



## FREQUENTLY ASKED QUESTIONS

### *Sustainability Assurance Engagements – ISSA 5000 and the IESBA Code*

These Frequently Asked Questions (FAQs) are issued jointly by the Staffs of the International Auditing and Assurance Standards Board® (IAASB®) and International Ethics Standards Board for Accountants® (IESBA®).

The IAASB and IESBA developed, in close coordination, and jointly launched in January 2025 the following interoperable standards applicable to sustainability assurance engagements:

- International Standard on Sustainability Assurance™ (ISSA™) 5000, *General Requirements for Sustainability Assurance Engagements* (ISSA 5000™); and
- International Ethics Standards for Sustainability Assurance™ (including International Independence Standards™) (IESSA™), which are contained in Part 5 of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code or the Code).

These FAQs are intended to assist in the adoption and implementation of ISSA 5000 and the IESSA by addressing matters relevant to the application of both standards.

The FAQs are designed to highlight, illustrate, or explain aspects of ISSA 5000 and the IESSA and thereby assist in their proper, coordinated application. They do not amend or override ISSA 5000 and the IESSA, the texts of which alone are authoritative. Reading the FAQs is not a substitute for reading ISSA 5000 and the IESSA. The FAQs are not intended to be exhaustive, and reference to the IAASB's and IESBA's standards should always be made. This publication does not constitute an authoritative or official pronouncement of the IAASB or IESBA.

## Contents

|   |                |
|---|----------------|
| <b>Relevant Ethical Requirements.....</b>   | <b>Q1-Q4</b>   |
| <b>Determination of Components for a Sustainability Assurance Engagement.....</b> | <b>Q5-Q6</b>   |
| <b>Using the Work of Another Practitioner.....</b>                                | <b>Q7-Q9</b>   |
| <b>Disclosure in the Assurance Report.....</b>                                    | <b>Q10-Q11</b> |



## Relevant Ethical Requirements<sup>1</sup>

**Q1. ISSA 5000 sets out that one of the elements of the assurance report is a statement that the practitioner has complied with the independence and other ethical requirements of the IESBA Code related to sustainability assurance engagements (see ISSA 5000, paragraph 190(d)(iv)). If the IESBA Code represents the relevant ethical requirements for the engagement, does the practitioner refer to the IESBA Code in the assurance report, or do they need to directly refer to the IESSA in Part 5 of the IESBA Code?**

**A:** ISSA 5000<sup>2</sup> only requires a statement of compliance with the independence and other ethical requirements of the IESBA Code related to sustainability assurance engagements<sup>3</sup> in the practitioner's assurance report, irrespective of whether the independence provisions applicable to the sustainability assurance engagement are the International Independence Standards (IIS) in the IESSA (Part 5) or the IIS in Part 4B<sup>4</sup> of the IESBA Code. Therefore, in either case, the practitioner states in the assurance report that they are independent in accordance with the "*International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants" and that they have fulfilled "other ethical responsibilities in accordance with the IESBA Code" without listing the specific part(s) that apply.

To establish a proportionate approach, the IESBA determined that the IIS in the IESSA (Part 5) should be applicable only to sustainability assurance engagements with the same level of public interest as audits of financial statements. Therefore, the IIS in the IESSA apply only to sustainability assurance engagements where the sustainability information is (a) reported in accordance with a general-purpose framework; and (b) required to be provided by law or regulation, or otherwise publicly disclosed to support decision-making by investors or other users (see the IESSA, paragraph 5400.3b).

In the case of sustainability assurance engagements not within the scope of the IIS in the IESSA, practitioners who are professional accountants need to comply with the IIS in Part 4B of the Code. Practitioners who are not professional accountants are encouraged to comply with the IIS in Part 4B.

**Q2 Can practitioners who are not professional accountants also refer to the IESBA Code in the assurance report?**

**A:** Yes, the IESSA (Part 5) sets out relevant ethical requirements, including those related to independence, for all sustainability assurance practitioners. However, the IIS in the IESSA, as

<sup>1</sup> ISSA 5000, paragraph 18, defines relevant ethical requirements as "principles of professional ethics and ethical requirements that are applicable to practitioners when undertaking assurance engagements on sustainability information. Relevant ethical requirements comprise the provisions of the IESBA Code related to sustainability assurance engagements, together with national requirements that are more restrictive, or professional requirements or requirements in law or regulation that an appropriate authority has determined to be at least as demanding as the provisions of the IESBA Code related to sustainability assurance engagements.

