

A Sustainable World

The role of Ethics and Accountants

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IESBA

AN INDEPENDENT GLOBAL STANDARD-SETTING BOARD



IESBA's mission is to serve the public interest by setting high-quality **global ethics and independence standards** as a cornerstone to:

- ethical behavior in business and organizations; and
- public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets, and economies worldwide

The Board is comprised of:

- An independent Chair
- **16** members with diverse professional backgrounds from **15 jurisdictions**
- **13** Staff members from **9 nationalities**

The IESBA is based in New York

The IESBA Code is adopted or used in **> 130** jurisdictions, including **17** G20 countries

The IESBA and IAASB are part of the International Foundation for Ethics and Audit

Why Global Standards for Sustainability



Sharp increase in demand for sustainability information



Greater availability of sustainability information & mandatory reporting



Evolving area of reporting – immature systems and processes



Pressing public interest for such information to be capable of assurance

> **\$30
TRILLION**
in investment in
sustainable assets*



Why Ethics Matters to Sustainability

- Confluence of factors for **perfect storm**
 - **Investor demand** for sustainability info | Sustainability **business opportunities** | **Mandatory** reporting, **emerging** fields, and **novel** reporting, including value chain | **Immature** systems, controls and data sources | **Complexity** of sustainability matters | **Subjectivity** of disclosures
- Quality of sustainability information heavily dependent on **mindset & conduct** of **preparers** as **‘first line of defense’**
 - **Integrity, objectivity** and **professional competence** crucial attributes
 - Real risks of **unethical behavior** leading to **greenwashing**, including increased subjectivity, pressure, wrong incentives, conflicts of interest
- **Independent assurance** fundamental to credible disclosures
 - **Risks to practitioners’ independence**, including assuming management responsibility, providing sustainability-related NAS leading to self-review and other threats, long association with the same entity, pressure from client to confirm 'green claims' ...
- **Ethics** is the **foundation** to **trustworthy** sustainability reporting and assurance

What is Greenwashing and other unethical behavior?

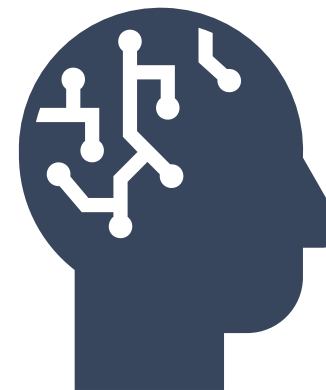
Misleading conduct in sustainability reporting and assurance can involve intentionally misrepresenting or omitting information.



**Opportunities for
greenwashing**



**Incentives and pressures
to greenwash**



**Ease of rationalizing
greenwashing**

Risks of fragmented sustainability framework

Sustainability Reporting and Assurance

Standardized approach for **reporting** information



GLOBAL Sustainability **Reporting** Framework

(IFRS S1 & S2)

Standardized approach for independent **assurance**



GLOBAL Sustainability **Assurance** Framework

(IAASB – ISSA 5000)

EU Ethics & Independence
Framework
(CSRD + Audit Directive)



Jurisdictional
Frameworks



IESBA
International Ethics Standards Board for Accountants
AN IFEA BOARD

The IESBA Code (IESSA)

Codes of
Conduct

Ethics Policies

Professional
Code of Ethics



IESBA

International Ethics Standards Board for Accountants
AN IFEA BOARD

IESBA Contributes to Global Coherent Sustainability Disclosures Framework

Sustainability Reporting and Assurance

Standardized approach for **reporting** information



Reliable, comparable, and decision useful information

Reporting Standards

Standardized approach for independent **assurance**



Credible and trustworthy information

Assurance Standards

Ethical mindset and behaviors to guide judgments and drive actions



Trustworthy information that is factual and not misleading

IESBA – Ethics and Independence Standards

Ethics for Sustainability Reporting

ENHANCED ETHICS PROVISIONS (PARTS 1, 2 AND 3 OF THE IESBA CODE OF ETHICS)

OBJECTIVES OF IESBA'S SUSTAINABILITY REPORTING REVISIONS

Reinforcing the first line
of defense against
“greenwashing” and other
corporate malfeasance

Truthful, high-quality
corporate sustainability
disclosures



Builds on pre-existing robust ethical framework



Enhances existing ethics provisions in IESBA Code
to be fit-for-purpose for sustainability reporting



For PROFESSIONAL ACCOUNTANTS



FRAMEWORK NEUTRAL

IESBA Explainers: Ethics Sustainability Standards in Action

EXPLAINING, ENGAGING, SUPPORTING



Introduction to Ethics in
Sustainability Reporting

Ethics for Sustainability Assurance

GLOBAL BASELINE STANDARDS FOR SUSTAINABILITY ASSURANCE



IAASB and IESBA Unveil New Standards and Guidance to Strengthen Sustainability Reporting and Assurance

New Global Frameworks Elevate Trust and Transparency Across Reporting Ecosystem



 **ISSA 5000**

 **Global Ethics Sustainability Standards**

Call from IOSCO to IAASB and IESBA

Complemented by IESBA's Standard on Using the Work of an External Expert

Close Coordination between IAASB and IESBA

2026 December Effective Date with transitional provisions

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 – Ethics for Sustainability Assurance



Equivalent to Ethics
and Independence
Standards for Audit



Profession-Agnostic
(for All Practitioners)



Standalone (New
Part 5 of IESBA Code)



Framework-Neutral
and interoperable
with Assurance
Standards (ISSA 5000)

Which Engagements Does the IESSA Apply to?

SCOPE OF ETHICS AND INDEPENDENCE STANDARDS



Ethics (Sections 5100-5390)

Apply to:

- All sustainability assurance engagements (SAEs); and
- Any other professional service provided to the same sustainability assurance client

International Independence Standards (IIS) (Sections 5400-5600)

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

SAEs Outside the Scope of the IIS in IESSA

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

- Practitioners who are professional accountants must continue to apply Part 4B
- Practitioners who are not professional accountants are encouraged to comply with Part 4B

Ethics in Using the Work of External Experts

PRINCIPLES-BASED ETHICAL FRAMEWORK

Global Ethical Framework for Using the Work of External Experts

Definitions Introduced for “Expert” and “Expertise”

- Distinguish the work of experts from the work of other individuals or organizations providing information for general use

Evaluating Whether to Use Work of An External Expert

- Focused on external expert’s competence, capabilities and objectivity (CCO)
- Work of expert cannot be used if they do not meet CCO requirements

External Experts in Audit or Assurance Engagements

- Additional objectivity requirements to evaluate interests, relationships and circumstances based on independence attributes (financial interests, business relationships, etc.)

Potential Threats When Using Work of External Expert

- Provisions to guide identifying, evaluating and addressing potential threats to compliance with the fundamental principles

Sustainability Focus Area: Key Information and Support

Implementation support materials

- Basis for Conclusions
- Fact Sheets (including joint IAASB-IESBA Fact Sustainability Fact Sheet)
- Technical Overviews



[IESBA Sustainability Reporting and Assurance focus page](#)



[IAASB Sustainability Assurance focus page](#)



Learn More Through Fact Sheets:

[IESBA Sustainability Reporting](#)



[IESBA IESSA](#)



[IESBA Experts](#)



[IAASB ISSA 5000](#)



FAQs focusing on technical issues

Summary of prohibitions in IESSA applicable to Public Interest Entities

Material for investors and TCWG on impacts and benefits of the IESBA Sustainability and Experts Standards

IESSA Implementation Monitoring Advisory Group (IIMAG) and digital platform

IESBA Explainers: Ethics Sustainability Standards in Action

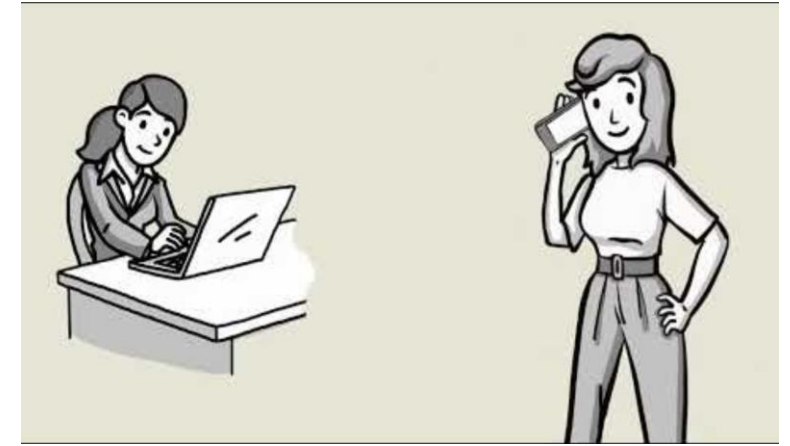
EXPLAINING, ENGAGING, SUPPORTING



Introduction
to the Global Ethics
Sustainability
Standards



Introduction to
Ethics in
Sustainability
Reporting



Introduction
to IESSA and Ethics
in Sustainability
Assurance

Stakeholders - that is, you - Have The Decisive Role

Regulators/ Legislators

- Embed IESBA's Sustainability Ethics and Independence Standards into regulatory/supervisory frameworks
- Ensure consistent enforcement for all practitioners

Profession/ Other Practitioners

- Integrate Ethics Standards into education, training and professional practice
- Self-commitment to adopt and implement IESSA
- Support with practical guides/tools, including for SMPs

Companies

- Voluntarily implement ethical decision-making rules for preparers of sustainability reporting aligned with IESBA standards
- Audit Committees/TCWG to require auditors to follow IESBA ethics/independence standards (and select auditor in accordance)

Key Policy Developments and IESBA priorities

Regulatory backlash and elevated risks of fragmentation

- The United States' strong opposition to sustainable finance and Europe's focus on simplification - particularly through the Omnibus - may lead to greater fragmentation across and within regions and companies

Asia leading the way

- Asia is responding to regulatory uncertainty in the West with a stronger focus on sustainable finance and global standards

IESBA extends its Code to voluntary disclosures

- IESBA is committed to promote global consistency through advancing the adoption of the Global Ethics Standards for Sustainability and extending it to voluntary disclosures, with the needed adjustments and calibration

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