accounting Standards Board (SASB) standards and other industry-specific standards, and trends in the development of industry-specific standards in the International Sustainability Standards Board (ISSB).

(4) Assurance

This subject area covers assurance standards for sustainability information, the current state of assurance practices, key practical issues, professional ethics and independence related to assurance engagements, and quality management standards. As there are many practices that assurance practitioners provide assurance on certain sustainability information, it includes practical issues of sustainability-thematic engagements.

Assurance practices are still evolving, and efforts to develop assurance standards and discussions to introduce statutory assurance continue. In this regard, we have developed

this syllabus based on the exposure draft of the International Standard on Sustainability Assurance (ISSA) 5000, "General Requirements for Sustainability Assurance Engagements," which the International Auditing and Assurance Standards Board (IAASB) released in September 2023, and have included necessary practical issues to perform assurance engagements. In addition, the syllabus incorporates "evolving topics," which are of particular importance in assurance engagements for sustainability information but require further accumulation of practices and discussions.

We will review these issues and add new subjects from the evolving topics, when necessary, such as assurance practice progress. However, at this point, it is desirable to take courses on these evolving topics based on each learner's perception of issues.

Figure 2: Outline of Syllabus

	Basic Level	Advanced Level
1. Introduction to Sustainability	<p>Ba1: Sustainability overview and roles expected of professional accountants Basic concepts related to sustainability, the relationship between business/investments and environment/society, sustainability-related initiatives by companies and investors, the roles of professional accountants, and an overview of required professional ethics</p>	
2. Sustainability and Corporate Management and Governance	<p>Ba2: Integration of sustainability issues into governance, strategy, and risk management The need for integrating sustainability issues into governance, strategy, and risk management, the approaches for integration, the requirements on governance in Japanese regulations (e.g., Corporate Governance Code), sustainability-related roles required of management and governance bodies, and internal approaches for fulfilling these roles (e.g., the establishment of a sustainability committee, cross-functional collaboration)</p>	<p>Ad2: Sustainable finance Domestic and international policies related to sustainable finance, types of sustainable finance, their regulations and schemes, and use of sustainability-related information in capital markets.</p>
3. Disclosure	<p>Ba3-1: Sustainability disclosure and integrated reporting (overview) Background of the demand for sustainability disclosure and integrated reporting and current trends, characteristics of major sustainability disclosure standards and frameworks (e.g., Sustainability Standards Board of Japan (SSBJ) standards, International Sustainability Standards Board (ISSB) standards, Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), Sustainability Accounting Standards Board (SASB) standards, Integrated Reporting Framework), significant issues of sustainability information (e.g., materiality, connectivity)</p> <p>Ba3-2: Climate change (overview) Scientific insights about climate change, international agreements (e.g., Paris Agreement) and respective national policies, the impact of climate change on companies, contents of major climate-related disclosure frameworks (TCFD), trends in voluntary and statutory climate-related disclosures, basics on greenhouse gas (GHG) emissions</p> <p>Ba3-3: Human capital and Human rights (overview) Social issues related to human capital and human rights, policy trends (e.g., ITO Report for Human Capital Management), the impact of human capital on companies, concepts involved in human capital (e.g., diversity, equity and inclusion), trends in mandatory disclosure</p>	<p>Ad3-1: Sustainability disclosure and integrated reporting (details) Systems in major countries regarding sustainability disclosure, requirements of major sustainability disclosure standards (SSBJ standards, IFRS S1, CSRD/ESRS), environmental and social laws related to sustainability disclosure (e.g., Act on Promotion of Global Warming Countermeasures), and trends in disclosure practices</p> <p>Ad3-2: Climate change (details) Requirements of major climate-related disclosure standards (SSBJ standards, IFRS S2, ESRS E1, US Security Exchange Commission (SEC) climate-related disclosure rules), elements included in climate-related disclosures (e.g., transition plans, assessment of climate resilience), GHG emissions calculation and reporting systems, GHG emissions calculation exercise, and trends in disclosure practices</p> <p>Ad3-3: Biodiversity, ecosystems, and ecosystem services (details) Scientific insights on biodiversity, international agreements (e.g., Kunming-Montreal Global Biodiversity Framework) and national policies, the impact of biodiversity on companies, details of major biodiversity disclosure frameworks (TNFD) and standards (ESRS E4), and trends in disclosure practices</p> <p>Ad3-4: Human capital (details) Details of major disclosure rules regarding human capital (e.g., Cabinet Office Ordinance on Disclosure of Corporate Affairs, US Regulation S-K, ESRS S1 and S2) and trends in disclosure practices</p> <p>Ad3-5: Human rights (details) International discussions (e.g., United Nations Guiding Principles on Business and Human Rights), the impact of human rights on companies, human rights due diligence, disclosure information on human rights (ESRS S1 and S2), and trends in disclosure practices</p> <p>Ad3-6: Other sustainability themes (details) Trends in national policies and initiatives related to other sustainability themes (i.e., other than climate change, biodiversity, human capital, and human rights), the impact of each theme on companies, disclosures related to each theme in the ESRS, and trends in disclosure practices</p>
	<p>Se3: Key topics by industry Overview of key sustainability themes by industry and their relationship to business, industry-specific disclosure topics and metrics required in SASB and other standards, and trends in the development of industry-specific standards in the ISSB</p>	

	Basic Level	Advanced Level
<p>4. Assurance Engagements</p>	<p>Ba4: Ensuring the reliability of sustainability information and assurance engagements (overview) Background of the demand for sustainability assurance engagements, overview of standards for sustainability assurance engagements and trends in the development of the International Standard on Sustainability Assurance (ISSA) 5000, the situation of sustainability assurance engagements in Japan and other countries, and considerations in audit (e.g., International Standards on Auditing (ISA) 720, Key Audit Matters)</p>	<p>Ad4-1-1: Professional ethics and independence Background and history of the revision of the Code of Ethics, professional ethics and independence required of assurance practitioners, and differences from an audit of financial statements</p> <p>Ad4-1-2: Quality control and related systems Firm-level quality management, engagement-level quality management, and pertinent systems to sustainability reporting and assurance</p> <p>Ad4-2-1: Sustainability assurance practice standards and practical issues (1) Basic framework for assurance practices and sustainability assurance standards History and development policy of ISSA 5000, key concepts in assurance engagement for sustainability information under ISSA 5000, and major issues related to sustainability assurance (issues not addressed in Ad4-2-2 to Ad4-2-4)</p> <p>Ad4-2-2: Sustainability assurance practice standards and practical issues (2) Acceptance and planning of assurance engagements Preconditions for assurance engagement, acceptance of assurance engagements, planning, considerations in determining suitable criteria for scoping an assurance engagement, and other considerations and current issues</p> <p>Ad4-2-3: Sustainability assurance practice standards and practical issues (3) Risk procedures / Responding to the risk of material misstatement Planning and performing risk procedures (including risk assessments), addressing the entity's systems of internal controls, substantive procedures, and addressing fraud and non-compliance with laws and regulations</p> <p>Ad4-2-4: Sustainability assurance practice standards and practical issues (4) Forming an opinion and preparing the assurance report Aggregation and review of misstatements identified and evaluation of the description of applicable criteria, subsequent events, written representations from management and those charged with governance, forming the assurance conclusions, form and content of the assurance report, and communications with the entity related to assurance conclusions</p> <p>Ad4-2-5: Sustainability assurance practice standards and practical issues (5) Interaction between financial statement audits and sustainability information assurance engagements Expectation on connectivity between financial statements and sustainability information and interaction between audit and assurance, approaches to collaboration between audit and assurance teams, integrated audit and assurance</p> <p>Ad4-3: Evolving issues of sustainability assurance engagements Assurance of group or consolidated sustainability information, assurance of value chain information, evaluation of entity's materiality processes, assurance on forward-looking information, qualitative information, and climate-related disclosures other than GHG emissions</p> <p>Ad4-4-1: Thematic practice topic - Assurance of Greenhouse Gas information Process of GHG emissions assurance engagement, types of GHG emissions and considerations in assurance procedures, use work of experts</p> <p>Ad4-4-2: Thematic practice topic - Assurance of human capital and human rights information Process of assurance engagement for human capital information and human rights information, characteristics of human capital information and issues in assurance, characteristics of human rights information and issues in assurance</p>

III JICPA Sustainability Capacity Building Syllabus

(1) Introduction to Sustainability

Subject	Basic Level Ba1: Sustainability overview and roles expected of professional accountants
Objectives	Understand the basic concepts related to sustainability, the relationship between business/investments and sustainability, and the roles expected of professional accountants regarding sustainability.
Contents	<p>Introduce how the concepts of sustainable development and sustainability have been positioned as common global goals, and explain how business operation and investor behavior relate to sustainability. Based on this basic knowledge, describe the relationship between the professional accountants' work and sustainability matters and the professional ethics expected.</p> <ol style="list-style-type: none"> 1. With the emergence of environmental problems and social issues such as poverty, human rights, and education in the context of globalization and economic development, explain the progress made in building international consensus on and adopting policy measures for sustainability. <ul style="list-style-type: none"> • Development of frameworks, such as Sustainable Development Goals (SDGs), for realizing sustainability by international organizations and national governments in collaboration with the private economic sector, including businesses and investors • Sustainability policies such as carbon pricing and others 2. Describe how corporate activities and investor behavior relate to the environment, society, and economy. Explain the initiatives and frameworks for integrating sustainability into corporate management and investor behavior. <ul style="list-style-type: none"> • Explain the relationship between the company/investor and the environment/society from the following two aspects. <ul style="list-style-type: none"> ➤ Impacts of corporate activities and investor behavior on the environment and society ➤ Environmental and social impacts on corporate value and investment performance • Explain corporate sustainability initiatives, touching on principles like the United Nations Global Compact and the following background. <ul style="list-style-type: none"> ➤ Expansion of management considering Corporate Social Responsibility (CSR) ➤ Growing awareness of identifying sustainability as a core business issue and leading to the sustainable value creation through the resolution of the issue • Explain investors' sustainability initiatives, with reference to the United Nations Principles for Responsible Investment (PRI), focusing on the following. <ul style="list-style-type: none"> ➤ Expanding sustainability investments ➤ Challenges investors face in collecting sustainability information (e.g., lack of sufficiency and comparability) 3. Describe the expected roles of professional accountants using case studies to illustrate that professional accountants working in various areas, including external auditors and professional accountants serving as independent directors, will face sustainability issues.

	4. Explain the overview of the ethics required of professional accountants engaged in sustainability reporting and assurance while focusing on the Code of Ethics published by the International Ethics Standards Board for Accountants (IESBA).
Keywords	Brundtland Report, SDGs, Internalizing the externality, Corporate Social Responsibility (CSR), Sustainable value creation, United Nations Principles for Responsible Investment (PRI), Sustainability investment (ESG investment), Dialogue between companies and investors (engagement)
Prerequisites (recommended)	—

(2) Sustainability, and Corporate Management and Governance

Subject	Basic Level Ba2: Integration of sustainability issues into governance, strategy, and risk management
Objectives	Understand the need and approaches to incorporating sustainability into corporate management and become available to engage in dialogue with key personnel, such as senior management, regarding sustainability management.
Contents	<p>Explain the need for companies to reflect sustainability in their governance, strategy, and risk management, as well as the specific organizational structure and responses that should be established accordingly.</p> <ol style="list-style-type: none"> 1. Explain why sustainability is crucial for business, its relationship to sustainable value creation and evaluation of corporate value, as well as governance, business model, and strategic responses to sustainability. 2. Explain methods and mechanisms for incorporating sustainability factors into enterprise risk management. <ul style="list-style-type: none"> • Identification of material sustainability-related risks and opportunities • Assessment of the short, medium, and long term financial impact of sustainability-related risks and opportunities • Development and execution of strategies and financial plans that reflect sustainability-related risks and opportunities • Qualitative and quantitative assessment of sustainability-related risk and opportunity over the entity's strategy and cash flow resilience 3. Explain the actions required for sustainability in governance under Japanese regulations, particularly the Corporate Governance Code revised in 2021. 4. Explain the organizational management and governance arrangements supporting management and supervisory bodies to fulfill their roles in sustainability, including the following: <ul style="list-style-type: none"> • Roles and skills required of management and governance bodies • Establishment of committees and other bodies to lead sustainability-related initiatives • Cross-functional collaboration among relevant functions, such as finance and sustainability, together with an overarching supervisory structure • Processes for reporting and monitoring sustainability information, including management's utilization of the information, data governance, and internal controls • Incentive schemes, including reflecting sustainability metrics into executive compensation
Keywords	Corporate Governance Code, Skills matrix, Sustainability committee, Linking executive compensation to sustainability indicators
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants

Subject	Advanced Level Ad2: Sustainable finance
Objectives	Understand sustainable finance approaches as a basis for understanding sustainability information needs in the capital markets.
Contents	<p>Introduce domestic and international policies related to sustainable finance that aim to promote financing toward sustainability-related projects and explain various types of sustainable finance.</p> <ol style="list-style-type: none"> 1. Explain the current trends regarding sustainable finance policies, in particular, the following: <ul style="list-style-type: none"> • Sustainable finance policies and background in Japan and abroad 2. Explain methodologies of sustainability investments (ESG investments), such as: <ul style="list-style-type: none"> • ESG integration (passive and active management) • Engagement • Proxy voting • Negative and positive screening • Impact investing 3. Explain sustainability-related bonds and loans, focusing on: <ul style="list-style-type: none"> • Principles and guidelines widely used in Japan and abroad • Types of sustainable finance (e.g., green bonds) • External reviews of sustainable finance 4. Explain the use of sustainability-related information in the capital markets, including: <ul style="list-style-type: none"> • Services provided by ESG data providers, rating agencies, etc. • Information use by institutional investors • Reflection in indexes
Keywords	Sustainable Finance Expert Panel, International Capital Market Association (ICMA), PRI, Green bonds, Sustainability-linked loans, Transition finance, JICPA Assurance Engagement Practice Note 3900 Practical Guidelines for Assurance Engagements for Use of Green Bond Funds Report
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants

(3) Disclosure

Subject	Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)
Objectives	<p>Understand the latest trends in sustainability disclosure.</p> <p>Understand the overview of the major sustainability disclosure standards.</p>
Contents	<p>After explaining the historical background of the demand for sustainability disclosure and integrated reporting, describe the trends in sustainability disclosure, characteristics of significant sustainability disclosure standards, and critical issues related to sustainability information.</p> <ol style="list-style-type: none"> 1. Explain the historical background of the requirement for companies to disclose sustainability-related information, touching on the demands of investors and other stakeholders. 2. Explain global trends in the increase of voluntary sustainability disclosure and integrated reporting and, in recent years, the increase of mandatory sustainability disclosure. 3. Explain sustainability disclosure requirements and voluntary disclosure trends in Japan. 4. Provide an overview of the following major sustainability disclosure standards and frameworks that are well referred to when preparing sustainability information, and clarify the differences among them, including variation in target readers. <ul style="list-style-type: none"> • Standards developed by the Sustainability Standards Board of Japan (SSBJ) * • Standards developed by the International Sustainability Standards Board (ISSB) • The EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), which set out the detailed reporting requirements of the CSRD • Sustainability Accounting Standards Board (SASB) standards • Global Reporting Initiative (GRI) standards • Integrated Reporting Framework 5. Explain the critical issues related to sustainability information, such as <ul style="list-style-type: none"> • Concepts of materiality (single materiality, double materiality, and dynamic materiality) • Connectivity of sustainability and financial information 6. Explain emerging topics regarding sustainability disclosure, including those raised by institutional investors and the evolution of domestic and foreign mandatory reporting regimes. <p>* The SSBJ published exposure drafts for the sustainability disclosure standards in Japan in March 2024. The SSBJ standards shall be read as the exposure drafts until SSBJ finalizes the standards. The same shall apply to subsequent subjects.</p>
Keywords	Task Force on Climate-related Financial Disclosures (TCFD), Integrated Reporting Framework, SSBJ, SASB, GRI, ISSB, CSRD, ESRS, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., Materiality, Connectivity

Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants
Subject	Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (details)
Objectives	Understand the major domestic and international sustainability disclosure regulations. Understand the requirements of the major sustainability disclosure standards.
Contents	<p>Explain the domestic and international systems for sustainability disclosure and related environmental and social laws and regulations. Also, describe the requirements of major sustainability disclosure standards and disclosure practices.</p> <ol style="list-style-type: none"> 1. Illustrate the sustainability disclosure system in Japan, referring to the requirements of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Similarly, explain the outline of the disclosure systems in major countries. 2. Explain the major sustainability disclosure standards and regulations described below and clarify their differences. In particular, explain (i) general characteristics such as reporting scope, reporting frequency, cross-references, (ii) key elements of disclosure (core content), and (iii) materiality assessment. <ul style="list-style-type: none"> • Standards developed by the Sustainability Standards Board of Japan (SSBJ) • Standards (IFRS S1) developed by the International Sustainability Standards Board (ISSB) * • The EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), which set forth the detailed reporting requirements of the CSRD 3. In Japan, companies are required to report environmental and social information under the Act on Promotion of Global Warming Countermeasures, the Act on the Promotion of Women's Active Engagement in Professional Life, and other laws and regulations. Explain the existing sustainability disclosure systems and how they relate to the disclosure required by the above standards and regulations. 4. Explore statutory and voluntary sustainability disclosure practices in Japan. Where appropriate, refer to Examples of Best Practice Regarding the Disclosure of Narrative Information published by the Financial Services Agency. <p>* In addition, explain the International Integrated Reporting Framework, which ISSB referred to when developing the IFRS sustainability disclosure standards.</p>
Keywords	Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., ISSB, SSBJ, CSRD, ESRS, International Integrated Reporting Framework, Act on Promotion of Global Warming Countermeasures, Act on the Promotion of Women's Active Engagement in Professional Life, ESG report, Integrated report, Sustainability report
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)

Subject	Basic Level Ba3-2: Climate change (overview)
Objects	Understand the impact of climate change on companies. Understand the overview of climate-related disclosures.
Contents	<p>Explain the impact of climate change on business, referring to international agreements and national policies on climate change and the scientific background. In addition, describe the major climate-related disclosure frameworks and practices in voluntary and statutory climate-related disclosures. Introduce concepts and measurements related to greenhouse gas (GHG) emissions.</p> <ol style="list-style-type: none"> 1. Explain the business environment related to climate change and how it affects corporate strategy and business operations, focusing on the following topics. <ul style="list-style-type: none"> • Scientific insights on climate change presented in Intergovernmental Panel on Climate Change (IPCC) reports • The Paris Agreement and other international agreements on climate change and policies tackling climate change in Japan and abroad • Requirements and initiatives to transition toward Net Zero by companies, including financial institutions 2. Provide an overview of the core information and metrics in the major climate-related disclosure frameworks used in Japan and abroad, focusing on the four elements (governance, strategy, risk management, and metrics and targets) of the Task Force on Climate-related Financial Disclosures (TCFD) recommendation. 3. Introduce the following standards and rules to illustrate the increased statutory disclosure of climate-related information following the global increase of voluntary disclosure. <ul style="list-style-type: none"> • Climate-related standards developed by the Sustainability Standards Board of Japan (SSBJ) • Climate-related standards (IFRS S2) developed by the International Sustainability Standards Board (ISSB) • Climate change (E1) standards of the European Sustainability Reporting Standards (ESRS) • Climate-related disclosure rules set by the US Security Exchange Commission (SEC) 4. Demonstrate the measurement of GHG emissions and the following items, referring to the GHG Protocol. <ul style="list-style-type: none"> • Basic calculation method for direct emissions (Scope 1) and indirect emissions (Scope 2) • Overview of categories included in value chain emissions (Scope 3) 5. Explain the impact of climate change risk on financial statements, considering demands for disclosure from institutional investors and other investors.
Keywords	Paris Agreement, IPCC, Net zero transition, Decarbonized economy, Financed emissions, Carbon pricing, Glasgow Financial Alliance for Net Zero (GFANZ), TCFD, Physical risks, Transition risks
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)

Subject	Advanced Level Ad3-2: Climate change (details)
Objectives	Understand the requirements and key issues of the major climate-related disclosure standards.
Contents	<p>Describe the requirements in the major domestic and international disclosure standards on climate change and explain the main issues in climate-related disclosures. In addition, provide climate-related disclosure examples.</p> <ol style="list-style-type: none"> 1. Explain climate-related disclosures and indicators required in the following climate-related disclosure standards and rules and clarify the difference between them. <ul style="list-style-type: none"> • Climate-related standards developed by the Sustainability Standards Board of Japan (SSBJ) • Climate-related standards (IFRS S2) developed by the International Sustainability Standards Board (ISSB) • Climate change (E1) standards of the European Sustainability Reporting Standards (ESRS) • Climate-related disclosure rules by the US Security Exchange Commission (SEC) 2. Explain significant issues included in climate-related disclosures, including <ul style="list-style-type: none"> • Identification and assessment of risks and opportunities (including anticipated financial effects) • Development of transition plans • Assessment of climate resilience (scenario analysis) • Use of carbon credits 3. Explain measurement of greenhouse gas (GHG) emissions (Scope 1, 2, and 3), focusing on <ul style="list-style-type: none"> • Request for GHG emissions measurement and reporting under the Act on Promotion of Global Warming Countermeasures and the GHG emissions accounting, reporting, and disclosure system (the SHK system) • Calculation method based on the data quality and other factors (performance or estimated value) • Calculation exercises with multiple examples for each of Scope 1, 2, and 3 4. Explore examples of climate-related disclosures. Where appropriate, refer to Examples of Best Practice Regarding the Disclosure of Narrative Information published by the Financial Services Agency.
Keywords	Scenario analysis, Transition plans, Carbon credits, Contractual instruments, Power Purchase Agreements (PPA), Virtual PPA, SBT (Science Based Targets), Financed emission (emissions by investees), Avoided emissions, Internal carbon price, Act on Promotion of Global Warming Countermeasures, GHG emissions accounting, Reporting and disclosure system (the SHK system)
Prerequisites (recommended)	<p>Basic Level Ba1: Sustainability overview and roles expected of professional accountants</p> <p>Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)</p> <p>Basic Level Ba3-2: Climate change (overview)</p> <p>Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (details)</p>