<sup>2</sup> ISSA 5000, paragraph 190(d)(iv).

<sup>3</sup> Refer to ISSA 5000, paragraph 190(d)(iv)b for the statement that is required if the relevant ethical requirements are not the IESBA Code related to sustainability assurance engagements.

<sup>4</sup> Part 4B, *Independence for Assurance Engagements Other Than Audit Engagements, Review Engagements or Sustainability Assurance Engagements Addressed in Part 5*



explained in the response to Question 1 above, only apply to sustainability assurance engagements with the same level of public interest as audits of financial statements.

In the case of other sustainability assurance engagements that are not within the scope of the IIS in the IESSA, practitioners who are not professional accountants can still apply the independence provisions in Part 4B of the Code and are encouraged to do so.

Whether Part 5 or Part 4B is applied, the sustainability assurance practitioner should refer to the IESBA Code in the assurance report in accordance with ISSA 5000, paragraph 190(d)(iv).

If the relevant ethical requirements applied by the practitioner are not the IESBA Code, the practitioner is required to comply with professional requirements or requirements in law or regulation that an appropriate authority has determined to be at least as demanding as the applicable provisions of the IESBA Code (ISSA 5000, paragraph 34). In such instances, the practitioner is required to identify those requirements and disclose the name of the appropriate authority in the assurance report in accordance with ISSA 5000, paragraph 190(d)(iv)b.

**Q3. What are the relevant ethical requirements for component practitioners in a group sustainability assurance engagement?**

**A:** The relevant ethical requirements that apply to component practitioners for work performed for purposes of the group sustainability assurance engagement are those that apply for the group with respect to the work performed on the component. (Where the relevant ethical requirements are the IESSA, specific independence provisions applicable to component practitioners are set out in the IESSA – refer to Q12, Q15, Q16, and Q19-24 in the [IESSA Q&As](#).) ISSA 5000, paragraph 35, requires the engagement leader (in this case, the engagement leader responsible for the group assurance engagement) to take responsibility for other members of the engagement team (including component practitioners) having been made aware of relevant ethical requirements that are applicable given the nature and circumstances of the group engagement, and the firm's related policies or procedures. Such requirements, including those related to independence, may be different from or in addition to those that may apply to a component practitioner when performing a separate assurance engagement for statutory, regulatory or other reasons on the sustainability information of an entity or business unit that is part of the group.

**Q4. Both the IESSA and ISSA 5000 permit early adoption. However, neither the IESSA nor ISSA 5000 requires that the other standard be adopted at the same time. If a jurisdiction decides to adopt ISSA 5000 early, can practitioners use the existing independence provisions in Part 4B (together with the ethics provisions in Parts 1 and 3) of the Code as the relevant ethical requirements?**

**A:** Yes. ISSA 5000 applies to all sustainability assurance engagements. The IIS in the IESSA apply only to sustainability assurance engagements that meet the criteria specified in paragraph 5400.3b.

For sustainability assurance engagements outside the scope of the IIS in the IESSA, the IIS in Part 4B will apply, whether or not ISSA 5000 is adopted early.

For sustainability assurance engagements within the scope of the IIS in the IESSA, the IAASB and IESBA developed ISSA 5000 and the IESSA in close coordination as interoperable standards with the same effective date. Aligning the effective dates was in the public interest to facilitate the adoption of these standards together to provide a robust global baseline for sustainability assurance.



Pursuant to the objective of providing this robust global baseline, ISSA 5000, paragraph 34, requires the practitioner to comply with relevant ethical requirements, which comprise:

- (a) The provisions of the IESBA Code related to sustainability assurance engagements, together with national requirements that are more restrictive; or
- (b) Professional requirements or requirements in law or regulation that an appropriate authority has determined to be at least as demanding as the provisions of the IESBA Code related to sustainability assurance engagements.

However, some jurisdictions may decide to adopt ISSA 5000 early but not the IESSA, or some entities may elect to voluntarily seek assurance engagements under ISSA 5000 even though the IESSA is not yet effective. In these circumstances, practitioners may apply the provisions of the extant IESBA Code related to sustainability assurance engagements, applicable before the effective date of the IESSA, as the relevant ethical requirements. The extant IESBA Code already sets out in Parts 1 and 3 and Part 4B the provisions applicable to assurance engagements other than audit and review engagements for professional accountants.

