

THE IMPACT OF SUSTAINABILITY ACCOUNTING ON SUSTAINABILITY ASSURANCE PRACTICE

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ABSTRACT

This paper aims to discuss the impact of sustainability accounting on sustainability assurance practice as emerged profession by reviewing the guidance and standards of sustainability accounting standard systematic procedure in the detail of sustainability assurance practices for sustainability accounting reports and assessment practices for sustainability standards like Issb standards S1 and S2 are designed to enhance comparable information regardless of accounting standards applicable in different jurisdictions meaning they can be utilized even by companies applying US Generally Accepted Accounting Principles (GAAP) exiting standards such as those of the Sustainability Accounting Standards Board (SASB) Task Force on Climate-Related Financial Disclosures (TCFD) and Climate Disclosure Standards Board (CDSB) among others and are designed for interoperability with existing standards, such as the Global Reporting Initiative (GRI) standards. Furthermore, challenges that face the adoption of and issues that constrain the opportunities of sustainability assurance are also identified such as the absence of stakeholder engagement or independence of the assurance provider. Overall this paper focuses on sustainability accounting assurance practices providing a comprehensive framework for study in this emerging field. In addition in some jurisdictions there are legal requirements for sustainability assurance especially for publicly traded entities or entities in specific industries assurance helps ensure compliance with these regulations. examining sustainability data and practices assurance can help entities identify and reduce risks related to environmental, social, and governance issues. Entities use the findings from assurance engagements to improve their sustainability reporting and management systems continually this repeatedly process can lead to better sustainability performance. Overall, sustainability assurance plays a crucial role in fostering transparency, accountability, and the reliability of sustainability reporting it aligns with the growing demand for entities to explicitly their commitment to responsible and sustainable business practices while helping stakeholders make informed decisions based on trustworthy information. With sustainability taking center stage in today's world ISSA 5000 sets a global benchmark for sustainability assurance driving positive impact and promoting amore sustainable future for all provides both assurance providers and reporting firms with a detailed decision-making guide regarding sustainability assurance as the clear positive impact that sustainability accounting. ISSA 5000 and IESSA provide a robust and cohesive package of standards for sustainability assurance which is equivalent to the IAASB standards and IESBA Code of Ethics requirements for audits or reviews of financial statements. Practically, this study offers valuable insights for policymakers and corporate managers companies should view sustainability accounting not merely as a compliance mechanism but as a strategic tool for enhancing corporate value and long term sustainability studies should be conducted to cover the lack of research and continue to support organizations in order to issue standards for the cloud as well as laws in order to keep pace with the massive reliance on accounting and cloud auditing, especially in the time of the pandemic and enhance of scientific practical and continuous learning due to the tremendous development of digital transformation.

INTRODUCTION

Sustainability accounting in harmony with the theory of the establishment, which is a social institution, which is an economic and social entity, free of the institution, through social authority towards all the society, of shareholders, including shareholders, creditors, blinds, and a government, and a different from a different body, and what is made in the entity of decisions and what is in the entity (Skouloudis & Evangelino, 2009)

The American Institute of Certified Professional Accountants (AICPA), the Chartered Institute of Management Accountants (CIMA), and the Center for Assurance Quality (CAQ) defined the three components of ESG in their recent publication, “ESG Reporting and Attestation: A poll Roadmap for Assurance Practitioners.” Understanding the individual components and where they do or don’t intersect is crucial to understanding the unique requirements for examining the veracity and completeness of ESG reporting.

Here’s How the Three Groups Define Each Component

“The E, or environmental, component of ESG information encompasses how a company is exposed to and manages risks and opportunities related to climate, natural resource scarcity, pollution, waste, and other environmental factors, as well as a company’s environmental impact.

The S, or social, component of ESG comprises information about the company’s values and business relationships. For example, social topics include labor and supply-chain information, product quality and safety, human capital topics such as employee health and safety, and diversity and inclusion policies and efforts.

The G, or governance, component of ESG encompasses information about a company’s corporate governance. This could include information on the structure and diversity of the board of directors; executive compensation; critical event responsiveness; corporate resiliency; and policies and practices on lobbying, political contributions, and bribery and corruption.”

Unsurprisingly, these changing stakeholder expectations are resulting in increasing demand for ESG transparency, accountability, and assurance. Both in the U.S. and globally, regulators are beginning to draft and implement more formal ESG performance standards. But many stakeholders are going a step further, pushing businesses to embrace ESG for value creation.

The overarching message is that mere compliance isn’t enough. Consumers, capital investors, employees, and other stakeholders want businesses to integrate ESG considerations into the very core of how they do business. They want strong ESG value propositions and performance, and they are ready to withhold their business, funding, and support to ensure they get them.

Ultimately, regulators’ reporting standards and frameworks will help you direct your sustainability assurance, risk management, and reporting activities. But it’s up to your entity to go the extra mile stakeholders are demanding.

As outlined by Deloitte in “Tectonic shifts: How sustainability is changing business, moving markets, and driving regulation,” consumers, capital investors, and employees alike “are looking for organizations to put purpose at the core of their operations, caring for the issues that concern their employees, communities, industries, and the world at large.” In a forward-looking 2013 article on the same topic, Deloitte wrote, “Business value is created in a context that is based on what both the company and its stakeholders value. Consequently, the pursuit of stakeholder value and a healthy environment helps a business maximize its financial value.”

In response to this increased financial impact of sustainability on companies, financial reporting and accounting standard setters have made significant changes to their organizations to support the need for better reporting of both financial and operational metrics such as ESG. For example, in November 2021, the International Financial Reporting Standards Foundation (IFRS)

announced the creation of the International Sustainability Standards Board (ISSB) to complement the International Accounting Standards Board (IASB) in issuing standards on better corporate disclosures. In addition, the Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) merged into the Value Reporting Foundation (VRF) in June 2021 to “help businesses communicate drivers of their long-term value to providers of financial capital.” Then, in June 2022, the Trustees of the IFRS Foundation and the Board of Directors of the VRF voted to approve the consolidation of the VRF into the IFRS Foundation effective July 1, 2022.

To enable these disclosures, they must employ the same financial reporting discipline and focus used for designing and implementing reliable, risk-based policies and processes that support effective oversight, internal controls, and assurance.

According to the International auditing and Assurance Standard Board (International, 2013), “an assurance engagement is an engagement in which a practitioner aims to obtain sufficient and appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the measurement or evaluation of an underlying subject matter against criteria”

Based on this, assurance of sustainability reporting is further defined as an engagement in which a third-party assurance provider undertakes assurance over a sustainability report issued by an entity (Farooq & Villiers, 2019).

By referring to the assurance report, readers of a sustainability report know whether or not the report has been prepared according to agreed criteria. As noted in previous studies, independent assurance significantly influences users’ perceptions of disclosure quality and credibility (Maroun, 2020).

The lack of understanding of sustainable accounting inspired this research. To fill this gap, this research aims to find the effect of sustainable accounting on the sustainability assurance practice by understanding of how assurance statement can be produced via assurance providers. How assurance work is undertaken during the assurance practice (i.e., identification of assurance principle, selection of assurance method). In addition, to explore the possible issues (e.g., challenges) brought by this cooperation; the research aim to address the following questions:

1. What is the impact of sustainability accounting on sustainably assurance practices
2. Depending on sustainability accounting What challenges and opportunities in the sustainably assurance process by reporting firms?

Sustainability assurance practice compared with financial information assurance sustainability assurance remains unregulated and there is little by way of actual assurance mechanism (Junior et al., 2014).

LITERATURE REVIEW

Because of scarcity of resources in this field by disclosing of this working paper how ESG Issues Become Financially Material to Corporations and Their Investors David Freiberg Jean Rogers George Serafeim they highlighted Management and disclosure of environmental, social and governance (ESG) issues have received substantial interest over the last decade. In this paper, we outline a framework of how ESG issues become financially material, affecting corporate profitability and valuation. We argue that understanding this process is important both for actors driven by financial or societal motives former group which includes companies and return-first investors, can use the framework to make(Freiberg, 2019).

This paper presents the case for the sustainability reporting field as a contested arena and examines the behavior and the influence of the various actors, such as the Global Reporting Initiative

(GRI), the Sustainability Accounting Standards Board (SASB), the International Integrated Reporting Council (IIRC), and the European Commission, including the European Financial Reporting Advisory Group (EFRAG) and the International Financial Reporting Standards (IFRS) Foundation in influencing the shape of the regulation in the arena. Drawing on the arena concept and documentary analysis, this study explores the dynamic in which each actor is attempting to change the rules within the arena and how this contributes to the harmonization and future direction of sustainability reporting. The findings of this study show that the actions and behavior of the various actors are premeditated and strategically calculated to maintain their influence, relevance, and defend their technical authority in the arena. The findings also suggest that sustainability reporting regulation is still far away from harmonization due to the perceived hegemony in the arena, and diversity in the overarching objective of the various actors and the inability of each actor to renounce its particular perspective and orientation. Insights are provided for policy makers on the urgent need to decide and reclassify the specific rules required in upholding the sustainability reporting arena horizon 2020

ABSTRACT PURPOSE

The purpose of this paper is to synthesize insights from the emerging work in accounting on greenwashing and sustainability assurance and propose an agenda for future research in this area. Design/methodology/approach. This article offers an original analysis of papers published on greenwashing and sustainability assurance research in the field of accounting. It adopts a systematic literature review and a narrative approach to analyse the dominant themes and key findings in this new and rapidly evolving field. From this overview, specific avenues for future research are identified.

FINDINGS

In the past few years there has been a substantial spike in concern relating to greenwashing among academics, practitioners, regulators and society. This growing concern has only partly been reflected in the research literature. To date, research has primarily focused on: (1) the characteristics of firms adopting sustainability assurance, (2) the challenges facing sustainability auditors, (3) the development of appropriate assurance standards and regulations, and (4) capital market responses to greenwashing and sustainability auditing/assurance. Three key future research issues with respect to greenwashing are identified: (1) the future of standard-setter attempts to regulate greenwashing, (2) professional jockeying in sustainability reporting assurance, and (3) capital market opportunities and challenges relating to greenwashing and assurance.

ORIGINALITY/VALUE

Despite the profound economic and reputational impact of greenwashing and the rapid development of sustainability assurance services, research in accounting remains fragmented and emergent. This review identifies avenues offering considerable scope for inter-disciplinarity and bridging the divide between academia and practice.

Greenwashing And Sustainability Assurance: A Review And Call For Future Research

This research paper reviews sustainability assessment tools, specifically the Global Reporting Initiative (GRI) and the Sustainability Accounting Standard Board (SASB). It examines their evolution, effectiveness, challenges, and anticipated developments, providing practical implications for businesses, investors, and policymakers. The study aims to provide a comprehensive

understanding of these frameworks. The first step of the study is to examine the background information and guiding principles of SASB and GRI. Challenges and barriers to the adoption of GRI and SASB are systematically identified, addressing resource intensiveness, complexity, and industry specific nuances. The research evaluates the effectiveness of these frameworks in driving sustainability practices, emphasising their impact on decision-making, risk management, and stakeholder relations. The paper then highlights their integration with emerging standards, enhancements in materiality guidance, and the expansion of industry-specific standards. Emerging trends in sustainability assessment tools beyond GRI and SASB are also outlined, such as the integration of environmental, social and governance (ESG) factors with financial metrics, a focus on climate-related disclosures, and technological advancements in data analytics. (Deepak, 2024)

Sustainability reporting has become one of the requirements of organizations, especially in the growing concern of the company's responsibility towards the environment and society, which plays the role of a fundamental tool for comprehensive disclosure of the ESG performance. This paper examines the increasing description and involvement of auditors with regard to the assurance of sustainability reports, highlighting the value that they bring to the process and objective of increasing the reliability, trustworthiness, and stewardship of sustainability information. The research looks into the procedures followed by the auditors in the processes of confirming environmental and social performance indicators, the rules governing assurance activities, and the difficulties encountered in striving for global comparability of performance reporting. Besides, it looks at the role of third-party assurance in enhancing investor trust, reducing the phenomenon of greenwashing, and pursuing sustainable organizational objectives in the long run. Examples and findings of existing literature and research with respect to superior benchmarks and novel phenomena in sustainability assurance are discussed in this paper. As such, the research reinforces the call for sustainability assurance to be central to conventional auditing frameworks and for the enablement of greater interaction between auditors, legal bodies and corporations in order to deliver robust and measurable ESG performances. Sustainability reporting has become one of the requirements of organizations, especially in the growing concern of the company's responsibility towards the environment and society, which plays the role of a fundamental tool for comprehensive disclosure of the ESG performance. This paper examines the increasing description and involvement of auditors with regard to the assurance of sustainability reports, highlighting the value that they bring to the process and objective of increasing the reliability, trustworthiness, and stewardship of sustainability information. The research looks into the procedures followed by the auditors in the processes of confirming environmental and social performance indicators, the rules governing assurance activities, and the difficulties encountered in striving for global comparability of performance reporting. Besides, it looks at the role of third-party assurance in enhancing investor trust, reducing the phenomenon of greenwashing, and pursuing sustainable organizational objectives in the long run. Examples and findings of existing literature and research with respect to superior benchmarks and novel phenomena in sustainability assurance are discussed in this paper. As such, the research reinforces the call for sustainability assurance to be central to conventional auditing frameworks and for the enablement of greater interaction between auditors, legal bodies and corporations in order to deliver robust and measurable ESG performances. (Rawat, 2025)

Green accounting is gaining recognition as a vital tool for promoting environmental sustainability, particularly within Islamic finance, which emphasizes ethical and responsible economic practices. This study investigates the integration of green accounting principles into Islamic financial institutions, analyzing their potential role in addressing Environmental, Social, and Governance (ESG) concerns and advancing global sustainability objectives. Using a mixed-methods approach, the research combines literature reviews, case studies of green sukuk implementations, interviews with financial practitioners, and survey analysis of Islamic financial institutions. The

findings highlight several opportunities, including the natural alignment of Islamic finance principles with ESG objectives and the success of instruments such as green sukuk in financing sustainable projects. Green accounting enhances transparency and accountability in environmental reporting, boosting stakeholder trust and institutional credibility. However, significant challenges remain, such as the lack of standardized frameworks for green accounting tailored to Islamic finance, limited expertise among professionals, and resistance to adopting new practices due to perceived costs and complexities. The study emphasizes the need for capacity-building initiatives, regulatory support, and collaboration among stakeholders to overcome these barriers. While the research provides valuable insights into the integration of green accounting in Islamic finance, limitations include the geographic scope of the case studies, data accessibility, and the emerging nature of the field, making longitudinal assessments challenging. Despite these constraints, the research underscores that the adoption of green accounting is not only feasible but also critical for positioning Islamic finance as a key driver of environmental sustainability in the era of ESG and Sustainable Development Goals (SDGs).

Resource allocation decisions based on expectations about future materiality thereby enhancing risk-adjusted returns. The latter group, which includes regulators, NGOs, and impact-first investors, can use the framework to design and implement interventions that create market-based incentives for companies and investors to align their behavior with social and environmental outcomes.

The changing dynamics of the accounting profession have been strongly influenced by emerging technologies and the demand for nontraditional metrics and information by stakeholders and regulators. In this article, we perform an exploratory content analysis to examine the role that blockchain technology can play in enhancing sustainability reporting and assurance. The benefits to companies and assurance professionals in using the distributed ledger technology of blockchain are increased trust, transparency, and traceability, which matches stakeholders' demands as it relates to sustainability reporting. This article identifies and analyzes potential and current use cases of blockchain in the United States and Canada to assist accountants and auditors in preparing and reviewing sustainability information. We highlight how augmenting traditional reporting systems with blockchain can overcome problems with sustainability reporting. We discuss implications for practice in detail—finding that blockchain is well-positioned to provide reliable tracking and custodial support as it relates to sustainability information currently being self-reported by many firms, such as greenhouse gas emissions, conflict mineral disclosure, or product provenance, among others. Expanded adoption of blockchains by companies will lead to higher-quality information being included in sustainability reports and allow assurance professionals to verify a wider range of information, potentially leading to uniform standards in the evaluation of sustainability reports. Kathleen 2020

This paper aims at integrating the bodies of literature on stakeholder theory and sustainability accounting. Using the conceptual methodological approach of theory synthesis, stakeholder theory is employed as a method theory to advance sustainability accounting as a domain theory. On this basis the concept of 'Accounting for Sustainability and Stakeholders' is developed. This concept highlights which sustainability topics and which stakeholders to consider in accounting for a given organization and how the inclusion of additional stakeholders and topics can contribute to creating value for stakeholders.

In conclusion, this paper highlights that an overly broad inclusion of stakeholder groups and sustainability topics can be replaced by a purposeful selection of stakeholders and topics of particular relevance for the specific organization. As an additional advantage, the concept prevents disconnecting sustainability accounting from conventional accounting (Horich 2020)

This analysis is thus in line with the findings by Prado-Lorenzo et al. (2009) that regulators are one of the most important drivers to change current sustainability disclosure and reporting practices.

As a last limitation, the proposed approach is obviously no 'one size fits all accounting framework' but it needs to be adjusted to specific company contexts and stakeholder settings. There will not always be an easy way (or even any way) to create sustainability solutions with the support of accounting that are purely based on mutual interests and benefits for all stakeholders. However, for many companies the framework presented can still be of help to address relevant sustainability topics in a more systematic manner and to create mutual interests Journal of Cleaner Production 275 (2020) 124097 in many cases.

The concept of 'Accounting for Sustainability and Stakeholders' provides the basis for new avenues of research: First, the materiality matrix in the GRI4 guidelines can be viewed as a first attempt to take stakeholder needs as a starting point in accounting. Future research could empirically test whether the application of the materiality matrix indeed has the effect that the topics reported on have become less arbitrary since the introduction of the guideline and how the matrix can be developed further in light of the suggestions brought forward by 'Accounting for Sustainability and Stakeholders'. Second, further research could address the question as to how the sustainability impact can be assessed for stakeholders, as the evaluation of outcomes is an important function of accounting which has so far not been sufficiently considered in the context of sustainability accounting and accounting for stakeholders (cf. Molecke and Pinkse, 2017). Third, further research could investigate what accounting tools address certain sustainability topics in a way that they support value creation for stakeholders. Bringing value creation for stakeholders into focus may also help further developing accounting methods, which receive more support by stakeholders and dissemination among companies. Fourth, and maybe most importantly, future research should collaboratively with companies experiment on implementing the concept of 'Accounting for Sustainability and Stakeholders'. In preparation for such field experiment, behavioral lab-experiments should be conducted, where participants are provided with information as managers are in 'Accounting for Sustainability and Stakeholders' to be able to evaluate the consequences of the concept on managerial decision making.

The Framework for Sustainability Accounting

Consistent and comparable disclosures on risks and opportunities related to sustainability and climate, referred to as IFRS S1 and IFRS S2, respectively. The standards address longstanding reporting challenges, equipping companies and investors to better understand performance and comply with ever-evolving regulations. We believe the standards will prove particularly valuable for businesses and investors operating in jurisdictions like the United States, where regulations are anticipated but not yet adopted; because the standards are structured to apply for both voluntary and mandatory disclosures and integrate well with other established standards and standards under review, reporting entities can use these standards as a "roadmap" for eventual compliance.

For businesses, the IFRS standards will not only simplify the disclosure process but also enable benchmarking and cost- and time-savings. Investors will benefit from these norms as a resource to guide investment decisions, assist in sustainability- and climate-related due diligence, and enable tracking and analysis of portfolio companies' performance against peers.

The standards, helpfully, are not entirely new. They integrate certain existing standards, such as those of the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), and Climate Disclosure Standards Board (CDSB), among others, and are designed for interoperability with existing standards, such as the Global Reporting Initiative (GRI) standards (Lozano, 2020)

Accordingly, businesses and investors will not need to fully revamp their reporting and tracking procedures to comply with the IFRS standards. Since 2020, 2,839 companies have made

sustainability-related disclosures using the SASB standards (Dissanayake et al., 2016) given the fact that the newly introduced standards integrate the SASB standards, this development will require minimal adjustments in established reporting procedures. Notably, IFRS S1 and S2 are focused on financially material environmental, social, and governance (ESG) risks and opportunities that affect the overall bottom line, as opposed to GRI, CSRD, and other reporting standards that are double materiality-based, that is, also requiring consideration and disclosure of how a company's operations impact its ecosystem.

The standards' utility is also not just theoretical. Jurisdictions such as the United Kingdom, Japan, Canada, and Australia have signaled their intent to incorporate the standards into required reporting regimes. The International Organization of Securities Commissions (IOSCO), an entity comprised of 130 capital market authorities, including the U.S. