



IESBA

International Ethics Standards Board for Accountants  
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# Technical Overview: International Ethics Standards for Sustainability Assurance (IESSA)



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## OBJECTIVE OF THE IESSA


To establish a global baseline for the ethical conduct and independence of practitioners performing sustainability assurance engagements, thereby reinforcing public trust in assured sustainability information

### 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



This publication outlines the IESBA's *International Ethics Standards for Sustainability Assurance™ (including International Independence Standards™)* (IESSA™).

The IESSA provides a robust ethics and independence framework applicable to all sustainability assurance practitioners regardless of their backgrounds.

This Technical Overview has been prepared by IESBA® staff for information purposes only. It does not form part of the IESSA. The Technical Overview does not amend or override the IESBA *International Code of Ethics for Professional Accountants™ (including International Independence Standards™)* (the IESBA Code), the text of which alone is authoritative. Reading the Technical Overview is not a substitute for reading the IESSA or the IESBA Code.



### Effective Date and Transitional Provisions of the IESSA:

- The IESSA will be effective for sustainability assurance engagements on sustainability information for periods beginning on or after **December 15, 2026**, or as at a specific date on or after **December 15, 2026**.
- There is an option to defer the effective date of provisions applicable when assurance work is performed at a value chain component to sustainability assurance engagements on sustainability information for periods beginning on or after **July 1, 2028**, or as at a specific date on or after **July 1, 2028**.
- Early adoption is permitted and encouraged.

## KEY CHARACTERISTICS OF THE IESSA

### SUSTAINABILITY ASSURANCE Ethics and Independence provisions

#### PROFESSION-AGNOSTIC STANDARDS (All Practitioners)

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

#### STAND ALONE STANDARDS (New Part 5 of the IESBA Code)

The IESSA is self-contained in Part 5 of the IESBA Code<sup>1</sup>, and consists of customized standards recognizing and addressing the specificities of sustainability assurance engagements (SAEs).

#### EQUIVALENT to Provisions for Audits of Financial Statements

For SAEs within the scope of its International Independence Standards (IIS), the IESSA sets out the same high standards of ethics and independence that apply to audits of financial statements under the IESBA Code.

#### FRAMEWORK-NEUTRAL STANDARDS

The IESSA can be applied regardless of the framework, standards or suitable criteria used to prepare or assure the sustainability information.

## What Qualitative Characteristics does the IESSA Possess?

The IESBA leveraged the Public Interest Framework<sup>2</sup> (PIF) to guide the public interest responsiveness of the IESSA. So, the IESSA demonstrates:

#### Coherence

with the overall body of IESBA's standards

#### Scalability

and proportionality of impact on different stakeholders

#### Timeliness

by responding to identified needs in a timely manner without sacrificing quality

#### Relevance

with standards designed for the nature and characteristics of sustainability information

#### Comprehensiveness

by covering any sustainability matters

#### Clarity & Conciseness

by using the IESBA Code's structure and drafting conventions

#### Implementability & Enforceability

with clear distinction between requirements and application material

<sup>1</sup> International Code of Ethics for Professional Accountants (including International Independence Standards)

<sup>2</sup> <https://ipiob.org/document/Public-Interest-Framework-2020.pdf>

## SCOPE OF THE IESSA

### ETHICS STANDARDS

(paras. 5100-5390)  
which apply to:

\_\_\_\_\_

All SAEs; and

\_\_\_\_\_

Any other professional service  
provided to the same  
sustainability assurance client

### INTERNATIONAL INDEPENDENCE STANDARDS (IIS)

(paras. 5400-5600) which apply only to SAEs:

- On sustainability information reported in accordance with a general purpose framework; and
- Which is:
  - Required by law or regulation; or
  - Publicly disclosed to support decision-making by investors or other users

IIS in extant Part 4B of the Code which apply to all other SAEs  
not within the scope of the IIS in Part 5



## Glossary of the IESBA Code – Key Terms



### Sustainability Information

Is information about sustainability matters. Sustainability matters are environmental, social, and governance or other sustainability-related matters as described in law or regulation or relevant sustainability reporting frameworks, or as determined by the entity. The definition:

- Is fully aligned and interoperable with the definition of the same term in the International Auditing and Assurance Standards Board's (IAASB) ISSA™ 5000,<sup>3</sup> following extensive coordination between the IESBA and IAASB
- Is intentionally broad and sufficiently generic to be perennial and interoperable with different reporting and assurance standards
- Points to the principal role of legal, regulatory, or voluntary frameworks in describing sustainability matters
- Includes a non-exhaustive list of examples of what might be considered sustainability information for the purposes of the IESBA Code



### Sustainability Assurance Engagement (SAE)

Is an engagement to obtain sufficient and appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users about the sustainability information. The IESSA applies to both reasonable and limited assurance engagements.