With respect to 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, which are within the scope of the IIS in the IESSA, practitioners conducting such engagements following ISSA 5000 are required to comply with the relevant provisions in the IESSA.

## Determination of Components for a Sustainability Assurance Engagement

**Q5. Both ISSA 5000 and the IESSA use the terms “group components” and “value chain components,” and they include descriptions or definitions for both types of components. Do these terms capture the same entities or business units in both standards?**

**A:** Yes. The IAASB and IESBA intend that the determination of group components and value chain components in the context of both ISSA 5000 and the IESSA cover the same entities, business units, functions or business activities, or some combination thereof.

|           | ISSA 5000 – Paragraphs 18 and A17  | IESSA – Glossary  |
|-----------|--|---|
| Component | An entity, business unit, function or business activity, or some combination thereof, within the reporting boundary, determined by the practitioner for purposes of planning and performing the sustainability assurance engagement. | For a group sustainability assurance engagement, an entity, business unit, function or business activity, or some combination thereof, within the reporting boundary, determined by the group sustainability assurance firm for purposes of planning and performing the group sustainability assurance engagement.<br><br>A component is either a group component or a value chain component. |



|                       | ISSA 5000 – Paragraphs 18 and A17  | IESSA – Glossary  |
|-----------------------|--|---|
| Group Component       | For purposes of the ISSAs, components that include entities or business units required to be included in the reporting entity's group financial statements (e.g., subsidiaries of a parent entity) are referred to as group components.  | <p>A group component is a component required to be included in the reporting entity's group financial statements.<sup>5</sup></p> <p>(The IESSA further specifies the following for independence purposes:</p> <p>If the group component is:</p> <ul style="list-style-type: none"> <li>(a) A legal entity, it is the entity and any related entities within the reporting boundary over which the entity has direct or indirect control; or</li> <li>(b) A business unit, function or business activity (or some combination thereof), it is the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed.)</li> </ul> |
| Value Chain Component | The framework criteria may also require the sustainability information to be extended to include information from other entities that are part of the reporting entity's upstream or downstream value chain. For purposes of the ISSAs, the components that include such entities are referred to as value chain components. | <p>A value chain component is a component within the reporting entity's value chain that is not included in the group financial statements.<sup>5</sup></p> <p>(The IESSA further specifies the following for independence purposes:</p> <p>If the value chain component is:</p> <ul style="list-style-type: none"> <li>(a) A legal entity, it is the entity; or</li> <li>(b) A business unit, function or business activity (or some combination thereof), it is the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed.)</li> </ul>   |

<sup>5</sup> The core definition is consistent with the IAASB's definition in ISSA 5000, but the IESSA definitions include certain additional specificities for independence purposes.



**Q6. If the reporting entity<sup>6</sup> has a passive investment in a value chain component, is that value chain component also a group component?**

- A** No. From an assurance perspective, a passive investment in a value chain component would not make that entity a group component. ISSA 5000, paragraph A17, states that a group component is an entity or business unit *whose financial information* is required to be included in the reporting entity's group financial statements. This is consistent with the definition of group financial statements in ISA 600 (Revised),<sup>7</sup> i.e., "financial statements that *include the financial information* of more than one entity or business unit through a consolidation process."

Consequently, group components do not include passive investments in value chain components (whether carried at cost or fair value in the reporting entity's balance sheet / statement of financial position under the applicable financial reporting framework).

## Using the Work of Another Practitioner

**Q7. From an ethics and assurance perspective, what is the difference between using the work of an external expert<sup>8</sup> and using the work of another practitioner for the purpose of a sustainability assurance engagement?**

- A:** In the context of a sustainability assurance engagement, an external expert is an expert engaged by a practitioner.<sup>9</sup> As defined in ISSA 5000 and the IESSA, an external expert possesses expertise in a field other than assurance, whose work in that field is used to assist the practitioner in obtaining sufficient appropriate evidence. While an external expert is engaged by the practitioner and performs work to assist the practitioner, another practitioner is not engaged by the practitioner and does not perform work for purposes of the sustainability assurance engagement. Another practitioner<sup>10</sup> performs work in the context of a separate engagement that the practitioner may intend to use for purposes of the sustainability assurance engagement, but the practitioner is unable to be sufficiently and appropriately involved in that work.

