RESEARCH SNAPSHOT

The State of Global Sustainability Assurance

and Implications for ISSA 5000

Prepared for the International Auditing and Assurance Standards Board (IAASB)

UNIVERSITY OF LEEDS
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SCHOOL OF ACCOUNTANCY

98%	73%	3,908	4.4×
OF COMPANIES REPORTING SUSTAINABILITY INFO IN 2023	OF REPORTERS ELECTING TO HAVE INFORMATION ASSURED	INDIVIDUAL SUBJECT MATTERS IDENTIFIED & EVALUATED	GROWTH IN ASSURED SUBJECT MATTERS 2015–2023

An evidence-based review of how sustainability assurance has evolved across 120 of the world's largest listed companies in three regions between 2015 and 2023 — examining not just whether assurance is present, but how well it is being done.

BACKGROUND & SCOPE

Why this report — and why now

Sustainability reporting has become a central feature of the global corporate reporting landscape. Investors, regulators and other stakeholders increasingly rely on sustainability-related disclosures to understand both the financial implications of ESG issues and the broader impacts organisations have on society and the environment.

As the volume and importance of sustainability information has grown, so too has the demand for credible, reliable assurance. Most prior research asks only whether assurance is present or absent. This report takes a more analytical approach — evaluating assurance practices across three dimensions: the nature of engagements, the scope of what is assured, and the extent of procedures performed. The findings are directly relevant to the implementation of ISSA 5000.

FRAMEWORK

Three dimensions of assurance quality

Rather than treating assurance as a binary, this study scores each engagement across eight indicators grouped into three dimensions. Together, they provide a more complete picture of how thoroughly sustainability information is being assured.

DIMENSION 1

Nature

How the engagement is framed — standards applied, independence statements, addressees and level (limited or reasonable) of assurance provided.

0.45 ↑ from 0.31

DIMENSION 2

Scope

The boundaries of the engagement — whether systems or disclosures are tested, forward-looking coverage, and breadth of capitals and accountability principles.

0.26 ↑ from 0.24

DIMENSION 3

Extent

The range of procedures employed — controls testing, analytical procedures, substantive testing, and use of subject matter experts.

0.49 ↑ from 0.36

KEY FINDINGS

Growth in assurance — but uneven progress

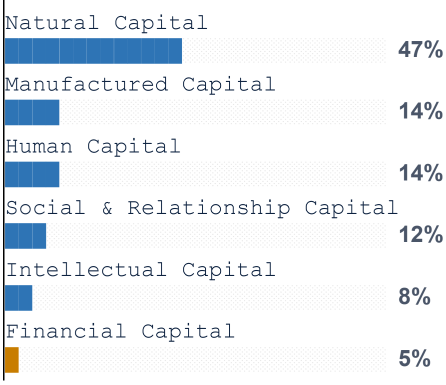
Between 2015 and 2023, the volume of assured sustainability information grew dramatically — from 517 to 2,294 subject matters — and the overall assurance score rose from 0.28 to 0.36. But progress has been uneven.

Nature and extent improved substantially. Greater use of recognised frameworks (ISAE 3000), stronger ethics and independence statements, and broader test procedures all advanced meaningfully.

Scope has barely moved. Assurance remains focused on historical, environmental data. Forward-looking information and underlying systems are rarely covered — a structural gap ISSA 5000 must address.

Limited assurance dominates. Independence/ethical statements rose from

CAPITAL COVERAGE — SHARE OF ASSURED SUBJECT MATTERS (2023)



45% to 85%, yet limited assurance remained the norm throughout the period.

Natural capital leads, but diversity is increasing. Environmental disclosures still account for the largest share (47% in 2023, down from 61% in 2015), while human and manufactured capital coverage grows.

Provider landscape: Audit firms conducted more than 55% of sustainability assurance engagements globally in 2023 (down from 63% in 2019). Co-assurance — where the same firm audits both financial statements and sustainability information — rose from 65% to 76%.

JURISDICTIONAL COMPARISON

Regional profiles: similar patterns, different strengths

Assurance profiles are broadly similar across the three regions studied, with all three recording higher scores for nature and extent than for scope. The comparatively low scope scores are a cross-regional pattern — not a local one.

ASIA-PACIFIC	EUROPE	AMERICAS
Highest Nature Score	**Highest Extent Score**	**Lowest across all dimensions**
Strongest performance on framework quality, ethics statements and assurance characteristics. 30 companies across China, Japan, India, South Korea, Australia and others.	Broadest application of assurance procedures. Higher assurance rates likely reflect anticipation of mandatory ESRS requirements. Firms in France, Germany and Italy are almost exclusively assured by audit firms (>95%).	Strong reporting momentum but less consistent assurance adoption. The gap with other regions is modest — the low scope score is a shared global challenge.
30 companies	**34 companies**	**56 companies**

IMPLICATIONS FOR ISSA 5000

What this means as ISSA 5000 is implemented

Sustainability assurance has made real progress in scale and maturity. The critical challenge ahead is ensuring that growth in activity is matched by development in breadth and quality — particularly in the scope dimension, where progress has been minimal.

→ **Scope is the central gap.** Assurance must move beyond historical environmental data to encompass forward-looking information, underlying systems, and a fuller range of capital types. ISSA 5000 can set that expectation.

→ **Reporting infrastructure matters.** The academic literature reinforces that meaningful assurance depends on organisations having robust data systems, internal controls and governance structures in place before engaging external assurors.

→ **Combined assurance deserves greater attention.** External assurance is one part of a broader ecosystem. Coordinating internal audit, specialist verification and external providers — with active audit committee oversight — can strengthen the overall reliability of sustainability information.

→ **Provider diversity requires consistent quality floors.** With both audit firms and specialist consultants using different standards, a consistent quality baseline is essential if stakeholders are to place comparable reliance on different assurance reports.

> **The bigger picture:** The academic literature reviewed for this report — 182 sources published between 1990 and 2024 — consistently warns that assurance used symbolically, without meaningful engagement with underlying systems and forward-looking performance, may give stakeholders false confidence. ISSA 5000 offers an opportunity to set expectations that prevent this outcome.

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