### SAEs Outside the Scope of the IIS in the IESSA

SAEs not covered by the IIS in Part 5 are subject to the IIS in Part 4B of the IESBA Code:

- Professional accountants (PAs) must continue to apply Part 4B
- Non-PA sustainability assurance practitioners (SAPs) are encouraged to comply with Part 4B

<sup>3</sup> International Standard on Sustainability Assurance™ 5000 (ISSA 5000) *General Requirements for Sustainability Assurance Engagements*

## KEY ELEMENTS OF THE IESSA

Based on the key premise of equivalence to the ethics and independence standards that apply to audits of financial statements, the same high standards of ethical behavior and independence are to be applied to SAEs within the scope of the IIS in the IESSA.

Accordingly, the IESBA developed the IESSA to mirror and be equivalent to Parts 1 to 4A of the IESBA Code. The approach builds on the five fundamental principles of ethics which establish the standard of behavior expected of the SAP, and the application of the conceptual framework to identify, evaluate and address threats to compliance with such fundamental principles and to independence. The IESSA addresses the same interests, relationships, and circumstances that might create threats to the SAP's ethical behavior and independence, with certain limited exceptions.

At the same time, the IESSA also addresses the sustainability-related specificities of SAEs, including a potentially different reporting boundary (i.e., the reporting of sustainability information from the entity's value chain) and different subject matter compared with financial information.



See the [Exploring the IESBA Code](#) series, developed by the International Federation of Accountants® (IFAC®) in collaboration with IESBA. Each installment focuses on a specific aspect of the IESBA Code and includes useful links to access relevant resources, including content in the IESBA Code.



### Note for Professional Accountants (PAs):

- The paragraphs in Part 5 follow the numbering of corresponding provisions in Parts 1 to 4A of the IESBA Code.
- This document highlights and explains provisions in the IESSA that are different from, or incremental to, the ethics and independence provisions in Parts 1 to 4A.



### Note for SAPs who are not Professional Accountants (Non-PAs):

- Part 5 is a standalone set of standards contained within the IESBA Code. This means that non-PAs who are not familiar with the IESBA Code can find all the requirements and application material for SAEs in one place.
- Application of Parts 1 to 4B of the IESBA Code is encouraged for non-PAs for all professional activities not covered by Part 5.
- Non-authoritative guidance to support the consistent application of the IESSA will be provided in due course.

## NON-COMPLIANCE WITH LAWS AND REGULATIONS (NOCLAR)

### NOCLAR Provisions in the IESBA Code (Parts 2 and 3)

The IESBA Code already contains a framework to guide PAs (Section 260 for PAs in business (PAIBs) and Section 360 for PAs in public practice (PAPPs)) on what actions to take in the public interest when they become aware of an actual or suspected illegal act, known as *non-compliance with laws and regulations*<sup>™</sup>, or *NOCLAR*<sup>®</sup>, committed by a client or employer.

NOCLAR is any act of omission or commission, intentional or unintentional, committed by a client or employer, including by management or by others working for or under the direction of the client or employer, which is contrary to prevailing laws or regulations.

Laws and regulations covered within the scope of the NOCLAR provisions are those that directly affect the client's or the employing organization's financial statements (and now sustainability information), or its business in a material or fundamental way.



See the following IESBA documents which provide further details on NOCLAR:

[FACT SHEET](#)

[AT A GLANCE](#)

### NOCLAR in the IESSA:

#### SAPs must:

- Understand and comply with relevant jurisdictional legal or regulatory provisions on addressing (actual or suspected) NOCLAR
- Communicate (actual or suspected) NOCLAR to the client's auditor if the auditor is from the same firm, unless prohibited by law or regulation\*
- Consider communicating (actual or suspected) NOCLAR with the client's auditor if the auditor is from the same network or a different firm or network, subject to the factors set out in Part 5\*

#### SAPs are not required to:

- Apply the NOCLAR provisions to NOCLAR committed by third parties, including value chain entities. However, the guidance on NOCLAR might be helpful in considering how to respond in these situations
- Communicate (actual or suspected) NOCLAR to other SAPs performing other SAEs for the same client\*

#### Note for PAs:

In addition to the new requirements in the IESSA as described above:

- **Part 2 of the IESBA Code** – New requirement for senior PAIBs to determine whether to also disclose (actual or suspected) NOCLAR to the employing organization's SAP performing a SAE within the scope of the IIS in Part 5. This is because such engagements are equivalent to audits in terms of public interest.
- **Part 3 of the IESBA Code** – New requirements, mirroring those in the IESSA, for the auditor to:
  - Communicate (actual or suspected) NOCLAR to the client's SAP performing a SAE within the scope of the IIS in Part 5 if they are from the same firm, unless prohibited by law or regulation
  - Consider communicating (actual or suspected) NOCLAR with the client's SAP performing a SAE within the scope of the IIS in Part 5 if they are from the same network or a different firm or network, subject to the factors set out in the provisions



\* It is the responsibility of management and those charged with governance to consider the need for any communication of NOCLAR to third parties, which in Part 5 include the auditor and other SAPs.

## DEALING WITH PRESSURE TO BEHAVE UNETHICALLY

SAPs must not allow pressure from others, or place pressure on others, to result in a breach of compliance with the fundamental principles in the IESBA Code. The IESSA includes Section 5270 which provides a framework for practitioners to deal with and address pressure which might arise in different situations specific to SAEs. These pressures might compromise the performance of SAEs and consequently impair the public trust in such engagements.



### Pressure might be explicit or implicit and might come from:

- The sustainability assurance client
- Within the firm, for example, from a colleague or superior
- Another external organization or individual such as a supplier, customer or lender of the sustainability assurance client or of the firm
- Internal or external targets and expectations

### The IESSA provides illustrative examples of pressure, including pressure to engage in greenwashing related to the SAE, such as:

- Pressure to express an opinion on sustainability information that is not supported by the evidence obtained from the assurance procedures performed
- Pressure to inappropriately alter the scope of the SAE to influence how the client's sustainability goals or practices are perceived
- Pressure not to inquire about strategy-related assumptions used in the forward-looking information prepared by the client and subject to assurance procedures



### Note for PAs:

There is new material in the IESSA as described above on unique pressures that can arise in SAEs.

## GROUP SUSTAINABILITY ASSURANCE ENGAGEMENTS

The IESBA considered that sustainability reporting and assurance will be focused mostly on entities that operate as groups, at least in the initial years when laws and regulations mandating sustainability reporting and assurance become effective. In addition, certain sustainability reporting frameworks already require reporting on a consolidated basis.

Accordingly, the IESBA developed specific provisions addressing group SAEs in the IESSA that are equivalent to the IESBA Code's current standards applicable to group audit engagements. The provisions addressing group SAEs in the IESSA were developed in close coordination with the IAASB and are fully aligned with ISSA 5000.

### Section 5405 in the IESSA sets out independence considerations applicable to:

- The group sustainability assurance firm that expresses an opinion on the group sustainability information;
- Other firms that perform assurance procedures for purposes of the group SAE and the group sustainability assurance firm is able to be sufficiently and appropriately involved in the work (component practitioners);<sup>4</sup> and
- Members of the group sustainability assurance team from the group sustainability assurance firm and any component practitioners.

Section 5405 also sets out specific independence requirements when assurance work is performed on the sustainability information of an entity, business unit, function or business activity in the client's reporting boundary for purposes of the group SAE (a component). The IESSA is aligned to the determination of group components and value chain components under ISSA 5000.

### GROUP COMPONENTS

A component required to be included in the reporting entity's group financial statements

### VALUE CHAIN COMPONENTS

A component within the reporting entity's value chain that is not included in the group financial statements



The applicable sustainability reporting framework might also require the sustainability information to be extended to include information from value chain entities. Such sustainability information constitutes group sustainability information for the purposes of the IESSA.

<sup>4</sup> The independence considerations applicable to a component practitioner vary depending on whether the component practitioner is within or outside the group sustainability assurance firm's network.





### Assurance Work Performed at a Value Chain Component

The IESBA recognized the relationship between the reporting entity and its value chain, and the challenges related to obtaining information from the value chain. Therefore, the IESSA takes a proportionate and pragmatic approach to the independence considerations applicable to assurance work performed at a value chain component. The IESSA also includes guidance explaining the meaning of the concept of “performing assurance work at a component.” This concept drives the applicability of the independence requirements with respect to components.

The independence provisions in the IESSA relating to value chain components only apply if the group sustainability assurance firm or a component practitioner performs assurance work at that component for purposes of the group SAE.

In light of the evolving reporting landscape in relation to value chain components and the developing regulatory environment, the IESBA has provided a longer effective date until July 1, 2028 for the independence provisions applicable to assurance work performed at a value chain component, subject to certain conditions.

This period will allow additional time to facilitate the implementation of the independence provisions applicable to value chain components while enabling the IESBA to actively monitor implementation efforts for any identified challenges and the evolution of assurance practice.



#### Note for PAs:

Subsection A of Section 5405 mirrors the standards applicable to group audits and applies to group sustainability assurance clients (including group components at which assurance work is performed), Subsection B sets out the independence provisions applicable to assurance work performed at a value chain component for purposes of a group SAE.

## USE OF ANOTHER PRACTITIONER – SECTION 5406

Assurance standards, such as ISSA 5000, acknowledge that a SAP might intend to use the assurance work of another practitioner in whose work the SAP is not able to be sufficiently and appropriately involved (another practitioner).<sup>5</sup> For example:

- The client chooses to engage another practitioner in relation to certain sustainability information.
- Another practitioner has already completed assurance work at a value chain component.



The IESSA sets out independence provisions for circumstances when the SAP intends to use the assurance work of another practitioner in accordance with the applicable assurance standards. In such cases, Section 5406 of the IESSA requires the SAP to confirm that the other practitioner meets the independence requirements of the IESSA with respect to the entity or component at which the assurance work has been performed.

Recognizing the relationship between a value chain component and the reporting entity, if the SAP intends to use the assurance work of another practitioner performed at a value chain component, the SAP may also fulfill the requirements in Section 5406 by reviewing the other practitioner's statement of independence with respect to that assurance work.



### Note for PAs:

Using the work of another practitioner is a concept established in sustainability assurance standards. Accordingly, the extant IESBA Code's provisions for audit engagements do not address this type of situation.

<sup>5</sup> Another practitioner is not an external expert. For ethics consideration related to using the work of an external expert for purposes of the SAE, please refer to Section 5390 of the IESSA and [Technical Overview: Using the Work of an External Expert](#).

## NON-ASSURANCE SERVICES (NAS)

As for audit engagements, the IESBA recognized that the provision of NAS to a sustainability assurance client might create threats to compliance with the fundamental principles and to independence. Consequently, the IIS in the IESSA set out requirements and application material addressing circumstances when the firm intends to provide NAS to a sustainability assurance client. Section 5600 of the IESSA sets clear requirements and provides detailed guidance, including guidance addressing specific types of NAS in the subsections, to guide considerations of independence with respect to such services in the context of the sustainability information subject to the assurance engagement.

Recognizing that stakeholders have heightened expectations regarding the practitioner’s independence when the client is a public interest entity (PIE), Section 5600 provides a scalable approach to PIE and non-PIE clients. If the practitioner provides NAS to a PIE client, the IIS in the IESSA sets out:



As an overarching principle, the IESSA prohibits SAPs from assuming management responsibility in any way, including through the provision of a NAS.

- A general prohibition if there is a risk that the provision of such a service might create a self-review threat.
- Requirements and guidance addressing communication with those charged with governance regarding the provision of NAS that are not prohibited to the client.

### Examples of NAS

Subsections to Section 5600 address certain types of NAS (see below) and set out a number of prohibitions with respect to PIE and non-PIE clients.



## NON-ASSURANCE SERVICES (NAS)



### Note for PAs:

Recognizing that NAS may be provided by different types of practitioners (from smaller SAPs to large professional services firms and their networks), the IESSA addresses types of NAS similar to those that might be provided by auditors, supplemented with provisions addressing additional sustainability-specific services, such as:

- Sustainability data and information services; and
- Advisory services on forward-looking information.



### Note for Non-PAs:

Recognizing the evolution of business practices and the development of new services, the IESSA does not aim to provide a comprehensive list of prohibited and permissible services. The conceptual framework and the general provisions in Section 5600 apply when a practitioner intends to provide a NAS for which there are no specific requirements and application material. This approach ensures that the IESSA remains relevant and fit-for-purpose for the long term.

## PRACTITIONER PROVIDING AUDIT AND SAE TO THE SAME CLIENT

Given the interconnectivity between an entity's financial and sustainability information, the IESBA recognized the benefits of the auditor providing assurance on the audit client's sustainability information, as this promotes the ultimate goal of integrated reporting. The IESBA did not believe that when the auditor provides both the audit and the SAE within the scope of the IIS in the IESSA, this creates threats to compliance with the fundamental principles and to independence. Therefore, the IESSA does not limit the provision of both services to the same client.



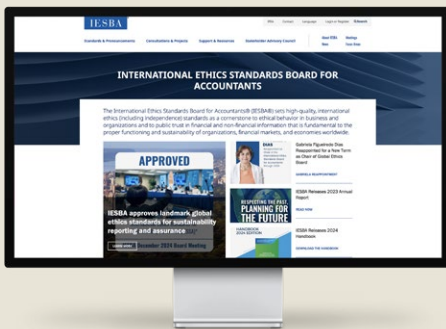
### However, the IESSA addresses certain independence matters related to the auditor performing a SAE for the audit client, including:

- Long association of individuals participating in both the audit and SAE with the client (Section 5540)
- Consideration and disclosure of fees from the client for both the audit and SAE (Section 5410)



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





## ABOUT 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](http://www.ethicsboard.org)

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