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Accountants as Climate Champions

Why and how should the profession lead on climate action

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"*To her fair works did Nature link*
The human soul that through me ran;
And much it grieved my heart to think
What man has made of man."

"Lines Written in Early Spring", William Wordsworth 1798

In his poem, "Lines Written in Early Spring," William Wordsworth, a key figure in Romanticism, juxtaposes the sublime beauty of nature with a lament for the fallen state of mankind. Romanticism flourished during the 18th century and it is closely intertwined with the Industrial Revolution which began around the same time.

The Industrial Revolution is a pivotal moment in human history, as it marked the start of machine-based manufacturing. However, this came at a cost. Machine-based manufacturing required large-scale burning of fossil fuels, such as coal and oil. As a result, the Industrial Revolution has had a catalytic effect on global warming and environmental degradation, by ushering an era of human-caused climate change, which continues to this day (National Georgraphic, 2024; NASA, 2024).

According to the sixth Assessment Report published by the Intergovernmental Panel on Climate Change (IPCC), climate change is accelerating at an unprecedented rate (IPCC, 2023). This is manifested in rising global temperatures, ocean waters getting warmer, ice sheets and glaciers melting and a dramatic loss of biodiversity. Microplastic is everywhere – even on the ocean floor in Antarctica (IAEA, 2024), and as the UN Secretary-General has suggested, "what happens in Antarctica doesn't stay in Antarctica" (Macho, 2023). Antarctica currently acts like a refrigerator for the planet, helping to regulate atmospheric and oceanic temperature (Williams, 2023). If this were to stop, the consequences would be overwhelming and could result in entire coastal cities being wiped out, ranging from New York to Lagos (UNDP, 2023; Katanich, 2021). This illustrates the ubiquitous and unjust effects of climate change, since in many cases, those most adversely affected are those contributing the least to global warming.

The Romantics have been critical of Industrialisation, highlighting its negative impacts, such as pollution, disconnection from nature and the human cost of factory work, whilst idealising a simpler past. This is emphasised in Wordsworth's phrase "What man has made of man", which echoes a sense of irreversibility and doom. While it is true that the damage caused by human-induced climate change cannot be reversed overnight, pondering to the past is of no use either. Industry, manufacturing and technology are an integral part of modern society, and the goal should not be to hinder them, but rather, make nature co-exist with them. Transitioning to net zero is key to achieving this.

What is net zero and why is it important?

Net zero refers to a state of equilibrium where greenhouse gas (GHG) emissions are balanced by removals (Net Zero Climate, 2024), essentially reaching a climate "breakeven" point. Achieving net zero is crucial in the fight against climate change, as it can help to significantly reduce the rate of global warming (Dunning, 2023).

The importance of net zero is enshrined in the Paris Agreement, which is a multilateral, legally-binding international treaty on climate change (UNFCCC, 2024a). The Agreement sets the ambitious target to limit the increase in global temperature to less than 1.5 degrees Celsius, compared to pre-industrial levels. Reaching net zero is key to this (UNFCCC, 2024b; IPCC, 2023). COP28 has been a significant milestone in climate action, as it was the first time that a Global Stock Take was performed to assess progress since adopting the Paris Agreement in 2016 (Council of the EU, 2024). Unfortunately, the stocktake revealed poor progress to date, highlighting the need for more intensive efforts moving forward (ibid.).

Achieving net zero is our most viable strategy in tackling climate change, since it is impossible to fully eliminate emissions on the timescale needed (Dunning, 2023). However, scientists at Imperial College London highlight that our efforts should not stop once net zero is achieved (ibid.). As explained, greenhouse gas emissions have impaired the natural processes that regulate global temperatures, meaning that there is a non-negligible probability that climate change will continue after net zero (ibid.).

How can net zero be achieved? The role of business, government and civil society

Some of the leading causes of climate change include generating power through the burning of fossil fuels, deforestation, manufacturing of goods, such as clothes, and transportation (UN, 2024). These activities are primarily undertaken by corporations and in fact, research has shown that 71% of global GHG emissions are produced by 100 companies alone (Riley, 2017). However, before rushing to identify corporate activity as the culprit of climate change let's not forget the overriding driving force behind corporations: profit. Who generates profit for corporations? Consumers. Who erodes profit for corporations? Governments – through regulation and taxation. Achieving net zero therefore requires collaborative action from businesses, governments and civil society.