Subject	Advanced Level Ad3-3: Biodiversity, ecosystems, and ecosystem services (details)
Objectives	<p>Understand the impact of Biodiversity, ecosystems, and ecosystem services (after this collectively referred to as “biodiversity”) on companies.</p> <p>Understand the requirements of major biodiversity-related disclosure standards and frameworks.</p>
Contents	<p>Explain the impact of biodiversity on companies based on international agreements, national policies on biodiversity, and the scientific background. In addition, cover the major biodiversity disclosure frameworks and standards and provide disclosure examples.</p> <ol style="list-style-type: none"> 1. Explain the business environment related to biodiversity and how it affects corporate strategy and business operations. <ul style="list-style-type: none"> • Scientific insights on biodiversity • International agreements such as the Kunming-Montreal Agreement and domestic and international policy trends 2. Provide an overview of the Taskforce on Nature-related Financial Disclosures (TNFD) framework, including four conceptual foundations, six general requirements, four disclosure pillars, and 14 disclosure recommendations. 3. Explain the biodiversity-related disclosures and metrics required in the EU by referring to the follow. <ul style="list-style-type: none"> • Biodiversity and ecosystems (E4) standards of the European Sustainability Reporting Standards (ESRS) 4. Provide examples of disclosure based on the above framework and standards.
Keywords	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), Convention on Biodiversity, TNFD, LEAP approach
Prerequisites (recommended)	<p>Basic Level Ba1: Sustainability overview and roles expected of professional accountants</p> <p>Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)</p> <p>Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (details)</p>

Subject	Basic Level Ba3-3: Human capital and human rights (overview)
Objectives	Understand the impact of human capital on companies. Understand the overview of disclosures regarding human capital.
Contents	<p>Explain the impact of human capital on companies by referring to social issues and policy trends related to human capital. In addition, describe the concepts regarding human capital and the trend toward mandatory disclosure. Provide also an overview of human rights.</p> <ol style="list-style-type: none"> 1. With the emergence of social issues such as gender inequality, explain the trends of studies on human capital, including the following examples, as well as the improvement of treatment under laws and regulations in Japan such as the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment. In addition, explain how human capital issues affect corporate strategy and business operations. <ul style="list-style-type: none"> • The Report of the Study Group on Improvement of Sustainable Corporate Value and Human Capital and the Ito Report for Human Capital Management released by the Ministry of Economy, Trade and Industry • Publication of Human Capital Visualization Guidelines by the Cabinet Secretariat 2. Explain the elements included in human capital, such as Diversity, Equity, and Inclusion (DEI) and reskilling. 3. Describe the relationship between business and human rights, with reference to international norms and standards. 4. Explain the trend of increasing mandatory disclosure regarding human capital with reference to the following. <ul style="list-style-type: none"> • Mandatory disclosure related to human capital under the revised Japanese disclosure rule, the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. • Mandatory disclosure related to human capital under the revised US Regulation S-K • Own workforce (S1) and Workers in the value chain (S2) standards of the European Sustainability Reporting Standards (ESRS)
Keywords	DEI, Talent development, Reskilling, Employee engagement, Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment, Act on the Promotion of Women's Active Engagement in Professional Life, Ito Report for Human Capital Management, Human Capital Visualization Guidelines, Human rights due diligence
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)

Subject	Advanced Level Ad3-4: Human capital (details)
Objectives	Understand the disclosure information required by major disclosure rules and standards regarding human capital.
Contents	<p>Explain major disclosure standards and rules regarding human capital and cover examples of disclosures.</p> <ol style="list-style-type: none"> 1. Explain human capital-related disclosure information and metrics required by disclosure standards and rules regarding human capital described below. <ul style="list-style-type: none"> • Human capital-related disclosure requirements under the revision of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. • Human capital-related disclosure requirements under the revision of the US Security Exchange Commission (SEC) Regulation S-K • Own workforce (S1) standards of the European Sustainability Reporting Standards (ESRS) 2. Provide specific examples of human capital-related disclosures. Where appropriate, refer to Examples of Best Practice Regarding the Disclosure of Narrative Information published by the Financial Services Agency.
Keywords	Ratio of women in management positions, Ratio of men taking childcare leave, Gender pay gap
Prerequisites (recommended)	<p>Basic Level Ba1: Sustainability overview and roles expected of professional accountants</p> <p>Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)</p> <p>Basic Level Ba3-3: Human capital and human rights (overview)</p> <p>Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (overview)</p>

Subject	Advanced Level Ad3-5: Human rights (details)
Objectives	Understand the impact of human rights on companies. Understand disclosures related to human rights.
Contents	<p>Explain the impact of human rights on companies, referring to the international debate on human rights, the social issues behind it, and the regulatory environment in each country. Also, describe the disclosure standards, content, and examples related to human rights.</p> <ol style="list-style-type: none"> Describe the international agreements and guidance for businesses and the regulatory environment in key jurisdictions to address social issues such as human rights abuses in the supply chain, including <ul style="list-style-type: none"> International agreements and guidance for companies <ul style="list-style-type: none"> ➤ Guiding Principles on Business and Human Rights: Implementing the United Nations (UN) "Protect, Respect and Remedy" Framework ➤ International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work ➤ Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct ➤ UN Global Compact Laws and regulations in key jurisdictions <ul style="list-style-type: none"> ➤ UK Modern Slavery Act and other regulations requiring disclosure of information ➤ Regulations requiring the implementation of human rights due diligence, such as the proposed Corporate Sustainability Due Diligence Directive (CSDDD) in the EU Explain the interaction of human rights with corporate strategy and business operations and measures required of companies focusing on human rights due diligence. The explanation will refer to the "Guidelines for Respecting Human Rights in Responsible Supply Chains," which are the guidelines for human rights due diligence in Japan, and "OECD Due Diligence Guidance for Responsible Business Conduct." Explain disclosure information and metrics regarding human rights required in the EU concerning the following and provide specific examples of disclosures. <ul style="list-style-type: none"> Own workforce (S1) and workers in the value chain (S2) standards of the European Sustainability Reporting Standards (ESRS)
Keywords	UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Declaration on Fundamental Principles and Rights at Work, Modern Slavery Act, Human rights due diligence, Human rights policy, Negative impact, Remedies
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview) Basic Level Ba3-3: Human capital and Human rights (overview) Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (overview)

Subject	Advanced Level Ad3-6: Other sustainability themes (details)
Objectives	Understand the impact of other sustainability themes (other than climate change, biodiversity, human capital, and human rights) on companies. Understand disclosure information related to other sustainability themes.
Contents	<p>Explain the impact of other sustainability themes (other than climate change, biodiversity, human capital, and human rights) on companies. Also, describe the content and examples of disclosures related to other sustainability themes.</p> <ol style="list-style-type: none"> 1. Explain the impact of each sustainability theme on companies, referring to national policies and initiatives for each sustainability-related theme. 2. Explain the disclosure information and metrics required in the following standards in the European Sustainability Reporting Standards (ESRS) and provide specific examples of disclosures. <ul style="list-style-type: none"> • E2: Pollution • E3: Water and marine resources • E5: Resource use and circular economy • S3: Affected communities • S4: Consumers and end-users • G1: Business conduct
Keywords	Pollution, Water and marine resources, Circular economy, Local communities
Prerequisites (recommended)	<p>Basic Level Ba1: Sustainability overview and roles expected of professional accountants</p> <p>Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)</p> <p>Advanced Level Ad3-1: Sustainability disclosure and integrated reporting (details)</p>

