

Brussels, 4 February 2021

Dear Ms. Salla Saastamoinen, acting Director General,
Dear Ms; Maija Laurila, Head of unit, A.3. Company Law,

The European Confederation of Institutes of Internal Auditing (ECIIA) is a confederation of national associations of internal auditors speaking for the profession in the wider geographic area of Europe and the Mediterranean basin. It represents a membership base of over 48,000 internal audit professionals. The ECIIA is an associated organisation of the global Institute of Internal Auditors (The IIA), a professional body with more than 200,000 members. Throughout the world, The IIA is recognised as the internal audit profession's leader in certification, education and research regarding internal auditing. The IIA also maintains the International Professional Practices Framework (IPPF) which includes the mission of internal auditing, the mandatory guidance and recommended guidance. (<https://global.theiia.org/standards-guidance>)

The ECIIA welcomes the great work done by the European Commission to promote sustainable finance and is grateful for the opportunity to contribute to [the consultation on sustainable corporate governance](#).

Environmental and social risks are more and more important for the internal auditors and the audit committee members as reported in our annual survey (see details in Risks in Focus 2021: www.eciia.eu). Sustainability is key for all organisations and must be integrated through all aspects of the organisation thinking, planning and action, as part of their DNA.

Regarding sustainability, the governing body must define global objectives that are measurable and qualitative information that is useful in these areas. They should however not be responsible for setting the procedures. Periodically the governing body needs to receive an objective and independent assessment from "trusted advisors". Internally, they may rely on the second line (Risk Management, Finance, HR, Sustainability,...) and the third line (internal auditors). Externally it will use external auditors or dedicated specialists. The assessment should provide reasonable assurance that the governance risks are managed well, policies and processes are in place, and monitoring, reporting and evaluation of the KPIs are accurate, relevant, and complete. We feel that a strong corporate governance framework is important and that the collaboration between the "trusted advisors" is key.

Internal auditors operate independently from management, and provide assurance and insight on the adequacy and effectiveness of governance, risk management and internal control. In fact, internal auditors advice on all matters related to the achievement of sustainability objectives. Therefore, we believe that internal auditors are well positioned to assist the organisation in achieving their sustainability goals and implementing the adequate governance model.

Thank you for this great initiative and we look forward to further initiatives.
We remain at disposal for any questions you would like to discuss.

Kind regards

Pascale Vandenbussche
ECIIA Secretary General

John Bendermacher
ECIIA Board member

