



ASSURANCE OF SUSTAINABILITY REPORTING

ISEP response to DBT consultation



ISEP
Climate Change
Mitigation & Adaptation



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1. About The Institute of Sustainability and Environmental Professionals (ISEP)

We are the professional voice on sustainability and the environment.

The Institute of Sustainability and Environmental Professionals (ISEP) is the global membership body for anyone wanting sustainable change that delivers across government, business and society.

ISEP harnesses the collective expertise and experience of over 20,000 sustainability and environmental professionals globally to provide the evidence, insights, and innovative solutions that Government needs to deliver growth in a sustainable way.

We cover every sector and every level of sustainability, environmental management and impact assessment – with our networks reaching around the world. We unite talented people and draw on diverse perspectives to influence global change across government, business and society.

ISEP can help develop, deliver and implement laws, regulations and standards that drive sustainability and economic growth.

ISEP is transforming the world today for a sustainable future by:

- setting the standard across every business sector for sustainability and environmental professionals, drawing on their expertise to support the development and implementation of policies that drive green growth,
- advancing careers and nurturing talent by offering world-class training, practical guidance, cutting-edge evidence and insights, alongside awarding professional recognition,
- and creating collaborations and building partnerships to influence government policy and legislation, deliver best-practice across business, and inspire change in society.

Sustainability matters. Environmentally, economically and socially.



2. Executive summary and key recommendations

High-quality assurance of sustainability data is critical to ensuring that reported information is reliable and decision-useful for investors, regulators, and other stakeholders. At present, while many providers are well qualified, it remains difficult for buyers of assurance services to be confident that they are engaging teams with the right expertise.

A registration regime would address this challenge by setting clear professional expectations, safeguarding quality across the assurance market, and giving buyers confidence. Based on ISEP members' experience, effective assurance requires a broad, multi-disciplinary skillset. A profession-agnostic approach is therefore essential to ensure assurance is not limited to a single profession but instead draws on diverse expertise.

Key Recommendations

1. **Introduce a registration regime** for sustainability assurance providers to ensure competence, consistency, and buyer confidence.
2. **Adopt a profession-agnostic model**, recognising that sustainability assurance requires multi-disciplinary teams and expertise.
3. **Develop clear competency standards with sector input**, working with professional bodies such as ISEP to capture both technical assurance skills and sustainability sector knowledge, ensuring the regime reflects the realities of practice.
4. **Publish buyer guidance** to help organisations understand what to expect from high-quality assurance and how to engage appropriately qualified providers.



3. Questions and responses

Question 1 Do you agree or disagree with the government's core proposal to create a voluntary registration regime for sustainability assurance? Provide justification.

Yes, absolutely agree. High-quality assurance of sustainability data is essential to ensure that the data is useful for decision-making. A registration regime is the only way to ensure that everyone in the assurance provision market is adequately qualified. While many currently are adequately qualified, it is hard for the buyer of these services to be certain that they are engaging the team with the right skillset.

Question 2 In your view, what are the advantages and disadvantages of the opt-in approach?

There is unlikely to be a huge difference between the two in practice. We would expect that most data users would expect to be reading assurance statements that have been prepared by a person or organisation that had opted in. Consequently assurance providers would seek to become registered. The option of not opting in could exist but we expect that in reality all providers would opt in.

Question 3 Do you agree or disagree with the government taking a profession-agnostic approach to sustainability assurance? Provide justification.

Absolutely agree. Sustainability assurance requires a broad skillset and a deep knowledge of sustainability matters in order to be able to ask the right questions and properly interrogate the data.

Question 4 Do you agree or disagree that both individuals and firms should be able to be registered as sustainability assurance providers? Provide justification and explain whether any specific requirements are needed to ensure appropriate accountability.

We can see the benefits of allowing both individuals and organizations to be registered. This would ensure that individuals are accredited and that organisations are charged with finding the right group of people to complete the whole process.

Question 5 In broad terms, what are the main principles that ARGA should consider when developing a registration regime for sustainability assurance providers?

The quality of the registration regime will depend entirely on the criteria that are set for joining the register and the extent to which those joining the register are assessed against those criteria.

Question 6 How should ARGA work with other organisations when developing a future registration regime?

ARGA should certainly continue to engage with ISEP's members to ensure that the quality of the regime, as set out above, is maintained to a level at which data users can be confident.

Question 7 Do you agree or disagree that the UK's registration regime should recognise 'sustainability assurance providers' as being capable of providing high-quality assurance over multiple reporting standards (that is, TCFD, UK SRS, ESRS)? Provide justification.

Yes absolutely. Many of our members in the UK have to report under multiple UK and foreign standards. This occurs where operations in the UK fall into domestic regulatory scope but the parent entity is based abroad, triggering additional reporting requirements (for instance ESRS).



Question 8 Do you agree or disagree that sustainability assurance providers must follow UK equivalent standards to ISSA 5000? Provide justification and, if you disagree, indicate whether any other standards are considered appropriate.

No response

Question 9 How should ARGAs exercise its proposed functions in respect of sustainability assurance standard setting in the future?

At ISEP we would be glad to support ARGAs to exercise its proposed functions in respect of standard setting and skills development.

Question 10 What factors should ARGAs consider when developing its approach to enforcement. Provide justification.

It should be made clear what enforcement would look like. It could be anything from light touch 'name and shame', through to fines, or at the extreme, custodial sentences. In developing its approach, ARGAs should consider that generally the UK does not greatly enforce environment regulations. For instance there are no real penalties for not complying with ESOS, or for not acting on a Carbon Removal Plan attached to a PPN006. It is therefore not expected that enforcement would be strong in this instance either. Alongside this is the question of whether enforcement of this should be a role for government. We would expect that markets will do their due diligence and allocate finance accordingly.

Clearly standards that disclosures are being assured to need to be clear whether or not enforcement is market-led or regulatory.

Question 11 Do you agree or disagree that assurance of UK SRS disclosures is desirable in the long term? Explain your view and also indicate whether there are any implementation approaches (for example, timelines for phasing-in requirements) or alternative measures to regulation that the government should consider.

Agree that assurance of UK SRS disclosures is desirable in the long term, as this is the only way of being certain that disclosures reflect reality.

Question 12 Provide evidence where assurance providers have been excluded from or where you anticipate future barriers to competing for CSRD assurance engagements, due to a lack of UK registration regime or other reasons. Where possible, include quantitative estimates of the scale of impact on UK companies.

No response

Question 13 Provide evidence where the non-audit services cap has been a barrier to accessing or providing high-quality sustainability assurance. Where possible, include quantitative estimates of the scale of impact.

No response