



Ethics & Independence for Sustainability Assurance – IESSA™

FACT SHEET JANUARY 2025



WHAT ARE THE IESBA'S ETHICS AND INDEPENDENCE STANDARDS FOR SUSTAINABILITY ASSURANCE (IESSA)?

The International Ethics Standards Board for Accountants® (IESBA®) has issued a new Part 5 of its Code of Ethics¹ (IESSA™), a suite of ethics and independence standards to safeguard the quality, integrity and effectiveness of sustainability assurance engagements in the public interest.

This publication provides an overview of the key aspects of the IESBA's *International Ethics Standards for Sustainability Assurance™ (including International Independence Standards™)* (IESSA).

IESSA KEY CHARACTERISTICS

PROFESSION-AGNOSTIC

Applicable to **ALL sustainability assurance practitioners** – professional accountants (PAs) and non-PAs

FRAMEWORK-NEUTRAL

The IESSA works with **any reporting or assurance framework**

EQUIVALENT TO STANDARDS FOR AUDIT

Robust standards for **sustainability assurance engagements** that have the same level of public interest as audits of financial statements

STANDALONE

New Part 5 of the IESBA Code of Ethics



The IESSA also:

- Addresses the specific characteristics of sustainability assurance engagements, including the **different subject matters** and **potentially different reporting boundary** compared with financial statements
- Contains ethics provisions that apply to **all sustainability assurance engagements** and **other professional services** provided to the **same sustainability assurance client**
- Applies to both **limited and reasonable assurance** engagements on sustainability information

¹ *International Code of Ethics for Professional Accountants™ (including International Independence Standards™)* (the IESBA Code of Ethics)

NEW PART 5 OF THE IESBA CODE OF ETHICS

For Professional Accountants

PART 1

Complying with the Code, the Fundamental Principles, and the Conceptual Framework

(All Professional Accountants)
Section 100–199

PART 2

Professional Accountants in Business (PAIBs)

Part 2 is also applicable to individual PAPPs when performing professional activities pursuant to their relationship with the firm

Section 200–299

PART 3

Professional Accountants in Public Practice (PAPPs)

Section 300–399

PART 4A

International Independence Standards

Independence for Audits and Reviews

Section 400–899

PART 4B

International Independence Standards

Independence for Assurance Engagements other than Audit Engagements, Review Engagements, and Sustainability Assurance Engagements Addressed in Part 5

Section 900–999

NEW

For All Sustainability Assurance Practitioners

PART 5

International Ethics Standards for Sustainability Assurance (including international Independence Standards) (IESSA)

For Sustainability Assurance Engagements Scoped to Part 5

Section 5100–5600

IESSA'S INTERNATIONAL INDEPENDENCE STANDARDS

The International Independence Standards (IIS) in the IESSA apply to sustainability information prepared under a general-purpose reporting framework, and that is publicly disclosed or required by law.

The IIS in the IESSA address interests, relationships, and circumstances that might create threats to the sustainability assurance practitioner's independence. **Threats to independence** might arise from, for example:

- assuming management responsibility
- providing certain non-assurance services to the entity
- long association with the entity

WHY WAS THE IESSA DEVELOPED?

The IESSA addresses strong public demand for assurance to underpin transparent, relevant and trustworthy sustainability information, arising from:

Sharp increase in market and public demand for sustainability information in recent years



Rapidly increasing amount of readily available sustainability information, including from mandatory reporting of such information



Evolving area of reporting with systems and processes that may still be under development, leading to increased risk of fraud (including greenwashing) or error



Pressing public interest need for sustainability information that is capable of being subject to assurance



Sustainability information is increasingly used to support not only capital allocation by investors, but also decisions by other stakeholders including lenders, customers, suppliers, employees, government, regulators and other stakeholders



Ethics is the foundation of trustworthy sustainability assurance

Independent assurance is fundamental to credible sustainability disclosures

WHO WILL BE IMPACTED BY THE IESSA?

SUSTAINABILITY ASSURANCE PRACTITIONERS, REPORTING ENTITIES, INVESTORS, REGULATORS, CUSTOMERS, SUPPLIERS & EMPLOYEES

The IESSA will provide a clear and consistent baseline for ethical behavior and independence for all sustainability assurance practitioners, and underpin public trust in sustainability assurance engagements globally. The IESSA promotes the appropriate mindset and behaviors, and safeguards the independence of sustainability assurance practitioners, including:

- **Ethical considerations and obligations in the public interest** when the practitioner encounters actual or suspected non-compliance with laws and regulations™ (NOCLAR®) by the entity or those working for, or under the direction of, the entity
- **Dealing with pressure** – Pressure from the entity to meet sustainability goals might lead the practitioner to act unethically when performing the sustainability assurance engagement
- **Independence considerations when the practitioner:**
 - Performs a group sustainability assurance engagement, including circumstances involving assurance work performed at an entity in the **value chain**
 - Uses the work of **another practitioner** for purposes of the sustainability assurance engagement

WHAT IMPACTS WILL THE IESSA ACHIEVE?



Combatting greenwashing and other unethical behavior in the public interest

- The IESSA plays a crucial role in identifying and responding to greenwashing and other unethical behavior by reinforcing practitioners' integrity, objectivity and independence.
- The IESSA requires practitioners to have an inquiring mind in not accepting information at face value, and steers them to deal with pressure and stand their ground in challenging management assertions.



Supporting capital markets with robust, high-quality independence guardrails for assurance of corporate sustainability disclosures

- Robust ethics (including independence) standards for sustainability assurance increase the reliability of sustainability information, thereby enhancing investors' and other stakeholders' trust and confidence in such information for capital allocation and other decisions.



Same level of public trust in sustainability assurance engagements as audits of financial statements

- The IESSA sets out the same high standards of ethical behavior and independence that apply to audits of financial statements under the IESBA Code of Ethics.



Global baseline and level playing field

- The IESSA is designed to be used by all sustainability assurance practitioners, whether audit firms, conformity assessment bodies or other practitioners.

15 DECEMBER 2026

EFFECTIVE DATE AND TRANSITIONAL PROVISIONS

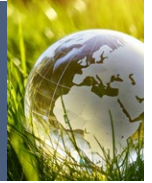
Except for certain provisions pertaining to **value chain components** which will be effective from **July 1, 2028**, the IESSA will be effective from **December 15, 2026**. The IESSA also provides some transitional provisions.



For more information see IESBA's [Technical Overview of the IESSA](#)



View IESBA's Sustainability Reporting and Assurance [focus page here](#).



ABOUT THE IESBA

The IESBA sets high-quality, international ethics (including independence) standards as a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets, and economies worldwide.



Find out more about the IESBA at www.ethicsboard.org

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