

Sustainability Assurance Standards – Bridging Document

Prepared for Sustainability Assurance Users

Foreword

Dear Intended Users,

AccountAbility celebrates the continued growth and development of the sustainability sector and sustainability-specific assurance standards. We recognize the need for continually updating standards to meet needs of organizations and their stakeholders.

The release of the International Standard on Sustainability Assurance (ISSA 5000) is a timely replacement for the ISAE 3000. AccountAbility has developed this Bridging document and supplementary Process Comparison document to provide a comparison of the AA1000 Sustainability Assurance Standard (AA1000AS) with the ISSA 5000 at each stage of the assurance process. The focus of this Bridging document is to examine the different uses and benefits of each of the standards.

The AA1000AS v3 continues to offer the most extensive assessment of an organization's sustainability strategy and program. The AA1000AS provides a flexible, accessible, and user-friendly framework applicable to organizations of any size or sector, ensuring a comprehensive and forward-looking approach to sustainability management, performance, and reporting. As noted by Farooq and DeVilliers (2020), **the AA1000AS is a tool to promote sustainability within organizations as opposed to mere sustainability report verification.**

The AA1000AS v3 provides a robust methodology for assessing and improving sustainability strategy due to its test of programming and long-term sustainability integration based on the AccountAbility Principles of **materiality, inclusivity, responsiveness and impact.**

What are the main advantages of the AA1000AS v3?

- Provides a forward-looking assessment of the organization's overall sustainability management, performance, and reporting
- Informs risk management by identifying and mitigating sustainability risks
- User friendly and agnostic to size and industry
- Builds stakeholder trust by providing a clear commitment to sustainability and transparency

At AccountAbility, we take pride in our global network of assurance partners who conduct assurance engagements using the AA1000AS v3. These professionals apply their deep sustainability expertise to deliver rigorous, high-quality assessments.

Sustainability indicators can be complex and highly specialized. The AA1000AS v3 empowers qualified sustainability experts to help organizations enhance their sustainability performance and strengthen resilience in the face of internal and external challenges. We believe that sustainability professionals are uniquely equipped to evaluate sustainability data and provide actionable insights, supporting both current needs and future progress. We are proud that our standard is trusted by these experts to guide meaningful change.

We thank our assurance community for their continued partnership and the broader industry for advancing sustainability assurance.

AccountAbility Standards Team
July 2025

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 (AA1000AP 2018)** is a globally accepted, principles-based framework that outlines the foundational AccountAbility Principles.

The **AA1000 Stakeholder Engagement Standard (AA1000SES 2015)** is a robust methodology, designed to enable organizations to respond to stakeholders in a comprehensive and balanced way on material topics, impacts, and opportunities.



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Purpose of this Bridging Document

The rise in corporate reporting and disclosure on non-financial related information has given way to an increase in the need for credible, reliable and robust assurance. To meet this need, for over two decades, both AccountAbility's AA1000 Assurance Standard (AA1000AS v3) and IAASB's International Standard on Assurance Engagements (ISAE 3000) have been pivotal within this space.

In 2024, IAASB announced the introduction of a new International Standard on Sustainability Assurance (ISSA 5000) to come into effect in December 2026 intended for specific use in sustainability assurance engagements. Both AccountAbility's AA1000AS v3 and IAASB's ISSA 5000 have importance yet the differing terminologies, methods, and sources of these standards have led to confusion among practitioners, organizations, and stakeholders alike. To address this ongoing challenge, AccountAbility has developed the following Bridging Document and accompanying Practitioner's Guide to examine the consistency, complementarity, and alignment between these standards. These documents will give users more clarity and understanding of the current landscape, highlighting the similarities and differences between AA1000AS v3 and ISSA 5000, 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. The envisioned use of this document is to understand the comparability of the two standards.

