

Sustainability Assurance Standards – Bridging Document

Prepared for Sustainability Assurance Users

2025

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About AccountAbility

AccountAbility is a global consulting and standards firm that works with businesses, governments, investors, and multi-lateral organizations to advance responsible business practices and improve long-term performance. **Since 1995**, we have been helping corporations, nonprofits, and governments embed ethical, environmental, social, and governance accountability into their organizational DNA.

At the core of AccountAbility's work is the AA1000 Series of Standards based on the principles of:

- ***Inclusivity*** – People should have a say in the decisions that impact them.
- ***Materiality*** – Decision makers should identify and be clear about the sustainability topics that matter.
- ***Responsiveness*** – Organizations should act transparently on material sustainability topics and their related impacts.
- ***Impact*** – Organizations should monitor, measure, and be accountable for how their actions affect their broader ecosystems.

The **AA1000 Assurance Standard (AA1000AS v3)**, released in August 2020, is an internationally recognized, freely available standard that provides the requirements for AccountAbility-licensed assurance providers to conduct high-quality sustainability assurance on the application of the AA1000 AccountAbility Principles (AA1000AP, 2018) by reporting organizations.

The **AA1000 AccountAbility Principles Standard (2018)** is a globally accepted, principles-based framework that outlines the foundational AccountAbility Principles.

The **AA1000 Stakeholder Engagement Standard (2015)** is a tried and true methodology, designed to enable organizations to respond to stakeholders in a comprehensive and balanced way to material issues, impacts, and opportunities.

Acknowledgements

The AccountAbility Standards Board approves the standards strategy and oversees the ongoing development of the Standards used by institutions worldwide. The **composition of the Board** is designed to provide broad representation from the public and private sectors, civil society, and the standards community.

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The AccountAbility Standards Board is grateful for the stakeholders who supported the Sustainability Assurance Standards Bridging Document through authorship, critical review, subject matter content, project coordination, design guidance, and other valuable inputs.

Purpose of this Bridging Document

In a world where sustainability is increasingly at the forefront of corporate and public policy agendas, the significance of credible, robust sustainability assurance cannot be overstated. As various regions worldwide move towards mandatory sustainability disclosure requirements, the role of comprehensive and reliable assurance standards becomes increasingly critical.

For over two decades, two global standards, AccountAbility's AA1000 Assurance Standard (**AA1000AS v3**) and the IAASB's International Standard on Assurance Engagements (**ISAE3000**), have been pivotal in this space.

However, despite their importance, the differing terminologies, methods, and sources of these standards have led to confusion among practitioners, organizations, and stakeholders alike. This document is intended to provide clarity and understanding of the current landscape, highlighting the similarities and differences between AA1000AS v3 and ISAE3000, and ultimately paving the way for more effective use of each standard.

This Bridging Document is intended for assurance providers, policy makers, and reporting companies. It can be used to understand the comparability and complementarity of the two standards.

The main takeaway of this review is that while ISAE 3000 excels in data verification, ensuring the accuracy and reliability of information presented in reports, AA1000AS v3 takes a different approach. Instead of seeking compliance for data to be comparable to traditional financial audits, AA1000AS v3 offers sustainability assurance that provides a more stakeholder-centric assurance of an organization's adherence to the AccountAbility Principles, aiming to ensure that the organization is effectively managing sustainability performance.

Release of the ISSA5000

The International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, herein known as ISSA5000, was released in late 2024 with supporting documents released in January 2025. The ISSA5000, which shares attributes of ISAE 3000 and therefore can be regarded as the successor of ISAE 3000, has been developed to provide the market with a specific standard to be used in the assurance of sustainability disclosures.

This document is not intended to be used to compare the AA1000AS v3 v the ISSA5000. Future comparisons between the two will be released later. This document is to assist those who are comparing the AA1000AS v3 and the ISAE3000.



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Assurance Standards for Sustainability Reports - AA1000AS v3 versus ISAE 3000

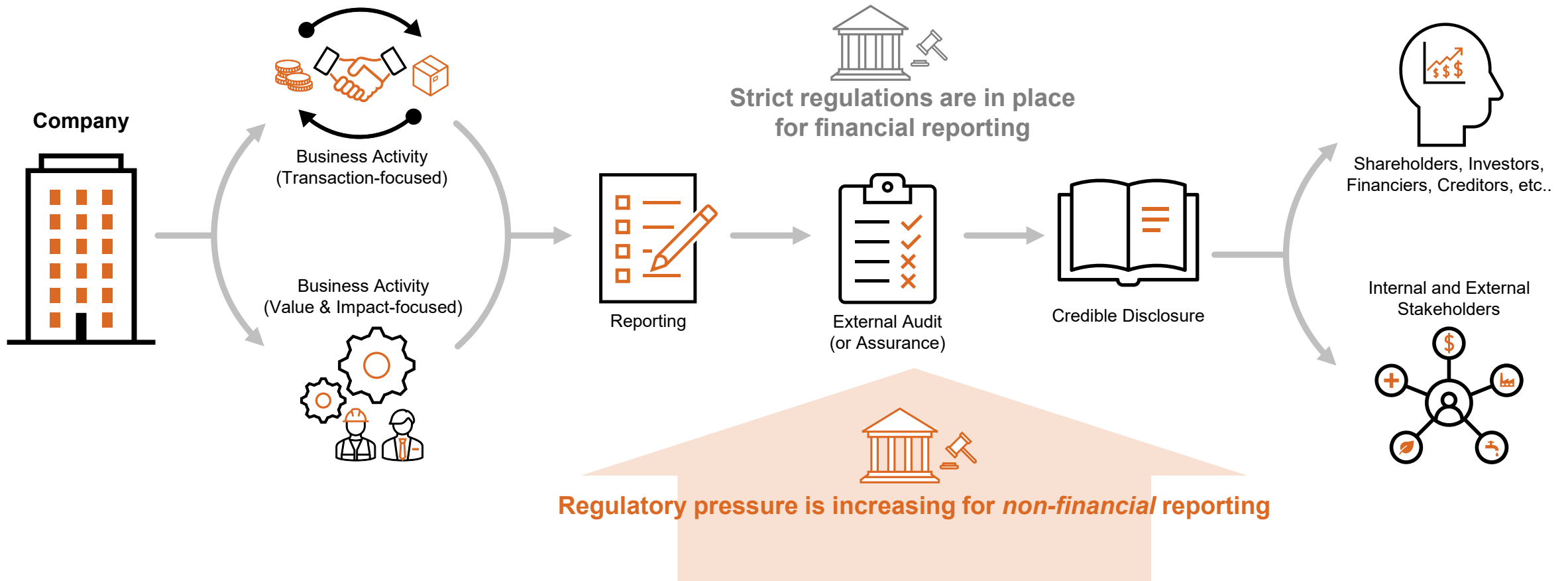
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AA1000AS v3 and ISAE 3000 Terminology Comparison

Why is Sustainability Reporting and Assurance Important?

Understanding and addressing stakeholder needs (customers, employees, investors) is key to sustaining consistent financial performance. Stakeholders care about sustainability, which is driving the need for more transparent, reliable and accurate sustainability (non-financial) disclosures. Assurance standards ensure the credibility of this non-financial information.

- Strong financial performance hinges on meeting stakeholder needs regarding sustainability.
- Companies require reliable reporting on sustainability practices for effective decision making.
- Assurance standards are crucial for guaranteeing the trustworthiness of non-financial information.



Accountability and Transparency of Material Issues

Companies use sustainability reporting to disclose ESG (environmental, social, governance) performance to stakeholders. This transparency builds trust and supports improved business performance and stakeholder confidence.

Sustainability reporting should reflect the material topics facing the organization, as determined through stakeholder engagement. This materiality focus serves as a platform for accountability and transparency around the sustainability issues that matter.



Assured Sustainability Reports Lead to Better Stakeholder Outcomes

Standardized reporting allows stakeholders to understand, translate and compare companies' environmental, social, and governance (ESG) performance for informed decision-making.

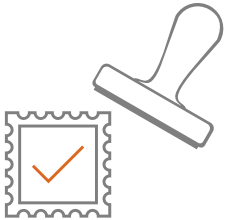
- ESG information is used for investment, financing, and other strategic decisions.
- Consistent reporting is crucial for stakeholders to understand and track ESG performance.
- Assurance by independent third-parties using globally recognized standards, AA1000AS v3 and ISAE3000 builds trust and reliability in reported data.



Step 1: Standardized Sustainability Reporting

Sustainability disclosures should enable readers to:

- ▶ Understand the ambition of the company's sustainability strategy and what they mean by "sustainable behavior"
- ▶ Recognize how the company is planning, executing, and monitoring its sustainable behavior responsibly
- ▶ Assess the financial, environmental, and socioeconomic performance of the reporting company and test the credibility of the data collection methods used; and
- ▶ Effectively use the information for analyzing past trends, comparing against peers, and projecting the future performance and impact of the company.



Step 2: Assure the Sustainability Report

Assurance of sustainability disclosures should verify that the report serves its intended disclosure purpose by endorsing that the report is prepared based on the following:

- ▶ Proper selection of businesses, internal and external entities, products and services, segmentations of markets and customers, and other stakeholders to cover the company's sustainability context comprehensively;
- ▶ Appropriate approaches and efforts to identify and include report topics that can represent all the relevant and significant financial, environmental, and socioeconomic impacts that the company gets or creates;
- ▶ Credible policies, procedures, and controls that ensure that the information and statements included in the disclosure can be verified and used by readers for their needs; and
- ▶ Unbiased, complete, and balanced ways of providing information that enables the readers to establish a holistic view of the reporting organization's sustainability practices, performance, and impact.



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AA1000AS v3 and ISAE 3000 Terminology Comparison

Comparing Two Leading Sustainability Assurance Standards

This document compares AA1000 Assurance Standard and ISAE 3000, the two leading standards used to ensure the credibility of sustainability reporting.

- AA1000 and ISAE 3000 are the globally recognized standards for assuring sustainability reports.
- This comparison focuses on their coverage areas, terminology, and required steps.



Assurance Standards for Sustainability Reports

Two Standards have emerged as the de facto guiding resources for assuring non-financial sustainability information: AccountAbility's AA1000 Assurance Standard v3 (2020) and the IAASB's ISAE 3000 (2015).



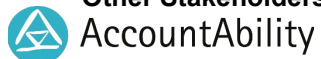
AA1000 Assurance Standard v3 (2020)

The AA1000AS v3 is the most recent edition of AccountAbility's sustainability assurance standard. This “sustainability-reporting-specific” assurance standard defines four categories of assurance based on the *Scope* of information included in the assurance engagement (Type 1 and Type 2) and the *Confidence* Level of the assurance findings and conclusions (High and Moderate). Regardless of which Type, and Level of assurance is provided, the AA1000AS requires assurance providers to assess and determine whether the sustainability report adheres to the four AA1000 AccountAbility Principles: *Inclusivity*, *Materiality*, *Responsiveness*, and *Impact*.



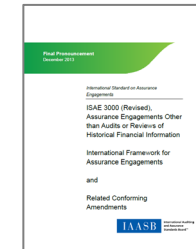
- ▶ Standard provided by AccountAbility
- ▶ First introduced in 2003 and the latest update released in 2020.
- ▶ The world's first assurance standard that is specifically targeted for assuring sustainability disclosures.

- ▶ Adopted widely among different types of assurance providers: Consultancies, certification providers, as well as certified financial audit professionals
- ▶ Targeted to benefit all types of stakeholders:
 - **Management:** By providing insights for the management of sustainability within reporting organizations;
 - **Practitioners:** By endorsing the activities, systems, and controls are working as effectively as planned;
 - **Report Users:** By ensuring the accuracy, balance, completeness, and timeliness of the sustainability information disclosed; and
 - **Other Stakeholders:** By promoting more sustainable and accountable business practices.



International Standard on Assurance Engagements (ISAE) 3000 (Revised)

ISAE 3000 is a set of guidelines for checking the accuracy of reports, released by the International Auditing and Assurance Standards Board (IAASB), with its most recent update being in December 2013 for use starting from December 2015. This assurance standard provides guidance for assurance practitioners when conducting assurance engagements on non-financial information, including sustainability reporting. Similar to AA1000AS v3, ISAE 3000 (Revised) also defines different levels of assurance, such as Reasonable Assurance and Limited Assurance, based on the scope and nature of the assurance engagement. These levels of assurance provide stakeholders with varying degrees of confidence in the information being reported.



- ▶ Standard provided by IAASB
- ▶ First introduced in 2005, and the latest update released in 2015
- ▶ Assurance standard primarily used by certified financial audit professionals
- ▶ Mainly targeted to benefit the report users, by providing accurate, balanced, complete, and timely information for them to use for their decision-making regarding the reporting organization
- ▶ Not specifically targeted for sustainability disclosures*

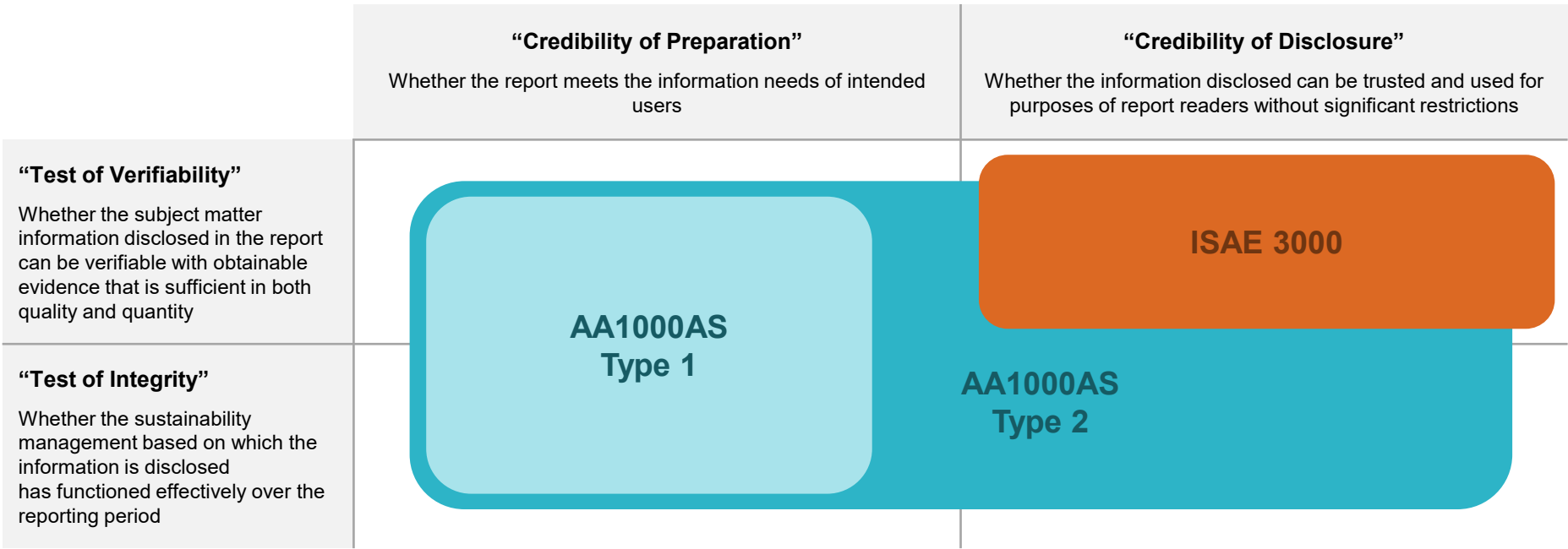
* *International Standard on Sustainability Assurance (ISSA) 5000, which shares attributes of ISAE 3000 and therefore can be regarded as the successor of ISAE 3000, is currently under development by IAASB.*

Differentiating the “Type” of Assurance in AA1000AS and ISAE 3000

AA1000 Assurance Standard emphasizes stakeholder needs for reported information in addition to information reliability, while ISAE 3000 focuses solely on information reliability.

AA1000 promotes stakeholder inclusivity by ensuring that the reported information meets stakeholder expectations.

The major difference regarding the focus areas of AA1000AS and ISAE 3000 can be illustrated by how each standard defines the ‘Type’ of assurance that can be given using the standards.



- ▶ ISAE 3000 assurance highly focus on endorsing how objectively credible the information disclosed, and do not differentiate the assurance “Type”
- ▶ Type 2 AA1000AS assurance can be understood to be extensions of Type 1 assurance, in terms of coverage over different aspects of sustainability reporting

***Disclaimer:**
This page illustrates a conceptual comparison. The terminology used on this page (Verifiability, Integrity, Credibility, etc..) is not based on the actual usage in AA1000AS v3 and ISAE 3000 (Revised).

Assuring Sustainability Reports based on AA1000AS v3 – “Type” of Assurance

AA1000AS v3 defines the scope (what's assessed) and types (levels) of assurance for sustainability reporting.

- Scope defines what aspects of sustainability performance are evaluated and the criteria against which they are assessed (information, timeframe).
 - Type 1 assures adherence to the four AA1000 Principles for managing and communicating sustainability.
 - Type 2 builds on Type 1, adding verification of information reliability and quality.

Scope of Assurance

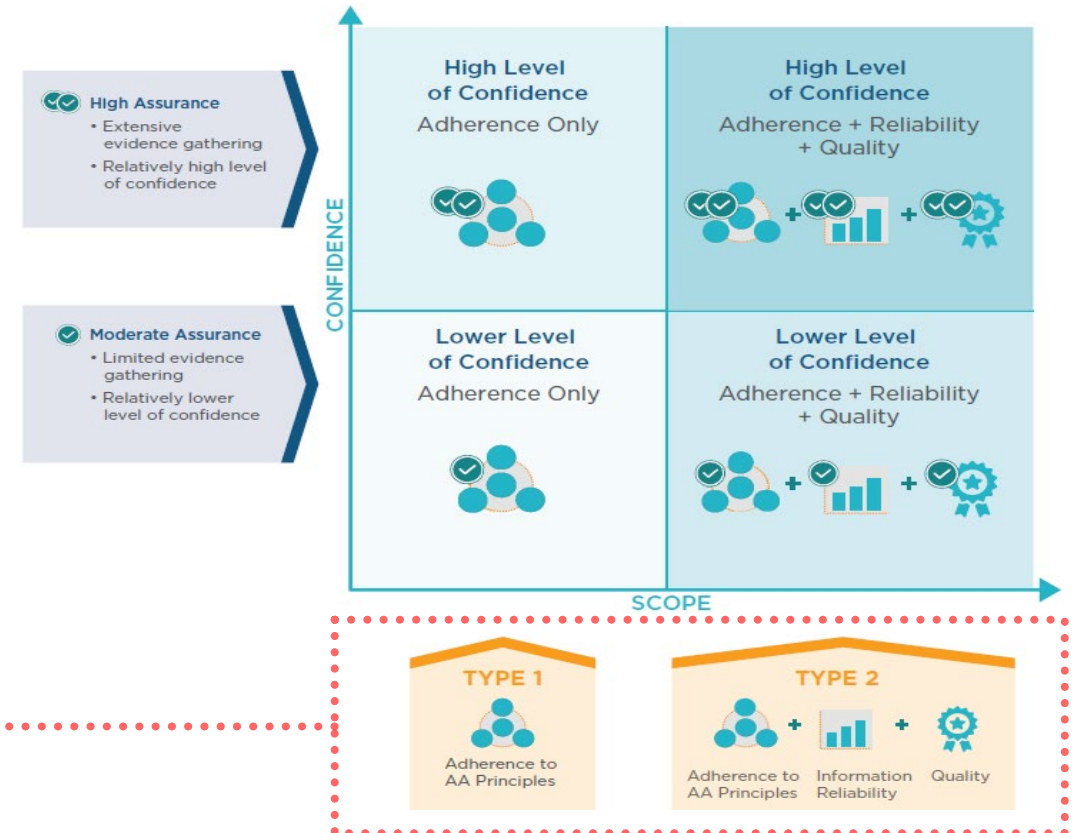
► Type 1 assurance can be given if:

- The extent of the organization's adherence to all four AccountAbility Principles (Inclusivity, Materiality, Responsiveness, and Impact - found in the AA1000AP, 2018) are reviewed and assessed.
- Type 1 assurance focuses on assuring that the organization properly manages sustainability performance and that it is adequately communicated in sustainability disclosures.

► Type 2 assurance can be given if:

- Requirements of Type 1 assurance are satisfied.
- The reliability and quality of specified sustainability performance and information are assessed by reviewing, examining, and testing the evidence/reporting procedures that the disclosures are based on.

Types of AA1000AS v3 Engagement (Source: AA1000AS v3)



Assuring Sustainability Reports based on AA1000AS v3 – Type 1 Assurance

AA1000AS Type 1 Assurance evaluates a company's adherence to AA1000 Principles by examining context, processes, and performance in sustainability. This assurance reviews:

- Company operations and sustainability practices.
- Three key areas to determine adherence and application of all four Principles: Context (situation of the company), Process (actions of the company), and Performance (results of these actions) related to sustainability.

Three lines of questions to assure an organization's adherence to the Principles

	 INCLUSIVITY People should have a say in the decisions that impact them	 MATERIALITY Decision-makers should identify and be clear about the sustainability topics that matter	 RESPONSIVENESS Organizations should act transparently on material sustainability topics and their related impacts	 IMPACT Organizations should monitor, measure, and be accountable for how their actions affect their broader ecosystems
CONTEXT On the current management thinking, priorities, and resources of the organization	<ul style="list-style-type: none"> ▶ Is the highest governing body committed to engaging stakeholders? ▶ Is stakeholder engagement conducted organization-wide? ▶ Does the organization have the right infra (e.g., people, knowledge, budget, etc..)? 	<ul style="list-style-type: none"> ▶ Are employees and management of the organization familiar with and well-trained in determining material sustainability topics? ▶ Does the organization have the right infra (e.g., people, knowledge, budget, etc..)? 	<ul style="list-style-type: none"> ▶ Is the highest governing body committed to responding to stakeholder concerns? ▶ Are stakeholder concerns addressed by organization-wide functions (e.g., strategy development, risk assessment, compliance management, etc..)? ▶ Does the organization have the right infrastructure (e.g., people, knowledge, budget, etc..)? 	<ul style="list-style-type: none"> ▶ Is senior management involved in measuring and managing the organization's impact? ▶ Is the impact assessment incorporated into the organization's key management procedures? (e.g., materiality assessment, strategy development, goal setting, etc..) ▶ Does the organization have the right infrastructure (e.g., people, knowledge, budget, etc..)?
PROCESS On procedures, processes, and systems	<ul style="list-style-type: none"> ▶ Has the organization documented/specified its stakeholder engagement processes? ▶ Does the organization have specific tools for stakeholder engagement? ▶ Are the engagements and communications with stakeholders documented? 	<ul style="list-style-type: none"> ▶ Have the material topics been determined by suitable and identified thresholds? ▶ Is the relevance of a topic determined in relation to objective sustainability criteria? ▶ Has any proper scenario analysis been used for developing narratives, targets, and metrics for forward-looking material topics? 	<ul style="list-style-type: none"> ▶ Are the external stakeholder views and impact considered in prioritizing concerns to be responded to? ▶ Does the organization respond and communicate with stakeholders on an ongoing basis and timely manner? 	<ul style="list-style-type: none"> ▶ Has the organization defined a methodology to perform impact assessment? ▶ Does the organization measure and manage impact through adequate processes that can be assured externally? ▶ Does the organization conduct qualitative, quantitative, or monetized impact measurement?
PERFORMANCE On how the management context and results affect the performance of the organization	<ul style="list-style-type: none"> ▶ Does the organization have any measures/metrics for its stakeholder engagement performance? ▶ Are such performances publicly disclosed? 	<ul style="list-style-type: none"> ▶ Are the processes, methodologies, and results of understanding and prioritizing material sustainability topics disclosed publicly? 	<ul style="list-style-type: none"> ▶ Does the organization collect feedback from stakeholders regarding how appropriately it addresses their needs, concerns, and expectations? ▶ In communicating with stakeholders, has the organization used suitable reporting principles, frameworks, and guidelines, for the comparability of information? 	<ul style="list-style-type: none"> ▶ Are there specific disclosures used by the organization to communicate Impact with stakeholders?

Assuring Sustainability Reports based on AA1000AS v3 – Type 2 Assurance

AA1000 Type 2 Assurance focuses on verifying the trustworthiness of a company's reported sustainability data and information.

- The assurance provider assesses the reliability and quality of reported sustainability information.
- As a result, the assessment should cover both qualitative and quantitative data, including underlying systems, processes, information, and data.

A thorough set of tests on performance information might consist of, but not be limited to, those given below.



RELIABILITY AND QUALITY

- ▶ Has the information been gathered, recorded, compiled, analyzed, and disclosed in a way that, when examined, establishes the quality and Materiality of the information?
- ▶ Can the original source of information be identified?
- ▶ Is there support for assumptions or complex calculations?
- ▶ Is representation available from the original data/information owners attesting to its accuracy within acceptable margins of error and timeliness?



ACCURACY

- ▶ Are data measurement techniques and bases for calculations adequately described, and can they be replicated with similar results?
- ▶ Is the margin of error for quantitative data small enough not to influence the ability of stakeholders substantially to reach appropriate and informed conclusions on performance?
- ▶ Is there an indication of which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found?
- ▶ Is qualitative information valid, based on other evidence reviewed?



COMPLETENESS AND COMPARABILITY

- ▶ Can the organization's behavior/information be compared annually or on other periodic bases?
- ▶ Can the organization's behavior/information be compared to industry peers or comparable organizations?
- ▶ Can the organization's performance be compared with appropriate benchmarks?
- ▶ Can any significant variation in the boundary, scope, length of reporting period, or information covered in the report be identified and explained?
- ▶ Are generally accepted protocols for compiling, measuring, and presenting information used?

Assuring Sustainability Reports based on AA1000AS v3 and ISAE 3000 – LEVELS OF ASSURANCE

Both ISAE 3000 and AA1000 standards use evidence-based assessments to determine a company's reporting accuracy.

- Assurance providers assess evidence quality, depth, and coverage to determine confidence in reported information.
- Both agree that the approval hinges on low risk of misstated information.

	AA1000AS v3	ISAE 3000 (Revised)
Evidence Characteristics Used for Conclusion	<ul style="list-style-type: none"> • Moderate assurance: <ul style="list-style-type: none"> – Limited Evidence Adherence to the AA1000AP (2018): <i>Evidence is issued or compiled from internal sources and parties. Evidence gathering is generally restricted to corporate/ management levels in the organization.</i> – Assessment of specified performance and disclosed information: <i>Limited depth of evidence gathering including inquiry and analytical procedures as well as basic sampling at lower levels in the organization as necessary. Emphasis is on the plausibility of the information.</i> <p>From the limited depth and breadth of evidence gathering when understanding the underlying subject matter, with emphasis on the plausibility of the information and lower extent of assessing disclosed information, the AA1000AS v3 Moderate assurance can be deemed equivalent to the ISAE 3000 Limited assurance level. This assurance level can therefore be called Limited assurance.</p> • High assurance <ul style="list-style-type: none"> – Extensive Evidence Adherence to the AA1000AP (2018): <i>Evidence is from internal and external sources and parties including stakeholders. Evidence is gathered at all levels of the organization.</i> <p>From the extensive depth and breadth of evidence gathering on the underlying subject matter, greater emphasis on identifying areas where subject matter information needs to be scrutinized and higher extent of assessing of disclosed information, the AA1000AS v3 High assurance can be deemed equivalent to the ISAE 3000 Reasonable assurance level. This assurance level can therefore be called Reasonable assurance.</p> 	<ul style="list-style-type: none"> • Limited assurance: <ul style="list-style-type: none"> – The practitioner shall obtain an understanding of the underlying subject matter and other engagement circumstances sufficient to: <ul style="list-style-type: none"> ◦ Enable the practitioner to identify areas where a material misstatement of the subject matter information is likely to arise; and ◦ Thereby, provide a basis for designing and performing procedures to address the areas identified in paragraph 45L(a) and to obtain limited assurance to support the practitioner's conclusion. (Ref: Para. A101–A104, A107) – In obtaining an understanding of the underlying subject matter and other engagement circumstances under paragraph 46L, the practitioner shall consider the process used to prepare the subject matter information. (Ref: Para. A106) • Reasonable Assurance <ul style="list-style-type: none"> – The practitioner shall obtain an understanding of the underlying subject matter and other engagement circumstances sufficient to: <ul style="list-style-type: none"> ◦ Enable the practitioner to identify and assess the risks of material misstatement in the subject matter information; and ◦ Thereby, provide a basis for designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner's conclusion. (Ref: Para. A101–A103, A107) – In obtaining an understanding of the underlying subject matter and other engagement circumstances under paragraph 46R, the practitioner shall obtain an understanding of internal control over the preparation of the subject matter information relevant to the engagement. This includes evaluating the design of those controls relevant to the engagement and determining whether they have been implemented by performing procedures in addition to inquiry of the personnel responsible for the subject matter information. (Ref: Para. A105)

Assuring Sustainability Reports based on AA1000AS v3 – Confidence “Level” of Assurance

AA1000AS offers High and Moderate assurance levels based on evidence gathered and resulting confidence in reported sustainability information.

- **High Assurance:** Extensive evidence gathering leads to high confidence in reported information.
- **Moderate Assurance:** Limited evidence gathering leads to moderate confidence in reported information.

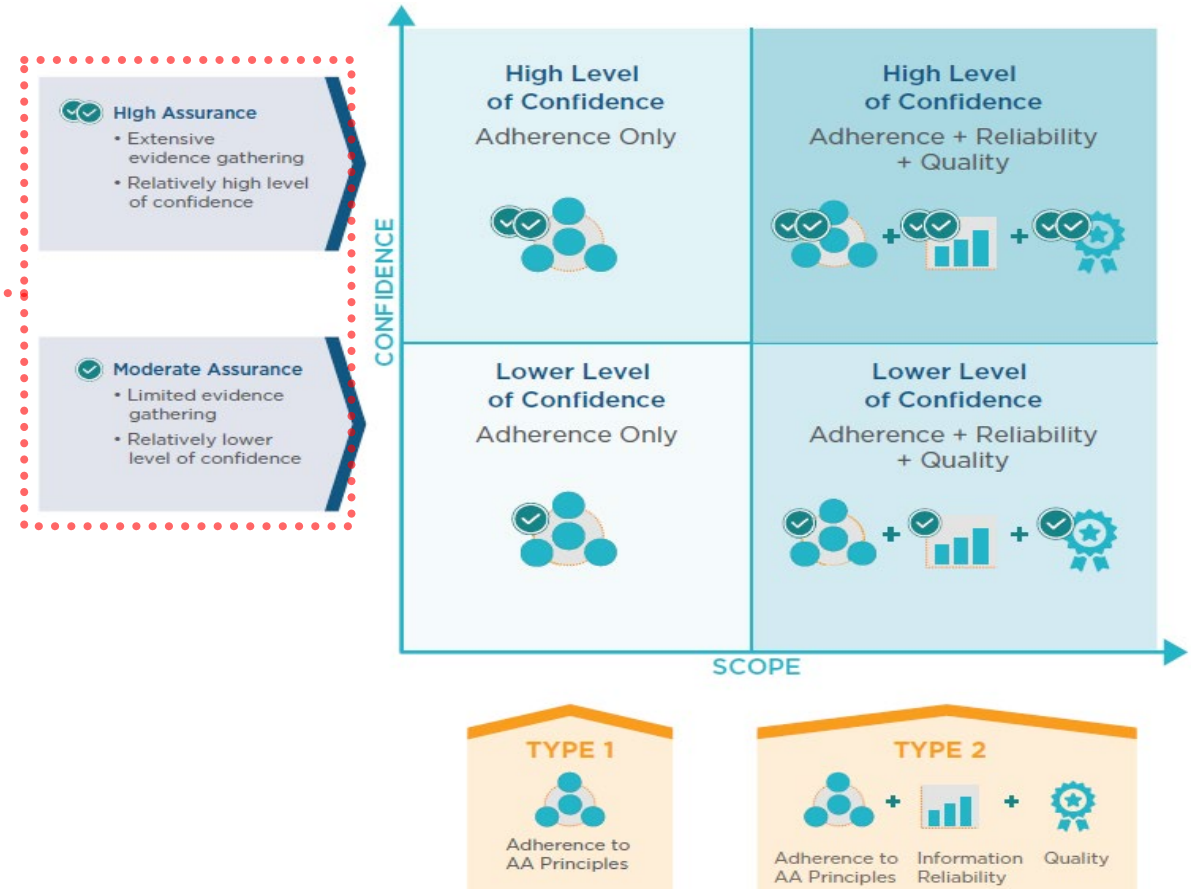
Confidence of Assurance

► “Moderate” level of assurance can be given if:

- Limited scope, number, and cases of evidence for the existence and implementation of procedures, systems, controls, and performances regarding the organization's adherence to the four AccountAbility Principles (AA1000AP, 2018) and specified sustainability performances are collected and reviewed.
- Still, no circumstances raising the concern that the performance and information disclosed were against the facts were found.

