

Sustainability Assurance – Cover Note

Objectives of the Discussion

The objectives of the IAASB discussion on sustainability assurance in September 2025 are to:

- Session 1 (September 17): **IFAC¹ State of Play Update**
 - Receive an update on the benchmarking study published by IFAC “*The State of Play: Sustainability Disclosure and Assurance*” from David Madon, Director at IFAC.
 - Share views about the findings and highlight areas for IFAC’s consideration for future benchmarking.
- Session 2 (September 18): **ISSA 5000² Adoption and Implementation (A&I) Update**
 - Provide the Board with an update on the progress made in encouraging adoption and supporting implementation of ISSA 5000.
 - Obtain the Board’s feedback on what they have been hearing from stakeholders about developments in sustainability assurance, and whether the ISSA 5000 A&I resources published and planned are appropriate to encourage adoption and support implementation.

SESSION 1: IFAC State of Play Update

1. IFAC’s benchmarking series *The State of Play: Sustainability Disclosure and Assurance* 2025 report on 2019-2023 Trends & Analysis marks five years of benchmarking and analysis of global practice in sustainability disclosure and its assurance. The study captures and analyzes the extent to which companies are reporting and obtaining assurance over their sustainability disclosures, which assurance standards are being used, and which companies are providing the assurance service. The State of Play reports are available [here](#).
2. Although the 2025 State of Play Report covers data relating to a period (2019-2023) before the commencement of mandatory sustainability reporting and assurance in key jurisdictions, it continues to represent important benchmarking of practices and trends that show a steady state of play in a predominantly voluntary system around the world. It also suggests the future of corporate reporting will include sustainability-related information together with assurance thereon, and provides a basis to continue to assess the sustainability reporting and assurance journey, including the move to mandatory regimes, and to benchmark progress in the years ahead.
3. IFAC will present the latest findings from their benchmarking study, including reflections on any areas for cooperation and collaboration or emerging risks and opportunities. In addition to this cover note, meeting materials comprise IFAC’s slide deck for their presentation, which will be distributed in the week before the Board meeting.

¹ International Federation of Accountants

² International Standard on Sustainability Assurance™ (ISSA) 5000 *General Requirements for Sustainability Assurance Engagements*.

Matters for IAASB Consideration:

Following the presentation on the State of Play, the IFAC presenter is available for a discussion with the Board. The Board is asked to share insights to inform the direction of future benchmarking studies, including:

- Areas where the State of Play benchmarking reports have been an important source of information on sustainability reporting and assurance for identifying risks and opportunities.
- Whether continuing the study in the future with the same, additional or alternative data points would be useful to inform decision-making for A&I resources or standards setting by the Board or other stakeholders.

SESSION 2: ISSA 5000 A&I Update

4. Noting that the IAASB's current work plan includes supporting A&I of ISSA 5000 leading up to the effective date of ISSA 5000 on December 15, 2026, monitoring of A&I commenced from the date ISSA 5000 was issued, rather than waiting until the conduct of a post-implementation review that is a number of years away.
5. See **Agenda Item 10-A** for the slide presentation that will be used during the Board meeting session on September 18, 2025.

ISSA 5000 A&I Objectives and Messaging

6. The IAASB's objectives for ISSA 5000 A&I are:
 - **Adoption**

Objective: To encourage adoption of ISSA 5000 as the global baseline for sustainability assurance, for both mandatory and voluntary assurance engagements on sustainability information reported.

Benefits: Widespread global adoption will reduce fragmentation in the approach taken to accepting, performing and reporting on sustainability assurance engagements and provide users with consistent, comparable and trustworthy sustainability assurance reports that enhance the confidence of intended users about the sustainability information reported.
 - **Implementation**

Objective: To support effective and consistent implementation of ISSA 5000 across different jurisdictions and firms, globally.

Benefits: Providing materials and forums that appropriately support implementation and address implementation issues that practitioners encounter will provide a consistent approach to addressing these issues and an informed basis for the guidance and educational materials that professional bodies, national standard setters, regulators or others are likely to develop to support effective implementation and capacity-building in their regions.

7. Key Messaging for A&I of ISSA 5000

Why Jurisdictions Should Adopt ISSA 5000:

- A strong global sustainability reporting ecosystem brings together key elements: suitable reporting frameworks established by authorized or recognized organizations paired with ISSA 5000 for sustainability assurance engagements, which is underpinned by the IAASB's quality management standards³ and the ethical requirements of the IESBA Code⁴ related to sustainability assurance engagements.⁵
- High-quality, robust assurance enhances trust and confidence in reported sustainability information.
- ISSA 5000 establishes a global baseline for robust and reliable sustainability assurance, promoting consistent requirements and ensuring a level playing field for all assurance practitioners.
- Adopting a globally accepted sustainability assurance standard helps prevent regulatory fragmentation and promotes interoperability and comparability of assurance reports across jurisdictions.
- ISSA 5000 was designed to work in tandem with the IESBA Code of Ethics and is intended to be adopted alongside it.

The Implementation Journey:

- Consistent implementation of ISSA 5000 across practitioners, firms and regions ensures assurance reports are comparable and easily understood.
- Early identification and prompt resolution of implementation issues of global relevance will drive a common approach globally.
- Developing ISSA 5000 resources and encouraging stakeholders to leverage those resources provide a sound basis for stakeholder engagement, capacity building, and education at the jurisdictional level.

Resources Developed for ISSA 5000

8. Since the March Board meeting, IAASB staff, with input from the Sustainability Assurance Implementation Working Group (SAIWG), developed the following resources to assist stakeholders when adopting and implementing ISSA 5000:

- [FAQ: Joint IAASB-IESBA ISSA 5000 & the Code](#) – June 2025
- [Jurisdictional Adoption](#): status of adoption in IAASB Jurisdictional Standard Setters Liaison Group's (IAASB-JSS) jurisdictions - July 2025

³ International Standards on Quality Management, ISQM 1 *Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements*, and ISQM 2, *Engagement quality reviews*.

⁴ International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

⁵ The International Ethics Standards for Sustainability Assurance (including International Independence Standards) and related revisions to the Code (IESSA).

- [FAQ: Applicability of ISSA 5000, ISAE 3000 \(Revised\) & ISAE 3410](#) – August 2025
- [Extracts from ISSA 5000 for limited assurance material, and separately reasonable assurance material](#) – August 2025

Note that these resources are additional to the standard ISSA 5000, Basis for Conclusions, ISSA 5000 Implementation Guide, fact sheets, General FAQ and FAQ videos. ISSA 5000 and all related A&I resources can be found on the focus page *Understanding the International Standard on Sustainability Assurance 5000* [here](#).

9. Further resources are under development for release in 2025, as follows:

- Illustrative assurance reports for release in September 2025, comprising a package of:
 - 5 unmodified assurance reports developed in collaboration with members of the [IAASB-JSS](#); and
 - 3 modified reports, illustrating a qualified reasonable assurance opinion, a limited assurance adverse conclusion and a limited assurance disclaimer of conclusion.
- Technical Webinars, comprising a three-part series covering the entire sustainability assurance engagement from preparing the firm, acceptance of an engagement through to reporting. The three-webinar series of 1 ½ hours each will be presented in two time zones, to accommodate regions globally, over 3 weeks from October 1.
- FAQ on Materiality for release in October / November 2025.

Feedback on Implementation issues

10. Implementation questions and issues are being monitored through the following mechanisms:

- SAIWG meetings (see **Appendix**).
- ISSA 5000 Technical Implementation Contact Group (TICG), comprising assurance practitioners conducting sustainability assurance engagements and developing firm methodologies, through feedback provided at quarterly meetings and offline (see **Appendix**).
- On-line implementation form for submission of questions or feedback on ISSA 5000 electronically by stakeholders.
- IAASB-JSS meetings, responses to IAASB requests for input and direct feedback.
- Outreach feedback received through Q&A and discussion at speaking engagements and stakeholder meetings. (See outreach summary provided in **Agenda Item 1**).
- Liaison with IESBA, including observing at their IESSA Implementation Monitoring Advisory Group (IIMAG) meetings.

11. Implementation questions and issues are tracked and triaged. Those of global relevance to ISSA 5000 A&I, inform development of suitable resources to address those questions and issues. Overall, there has been strong support for ISSA 5000 and the level of specificity it provides for sustainability assurance engagements, however further clarification, including by highlighting where relevant issues are addressed in ISSA 5000 and the ISSA 5000 Implementation Guide, has been called for with respect to the following matters:

- Relevant Ethical Requirements
 - The applicability of the IESBA Code, including revisions and the IESSA.
 - The determination of “at least as demanding” ethical requirements (and quality management requirements).
- Materiality
 - Applying materiality to narrow scope engagements.
 - Accumulating and evaluating materiality of misstatements in disparate disclosures.
- Differences between nature and extent of procedures in limited assurance and reasonable assurance engagements.
- Evidence
 - From value chain components.
 - For estimates and forward-looking information.
- Connectivity with the financial statement auditor
 - Communication with the financial statement auditor.
 - Use of the work of the financial statement auditor.
- Key Differences Between ISSA 5000 and ISAE 3000 (Revised)
- Assurance Report Content
 - Use of emphasis of matter (EoM), other matter (OM) or inherent limitations paragraphs.
 - Assurance report contents for a disclaimer of conclusion.
 - Impact of fair presentation versus compliance frameworks on the conclusion wording.

IESBA-IAASB Liaison on Sustainability-Related Projects

12. The IAASB has continued to coordinate closely with IESBA, through regular meetings, developing a joint Fact Sheet and joint FAQs, conducting joint liaison meetings when appropriate, such as joint quarterly meetings with ISSB⁶ representatives, and presenting in tandem at the majority of outreach events on sustainability assurance which we attend.
13. In addition, IAASB or IESBA observers attend each other’s implementation group meetings, being IAASB’s TICG and IESBA’s IIMAG.

Matters for IAASB Consideration:

The Board is asked to share insights on A&I of ISSA 5000 from stakeholder engagement in their region, including:

- What are you hearing from stakeholders?
- Are ISSA 5000 A&I plans appropriate to address their needs?

⁶ International Sustainability Standards Board.

Appendix

Sustainability Assurance Implementation Working Group (SAIWG) and ISSA 5000 Technical Implementation Contact Group (TICG) Activities

Members

1. Information about the SAIWG and TICG members, including the Terms of Reference, can be found [here](#).

SAIWG and TICG Activities Since the March 2025 IAASB Meeting

2. The TICG was formed in 2nd Quarter of 2025 and is chaired by Josephine Jackson, with membership comprising 13 practitioners, both professional accountants and non-accountants, supported by the IAASB Sustainability Assurance team, and an IESBA observer. The inaugural meeting of the TICG was held on June 10th, 2025. The focus of the meeting was sustainability assurance implementation issues that members identified are arising in practice and in developing firms' methodologies. These matters have been triaged and matters of global relevance will be addressed through various means, including in the webinar series, illustrative assurance reports, materiality FAQs and future materials, as appropriate. In addition, the TICG are called upon to review draft materials or provide specific examples to support ISSA 5000 A&I.
3. The SAIWG met every 4-6 weeks since the March Board meeting to provide input on the ISSA 5000 A&I plan for development of resources and outreach, identify implementation issues and review draft materials, as well as providing offline comments on such materials. In addition, SAIWG members presented at a number of conferences and other forums on ISSA 5000 on behalf of the IAASB (see outreach summary provided in **Agenda Item 1**).