Business

There is a clear business case for companies to be involved in climate action, since climate change translates directly to business risk. For instance, the EU legislation requiring all new cars sold from 2035 to have zero emissions (Abnett, 2023) means that car manufacturers face a risk of financial loss if they fail to achieve mass production of electric vehicles by 2035. Fossil fuel companies face a threat to their long-term viability since disruptive new technologies in renewable energy could make existing fossil fuel infrastructure obsolete. Finally, investors, lenders and consumers are becoming increasingly interested in companies' environmental and social footprint (ACCA, 2021). Therefore, failure to be involved in climate action could result in loss of capital and loss of customers.

Addressing the elephant in the room

In order for businesses to take meaningful actions towards net zero, they must fully comprehend their environmental and social footprint. This encompasses Scope 3 emissions, which arise across the entire value chain, in addition to Scope 1 and 2 emissions, which result from a company's own operations. Scope 3 emissions account for more than 70% of a company's carbon footprint (UNGC, 2024), which is approximately 11 times higher than the proportion of Scope 1 emissions (HLB, 2024). Nonetheless, despite the importance of tackling Scope 3 emissions in the transition towards net zero, research by Bloomberg suggests that of 15,000 companies surveyed in 2020, only 20% of them made disclosures regarding their Scope 3 emissions (O'Dowyer, Martin & Ward, 2023). Measuring Scope 3 emissions can be a challenging task, since most companies' value chains span the globe, which can make data collection increasingly difficult, but not impossible.

Businesses can forge partnerships with suppliers of strategic importance to provide funding for investments in technologies that capture and measure suppliers' emissions. This information can then be synchronized with information on Scope 1 and 2 emissions, in a single integrated technology platform. Unilever offers a leading example in this respect, since, through its "Unilever Climate Programme" it aims to partner with 300 suppliers to assist them in measuring, reporting and reducing their emissions (WEF, 2024). Alternatively, businesses can utilize existing platforms, such as Sedex, which aims to promote responsible practices in global supply chains (Sedex, 2024). The 2030 Calculator can be another useful tool for manufacturers to understand the carbon footprint of products (Doconomy, 2024).

Setting science-based targets

The lack of consistent science-based targets has been identified as a key impediment to successful climate risk strategies (ACCA, 2021). Targets are considered to be 'science-based' if they align with the latest climate science on how global warming can be limited to 1.5°C above pre-industrial levels, as per the Paris Agreement (SBTi, 2024a). Setting science-based targets is crucial to ensure that climate action is meaningful and not simply green-washing. Science-based targets should also be set for suppliers, considering the environment in which each supplier operates. Businesses can utilize the expertise of organisations, such as the Science Based Targets Initiative (SBTi) to develop and validate their science-based targets. Notable companies who have been validated by the SBTi include AB Volvo and H&M Group (SBTi, 2024b).

Innovation and multi-stakeholder collaboration

Product innovation is crucial to reduce products' lifecycle emissions (Clauwaert *et al.*, 2023). This requires collaboration with a range of stakeholders, including both suppliers and customers. For instance, Unilever is collaborating with customers to test warmer ice cream storage alongside specially formulated ice cream (WEF, 2024). Similarly, the Ingka Group, which is the largest retailer in the IKEA franchise, has invested in RetourMatras and has collaborated with governments and waste managers, to facilitate the recycling of mattresses (ibid.).

Governments

Policy reform for transition to net zero

Just like any other organization, the government first needs to reconsider its policies and set science-based targets for all sectors, to set the path for transition to net zero (Fazekas, Bataille & Vogt-Schilb, 2022). Significant investments in infrastructure, capacity building and education will be essential to deploy such policies. For instance, a government that aims to reduce individual motorized transport, must invest in infrastructure to ensure that alternatives, such as public transport, are available. With tax being a major driver of behaviour, tax policies should also be reconsidered (ICAEW, 2024a). Environmental taxes should be applied to energy, motor vehicle emissions and national emissions trading in order to shift the cost of pollution to those responsible for it – be it corporations, or households.

Measuring emissions

According to the UN, the Group of 20 was responsible for 76% of global emissions in 2021, with developing countries contributing only 3,80% (UNEP, 2023). This illustrates the injustice and inequality of climate change, whilst highlighting the need for governments to consider their own contributions to the problem. It is important that the government sets the tone and provides a role model for transition to net zero for its policies to be effective with constituents. Measuring and acting on GHG emissions will be a crucial factor in achieving that. Moreover, these statistics highlight the need for governments to collaborate with each other and take collective action towards net zero.