► “High” level of assurance can be given if:

- The scope, number, and cases of evidence collected and reviewed are comprehensive enough to represent the existence and implementation of procedures, systems, controls, and performances regarding the organization's adherence to the four AccountAbility Principles (AA1000AP, 2018) and specified sustainability performances.
- No circumstances raising the concern that the performance and information disclosed were against the facts were found.



Assuring Sustainability Reports based on ISAE 3000 – Confidence “Level” of Assurance

ISAE 3000 uses "reasonable" and "limited" assurance to reflect the “level of engagement” in reported information, similar to AA1000's High and Moderate levels.

- **Reasonable Assurance:** High, but not absolute, confidence in reported information.
- **Limited Assurance:** Moderate level of confidence in reported information.

Different levels of ISAE 3000 assurance engagements

► **“Limited”** assurance engagements:

- These are likely to enhance the intended users’ confidence about the subject matter information to a degree that is clearly more than inconsequential.
- In limited assurance engagements, the confidence level in the assurance conclusion that assurance practitioners convey based on the procedures performed and evidence obtained may be less than that of reasonable engagements. However, practitioners still need to be certain that they have not found any matter(s) that drew their attention to believe the subject matter information is materially misstated.

► **“Reasonable”** assurance engagements:

- These are more likely to enhance the intended user’s confidence about the subject matter information to a degree higher than those obtained by limited assurance conclusions.
- In reasonable assurance engagements, the practitioner reduces engagement risk to an acceptably low level in the engagement circumstances as the basis for the practitioner’s conclusion. Therefore, the practitioner’s conclusion is expressed in a form that conveys the practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria.



Process Comparison Between AA1000AS v3 versus ISAE3000

There are three main stages of a sustainability assurance process: determine the preconditions to commence the assurance process, conducting the engagement, and issuing the statement. However, there are differences between the standards on what is required in each of these three stages. AccountAbility has outlined this in more detail in a [Practitioner's Guide: Comparing AA1000AS v3 against the ISAE3000](#).





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	AA1000AS v3	ISAE 3000 (Revised)
Publisher	<ul style="list-style-type: none"> AccountAbility 	<ul style="list-style-type: none"> IAASB (International Auditing and Assurance Standards Board)
Recent Release	<ul style="list-style-type: none"> September 2020 (for use after January 1, 2021) 	<ul style="list-style-type: none"> December 2013 (for use after December 15, 2015)
Objectives of Assurance	<ul style="list-style-type: none"> To obtain assurance about whether the reporting organization is accountable for its holistic sustainability management, performance, and reporting practices, well beyond verifying whether the subject matter data and information disclosed by reporting organization is reliable and of sufficient quality 	<ul style="list-style-type: none"> To obtain assurance about whether the subject matter information disclosed in the reporting organization's report is free from material misstatement
Scope and Subject Matters of the Assurance	<ul style="list-style-type: none"> Scope and Subject Matters of the Assurance differ by type of assurance: <ul style="list-style-type: none"> Type 1: <i>Publicly disclosed information and underlying system and processes the organization has in place to ensure adherence to the AccountAbility Principles.</i> Type 2: <i>In addition to Type 1, the specific sustainability performance information to be agreed between the assurance provider</i> 	<ul style="list-style-type: none"> Scope of Subject Matters to be assured are to be agreed between the assurance provider and the engaging party (limited to specific performance information in the sustainability report).

AA1000AS v3 and ISAE 3000 Terminology Comparison

	AA1000AS v3	ISAE 3000 (Revised)
Levels of Assurance	<ul style="list-style-type: none"> • Two levels of assurance: High and Moderate (or a combination) <ul style="list-style-type: none"> – High level of assurance: <i>The assurance provider achieves High assurance where sufficient evidence has been obtained to support their statement such that the risk of their conclusion being in error is very low but not zero. Triangulation of information has been carried out, such as through independent/external data sources, market recognized databases, or Artificial Intelligence. High assurance will provide users with a relatively high level of confidence in an organization's disclosures on the subject matter to which it refers.</i> <div> <p><i>From the extensive depth and breadth of evidence gathering when understanding the underlying subject matter, greater emphasis on identifying areas where subject matter information needs to be scrutinized and greater extent of assessing disclosed information, the AA1000AS v3 High assurance can be deemed equivalent to the ISAE 3000 Reasonable assurance level.</i></p> <p>A high level of assurance can therefore be called Reasonable assurance.</p> </div> – Moderate level of assurance: <i>The assurance provider achieves Moderate assurance where limited evidence has been obtained to support their statement. Moderate assurance will provide users with a relatively lower level of confidence in an organization's disclosure on the subject matter to which it refers to.</i> <div> <p><i>From the limited depth and breadth of evidence gathering when understanding the underlying subject matter, with emphasis on the plausibility of the information and lower extent of assessing of disclosed information, the AA1000AS v3 Moderate assurance can be deemed equivalent to the ISAE 3000 Limited assurance level.</i></p> <p>A moderate level of assurance can therefore be called Limited assurance.</p> </div> 	<ul style="list-style-type: none"> • Two levels of assurance: Limited and Reasonable <ul style="list-style-type: none"> – Reasonable level of assurance: <i>An assurance engagement in which the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner's conclusion.</i> <i>In Reasonable assurance, the practitioner's conclusion is expressed in a form that conveys the practitioner's opinion on the outcome of the measurement or evaluation of the underlying subject matter against certain criteria.</i> – Limited level of assurance: <i>An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a Reasonable assurance engagement. A limited level of assurance expresses a conclusion in a form that conveys, based on the procedures performed and evidence obtained, whether a matter(s) has come to the practitioner's attention to cause the practitioner to believe the subject matter information is materially misstated.</i> <i>The nature, timing, and extent of procedures performed in a Limited assurance engagement is are limited compared with that necessary in a Reasonable assurance engagement but is are planned to obtain a level of assurance that is, in the practitioner's professional judgment, meaningful. To be meaningful, the level of assurance obtained by the practitioner is likely to enhance the intended users' confidence about the subject matter information to a degree that is clearly more than inconsequential.</i>

Conclusion

For over two decades, two global standards, AccountAbility's AA1000 Assurance Standard (AA1000AS) and the IAASB's International Standard on Assurance Engagements (ISAE3000), have been pivotal in the sustainability / ESG assurance space.

This Bridging Document brings clarity to the differing terminologies, methods, and advantages of each of these standards to practitioners, organizations, and stakeholders alike. Assurance providers, policy makers, reporting companies, and anyone interested and concerned about the sustainability assurance landscape can use this document to understand the comparability and complementarity of the two standards.

The conclusion of this document is that while ISAE 3000 excels in data verification, ensuring the accuracy and reliability of information presented in reports, AA1000AS v3 takes a different approach. Instead of seeking compliance for data to be comparable to traditional financial audits, AA1000AS v3 offers sustainability assurance that provides a more stakeholder-centric assurance of an organization's adherence to the AccountAbility Principles, aiming to ensure that the organization is effectively managing sustainability performance.

THANK YOU

AccountAbility is providing this information overview for discussion purposes.

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Practitioner Guide: Comparison of Sustainability Standards AA1000AS V3 and ISAE3000

Prepared for Sustainability Assurance Users

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Process Comparison Between AA1000AS v3 and ISAE3000

This document outlines the differences between the AA1000AS v3. It is divided into three sections to show the detailed comparison between each standard throughout the three stages of the process; the preconditions to be considered when accepting an AA1000AS v3 engagement, how to conduct an engagement in accordance with the standard, and issuing the final Assurance Statement and optional Report to Management.



Step 1: Understanding the Preconditions for Both Standards



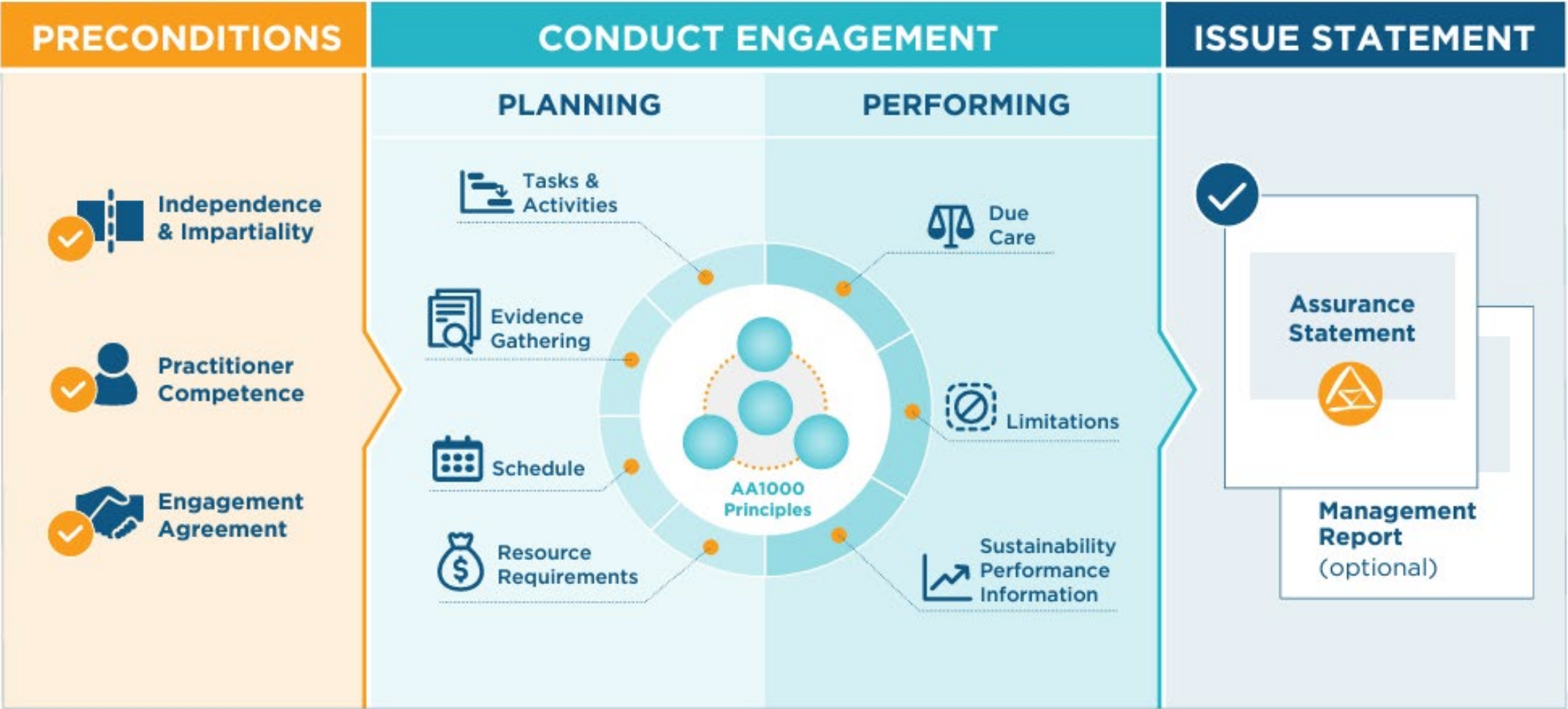
Step 2: Develop a Detailed Engagement Plan to Conduct the Assessment



Step 3: Issuing the Statement

Introduction: The AA1000AS v3 Assurance Process

The AA1000AS v3 Assurance Process is outlined below. While the ISAE3000 follows the same three stages of an assurance process, the specific details underneath each standard are different. This document specifically outlines how these standards differ and when best to use each.



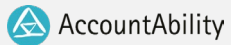


Preconditions

Before Conducting the Engagement

Assuring Sustainability Reports – Preconditions for Both Standards

Before starting any assurance engagement (AA1000AS or ISAE 3000), key requirements must be met, including provider independence, practitioner competence, and a proper engagement agreement.



AA1000AS v3

Ensuring the satisfaction of assurance preconditions

For the AA1000AS v3 to effectively serve its purpose of assuring the credibility of a sustainability disclosure and the organization publishing the report, the standard provides preconditions that must be satisfied.

These preconditions cover requirements for assurance providers to comply with and essential requirements regarding the assurance engagement itself that must be satisfied.

Checking whether all the preconditions are met is the first step of all assurance engagements, and ensuring the continued satisfaction of those preconditions is the key to conducting the engagement.



Engagement Environment Check

Ensure the adequacy of the Engagement Agreement

- ✓ Are the following adequate for the assurance serve the purpose of reporting organization?
 - ▶ Responsibilities and Expectations of the reporting organization and assurance provider
 - ▶ Scope of the engagement
 - Boundary(entities) to be included in the assurance engagement
 - Type of engagement
 - Level of confidence
 - ▶ Subject matter to be assured through the engagement and assurance criteria to be used.



Ethical Requirements Check

Ensure the Independence & Impartiality of Assurance Provider

- ✓ Do we have any existing relations with the reporting organization? (e.g., financial, commercial, personal, etc.)
- ✓ Do we have any protocols/codes that ensure our independence from the reporting organization?



Practitioner Capability Check

Ensure the Competence of Assurance Practitioner

- ✓ Does the practitioner have proper competencies in all the following matters?
 - ▶ Assurance oversight mechanisms
 - ▶ Understanding of the legal implications of assurance
 - ▶ Adequate systems for delivery of assurance
- ✓ Do our practitioners have proper competencies in all the following matters?
 - ▶ The AccountAbility Principles
 - ▶ Application of Reporting & Assurance practices / standards
 - ▶ Sustainability subject matter
 - ▶ Stakeholder Engagement



ISAE 3000

Determining the preconditions

Like the AA1000ASv3 assurance engagements, assurance engagements in accordance with the ISAE 3000 start with determining the preconditions and agreeing on the scope of the engagement.

Determining the preconditions should be based on the preliminary knowledge of engagement circumstances.

The ISAE 3000 defines the engagement circumstances as Relevant Characteristics of the Preparer and their Environment, Characteristics of underlying subject matter, Measurement or Evaluation Criteria, Terms of Engagement, Level of Assurance, and Information needed by intended users.



Engagement Environment Check

Determine whether the preconditions for an assurance engagement are relevant enough to accept or continue the engagement

- ✓ Are roles and responsibilities of the following parties suitable?
 - ▶ Responsible Parties
 - ▶ Measurers or Evaluators
 - ▶ Engaging Parties
 - ▶ Others
- ✓ Are the criteria applied suitable in terms of the following for the engagement circumstances?
 - ▶ Relevance to the intended users' decision making
 - ▶ Completeness
 - ▶ Reliability
 - ▶ Neutrality
 - ▶ Understandability
- ✓ Are characteristics of the underlying subject matter suitable in terms of the following?
 - ▶ Subject matter is identifiable;
 - ▶ Capable of consistent measurement or evaluation against the applicable criteria; and
 - ▶ Can be subjected to procedures for obtaining sufficient appropriate evidence



Ethical Requirements Check

Ensure the Independence and other ethics of Assurance Provider

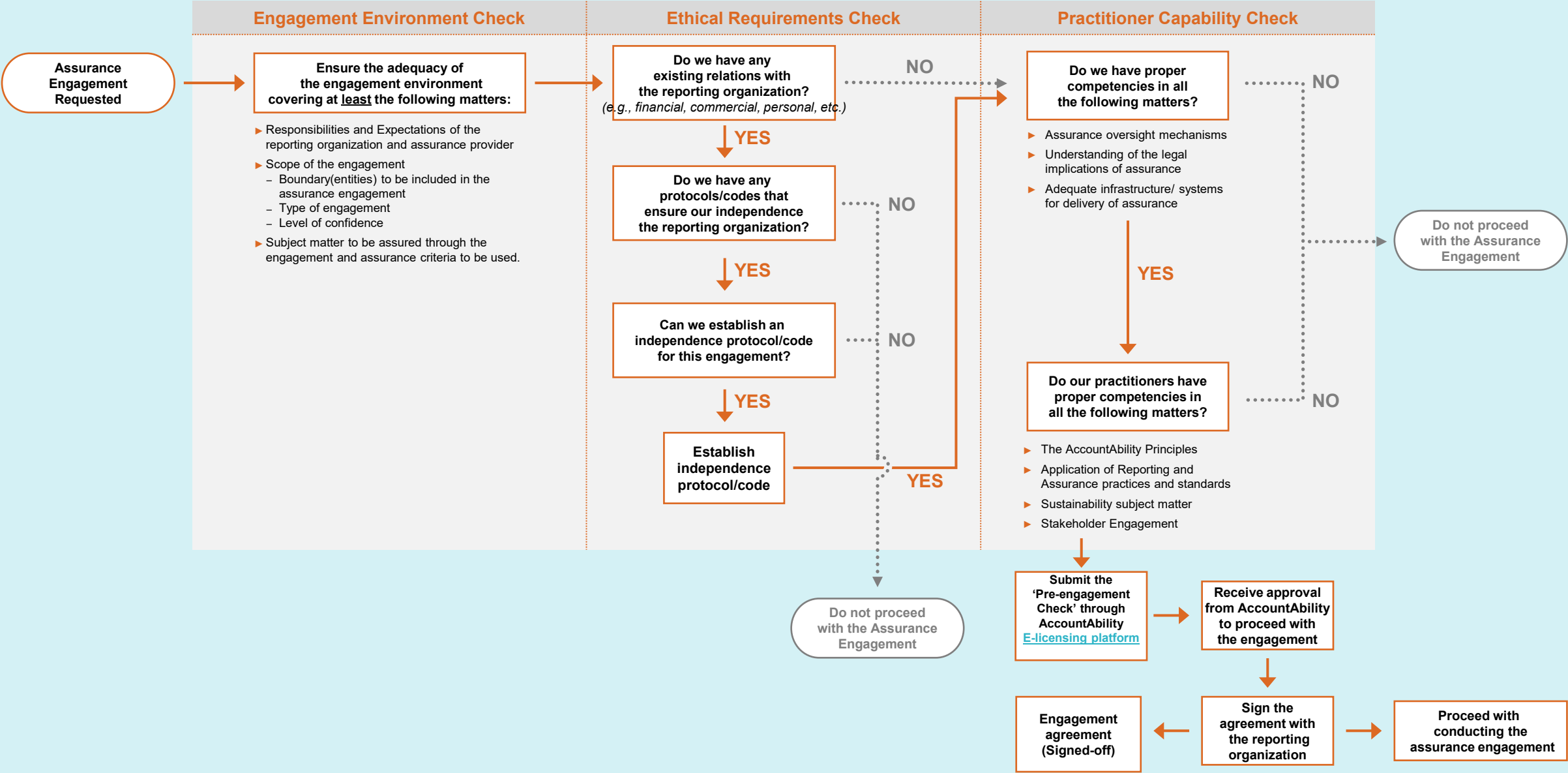
- ✓ Are all ethical requirements (including independence) satisfied?



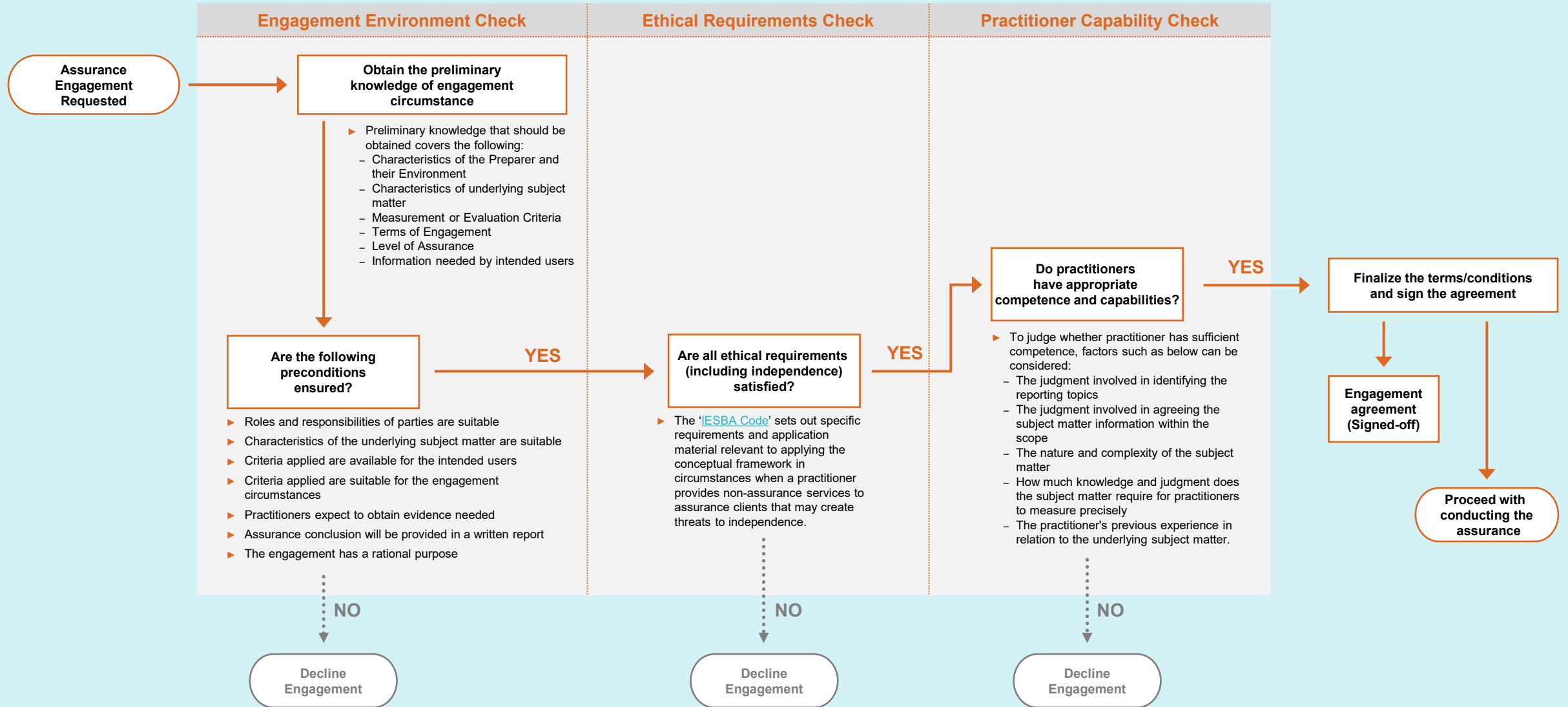
Practitioner Capability Check

Ensure the Competence of Assurance Practitioner

- ✓ Do practitioners have appropriate competence and capabilities?



ISAE 3000 Flow Chart - PRECONDITIONS



Assuring Sustainability Reports based on AA1000AS v3 - PRECONDITIONS

	AA1000AS v3	ISAE 3000 (Revised)
Ethical Requirements	<ul style="list-style-type: none"> Licensed assurance providers involved in assurance engagements complete a license agreement and must operate in accordance with and be bound by the AA1000AS v3 Code of Practice (See appendix D of the AA1000AS v3, pages 41-42). Values associated with this commitment deepen and reinforce assurance professionalism and effectiveness, while safeguarding the high-quality and ethical application of the AA1000AS v3. Criteria related to the Code of Practice includes topics such as independence, impartiality, avoidance of conflict of interest, assurance engagement due care, diligence, honesty, and objectivity, guaranteeing necessary knowledge, skills, competencies, and capabilities. 	<ul style="list-style-type: none"> The members of the engagement team and the engagement quality control reviewer are subject to the <u>Code of Ethics for Professional Accountants</u> issued by the International Ethics Standards Board for Accountants (IESBA Code) related to assurance engagements, or other professional requirements, or requirements in law or regulation, that are at least as demanding. The Code establishes fundamental principles with which the practitioner is required to comply. These are related to integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour, among others. A conceptual framework applies in certain situations to professional accountants in public practice regarding conflicts of interest, second opinions, fees and other types of remuneration, marketing professional services, gifts and hospitality, custody of client assets, objectivity, and independence.
Quality Control / Management	<ul style="list-style-type: none"> The AA1000AS v3 requires AccountAbility licensed assurance providers to follow a robust process prior to issuing assurance statements to reporting companies in order to ensure quality and transparency. The licensee shall cooperate with AccountAbility, in good faith, by providing all information that AccountAbility may reasonably require in order to ascertain adherence with the AA1000AS v3 requirements administered through the <u>AA1000AS v3 e-licensing platform</u>. All assured reports are added to a public web list on the AccountAbility Standards website, accessible via – https://www.accountability.org/standards/aa1000-assurance-standard/aa1000as-reports/. License agreement requires the licensee to ensure that the sustainability assurance services supplied by it, and its use of the AA1000AS v3 and the AA1000AS v3 statement marking, adhere to and conform in all respects with the AA1000AS v3 requirements, and all other requirements in respect of the sustainability assurance services which may be established from time to time by AccountAbility. If AccountAbility has reason to suspect that the licensee has breached the AA1000AS v3 requirements, AccountAbility shall give notice in writing to the licensee specifying the suspected breach and, if the breach is capable of remedy, requiring it to be remedied. Where remediable, the licensee shall remedy the breach as soon as possible and shall submit to AccountAbility a corrective action plan setting out the actions that the licensee will take to prevent repetition of the breach. 	<ul style="list-style-type: none"> Firm- level quality: The Assurance practitioner must be a member of a firm that is subject to <u>ISQM 1</u> (International Standard on Quality Management) or stricter. ISQM 1 applies to all firms that perform engagements under the IAASB's international standards. ISQM 1 deals with a firm's responsibilities to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements. ISQM 1 is to be read in conjunction with relevant ethical requirements. Law, regulation or relevant ethical requirements may establish responsibilities for the firm's management of quality beyond those described in the ISQM 1. ISQM 2 is another standard setting out the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities regarding the performance and documentation of an engagement quality review.

Assuring Sustainability Reports based on AA1000AS v3 - PRECONDITIONS

	AA1000AS v3	ISAE 3000 (Revised)
Competence and Skills of Assurance Providers	<ul style="list-style-type: none"> • An assurance provider shall accept an assurance engagement only if it possesses the necessary competencies to deliver all aspects of the assurance engagement. • The assurance provider should ensure that the individual assurance practitioners, as well as any relevant external experts involved in the assurance engagement are, at a minimum, demonstrably competent in the following areas: <ul style="list-style-type: none"> – <i>The AccountAbility Principles</i> – <i>Application of Reporting and Assurance practices and standards</i> – <i>Sustainability subject matter (including the specific subject matter of the engagement)</i> • Stakeholder Engagement if the AA1000SES will be used to assess adherence to the AccountAbility principle of Inclusivity, at least one of the assurance practitioners should be familiar with the application of the standard. • <u>The AccountAbility Certified Sustainability Assurance Practitioner (CSAP) qualification</u> ensures that the individuals involved in the assurance engagement are demonstrably capable and proficient. The qualification is highly recommended for practitioners. The CSAP qualification enables practitioners to develop, validate, and communicate their competence in a systematic manner. There are three grades of CSAP qualification: <ul style="list-style-type: none"> – <i>Associate</i> – <i>Practitioner</i> – <i>Lead</i> • These qualification grades make it easier for organisations to identify credible assurance practitioners and improve stakeholder confidence in the expertise of the sustainability assurance professionals being engaged. 	<ul style="list-style-type: none"> • Measures related to Professional Accountants in Public Practice: • Competency Requirements regarding competency, such as education and experience benchmarks for entry to membership, ongoing continuing professional development, and life-long learning requirements. • The engagement partner shall have competence in assurance skills and techniques developed through extensive training and practical application, and sufficient competence in the quantification and reporting of emissions, to accept responsibility for the assurance conclusion and be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, including in the quantification and reporting of emissions and in assurance, to perform the assurance engagement in accordance with this ISAE. • The IESBA Code requires the professional accountant in public practice to agree to provide only those services that the professional accountant in public practice is competent to perform. The practitioner has sole responsibility for the assurance conclusion expressed, and that responsibility is not reduced by the practitioner's use of the work of a practitioner's expert. • ISQM 1 requires the firm to establish policies and procedures for the acceptance and continuance of client relationships and specific engagements, designed to provide the firm with reasonable assurance that it will only undertake or continue relationships and engagements where the firm is competent to perform the engagement and has the capabilities, including time and resources, to do so.

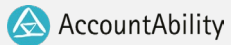


Conduct Engagement

Develop the Engagement Plan

Assuring Sustainability Disclosure – CONDUCTING THE ENGAGEMENT

Once the preconditions are met and the engagement agreement is signed, the assurance providers must make a detailed engagement plan, which outlines all the activities to be performed, the evidence required, the timeline, and the resources needed for implementation.



AA1000AS v3

Planning and Performing the assurance engagement

Once the preconditions are satisfied, the assurance provider shall document the plan that will ensure the effective conducting and credible result of the assurance engagement.

The assurance plan should, at least, include the key resource requirements, evidence to be gathered, tasks, activities, deliverables, and timeline in an Engagement Plan.

After the assurance plan is set, assurance practitioners should strive to reduce assurance engagement risk (control risk, inherent risk, and detection risk) to an acceptably low level.

Also, assurance providers should understand the subject matter and other circumstances sufficiently to identify the risk of material misstatement and to perform further evidence-gathering.



Plan the Assurance

Define and document the assurance plan

- ✓ Does the plan at least answer the following questions?
 - ▶ Who will be assigned for this assurance?
 - ▶ What are their roles and responsibilities?
 - ▶ Which assurance criteria will be used?
 - ▶ What kind of evidence and how much will be gathered?
 - ▶ What are the expected risks, and how will the assurance team mitigate those risks?
- ✓ Is the assurance plan realistic and sufficient to achieve the objective?



Conduct the Assurance

Request the information and assess whether the information collected substantiates the targeted AA1000AP adherence and Subject Matters

- ✓ Are at least the following conditions included in the information request?
 - ▶ Finalized report should be submitted by the reporting organization
 - ▶ Sampling protocols and procedures can be employed per type and level of assurance to be provided
 - ▶ Information requests may include not only documented evidence of disclosed information but also of underpinning policies, processes, systems, and controls
- ✓ Does submitted information meet at least the following criteria?
 - ▶ **Clarity:** The information should be commonly understandable by reasonable professionals
 - ▶ **Balance:** The information should be believable to be unbiased and represent the whole aspects and contexts of the subject matter
 - ▶ **Completeness:** The information should cover all relevant landscapes (e.g., relevant boundaries, activities, systems, performances, etc.)
 - ▶ **Timeliness:** The information should be relevant to the reporting organization's activities or performances that occurred during the disclosure period



Prepare the Assurance Statement

Make sure that the assurance statement is ready to be published

- ✓ Is the pre-issuance self-check completed?
- ✓ Is the Unique Assurance Provider License Number and Logo obtained?



ISAE 3000

Planning and Conducting the assurance engagement

Like the AA1000ASv3 assurance engagements, once the preconditions are determined, the practitioner shall plan the engagement so that it will be performed in an effective manner.

Once the engagement plan is established, practitioners should obtain the evidence that can support the statement regarding the subject matter in the report.

Then, the practitioners should evaluate whether sufficient evidence is collected and whether all collected evidence is adequate to support the subject matter.



Plan the Assurance

Set up the engagement plan

- ✓ Were the following matters considered in setting the plan?
 - ▶ Materiality of the information
 - ▶ Any actual or alleged misstatement or non-compliance
 - ▶ Internal audit function of the report preparer
 - ▶ Use of any external experts



Conduct the Assurance

Perform procedures to identify misstatements

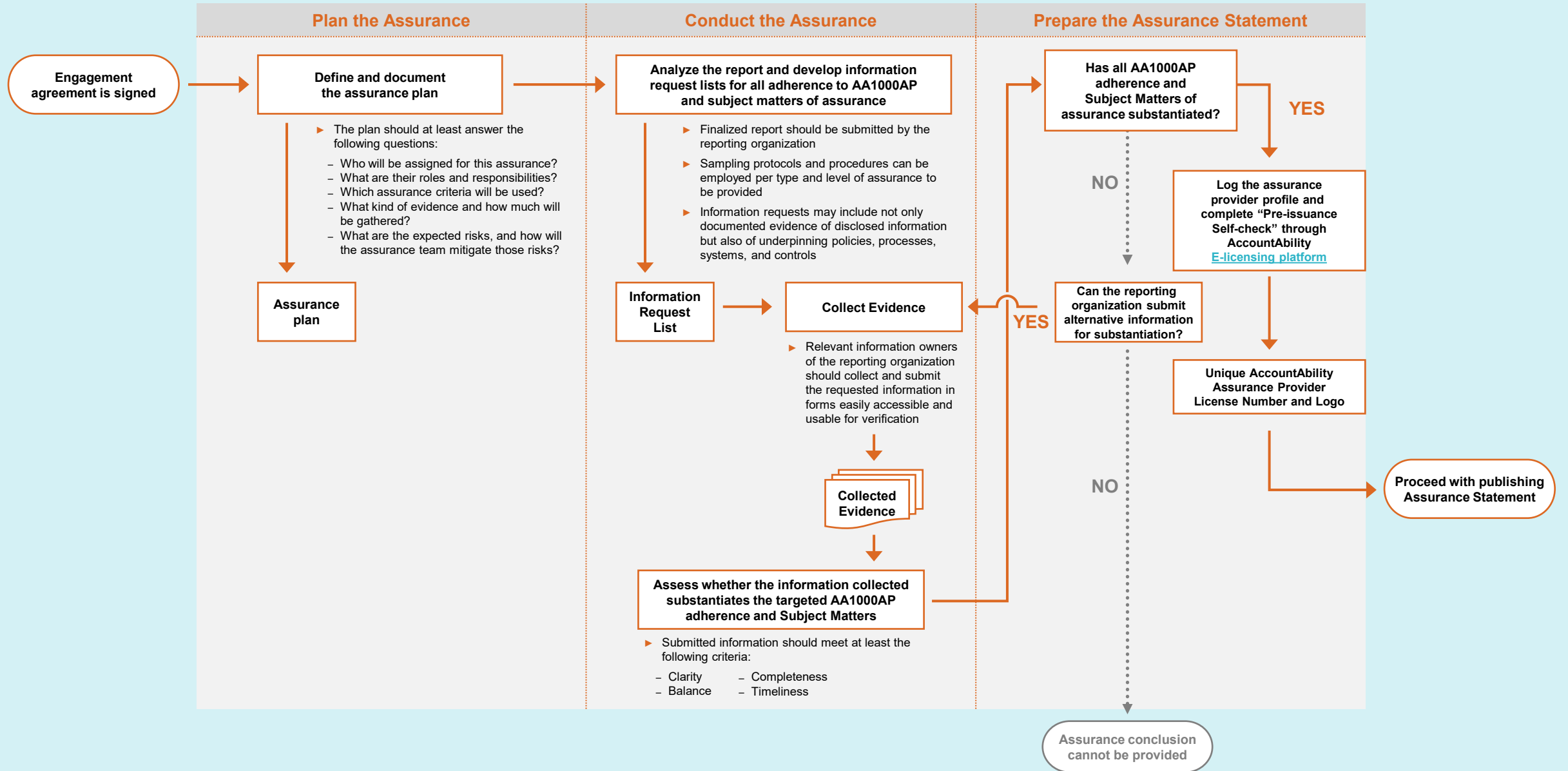
- ✓ Does the disclosure include any misstatements?
 - ▶ If NO, is sufficient evidence for the statements able to be obtained?
 - ▶ If YES, has the preparer corrected all misstatements?
 - If NO, are the misstatements material? AND,
 - Is the aggregate impact of misstatements pervasive?



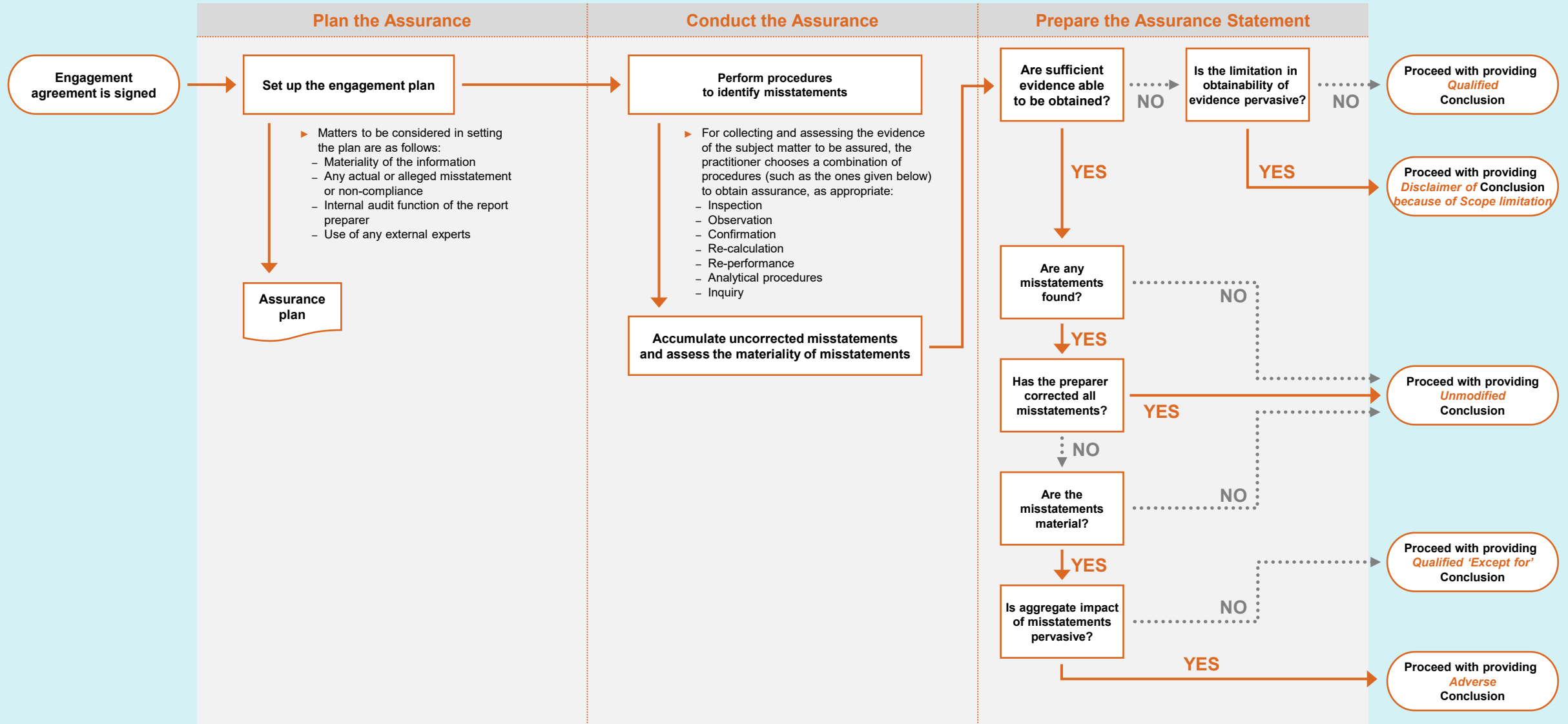
Prepare the Assurance Statement

Make sure that the assurance statement is ready to be published

- ✓ Based on the evaluation of sufficiency and adequacy of evidence collected, which conclusion among the following can be given?
 - ▶ Unmodified Conclusion
 - ▶ Qualified Conclusion
 - ▶ Qualified 'Except for' Conclusion
 - ▶ Adverse Conclusion



ISAE 3000 Flow Chart - CONDUCTING THE ENGAGEMENT





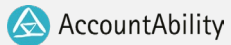
Formal Statement

Issue the Assurance Statement

Assuring Sustainability Reports - ISSUE ASSURANCE STATEMENT

Assurance providers assess company processes, evidence, and data to determine the reliability of reported information, by talking to the company's employees, reviewing their processes, etc. A formal statement summarizes the findings and limitations to guide readers in using the information.

- Providers assess processes, evidence, and data to verify information reliability.
- A formal Assurance Statement details scope, type, methods, limitations, results, findings, and conclusions.
- This statement helps readers assess the trustworthiness of the reported information.



AA1000AS v3

Issuing Assurance Statement

The deliverable of an Assurance Engagement is an official statement documented by the assurance provider that summarizes the scope assured, criteria used, methodology employed, and conclusions made for the engagement.

The conclusion of an Assurance statement is the endorsement that the sustainability disclosure is adequately prepared and properly presented for its readers to use for their decision-making.

Moreover, the statement indicates the engagement conducted by the assurance provider was proper and sufficient to provide such endorsement to the report.



Prepare the Assurance Statement Issue an assurance statement

- ✓ Are the following contents included in the statement?
 - ▶ Intended users of the statement
 - ▶ Scope of assurance (Subject matters, type/ level of assurance, and responsibilities of assurance provider/reporting organization, etc.)
 - ▶ Reference to assurance criteria used
 - ▶ Description of assurance methodology
 - ▶ Independence and Competencies
 - ▶ Limitations and mitigation approaches used
 - ▶ Findings and conclusions
 - ▶ Recommendations to address deficiencies
 - ▶ Name of assurance provider
 - ▶ Assurance statement number and logo



Finalize the Engagement Deliver the issued statement and log the disclosure with assurance statement in the AccountAbility platform

IAASB

ISAE 3000

Preparing Assurance Report

After the engagement is conducted, practitioners should provide assurance conclusions to the report preparers and intended users based on their evaluation of the sufficiency and adequacy of the evidence collected through the engagement.

The practitioner's conclusion should be included in the assurance report. In the assurance report, additional information that is not intended to detract from the practitioner's conclusion can be included. Such information includes any Emphasis on Matter, Other Matter, findings related to particular aspects of the engagements, or recommendations.

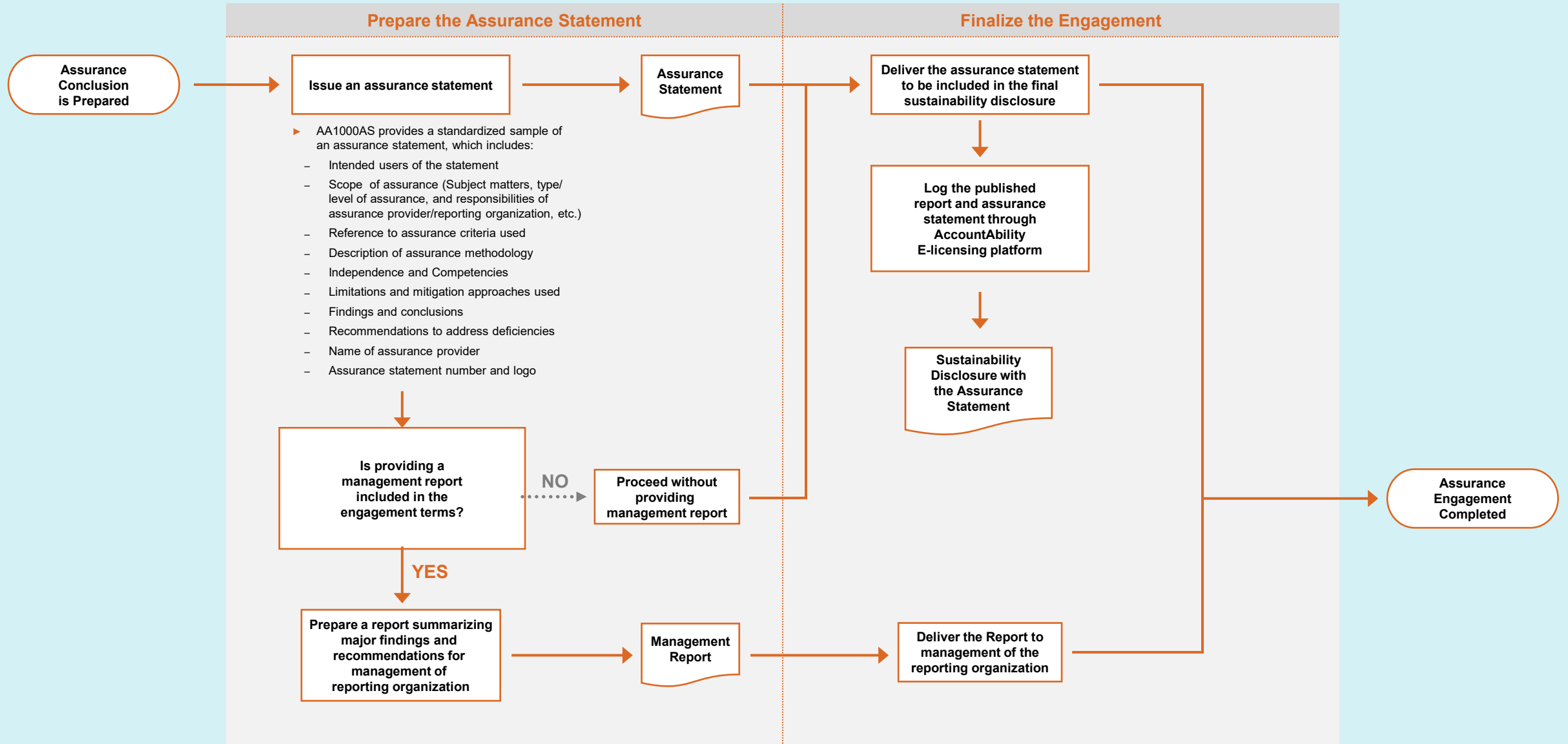


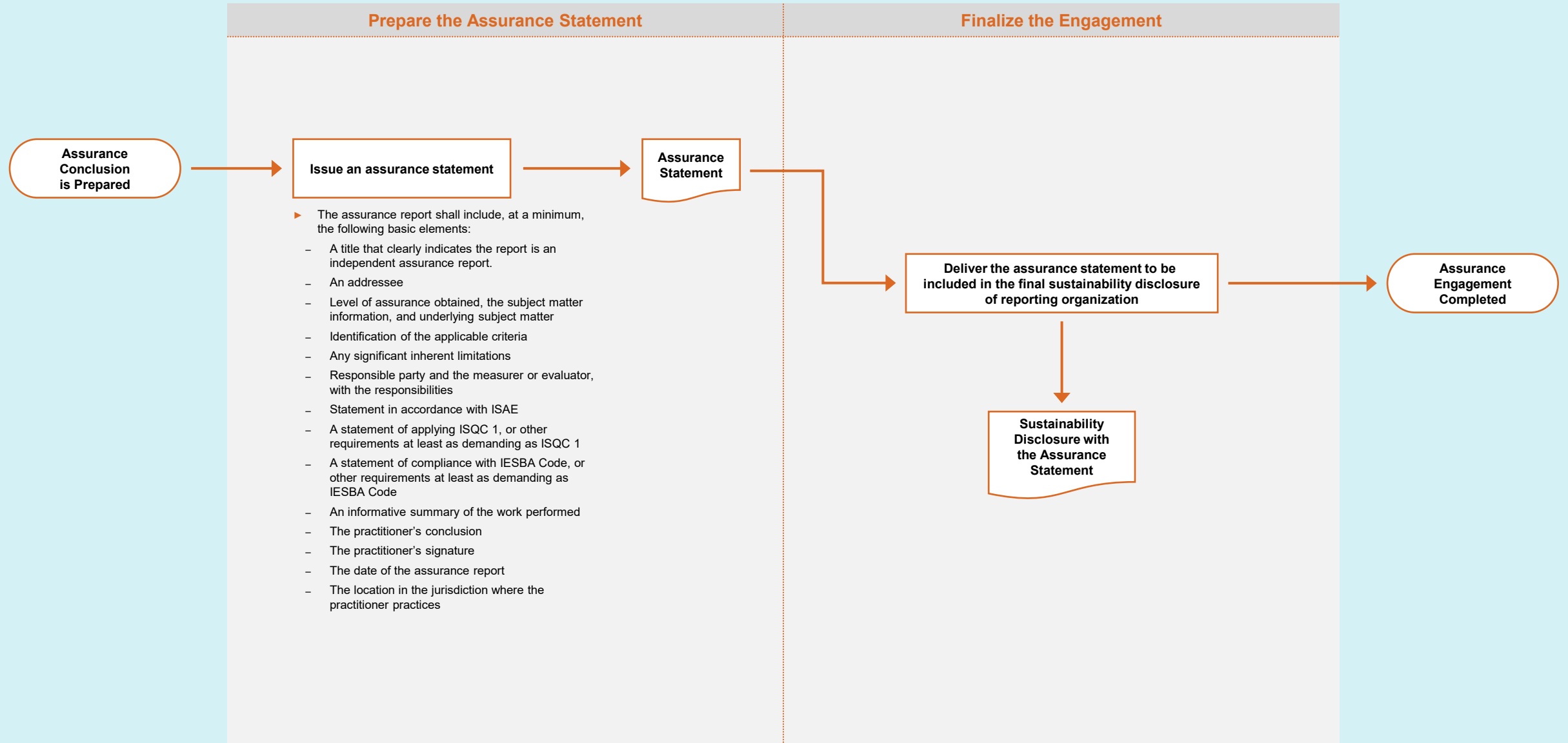
Prepare the Assurance Statement Issue an assurance statement

- ✓ Are the following contents included in the statement?
 - ▶ A title that clearly indicates the report is an independent assurance report
 - ▶ An addressee
 - ▶ Level of assurance obtained, the subject matter information, and underlying subject matter
 - ▶ Identification of the applicable criteria
 - ▶ Any significant inherent limitations
 - ▶ Responsible party and the measurer or evaluator, with the responsibilities
 - ▶ Statement in accordance with ISAE
 - ▶ A statement of applying ISQC 1, or other requirements at least as demanding as ISQC 1
 - ▶ A statement of compliance with IESBA Code, or other requirements at least as demanding as IESBA Code
 - ▶ An informative summary of the work performed
 - ▶ The practitioner's conclusion
 - ▶ The practitioner's signature
 - ▶ The date of the assurance report
 - ▶ The location in the jurisdiction where the practitioner practices



Finalize the Engagement Deliver the issued assurance statement and finish the engagement



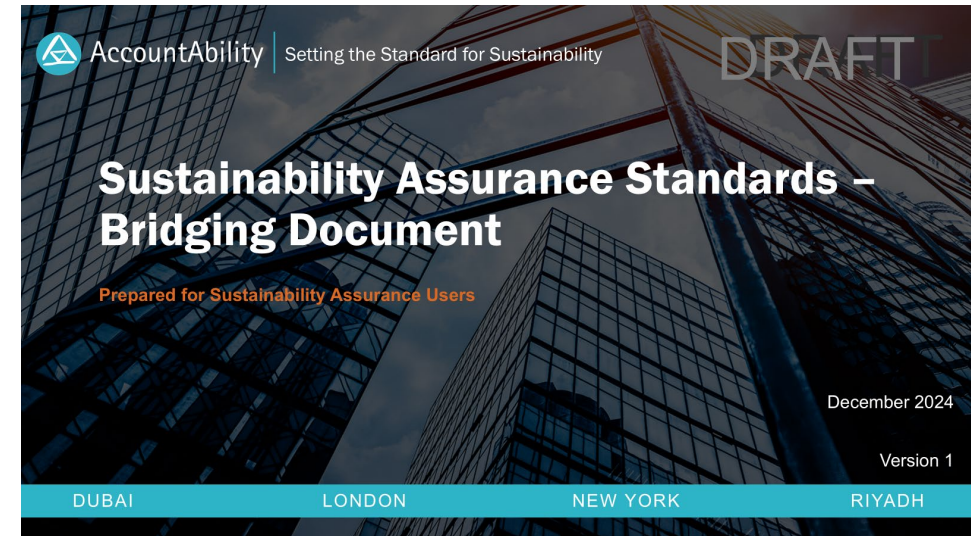


Comparison of AA1000AS v3 and ISAE3000

This document is intended to outline the difference in process steps between the AA1000AS v3 and the ISAE3000.

This process comparison document is intended for assurance providers, policy makers, and reporting companies to show the differences between the three stages of the assurance process for each standard.

For more information and a full analysis of the comparability and complementarity of the two standards, please reference the Sustainability Assurance Standards Bridging Document available on www.accountability.org.



THANK YOU

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