Subject	Se3: Key topics by industry
Objectives	Understand sustainability-related issues specific to each industry sector. Understand disclosure topics and indicators in each industry sector.
Contents	<p><i>* This subject will be provided by industry (or multiple industry groups). Learners are expected to select and take lectures relevant to their businesses.</i></p> <p>Explain important sustainability themes in each industry sector, touching on the background of related policies.</p> <p>In addition, explain the industry-specific disclosure topics and metrics required by Sustainability Accounting Standards Board (SASB) standards and others.</p> <p>Cover the development of industry-specific standards at the International Sustainability Standards Board (ISSB) as necessary.</p>
Keywords	SASB
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants Basic Level Ba3-1: Sustainability disclosure and integrated reporting (overview)

(4) Assurance Engagements

Subject	Basic Level Ba4: Ensuring the reliability of sustainability information and assurance engagements (overview)
Objectives	<p>Understand the overview of standards related to assurance engagements for sustainability information.</p> <p>Understand the situation of assurance engagements for sustainability information in Japan and abroad.</p>
Contents	<p>Explain the current development and revision of assurance standards for sustainability information and the status of assurance practice, touching on the historical background of the demand for sustainability assurance. In addition, describe sustainability-related issues that auditors should consider in a financial statement audit.</p> <ol style="list-style-type: none"> 1. Explain the historical background of the demand for assurance on sustainability information, mentioning the increasing trend among investors and other stakeholders for reliable sustainability information and their expectations of assurance, including requirements for assurance practitioners (professional ethics and independence, quality management). 2. Explain the objective and approach of frameworks for assurance engagements that assurance practitioners refer to in sustainability assurance engagements, focusing on the following standards: <ul style="list-style-type: none"> • International Standards on Assurance Engagements (ISAE) 3000, Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information • ISAE 3410, Assurance Engagements on Greenhouse Gas Statements • Assurance Engagement Practice Notes published by the JICPA • Other assurance-related standards, frameworks, and guidelines (AccountAbility 1000 Assurance Standard, ISO 14064-3, Green transformation (GX) League Third Party Verification Guideline) 3. Explain the history and progress in the development of a comprehensive assurance standard for sustainability assurance, the International Sustainability Assurance Standards (ISSA) 5000 "General Requirements for Sustainability Assurance Engagement," by the International Auditing and Assurance Standards Board (IAASB). 4. Outline the current status of assurance engagements on sustainability information in Japan and abroad, using the International Federation of Accountants (IFAC) survey on voluntary assurance and other publications. Also, explain the contents of assurance reports referring to examples of assurance reports, touching on the differences from audits. 5. Explain sustainability-related matters that an auditor should consider in a financial statement audit in connection with the following: <ul style="list-style-type: none"> • Auditing Standards Report 720, The Auditor's Responsibilities Relating to Other Information • Key Audit Matters (KAM) • Accounting estimates

	* The IAASB published the exposure draft of proposed ISSA 5000 and is developing the standard. The ISSA 5000 shall be read as the exposure draft until IAASB finalizes the standard. The same shall apply to subsequent subjects.
Keywords	Greenwashing, Professional ethics, Independence, Quality management, ISAE 3000, ISAE 3410, ISSA 5000, Auditing Standards Report 720 - the Auditor's Responsibilities Relating to Other Information, KAM, Accounting estimates
Prerequisites (recommended)	Basic Level Ba1: Sustainability overview and roles expected of professional accountants

Subject	Advanced Level Ad4-1-1: Professional Ethics and Independence
Objectives	<p>Understand the professional ethics and independence required of those involved in assurance engagements of sustainability information.</p> <p>Become available to identify, evaluate, and address specific professional ethics and threats to independence.</p>
Contents	<p>Explain the professional ethics and independence required of those involved in assurance engagements for sustainability disclosures, mainly focusing on the Code of Ethics* published by the International Ethics Standards Board for Accountants (IESBA) using illustrations.</p> <ol style="list-style-type: none"> 1. Background and drafting process of the revision of the IESBA Code of Ethics <ul style="list-style-type: none"> • Overview of the sustainability project of the IESBA • Background of the sustainability project of the IESBA and drafting process of the project • Characteristic challenges in sustainability • Basic concepts of the Code of Ethics related to sustainability 2. Professional ethics and independence required of assurance practitioners <ul style="list-style-type: none"> • Scope of sustainability assurance engagements and other activities that apply the IESBA Code of Ethics • Independence required of assurance practitioners • Professional ethics required of assurance practitioners (ethics other than independence) • Independence required of other assurance practitioners and experts used by the assurance practitioners • Value chain entities and independence required of assurance practitioners <p>In explaining the above lecture, clarifying the differences in ethics and independence needed between a sustainability assurance engagement and a financial statement audit is helpful.</p> <p>* The IESBA published the exposure drafts of proposed International Ethics Standards for Sustainability Assurance Engagements and Other Revisions to the Code relating to Sustainability Reporting and proposed revision of the Use Work of External Experts and is developing the standards. The IESBA Code of Ethics should be read as exposure drafts until the IESBA finalizes them.</p>
Keywords	Professional ethics, Independence, IESBA Code of Ethics, Other assurance practitioners, Experts, Value chain entities
Prerequisites (recommended)	Basic Level Ba4: Ensuring the reliability of sustainability information and assurance engagements (overview)

Subject	Advanced Level Ad4-1-2: Quality Management and relevant regulations
Objectives	<p>Understand quality management in assurance engagements of sustainability information and points to apply the International Standard for Sustainability Assurance (ISSA) 5000 and the International Standard for Quality Management (ISQM).</p> <p>Understand the relevant regulations and legislation related to sustainability assurance.</p>
Contents	<p>Explain quality management required for assurance engagements of sustainability information and the application of ISSA 5000 and ISQMs. In addition, describe relevant regulations and legislation as necessary.</p> <p>1. Quality Management</p> <p>(1) Firm-level quality management</p> <p>For firm-level quality management, ISSA 5000 states that an assurance practitioner shall apply ISQM or other professional requirements, or requirements in laws and regulations, that are at least as demanding as the ISQM. In the lecture, explain mainly characteristics and differences in assurance engagements for sustainability information, assuming knowledge of ISQM 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Service Engagements" and ISQM 2 "Engagement Quality Reviews."</p> <p>(2) Engagement-level quality management</p> <p>ISSA 5000 was developed based on the International Standard on Auditing (ISA) 220 (Revised) "Quality Management in Audit Engagements" concerning engagement-level quality management. The lecture mainly explains characteristics in assurance engagements for sustainability information, assuming knowledge of ISA 220 (Revised).</p> <p>2. Relevant regulations and legislation</p> <p>Explain the following major jurisdictions' regulations and legislation for sustainability reporting and assurance, highlighting the differences in the factors, such as assurance practitioners (firm and individual), qualifications of individuals involved in assurance engagements, assurance standards, professional ethics and independence, and quality management.</p> <ul style="list-style-type: none"> • Mandatory assurance under the EU Corporate Sustainability Reporting Directive (CSRD) • Assurance under the US Securities and Exchange Commission's (SEC) climate-related disclosure regulation • Assurance requirements in other jurisdictions
Keywords	Firm-level quality management, Engagement-level quality management, ISQM1, ISQM2, ISA220, Network firms, Professional ethics, Independence
Prerequisites (recommended)	Basic Level Ba4: Ensuring the reliability of sustainability information and assurance engagements (overview)

Subject	Advanced Level Ad4-2-1: Sustainability Assurance Practice Standards and Practical Issues (1) Basic framework for assurance engagements and sustainability assurance standards
Objectives	Understand the structure of sustainability assurance standards. Understand key concepts in sustainability assurance and how it differs from auditing.
Contents	<p>Explain the progress in developing the International Sustainability Assurance Standard (ISSA) 5000 and the key concepts that are prerequisites for understanding the relevant standards. Also, describe cross-cutting issues related to assurance engagements.</p> <ol style="list-style-type: none"> 1. Explain the progress and development policy of ISSA 5000 "General Requirements for Sustainability Assurance Engagements." <ul style="list-style-type: none"> • How ISSA 5000 has been developed • ISSA 5000's development policy (e.g., overarching assurance standards for all frameworks and topics as a global standard, six priorities) 2. Explain key concepts in assurance engagements for sustainability information in accordance with ISSA 5000. <ul style="list-style-type: none"> • Limited and reasonable assurance • Scope of assurance engagement • Applicable criteria • Evidence, including the reliability of the information and the elements of sufficiency and appropriateness of evidence • Materiality (including the relationship between materiality in the assurance practitioner and the reporting entity's materiality process). * • Entity's system of internal control • Engagement resources (such as the engagement team, practitioner's experts, and use of the work of other assurance practitioners) • Communicate with management, those charged with governance, and other stakeholders • Fraud and non-compliance with law or regulation 3. Explain the cross-cutting issues related to overall assurance engagements, which are not addressed in Ad4-2-2 through Ad4-2-4, in the application of ISSA 5000. <ul style="list-style-type: none"> • Evidence* • Engagement Resources • Communicate with management, those charged with governance, and other stakeholders <p>* Ad4-3 may include more advanced discussions about materiality and obtaining evidence on qualitative or forward-looking information. In that case, a lecturer will provide an interpretation and points of the requirements of ISSA 5000 and an introduction to the advanced issues.</p>
Keywords	ISSA 5000, Reasonable assurance, Limited assurance, Rational purpose, Applicable criteria, Sufficient and appropriate evidence, Systems of internal controls, Materiality, Engagement team, Other assurance practitioners, Experts, Those charged with governance, Fraud
Prerequisites (recommended)	Basic Level Ba4: Ensuring the reliability of sustainability information and assurance engagements (overview)

Subject	Advanced Level Ad4-2-2: Sustainability Assurance Practice Standards and Practical Issues (2) Acceptance and planning of assurance engagement
Objectives	Understand the acceptance and planning of assurance engagements under the International Sustainability Assurance Standard (ISSA) 5000.
Contents	<p>Explain the contents and requirements of ISSA 5000. Providing the relationship with other standards, such as International Standards on Assurance Engagements (ISAEs) and auditing standards, facilitates a broader and deeper understanding.</p> <ol style="list-style-type: none"> 1. Explain the precondition, acceptance, and planning of assurance engagements, comparing them to those in a financial statement audit. <ul style="list-style-type: none"> • Compliance with professional ethics and independence • Preconditions for an assurance engagement (a preliminary knowledge of the engagement, appropriate sustainability matters, suitability and availability of criteria, existence of rational purpose) • Preconditions not present after acceptance • Terms and Conditions of the assurance engagement • Planning of the assurance engagement (including determination of materiality in an assurance practitioner) 2. Explain consideration points in determining suitable criteria for scoping an assurance engagement (e.g., characteristics of the suitable criteria, such as relevance, completeness, reliability, neutrality, and understandability, as well as the appropriateness of the scope of an assurance engagement), using examples of practices. 3. Explain the schedule for disclosure and assurance engagement using examples. The explanation may touch on both the current schedule (i.e., the situation where assurance practitioners rely on substantive procedures performed after the end of the fiscal year) and the desirable schedule (i.e., assurance practitioners allocate workloads throughout the engagement term and perform the assurance work in an integrated manner with the audit). 4. Explain other consideration points and current issues in accepting and planning assurance engagements. Ad4-3, which deals with evolving topics, may cover the advanced issues in accepting and planning assurance engagements, such as consolidated sustainability information, value chain information, forward-looking information, and qualitative information. In that case, this lecture may provide an introduction to the evolving topics.
Keywords	Sustainability matters, Sustainability information, Topic, Aspects of topic, Rational purpose, Suitable criteria, Availability, Relevance, Completeness, Reliability, Neutrality, Understandability, Appropriateness of the scope of the assurance engagements
Prerequisites (recommended)	Ad4-2-1: Sustainability assurance practice standards and practical issues (1) Basic framework for assurance practices and sustainability assurance standards

Subject	Advanced Level Ad4-2-3: Sustainability Assurance Practice Standards and Practical Issues (3) Risk procedures/Responding to the risk of material misstatement
Objectives	Understand the risk procedures in assuring sustainability information under the International Sustainability Assurance Standard (ISSA) 5000 and how to respond to identified risks of material misstatement.
Contents	<p>Explain the contents and requirements of ISSA 5000. Providing the relationship with other standards, such as International Standards on Assurance Engagements (ISAEs) and auditing standards, facilitates a broader and deeper understanding.</p> <ol style="list-style-type: none"> 1. Explain designing and performing risk procedures (e.g., understanding the business environment, inquiring). Also, clearly demonstrate the limited assurance and reasonable assurance, including their differences. 2. Describe how an assurance practitioner addresses an entity's systems of internal controls, including the difference between limited assurance and reasonable assurance. <ul style="list-style-type: none"> • For both limited assurance and reasonable assurance <ul style="list-style-type: none"> ➤ Understanding the components of a system of internal controls ➤ Identifying control deficiencies • For reasonable assurance or limited assurance in which an assurance practitioner plans to test the operating effectiveness of controls <ul style="list-style-type: none"> ➤ Design and implementation of controls ➤ Test of controls • Difference between internal control over financial reporting and internal control over sustainability information 3. Explain the substantive procedures, including additional procedures, illustrating the difference between limited assurance and reasonable assurance. <ul style="list-style-type: none"> • Examples of test of details in assurance of sustainability information • Analytical procedures in assurance of sustainability information • Sampling <p>Although the thematic practical topics (Ad4-4-1 and Ad4-4-2) may deliver illustrative explanations, this course will also use examples to provide a concrete image of the substantive procedures.</p> 4. Describe the response to fraud and non-compliance with laws and regulations. <ul style="list-style-type: none"> • Practitioners' responsibility for fraud and non-compliance with laws and regulations • Required response to identified or suspected fraud • Required response to identified or suspected non-compliance with laws and regulations • Illustrations of fraud (including greenwashing)
Keywords	Risk assessment, Risk procedures, Understanding of systems of internal controls, Components of systems of internal controls, Additional procedures, Test of operating effectiveness, Substantive procedures, Fraud, Greenwashing
Prerequisites (recommended)	Ad4-2-1: Sustainability assurance practice standards and practical issues (1) Basic framework for assurance practices and sustainability assurance standards