Greening the financial markets

Governments play a central role in developing and regulating financial markets that emphasise climate-related metrics, such as green or sustainability-linked bonds. Regulation is critical to avoid greenwashing by green bond issuers and promoting transparency (Henry & North, 2023). In addition, with carbon trading schemes rising in popularity as a key step in achieving net zero, governments must ensure that carbon markets, just like capital markets, are subject to robust regulation (KPMG, 2024). In terms of regulation, governments should also set clear requirements for businesses in terms of their emissions and climate disclosures and should impose hefty fines for non-compliance. Rigorous disclosure requirements will ensure that sufficient information is provided to investors to facilitate the smooth operation of financial or green bond markets. One such example is the EU Sustainable Finance Disclosure Regulation, which requires fund managers to report on Scope 3 emissions in their portfolios (Clauwaert *et al.*, 2023).

Civil society

As consumers, our consumption patterns drive and are complicit in corporate behaviour. A prime example of this is the success of the fast fashion industry, which generates more than 10% of global carbon emissions (De Ferrer, 2022). Shein, one of the leading fast fashion retailers is currently awaiting approval for its first IPO and has recorded remarkable profits (Butler, 2024), despite shocking revelations regarding human rights abuses and poor environmental practices across its supply chain (De Ferrer, 2022). It is therefore our responsibility to be more informed and mindful about the practices that we inadvertently encourage.

Accountants and climate action – A "hot" affair

Why the accountancy profession is a key player in climate action

When thinking about frontrunners in climate action, one would most likely think of scientists and world leaders and would possibly not even think of accountants. After all, number crunching and double entry cannot rise to the challenge posed by the climate crisis. Or can they?

Accountants are not "accounting"

"Accountancy" is too narrow of a term to express all the different specializations embodied within the profession. Similarly, the term "professional accountant" simply refers to someone who is a member of a recognized professional body, such as the ICAEW, but does little to convey the breadth of functions and responsibilities that can be performed by such an individual (IESBA, 2011). A professional accountant can be a CFO, a CEO, an auditor, a tax specialist, a government official, a consultant in strategy or in ESG reporting and so much more. But the profession isn't just professional accountants. It's an entire microcosm of professional accountants in practice, standard-setters and regulators. Moreover, corporate emissions have been proven to be the leading cause of climate change. Well, who runs corporations? According to the Global Accounting Network, 51% of FTSE 100 CEOs have a background in finance, with 18% of them having an accountancy qualification (Fino, 2018). It is therefore not a question of "why" should the accountancy profession lead on climate action, but rather if not accountants, then who?

Just like the profession, the skills of professional accountants are misunderstood. Accountants are too often portrayed as brainless bean-counters performing mechanical number-crunching from dusk to dawn. It is true that professional accountants are flooded with various forms of data on a daily basis. However, through the years, they have developed a unique ability to interrogate and analyse this data in order to fully extract its essence, in line with changing corporate needs or regulatory requirements. This skillset could not be more relevant to the climate crisis. Tackling the climate crisis requires quantification of a range of complex data, from GHG emissions to climate risk quantification, and the accountancy profession could not be more suitable for this.

Finally, the very essence of net zero is to consider the duality of greenhouse gas emissions, by ensuring that whatever is inserted into the atmosphere, is also removed. As controversial as this may sound, the philosophy behind net zero is not much different from the philosophy underpinning double entry, which is that every transaction has two or more effects on a company's accounts. Of course, double entry is not a magic recipe that can be used to tackle climate change, but this just goes to demonstrate how incredibly transferrable the skills and mindset of professional accountants are in relation to the climate crisis.

Serving the public interest

The key responsibility of the accountancy profession is to serve the public interest by providing integrity and transparency to financial markets (ICAEW, 2019). Nothing could be more aligned with the public interest than transitioning to net zero. Climate change is a wicked problem, with far-reaching consequences. For instance, social inequality between developed and developing nations is exacerbated, since developing nations have fewer resources to cope

with the damage caused by climate change, such as droughts (Islam & Winkel, 2017). With sustainability reporting rising in popularity, the involvement of the accountancy profession is fundamental to provide assurance over the information reported by companies and pave the way towards a more moral and just financial system.

The accountancy profession has been the subject of heavy criticism in recent years, following high profile corporate collapses, such as Carillion, which has prompted a report by Sir Donald Brydon on redefining audit (Brydon, 2019). However, change has already been implemented to strengthen the profession's responsibility towards the public interest. This is evidenced in the latest audit quality inspection of Tier 1 audit firms by the FRC, which identified continuous improvements in audit quality (FRC, 2023). Moreover, the profession's strengthened commitment towards the public interest is reflected in its own actions towards net zero. For instance, the Net Zero Accountancy Initiative platform, provides industry-specific guidance to accountancy firms to assist in transition planning (ICAEW, 2022).

Value creation through accounting – How can the accountancy profession contribute to climate action?

In broad terms, there are three ways that the accountancy profession can contribute to climate action: measuring, reporting on and providing assurance over climate-related disclosures. There is a less explicit, yet equally important way: championing. As already noted, accountancy and finance professionals often hold leadership positions in organisations. As such, it is their duty to ensure that they are promoting climate action, particularly to the board, by weaving it into their strategies (ACCA, 2021). Before anything can be measured, reported on, or provided assurance upon, it must first be acknowledged. Accounting professionals have an immeasurable power to do that, simply by virtue of the positions that often come with a professional qualification.

Measuring

Measuring primarily takes place at an organizational level and can take many shapes and forms. In its simplest form, this includes measuring historic data, such as Scope 1, 2 and 3 emissions. Accountants can assist with that through data collection and data analysis models. Accountants can also prepare forecasts and projections about future emissions, which can assist in identifying a timeframe for transition to net zero and setting interim targets.

Quantification of climate-related risks is another way through which accounting professionals can utilize their data analysis skills to champion climate action. As already noted, climate change translates to significant risks for businesses and quantification of the probability of a risk occurring as well as its potential impact are crucial steps in strategic management. Through quantification of the financial impact of climate-related risks, accountants can illustrate how an entity's actions in relation to climate are inevitably intertwined with its financial performance.

Finally, accounting professionals can empower organisations to shift towards more sustainable practices through capital investment appraisal (ACCA, 2021). Capital investment appraisal is more than just a numerical exercise and it requires the consideration of various non-financial factors. The impact of a proposed project on an organisation's sustainability strategy is one such consideration that may not be quantifiable. Accounting professionals can

therefore assist not only in calculating a net present value for proposed projects, but by also highlighting wider implications at board level. Having poor data has been identified as one of the primary hurdles faced by organisations in tackling climate change (ibid.). It is the responsibility of accounting professionals to ensure that complete information is provided to the board to allow optimal decision-making.

Reporting

Mind the gap – How corporate reporting can become an obstacle to the transition to net zero

Climate change and transition to net zero have a direct and pervasive impact on a company's financial statements. This can range from impairments to assets, such as oil rigs, under IAS 36, to going concern disclosures under IAS 1, where climate-related matters cast significant doubt on a company's ability to continue operating as a going concern (IASB, 2023). Provisions may be required under IAS 37, in relation to restructuring activities for the transition, or for non-compliance with climate-related regulations. The IASB has published an educational material discussing the effects of climate-related matters on financial statements (ibid.), which reads like a horror story to company executives. Words like "unable", "obsolete", "doubt", "derecognise", "expense" and "onerous" dominate the narrative in this publication, which demonstrates the asymmetry in financial reporting for climate matters. Accounting is as much of an art as a science and just like art, it draws a picture of a company's financial circumstances. The picture drawn under current reporting requirements, emphasizes the negative aspects of climate change on companies and fails to illuminate the associated opportunities.

This asymmetry can act as a deterrent to climate action. This is illustrated through a partnership undertaken between TNT N.V. and the UN World Food Programme (WFP) (Bakker, 2013). TNT leveraged its competencies in logistics as a globalised transport company to assist the WFP in providing aid to victims of famine, droughts and natural disasters. This partnership reaped tremendous benefits for the company, as it improved its reputation, boosted staff morale, and provided an excellent training ground for solving complex dilemmas. However, the financial reports only captured the expense associated with these activities and none of the social capital generated. Therefore, how can we expect companies to take meaningful climate action, when all this creates in their financial statements are expenses and liabilities?

Various reporting frameworks have attempted to offer a solution to this information gap. The Global Reporting Initiative, the Task Force on Climate-related Disclosures (TCFD) developed by the Climate Disclosure Standards Board (CDSB), the Sustainability Accounting Standards Board (SASB), and the Integrated Reporting framework, developed by the Value Reporting Framework (VRF) are only some of the frameworks that have emerged in recent years, most of which are voluntary. A report published by EY suggests that there are currently more than 600 provisions for ESG reporting, which fail to agree on their interpretations of sustainability (EY, 2021). The proliferation of frameworks for ESG reporting is therefore problematic, as it can result in confusion and lack of comparability. The fact that there is no single authoritative body to enforce the adoption of these frameworks further limits their usefulness. Another issue with these frameworks is that in most cases, they are seen as part of sustainability reporting and fail to demonstrate the link between ESG and financial reporting (TCFD, 2023).

Moving towards a harmonized ESG reporting framework

The issues with current reporting frameworks have called for a harmonization of ESG reporting – and the accountancy profession has delivered. The IFRS Foundation formed the International Sustainability Standards Board (ISSB) on 3 November 2021, taking the CDSB, the VRF and the SASB under its remit (IFRS Foundation, 2024). On the 26th of June 2023, the ISSB reached a major milestone in sustainability reporting, with the release of its first two standards – IFRS S1 and IFRS S2 – which became effective as of 1 January 2024. IFRS S1 prescribes the general reporting requirements for ESG reporting, including disclosure of material sustainability-related risks and opportunities, governance, and associated metrics (ICAEW, 2024b). IFRS S2 focuses exclusively on climate-related disclosures, including information on Scope 1, 2 and 3 emissions and transition planning (ibid.). Importantly, the ISSB has emphasized that these standards relate to "sustainability-related *financial* disclosures" and as such, should be consistent with and connected to the financial information reported (KPMG, 2023a).

The ISSB standards are transformational for sustainability reporting. These standards provide the consistency required to provide investors with decision-useful information, which is relevant and reliable. Moreover, by providing a clear idea of what businesses should report on, these standards will help to limit creativity in sustainability reporting. Finally, the integration of sustainability reporting and financial reporting required by the ISSB will help to shed light on the opportunities associated with climate action for companies. Consequently, executives will be incentivized to invest more towards transitioning to net zero.

Navigating an ever-changing corporate reporting landscape

The introduction of the ISSB standards is simply the dawn of a new era. The ISSB is committed to expanding its standard-setting activities (Bartholomew, Johnson & Wong, 2024) and companies will require the expertise of accountants to help them navigate these developments. Moreover, moving forward, existing IFRS standards will need to evolve in order to capture the intricacies of climate-related financial instruments, such as green bonds and carbon offsets. While IFRS S2 provides disclosure requirements for carbon offsets, recognizing and measuring these items in the financial statements involves a rich cocktail of IAS 38, IAS 2, IFRS 15, IFRS 13 and IAS 37 requirements (KPMG, 2023b). This is an extremely judgmental exercise and an area for which, in the absence of more specific guidance from standard-setters, companies will once again turn to professional accountants. Both the IFRS Foundation and the FASB have added accounting for pollutant pricing mechanisms to their agendas, but it still unclear when these projects will materialize (ibid.). Therefore, if anything is certain, it's that accounting for sustainability has only just begun.

The cherry on top – assurance

No reporting is ever complete without an independent validation of its reliability and accuracy. In terms of climate-related information, this assurance may either be in the form of a financial statement audit, or assurance on sustainability reports. In either case, assurance is essential to instill reliability and trust in the climate-related information provided by corporations. This will in turn facilitate the operation of more efficient financial markets, where sustainability investors can invest confidently in companies supporting green and social initiatives. Also, providing assurance on corporate reporting in relation to sustainability becomes increasingly important as sustainability standards become more elaborate and reporting for climate-related financial instruments becomes increasingly complicated.

Furthermore, auditors can spark a conversation with financial statement users in relation to climate-related matters and how these are linked to financial performance, through key audit matters. For instance, Deloitte, has identified climate change as a key audit matter in its audit of BP Plc, explaining possible financial implications and how this was addressed in the audit (BP Plc, 2024).

Finally, the IAASB has responded to the increased use of sustainability reporting frameworks by proposing International Standard on Sustainability Assurance (ISSA) 5000 (IAASB, 2024). ISSA 5000 is a principles-based standard, which aims to provide guidance for sustainability assurance engagements. It is profession-agnostic, meaning that it can be used by both accounting and non-accounting assurance providers and can be applied to information reported under any framework, including the ISSB standards. The introduction of ISSA 5000 will undoubtedly improve the quality of assurance provided on sustainability reporting, by highlighting the risks specific to this type of reporting and suggesting effective assurance procedures. However, the suitability of the one-size-fits-all philosophy of the standard is questionable. Moving forward, it is important that more topical ISSAs are developed, addressing specific disclosures, such as those on climate change (Accountancy Europe, 2023).

The skills and capabilities that the profession needs to lead in climate action

Evolution in a dynamic world

The accountancy profession has continuously evolved with changing social, political and economic trends. ESG reporting is no exception. In order to lead in climate action, the profession needs to augment its ability to adapt and evolve. Global standards for climate reporting are still in progress, creating uncertainty for the profession. Professional judgement will be the profession's shield in navigating this uncertainty and shaping the future of climate reporting, by providing feedback to and cooperating with standard-setters.

Collaboration, collaboration, collaboration

While the accountancy profession can encourage organisations to consider their environmental footprint and report on it, it cannot enforce that. It should therefore partner with the government and civil society in order to ensure that climate reporting is disciplined and regulated both by legal enforcement as well as societal pressure.

Collaboration of different agents within the profession will also be vital. The various standard-setting bodies, such as the IASB and the IAASB should collaborate to ensure the interoperability of reporting and auditing standards. Similarly, professional services firms should collaborate with professional bodies to ensure that new entrants to the profession are equipped with the necessary knowledge and skills to navigate the evolving landscape of financial and sustainability reporting. Specifically, the examination of ESG matters by professional bodies could be improved. With IFRS S1 and IFRS S2 becoming effective as of 1 January 2024, it is imperative that ESG reporting becomes an integral and not just a peripheral part of examinations. Standard-setters and employers should be consulted when making additions to syllabuses to ensure maximum effectiveness.

Reinvention

In recent years there has been a consistent decline in the number of students pursing accounting degrees and professional accountancy qualifications (Brink, Eaton & Heitger, 2023). The reasons for this are numerous. For instance, a survey of Miami University students revealed that students rarely find the day-to-day job of an accountant to be interesting and are not convinced that a career in accounting can be fulfilling (ibid.). One potential factor shaping these perceptions is the narrow definition of the profession, which is outdated to say the least, and places excessive emphasis on technical work around financial data (Carnegie, Parker & Tsahuridu, 2021). The current definitions fail to acknowledge the social and moral necessity of the profession and can be discouraging to Gen-Z market entrants who are increasingly invested in the climate crisis. Another possible reason is the profession's tarnished reputation, as explained earlier.

The shortage of talent currently observed indicates a clear need for the profession to reinvent itself. Collaborations with schools, universities, professional bodies and employers will be instrumental to ensure that students are well informed of what a career in accounting entails when choosing their university degrees and when entering the labour market. Reinventing the profession will not only ensure that sufficient talent is attracted, but also that the right talent is attracted, to play a leading role in shaping climate action. Communication skills will be critical to ensure that the profession is effectively marketed to new entrants.

Finally, the profession should welcome scrutiny and constructive criticism in order to revamp its reputation. Not only will this assist in attracting talent, but it will also help to strengthen public trust in the profession.

Embarking on a journey of transformation

Climate change is a problem of leviathan proportions, and it has caused a seismic shift in the way we live and the way that business is conducted. The accountancy profession has not been immune to this shift. Rather, it has embraced the challenges posed by it, and it has emerged with solutions. The profession has transformed from a cogwheel in the financial system, to a champion driving climate action by making corporations accountable for their actions, helping them to navigate and initiate change and instilling trust in corporate communications. That is not to say that the profession is perfect in any way. Sustainability reporting still has a long way to go. ISSB standards have not yet been endorsed by most local jurisdictions. Standard-setters have still not responded to financial reporting challenges posed by climate-related financial instruments. Assurance standards for sustainability reporting have not yet been finalized. However, important change has been initiated. And as the ancient Greek saying goes, "well begun is half done". Net zero should be seen as a journey and not as a destination. In his poem "Ithaca", Greek poet Constantinos Kavafis suggests that the true value of a journey lies in the experiences and wisdom gained along the way and not in the final destination per se. As the accountancy profession is travelling towards its Ithaca, it is a truly exciting time to be a professional accountant. So let's buckle up, and enjoy this ride.

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