Given the different nature and objectives of using the work of an external expert and using the work of another practitioner:

- The IESSA specifies relevant ethical requirements with respect to using the work of an external expert in Section 5390, and with respect to using the assurance work of another practitioner in Section 5406, or the non-assurance work of another practitioner in Section 5300 (paragraph R5300.11).
- ISSA 5000 has separate requirements related to using the work of another practitioner (paragraphs 50-55) and using the work of a practitioner's expert (paragraphs 56-58).

<sup>6</sup> The reporting entity is referred to as the "sustainability assurance client" in the IESSA (see Glossary in the IESBA Code).

<sup>7</sup> See International Standard on Auditing (ISA) 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*, paragraph 14(k).

<sup>8</sup> In ISSA 5000 an external expert, as defined in the revised IESBA Code, is referred to as the "practitioner's external expert" (see definition of "practitioner's expert" (ISSA 5000, paragraph 18)), as distinct from a "management's expert", defined in ISSA 5000 as "An individual or organization possessing expertise in a field other than assurance, whose work in that field is used by the entity to assist the entity in preparing the sustainability information."

<sup>9</sup> See Glossary in the [Revisions to the Code Addressing Using the Work of an External Experts](#).

<sup>10</sup> See definition of "another practitioner" in ISSA 5000, paragraph 18, and the Glossary to the IESSA.



For further ethical guidance on using the work of an external expert, see the [IESBA website](#).

**Q8. If the practitioner intends to obtain evidence from using the work of another practitioner for purposes of a sustainability assurance engagement within the scope of the IIS in Part 5 of the Code, which relevant ethical requirements apply to using that work?**

- A:** The IESSA establishes relevant ethical requirements applicable to both using the assurance or non-assurance work of another practitioner for purposes of a sustainability assurance engagement.<sup>11</sup> If the practitioner intends to obtain evidence from using the assurance work of another practitioner, the practitioner needs to comply with Section 5406 in the IIS in the IESSA. Section 5406 sets out requirements for the practitioner with respect to requesting confirmation from the other practitioner, or being satisfied, that they meet the independence requirements in Part 5 with respect to the assurance work (see IESSA paragraphs R5406.5 and R5406.6).

However, the IESBA considered that it would not be appropriate to set independence requirements if the practitioner will use only non-assurance work performed by the other practitioner. Therefore, in coordination with the IAASB, the IESBA developed provisions in the ethics standards in Section 5300 in Part 5.<sup>12</sup> that apply when the firm intends to use the non-assurance work of another practitioner. These provisions require the practitioner to exercise professional judgment to determine the appropriate steps to take, if any, in order to fulfil the practitioner's responsibilities to comply with the fundamental principles of integrity, objectivity and professional competence and due care.

**Q9 If a practitioner cannot obtain confirmation or be satisfied about another practitioner's independence with respect to that practitioner's assurance work as required by Section 5406, can the practitioner still use the assurance work of that practitioner as evidence for the purposes of a sustainability assurance engagement within the scope of the IIS in Part 5 of the Code?**

- A:** If the practitioner cannot obtain confirmation or be satisfied about another practitioner's independence with respect to that practitioner's assurance work, the practitioner cannot conclude that that practitioner is independent for purposes of the sustainability assurance engagement (see IESSA paragraphs 5406.5 A1 and 5406.6 A2).

ISSA 5000, paragraph 50(a), requires the practitioner to comply with relevant ethical requirements that apply to using the work of another practitioner. This is part of a series of requirements (paragraphs 50(a)-50(d)) related to the practitioner's use of the work of another practitioner, including whether the evidence obtained from that work is adequate for the practitioner's purposes. The competence, capabilities and independence of another practitioner are factors that significantly affect whether the work of another practitioner will be adequate for the practitioner's purposes (see ISSA 5000, paragraphs A124 and A141).

In determining, in accordance with paragraph 50(d) in ISSA 5000, whether the evidence obtained from another practitioner's work is adequate for the practitioner's purposes, there is an implicit presumption that the practitioner has determined that the relevant ethical requirements that apply

<sup>11</sup> ISSA 5000, paragraph A125, recognizes that relevant ethical requirements may include provisions addressing the fulfillment of the practitioner's ethical responsibilities related to using the work of another practitioner, which may vary depending on whether the work performed by another practitioner is assurance or non-assurance work.