Subject	Advanced Level Ad4-2-4: Sustainability assurance standards and practical issues (4) Forming assurance conclusion and preparing the assurance report
Objectives	Understand how to form an assurance conclusion and prepare assurance reports under the International Sustainability Assurance Standard (ISSA) 5000.
Contents	<p>Explain the contents and requirements of ISSA 5000. Providing the relationship with other standards, such as International Standards on Assurance Engagements (ISAEs) and auditing standards, facilitates a broader and deeper understanding.</p> <ol style="list-style-type: none"> 1. Explain the accumulation and consideration of identified misstatements and evaluation of the description of applicable criteria, considering the following characteristics in the assurance of sustainability information. <ul style="list-style-type: none"> • Conditions in which misstatements of sustainability information, including fraud, may occur • Consideration of quantitative and qualitative factors in evaluating the effects of uncorrected misstatements • Misstatements related to the measurement or evaluation of uncertainty, including qualitative or forward-looking information • Consideration points in the evaluation of referencing or describing the applicable criteria and the adequacy of the description of the criteria, including subject matter information, the disclosure form of subject matter information, and a description of the suitable criteria 2. Explain subsequent events, representation from management and those charged with governance, and other information, including their relationship to a financial statement audit. 3. Explain forming the conclusion of assurance, including the following discussion <ul style="list-style-type: none"> • Evaluation of the evidence obtained, including factors that affect professional judgment in determining whether the evidence is sufficient and appropriate and in evaluation of indicators of possible management bias • Existence of a scope limitation and its implications on the opinions expressed • Overall responsibility for managing and achieving quality on an engagement and engagement quality review 4. Illustrate the form and content of assurance reports, using examples of domestic and foreign assurance reports, considering the differences from audit reports. Because the content of the limited assurance report varies depending on the nature of the assurance engagement, it is beneficial to explain the content of assurance reports using examples. Explain also the following issues. <ul style="list-style-type: none"> • Short-form and long-form style of assurance reports • Practitioner's recommendation and additional information • References in a practitioner's expertise in the assurance report 5. In connection with the conclusion of an assurance engagement, describe how and when a practitioner communicates with the entity, including identified control deficiencies and recommendations for improvements.
Keywords	Identified misstatements, Evaluating the description of applicable criteria, Subsequent events, Written representations, Other information, Assurance opinion, Assurance report, Short-form, Long-form, Unqualified conclusion, Qualified conclusion

Prerequisites (recommended)	Ad4-2-1: Sustainability assurance practice standards and practical issues (1) Basic framework for assurance practices and sustainability assurance standards
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Subject	Advanced Level Ad4-2-5: Sustainability Assurance Practice Standards and Practical Issues (5) Interaction between a financial statement audit and a sustainability assurance
Objectives	Understand stakeholders' expectations regarding the interaction between a financial statement audit and an assurance engagement of sustainability information and how they should work together.
Contents	<p>Investors and other users of general-purpose financial reporting are increasingly interested in the connectivity between financial and sustainability information. However, the nature of the interaction between a financial statement audit and an assurance engagement for sustainability information is not explicit, even in the International Sustainability Assurance Standard (ISSA) 5000.</p> <p>Therefore, in this subject, incorporating stakeholders' perspectives, including experienced assurance practitioners, preparers, and users, will contribute to understanding the issues and challenges. In addition, interactive learning, such as workshop-style discussions among participants, may deepen understanding of how to respond to issues.</p> <ol style="list-style-type: none"> 1. Expectations for mutual collaboration between a financial statement audit and an assurance engagement on sustainability information <p>Explain expectations for greater interaction between a financial statement audit and an assurance engagement for sustainability information to ensure confidence in a corporate disclosure as a whole, touching on particularly the investors' emphasis on the connectivity between financial statements and sustainability information.</p> 2. Approaches to collaboration between the audit and assurance teams <p>Describe actions and approaches to promote cooperation. For example, explain the expected approach and contents of communication between financial statement auditors and sustainability assurance practitioners at each stage, such as engagement planning, forming a conclusion, and considering the other information. Introduce also the issues and limitations of the communication.</p> 3. Integrated audit and assurance <p>Discuss the shape of integrated audit and assurance using precedent cases in Japan and abroad. For example, it will be beneficial to introduce the following case studies.</p> <ul style="list-style-type: none"> • Foreign company cases where both financial statement audits and assurance on non-financial information, including sustainability information, are performed on integrated reports that include financial statements • Descriptions of climate change risks in footnotes to financial statements and Key Audit Matters (KAMs) for companies that consider and disclose the risks in their financial reporting
Keywords	Climate change risk, Connectivity, KAM
Prerequisites (recommended)	Other subjects in Ad4-2 series - Sustainability assurance practice standards and practical issues (i.e., Ad4-4-1 to Ad4-4-4)

Subject	Advanced Level Ad4-3: Evolving Issues Related to Sustainability Assurance Engagements
Objectives	Understand issues and challenges that still need to be fully clarified in the International Sustainability Assurance Standard (ISSA) 5000 and consider how to respond.
Contents	<p>The issues in this course are evolving issues that need to be adequately clarified in ISSA 5000, while assurance practices still need to be sufficiently fostered.</p> <p>Therefore, in this subject, incorporating stakeholders' perspectives, including experienced assurance practitioners, preparers, and users, will contribute to understanding the issues and challenges. In addition, the lectures may be designed to be interactive; for example, question-and-answer sessions, questions to participants, or group work among participants can be beneficial in developing approaches and fostering attitudes toward these issues.</p> <p>Potential topics in this lecture include, for example, the following.</p> <ol style="list-style-type: none"> 1. Assurance of Group or Consolidated Sustainability Information: Identification of components in an assurance engagement on group sustainability information, approach to direction, supervision and review, addressing relevant issues such as differences in regulations by country/region 2. Assurance of Value Chain Information: Issues in performing an assurance procedure on value chain information and addressing these issues, such as determining reporting boundaries, evaluating information obtained from value chain entities, and assessing factors for estimation 3. Materiality Process: Issues related to the entity's materiality process, such as assurance procedures and assurance of disclosure regarding the entity's materiality process 4. Forward-looking information: The nature of forward-looking information and issues in assurance engagements of such information, e.g., obtaining evidence, determining whether the evidence is sufficient and appropriate, and evaluating whether information disclosed achieves fair presentation based on the evidence obtained 5. Qualitative information: The nature of qualitative information (e.g., judgment-based in nature, the difficulty of direct observation, and potential for management bias), determining suitable criteria, planning assurance procedures, obtaining evidence, and determining whether it is sufficient and appropriate, evaluating whether the information disclosed achieves fair presentation 6. Climate-related information other than greenhouse gas (GHG) emissions: Issues in assurance engagement based on the characteristics of the disclosed information and users' needs for assurance engagement <p>In designing the lectures, live issues in assurance engagement may be incorporated in addition to the above matters.</p>
Keywords	Group or consolidated sustainability information, Value chain information, Reporting boundaries, Materiality process, Forward-looking information, Qualitative information
Prerequisites (recommended)	Each subject of advanced level Ad4-2 series - Sustainability assurance practice standards and practical issues

Subject	Advanced Level Ad4-4-1: Thematic Practice Topics (1) Assurance of greenhouse gas information
Objectives	Understand practical matters related to an assurance engagement of greenhouse gas (GHG) emissions and become available to participate in such an assurance engagement.
Contents	<p>Provide practical training on assurance engagements on GHG emissions, including practical exercises such as using case studies and preparing working papers while explaining specific practical issues. This lecture will cover at least the following issues.</p> <ol style="list-style-type: none"> 1. Describe the process of GHG emissions assurance engagement. <ul style="list-style-type: none"> • Identifying sources of GHG emissions in an entity's business • Site visit and interview • Understanding how to calculate GHG emissions by source • Understanding the information-gathering process • Substantive procedures and sufficiency and appropriateness of evidence • Preparing assurance report 2. Explain types of GHG emissions and procedural considerations (including financed emissions). <ul style="list-style-type: none"> • Characteristics of GHG emissions calculation by GHG Protocol emission scope (including 15 categories for Scope 3 emissions) and by sector and attention points in assurance engagements • Considerations in the use of estimates and technology • Differences in assurance practices between assurance standards developed by the International Auditing and Assurance Standards Board (IAASB) and assurance standards and frameworks developed by entities other than the IAASB (e.g., GX League Guidelines for Third Party Verification) 3. Describe the phases in which the use of an expert may be necessary and the attributes of the expert. <p>In designing this lecture, it may be practical to consider the volume and contents of a lecture related to "Ad3-2: Climate Change (Details)," which deals with disclosure of GHG emissions, and to deliver lectures separately by Scope 1 and 2 and Scope 3, or to integrate lectures for the disclosure regulations and standards and assurance engagement.</p>
Keywords	GHG Protocol, GHG emissions (Scope 1, Scope 2, and Scope 3), Identification of source, Site visits, Use of experts, GX league
Prerequisites (recommended)	Advanced Level Ad3-2: Climate change (details) Each subject of advanced level Ad4-2 series - Sustainability assurance practice standards and practical issues

Subject	Advanced Level Ad4-4-2: Thematic Practice Topics (2) Assurance engagement of human capital and human rights information
Objectives	Understand the main issues related to assurance engagement on human capital and human rights information and become available to be involved in assurance engagement.
Contents	<p>Provide practical training on assurance engagements of human capital and human rights information, including exercises in preparation of working papers using case studies while explaining specific practical issues. This lecture will cover at least the following issues.</p> <ol style="list-style-type: none"> 1. Explain the assurance engagement process for human capital and human rights information. <ul style="list-style-type: none"> • Understanding and evaluating the criteria for preparing disclosure information • Understanding of the information-gathering process* and the technologies used • Substantive procedures and obtaining evidence • Preparing assurance reports 2. Explain the characteristics of human capital information and issues in assurance. The issues may include, for example, the following. <ul style="list-style-type: none"> • Evaluation of metrics and criteria in company-specific human capital information • Scope of information subject to disclosure • Issues related to the reliability of information 3. Explain the characteristics of human rights information and issues in assurance. Issues may include, for example, the following. <ul style="list-style-type: none"> • Appropriateness of the reporting boundary • Scope of information gathering and human rights due diligence from the value chain • Determination of the use work of experts and the expert's attributes <p>* In relation to the information-gathering process, explain the use of reports on internal controls of a service organization (SOC reports) in sustainability information (for example, for engagement scores, employee responses are confidential to even the company, and the vendor may not provide individual response information).</p>
Keywords	Information-gathering process, Technology, Human rights due diligence, Applicable criteria, Value chain, SOC reporting, Use work of experts
Prerequisites (recommended)	Advanced Level Ad3-4: Human capital (details) Advanced Level Ad3-5: Human rights (details) Each subject of advanced level Ad4-2 series - Sustainability assurance practice standards and practical issues

(Appendix 1) Points in designing lectures for the Advanced Level Ad4-3: Evolving Issues Related to Sustainability Assurance Engagements

The following points outline the design and delivery of lectures for Ad4-3. The topics listed here are issues still in the practical development process and require clarification with assurance standards and guidance, such as the International Sustainability Assurance Standard (ISSA) 5000, although there are some perspectives and considerations in the ISSA 5000 application guidance.

Therefore, in this subject, incorporating stakeholders' perspectives, including experienced assurance practitioners, preparers, and users, will contribute to understanding the issues and challenges. In addition, the lectures may be designed to be interactive; for example, question-and-answer sessions, questions to participants, or group work among participants can be beneficial in developing approaches and fostering attitudes toward these issues.

1. Assurance of Group or Consolidated Sustainability Information

- Gain a better understanding of the issues in assurance engagements for consolidated/group sustainability information and acquire suggestions on how to address the issues and approaches to addressing them. Examples include but are not limited to the following:
 - a. Recognition of the relationship between material sustainability topics at the group level and those at subsidiaries and affiliates and identification of the components
 - b. Direction, supervision, and review of component practitioners (both network firms and non-network firms)
 - c. Identification of regulatory differences and challenges in preparing sustainability information in each country/region

2. Value Chain Information

- Gain a better understanding of the issues in assurance engagement involving information from the entity's value chain and obtain suggestions on methods and approaches to address them. Examples include but are not limited to the following:
 - a. Considering the boundaries of the value chain
 - b. Evaluation of information obtained from business partners and other entities in the value chain
 - c. Evaluation of information obtained from third parties (e.g., information vendors)

3. Materiality Process

- Explain the current practice of the execution and disclosure of the entity's materiality process as well as the demands of information users, including investors, for disclosing the materiality process and ensuring the reliability of the disclosed information based on

the requirements for the materiality process (including involvement of the entity's governance body) in disclosure standards and frameworks. A further area for discussion is the differences in the concepts of materiality in disclosure standards, such as financial materiality, impact materiality, and double materiality, and their impacts on assurance engagements.

- Describe the current status and challenges to the materiality process, as well as approaches and possible responses to those challenges, from the perspective of assurance practitioners.
- Discuss issues and challenges in assurance engagements for the disclosure of the entity's materiality process and solutions and responses to them to gain insights into assurance approaches for these disclosures. Examples may include the following:
 - a. Involvement and expected role in the materiality process of those charged with governance, such as the audit committee
 - b. Approaches to assurance procedures and obtaining evidence
 - c. Contents of a limited assurance report

4. Forward-looking statements and qualitative information

- Forward-looking and qualitative information is one of the unique features of sustainability disclosures and is an area that requires more judgment from a practitioner than is required in a financial statement audit. Examples include but are not limited to the following:
 - a. Disclosure process for forward-looking information and qualitative information
 - b. Difference between assurance of estimates and auditing of accounting estimates
 - c. Determination of applicable criteria
 - d. Substantive procedures for estimates, forward-looking information, and qualitative (descriptive) information in both reasonable assurance and limited assurance, as well as evaluating the sufficiency and appropriateness of evidence obtained
 - e. Discussion about forming assurance opinions and evaluating bias, referencing the requirements and guidance in ISSA 5000
 - f. Contents of the assurance report. In addition to examples of current assurance practices, explain the needs of users, such as investors.

5. Climate-related disclosures other than greenhouse gas (GHG) emissions

- Explain practical issues regarding limited assurance engagements on climate-related information other than GHG emissions.

- Describe the characteristics of the following climate-related governance and strategy disclosures, the needs of users, challenges of assurance engagement of the information, and approaches to addressing the challenges
 - a. Climate-related governance, such as structure and incorporation into compensation
 - b. Climate resilience (including scenario analysis)
 - c. Impact on the financial position, financial performance, and cash flows
 - d. Climate-related risk management
- Describe the characteristics of climate-related metrics other than GHG emissions, the needs of users for these metrics and assurance engagements, and issues related to assurance procedures.
 - a. Assets and business activities vulnerable to climate-related risks or those aligned with climate-related opportunities
 - b. Internal carbon prices
 - c. Remuneration
- Discuss attention points for assurance procedures for climate-related information other than GHG emissions. Examples may include the following:
 - a. Understanding of corporate internal structures and processes related to climate-related governance and strategy
 - b. Substantive procedures and evidence
 - c. Use of experts
 - d. Assurance Report
 - e. Potential challenges in moving to reasonable assurance

In designing the lectures on these issues, the publication by the International Auditing and Assurance Standards Board "Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements" and the JICPA's research paper, "Guidance on Assurance Engagements for Sustainability and Other Extended External Reports (EERs) in Japan (tentative paper)" will also be used as references.

(Appendix 2) List of abbreviations

The abbreviations used in this syllabus are as follows

Abbreviation	Official Name
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
ESRS	European Sustainability Reporting Standards
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IAASB	International Auditing and Assurance Standards Board
ICMA	International Capital Market Association
IESBA	The International Ethics Standards Board for Accountants
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
ISA	International Standards on Auditing
ISAE	International Standard on Assurance Engagements
ISQM	International Standard on Quality.
ISSA	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board
KAM	Key Audit Matters
SASB	Sustainability Accounting Standards Board
SEC	Securities and Exchange Commission
SSBJ	Sustainability Standards Board of Japan
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures