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Re: Sustainability Accounting Standards Board's Exposure Draft Standards

To: SASB Chair Jean Rogers and the Standards Board:

The Institute of Internal Auditors (IIA) is pleased to share feedback on the Sustainability Accounting Standards Board's (SASB) exposure draft standards. The IIA has aided sound governance and risk management efforts in public- and private-sector organizations for more than 75 years. Our more than 190,000 members are part of a global voice that encourages strong internal controls and an enterprise-wide approach to risk management.

Environmental, health and safety (EHS) risks are prominent in the information we provide to internal auditors, specifically through advocating for sound integrated thinking and reporting. The IIA launched the Environmental, Health & Safety Audit specialty center in 2015 and currently serves more than 530 members, providing EHS and process safety audit training, certifications, conferences, thought leadership, webinars, and more to help expand the breadth and depth of EHS auditing. We also encourage the internal audit profession to embrace EHS risks as part of the general risk portfolio.

For sustainability reporting to be seen as a reliable instrument for assessing an organization's ability to provide value for shareholders and investors, organizations will need to find a suitable way to provide assurance regarding the information reported. Internal audit, with its enterprise-wide view of the organization, is uniquely positioned to provide assurance over this information and add credibility to the report.

Therefore, The IIA submits for your consideration that each of the SASB's 78 industry provisional standards open for comment be changed to specifically reference internal auditing as a fundamental part of the sustainability reporting process.

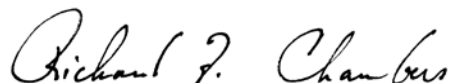
This point is not in conflict with existing public pronouncements by the SASB. The SASB has published Implementation Guidance on how companies should compile, prepare, and publish sustainability disclosures, and these guidelines expressly reference the role of internal audit. It is only logical to make this clear in the standards themselves.

Internal audit is adept at evaluating and understanding the likelihood and impact of risks on the organization's ability to meet its objectives. Leveraging this experience, internal audit can assess the connection between objectives and value. This allows internal audit to help the organization evaluate, understand, and communicate the degree to which a matter will have a material effect, negative or positive, on the organization's ability to be successful in the short, medium, and long term. This includes providing assurance that management is basing its conclusions about materiality on information that is sufficient, reliable, relevant, and useful.

With considerable experience in integrated thinking, internal audit can challenge the organization to draw connections between disparate reporting elements to communicate a more accurate and complete picture, especially when involved on the project team from its inception. This is in line with the SASB's goal of creating standards for clearly reporting sustainability efforts to investors. If it is important to have these disclosures, it is equally important to have assurance that they are accurate.

The IIA appreciates the opportunity to offer its comments and insights on this important subject. We stand ready to support the effort to include internal audit as an enhancement to sustainability reporting through its focus on sound risk management, governance, and control processes. Please contact Director of Global Advocacy Robert Perez at robert.perez@theiia.org or +1 407-937-1247 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Richard F. Chambers".

Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA
President and Chief Executive Officer
The Institute of Internal Auditors