<sup>12</sup> Paragraph R5300.11



have been met as required by paragraph 50(a). Consequently, the practitioner would not be able to use the assurance work of another practitioner under ISSA 5000 if the practitioner has not obtained confirmation or is not satisfied about another practitioner's independence with respect to that practitioner's assurance work.

## Disclosure in the Assurance Report

**Q10. The IIS in the IESSA require sustainability assurance practitioners to disclose specific fee-related information if a client that is a public interest entity has not done so (the IESSA paragraph R5410.31). The practitioner may use the assurance report as one of a number of suitable ways for making such a disclosure. If that is the case, what specific part of the assurance report could the practitioner use for the disclosure?**

**A:** If the sustainability assurance practitioner determines to disclose the fee-related information in the assurance report, it would be appropriate to do so as part of the other reporting responsibilities section of the assurance report in accordance with ISSA 5000, paragraphs 193-196.

**Q11. If the practitioner applies the deferral provisions for the effective date of the independence provisions in the IESSA for assurance work performed at a value chain component, how does the practitioner meet the transparency requirement in bullet (c) of the effective date provision for sustainability assurance engagements on sustainability information for periods beginning, or as at dates, prior to July 1, 2028?**

**A:** The IESSA provides that the practitioner need not apply the independence provisions relating to assurance work performed at a value chain component for sustainability assurance engagements on sustainability information for periods beginning, or as at dates, prior to July 1, 2028.

If the practitioner does not apply these provisions until the deferred effective date of July 1, 2028, the IESSA requires the practitioner to publicly disclose that independence provisions applicable to assurance work performed at the value chain component under the IESSA have not been applied. The IESSA is not prescriptive regarding how this disclosure should be made, as long as the disclosure is timely and accessible to stakeholders.

This transparency requirement under the IESSA is incremental to the practitioner's reporting responsibilities under ISSA 5000. As indicated in ISSA 5000, paragraph 193, such additional reporting responsibilities are addressed in a separate section of the assurance report with a heading "Report on Other Legal and Regulatory Requirements" or otherwise as appropriate to the content of the section. However, paragraph 193 also indicates that, if these other reporting responsibilities address the same report elements as those presented under the reporting responsibilities required by the ISSA, the other reporting responsibilities may be presented in the same section as those related report elements.

The relevant ethical requirements applied in the assurance engagement are required to be disclosed in the Basis for Conclusion section of the assurance report (see ISSA 5000, paragraph 190(d)(iv)). Therefore, it would also be acceptable for the practitioner to include the transparency disclosure in the Basis for Conclusion section of the report, provided that, as required by ISSA 5000, paragraph 194, the disclosure required by IESSA is clearly differentiated from the reporting elements required under ISSA 5000.



## Key Contacts

Willie Botha, IAASB Program and Senior Director ([williebotha@iaasb.org](mailto:williebotha@iaasb.org))

Claire Grayston, IAASB Principal ([clairegrayston@iaasb.org](mailto:clairegrayston@iaasb.org))

Ken Siong, IESBA Program and Senior Director ([kensiong@ethicsboard.org](mailto:kensiong@ethicsboard.org))

Szilvia Sramko, IESBA Principal ([szilviasramko@ethicsboard.org](mailto:szilviasramko@ethicsboard.org))

## About the IAASB and IESBA

The [International Auditing and Assurance Standards Board](#)® (IAASB®) and [International Ethics Standards Board for Accountants](#)® (IESBA®) develop auditing and assurance and ethics and independence standards and guidance, respectively, under a shared standard-setting process involving the [Public Interest Oversight Board](#), which oversees the boards' activities, and the joint [Stakeholder Advisory Council](#), which provides public interest input into the development of the standards and guidance.

---

*Through intellectual property and service level agreements, the International Federation of Accountants manages requests to translate or reproduce IAASB and IESBA content. For permission to reproduce or translate this or any other publication or for information about intellectual property matters, please visit [Permissions](#) or contact [Permissions@ifac.org](mailto:Permissions@ifac.org).*

The IAASB®, IESBA®, the International Foundation for Ethics and Audit™ (IFEATM) and the International Federation of Accountants® (IFAC®) do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.