The main takeaway of this review is that while ISSA 5000 excels in using evidence-based assessments to determine the accuracy of sustainability reporting, the **AA1000AS v3 offers sustainability assurance that provides a more stakeholder-centric assurance of an organization's adherence to the AccountAbility Principles of Inclusivity, Responsiveness, Materiality and Impact**, aiming to ensure that the organization is effectively managing sustainability performance.

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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Introduction: Sustainability Reporting and Assurance



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Assurance Standards for Sustainability Reports – AA1000AS v3 versus ISSA 5000



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AA1000AS v3 and ISSA 5000 Terminology Comparison



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Introduction: Sustainability Reporting and Assurance

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Assurance Standards for Sustainability Reports – AA1000AS v3 versus ISSA 5000

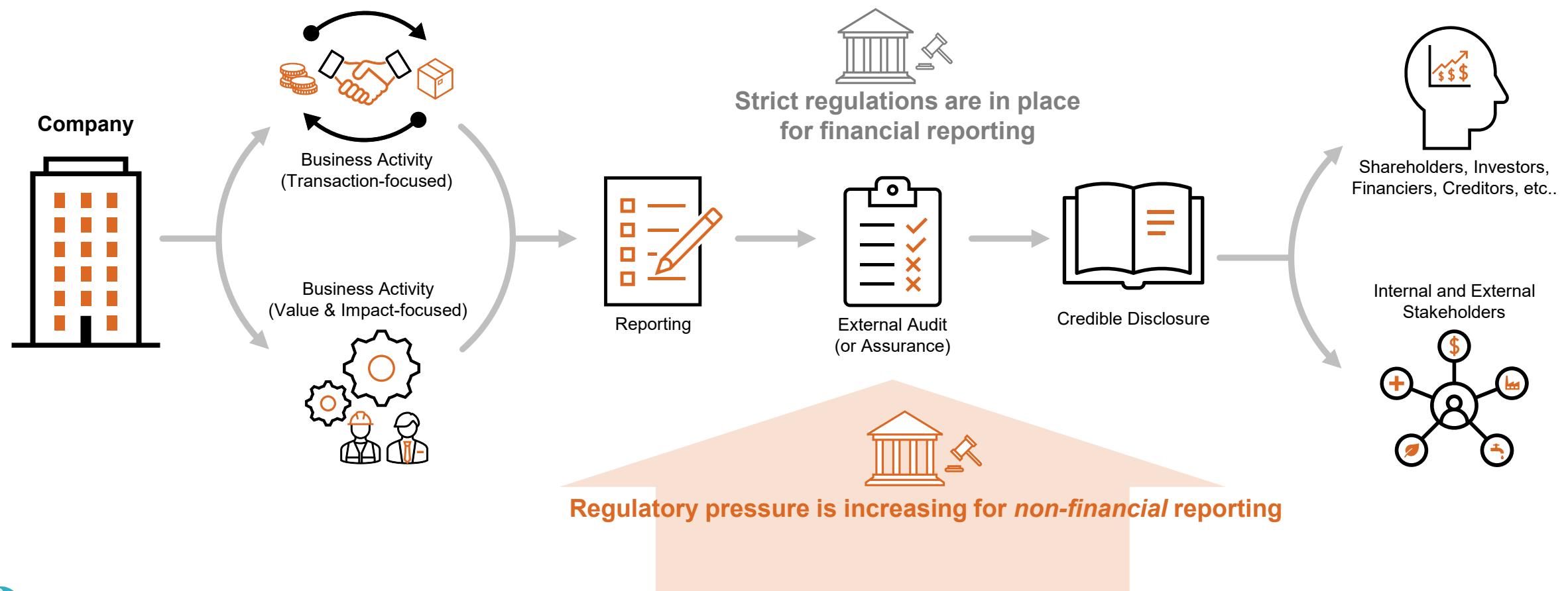
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AA1000AS v3 and ISSA 5000 Terminology Comparison

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 Topics

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 topics 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. This information can be used to inform investment, financing and other strategic decisions. It is important that reporting be consistent so that stakeholders can understand and track ESG performance.

Assurance by independent third-parties using globally recognized standards including the AA1000 Assurance Standard (AA1000AS v3) and ISSA 5000, builds trust and reliability of reported data.

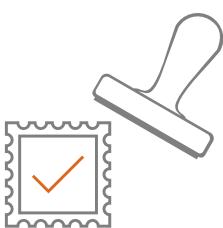
Step 1: Standardize Sustainability Reporting



Sustainability reporting 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 reporting should verify that the report serves its intended reporting purpose by endorsing that it 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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Introduction: Sustainability Reporting and Assurance

Assurance Standards for Sustainability Reports – AA1000AS v3 versus ISSA 5000

AA1000AS v3 and ISSA 5000 Terminology Comparison

Comparing Two Leading Sustainability Assurance Standards

The AA1000AS v3 and ISSA 5000 are both globally recognized standards for assuring sustainability reports.

This document compares the AA1000AS v3 and ISSA 5000, focusing on their coverage areas, differences in terminology, and required steps.



Assurance Standards for Sustainability Reports

Both AccountAbility's AA1000AS and the IAASB's ISSA 5000 are intended to meet growing demand for clarity of sustainability disclosures.



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 Sustainability Assurance (ISSA) 5000

ISSA 5000 is a set of guidelines for checking the accuracy of sustainability reports, released by the International Auditing and Assurance Standards Board (IAASB), with the guidelines to enter into force in December 2026. This assurance standard provides specific guidance for assurance practitioners when conducting assurance engagements on sustainability reports. Similar to AA1000AS v3, ISSA 5000 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 December 2024, to come into effect in December 2026
- ▶ Designed for use by professional accountants and non-accountant assurance practitioners
- ▶ 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
- ▶ Specifically targeted for sustainability reporting

Differentiating the “Type” of Assurance in AA1000AS and ISSA 5000

The AA1000AS v3 emphasizes stakeholder needs for reported information in addition to information reliability, while ISSA 5000 focuses solely on information reliability.

AA1000AS v3 promotes stakeholder inclusivity by ensuring that the reported information meets stakeholder expectations.

The major difference regarding the focus areas of AA1000AS and ISSA 5000 can be illustrated by how each standard defines the ‘Type’ of assurance that can be given using the standards.

	“Credibility of Preparation” Whether the report meets the information needs of intended users	“Credibility of Reporting” Whether the information reported can be trusted and used for purposes of report readers without significant restrictions
“Test of Verifiability” Whether the subject matter information disclosed in the report can be verifiable with obtainable evidence that is sufficient in both quality and quantity	AA1000AS Type 1	ISSA 5000 Limited Assurance Reasonable Assurance
“Test of Integrity” Whether the sustainability management based on which the information is disclosed has functioned effectively over the reporting period	AA1000AS Type 2	

*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 ISSA 5000.

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

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

- **Scope** defines what aspects of sustainability performance are evaluated and the criteria against which they are assessed (information, timeframe).
- **Types:**
 - 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.

Types of AA1000AS v3 Engagement (Source: AA1000AS v3)

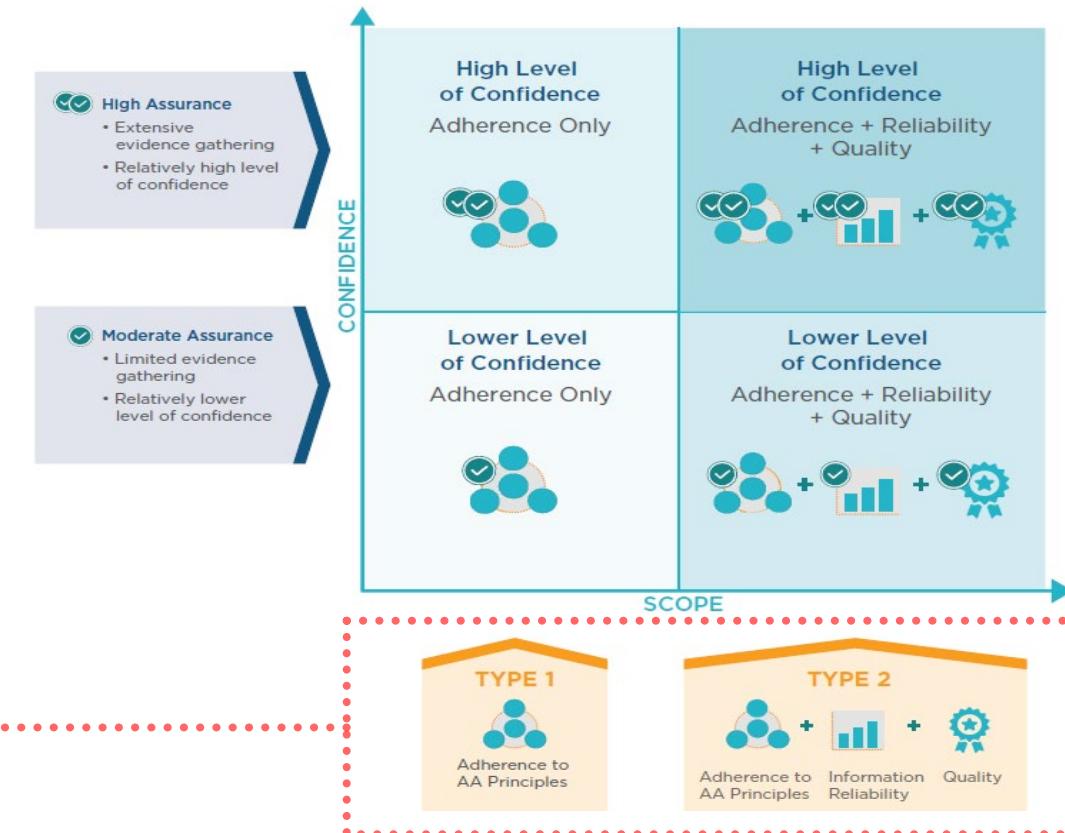
Scope of Assurance

► 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.



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

CONTEXT	 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
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..)?
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?
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 ISSA 5000 – Levels of Assurance

Both ISSA 5000 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.

Evidence Characteristics Used for Conclusion	AA1000AS v3	ISSA 5000
	<ul style="list-style-type: none">• Type 2 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>Evidence gathering emphasis is on the plausibility of the reported 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 Type 2 Moderate assurance can be deemed equivalent to the ISSA 5000 Limited assurance level. This assurance level can therefore be called Limited assurance to meet requirements as set by authoritative bodies.</p>	<ul style="list-style-type: none">• Limited assurance*:<ul style="list-style-type: none">– Engagement risk is reduced to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement. The assurance conclusion is expressed in a form that conveys whether, based on the procedures performed and evidence obtained, any matter(s) have come to the practitioner's attention to cause the practitioner to believe the sustainability information is materially misstated.– In a limited assurance engagement, evidence obtained is sufficient to obtain a level of confidence that is less than in a reasonable assurance engagement but still provides a meaningful level of assurance. To be meaningful, the level of assurance obtained by the practitioner is likely to enhance the intended users' confidence about the sustainability information to a degree that is clearly more than inconsequential. What is meaningful in a particular engagement is a matter of professional judgment and depends on the engagement circumstances. (Ref: ISSA 5000 Para. A211L)– The practitioner designs and performs further procedures responsive to the assessed risks of material misstatement, whether due to fraud or error, at the disclosure level. (Ref: Para. A284–A287, A420–A424)

Assuring Sustainability Reports based on ISSA 5000 – Confidence “Level” of Assurance

ISAE 5000 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.

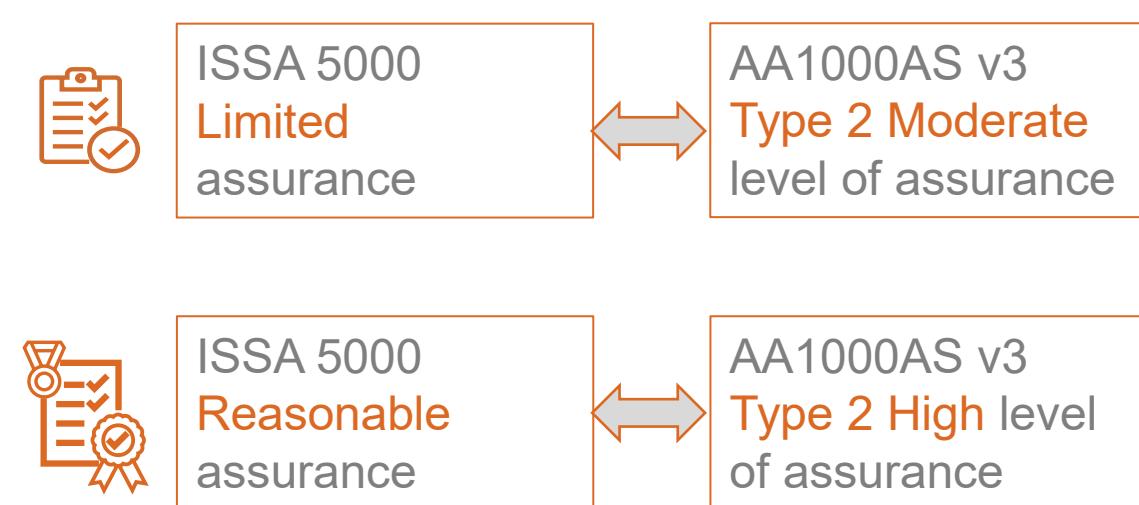
Different levels of ISSA 5000 assurance engagements

► “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 ISSA 5000

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 [Practitioners Guide: Comparing AA1000AS v3 to the ISSA 5000](#).





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Introduction: Sustainability Reporting and Assurance

**Assurance Standards for Sustainability Reports –
AA1000AS v3 versus ISAE 3000**

AA1000AS v3 and ISSA 5000 Terminology Comparison

AA1000AS v3 and ISSA 5000 Terminology Comparison

	AA1000AS v3	ISSA 5000
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 2024 (for use after December 15, 2026 - with earlier application permitted)
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, including verifying whether the sustainability information disclosed by reporting organization is reliable and of sufficient quality	<ul style="list-style-type: none">To obtain assurance about whether the sustainability 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">Sustainability assurance in accordance with the AA1000AS v3 assesses and provides conclusions on:<ul style="list-style-type: none"><i>The nature and extent of adherence to the AA1000 AccountAbility Principles.</i><i>If defined in the scope of the engagement, the reliability and quality of disclosed information on sustainability performance</i>	<ul style="list-style-type: none">Scope of sustainability information 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 ISSA 5000 Terminology Comparison

	AA1000AS v3	ISSA 5000
Levels of Assurance	<ul style="list-style-type: none">Two levels of assurance: Type 2 High (equivalent to Reasonable) and Type 2 Moderate (equivalent to Limited)<ul style="list-style-type: none">Type 2 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 style="border: 2px solid orange; padding: 10px;"><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 ISSA 5000 Reasonable assurance level.</i></p><p>A Type 2 high level of assurance can therefore be called Reasonable assurance to meet requirements as set by authoritative bodies.</p></div>Type 2 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 style="border: 2px solid orange; padding: 10px;"><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 ISSA 5000 Limited assurance level.</i></p><p>A Type 2 moderate level of assurance can therefore be called Limited assurance to meet requirements as set by authoritative bodies.</p></div>	<ul style="list-style-type: none">Two levels of assurance: Reasonable and Limited<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 reported sustainability information 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 reported sustainability information is materially misstated.</i> <i>The nature, timing, and extent of procedures performed in a Limited assurance engagement are limited compared with that necessary in a Reasonable assurance engagement but 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 reported sustainability information to a degree that is clearly more than inconsequential.</i>

Conclusion

AccountAbility's AA1000 Assurance Standard (AA1000AS v3) and the IAASB's International Standard on Sustainability Assurance (ISSA 5000) are 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 the ISSA 5000 is appropriate for sustainability related data verification, ensuring the accuracy and reliability of information presented in reports, the AA1000AS v3 takes a different approach. The AA1000AS v3 offers sustainability assurance that provides a more stakeholder-centric assurance of an organization's adherence to the AccountAbility Principles (Inclusivity, Materiality, Responsiveness and Impact), aiming to ensure that the organization is effectively managing sustainability performance. Both standards are suitable for organizations to meet disclosure requirements as set by authoritative bodies.

AccountAbility has outlined the differences between the two standards across the three stages of the sustainability assurance process in more detail in a [Practitioner's Guide: Comparing AA1000AS v3 and ISSA 5000](#).

THANK YOU

AccountAbility is providing this information overview for discussion purposes.

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Setting the Standard for Sustainability

Practitioner Guide: Comparison of Sustainability Standards AA1000AS V3 and ISSA 5000

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Process Comparison Between AA1000AS v3 and ISSA 3000

This document outlines the differences between the AA1000AS v3 and the ISSA 5000. 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 engagement, how to conduct an engagement in accordance with the standards 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

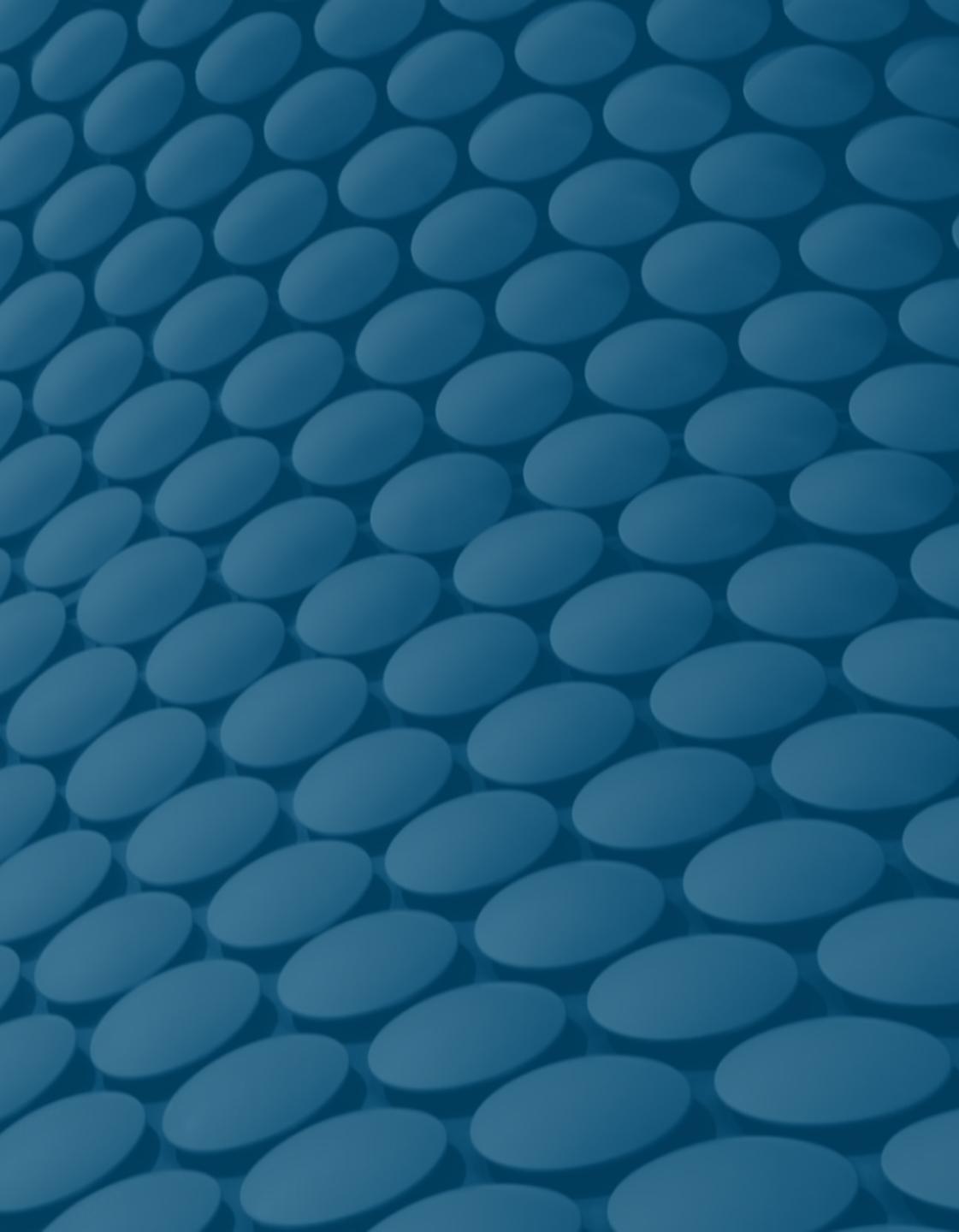


Step 3: Issuing the Assurance Statement

Introduction: The AA1000AS v3 Assurance Process

The AA1000AS v3 Assurance Process is outlined below. While the ISSA 5000 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.

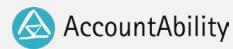




Preconditions

Assuring Sustainability Reports – Preconditions for Both Standards

Before starting any assurance engagement (AA1000AS or ISSA 5000), key requirements must be met, including provider independence, practitioner competence, and a suitable 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 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 to serve the purpose of the 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

- ✓ Any existing relations with the reporting organization? (e.g., financial, commercial, personal, etc.)
- ✓ Any protocols/codes that ensure 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



Pre-engagement Check

Log the Assurance Engagement on the AccountAbility Platform

- ✓ Are all information requirements filled completely?
- ✓ Has approval been granted by AccountAbility to proceed with the engagement?



ISSA 5000

Determining the Preconditions

Like the AA1000ASv3 assurance engagements, assurance engagements in accordance with the ISSA 5000 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 ISSA 5000 engagement circumstances includes: the terms of the engagement; the scope of the engagement and whether it is a reasonable or a limited assurance engagement; the characteristics of the sustainability matters; the applicable criteria; the information needs of the intended users; relevant characteristics of the entity and its reporting boundary; the characteristics of the entity's management and those charged with governance; and other matters that may have a significant effect on the engagement.



Engagement Environment Check

Determine Whether the Preconditions for an Assurance Engagement are Present to Accept or continue the Engagement

- ✓ Is it possible to obtain preliminary knowledge of the engagement circumstances to discuss with the entity as needed?
- ✓ Are roles and responsibilities of parties suitable?
- ✓ Is there a reasonable basis for sustainability information?
- ✓ Are the sustainability matters appropriate?
- ✓ Are the criteria applied suitable and available to the intended users?
- ✓ Does the practitioner expect to obtain evidence needed?
- ✓ Will the assurance conclusion be in a written report?
- ✓ Does the engagement have a rational purpose



Ethical Requirements Check

Ensure the Independence and Other Ethics of Assurance Provider

- ✓ Are all ethical requirements (including independence) complying with the IESBA code?



Practitioner Capability Check

Ensure the Competence of Assurance Practitioner

- ✓ Do practitioners have appropriate competence and capabilities?
- ✓ Is the engagement leader a member of a firm that applies ISQM 1 or at least as demanding?

Assuring Sustainability Reports based on AA1000AS v3 and ISSA 5000 - PRECONDITIONS

	AA1000AS v3	ISSA 5000
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 assurance provider is required to comply with the International Ethics Standard for Sustainability Assurance (IESSA), or other professional requirements, or requirements in law or regulation, that are at least as demanding.* The IESBA Code provides an ethics and independence framework, and specific requirements that support the proper conduct and independence of sustainability assurance practitioners. 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.
Quality Control / Management	<ul style="list-style-type: none"> The AA1000AS v3 requires <u>AccountAbility licensed assurance providers</u> to follow a robust process prior to issuing assurance statements to reporting companies to ensure quality and transparency. The licensee shall cooperate with AccountAbility, in good faith, by providing all information that AccountAbility may reasonably require 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 list on the AccountAbility Standards website, accessible via – https://www.accountability.org/standards/aa1000-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. 	<p><small>*Providers of ISSA 5000 must abide by IESSA which is bound by the IESBA Code. It is unclear to AccountAbility whether providers are bound by both IESSA and the IESBA Code.</small></p> <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 and ISSA 5000 - PRECONDITIONS

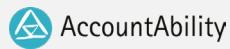
	AA1000AS v3	ISSA 5000
Competence and Skills of Assurance Providers	<ul style="list-style-type: none">An assurance provider shall accept an assurance engagement only if it possesses the necessary competencies to deliver all aspects of the assurance engagement.The assurance provider should ensure that 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 sustainability assurance practitioners:Competency requirements such as education and experience benchmarks for entry to membership, ongoing continuing professional development, and life-long learning requirements.The engagement leader 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 the ISSA 5000.The IESBA Code requires the sustainability assurance practitioners agree to provide only those services that they are competent to perform. The practitioner has the 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

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?



ISSA 5000

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 reported sustainability information.

Then, the practitioners should evaluate whether sufficient evidence is collected and whether all collected evidence is adequate to support the reported sustainability information.



Plan the Assurance

Set Up the Engagement Plan

- ✓ Were the following matters considered in setting the plan?
 - ▶ Consider materiality for qualitative disclosures and determine materiality for quantitative disclosures.
 - ▶ Any actual or alleged misstatement or non-compliance
 - ▶ Internal audit function of the report preparer
 - ▶ Use of any external experts
 - ▶ Fundamental concepts relevant to group sustainability assurance engagements



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?
- ✓ If the practitioner is unable to obtain sufficient evidence, is a withdrawal from engagement permitted and appropriate?



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
 - ▶ Disclaimer of conclusion
 - ▶ Adverse conclusion



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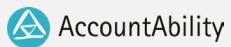


Formal Statement

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 includes whether 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

Log the Assurance Statement in the AccountAbility Platform and Deliver the Issued Statement Once Approval Received



ISSA 5000

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 Inherent Limitations, Emphasis on Matter, Other Matter, and Other Information.



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
 - ▶ Sustainability information subject to the assurance engagement
 - ▶ Level of assurance obtained
 - ▶ Identification of the applicable criteria
 - ▶ A statement of compliance with IESBA Code, or other requirements at least as demanding as IESBA Code
 - ▶ A statement of applying ISQM 1, or other requirements at least as demanding as ISQM 1
 - ▶ Reference to the Practitioner's Expert
 - ▶ Summary of work performed
 - ▶ Any significant inherent limitations
 - ▶ Other information
 - ▶ Statement in accordance with ISSA 5000
 - ▶ The practitioner's conclusion
 - ▶ The practitioner's identification and date of the assurance report



Finalize the Engagement

Deliver the Issued Assurance Statement and Finish the Engagement

Comparison of AA1000AS v3 and ISSA 5000

For more information reference the Bridging Document

This document is intended to outline the similarities and differences in process steps between the AA1000AS v3 and the ISSA 5000.

This process comparison document is intended for assurance providers, policy makers, and reporting companies to show the alignment 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

AccountAbility is providing this information overview for discussion purposes.

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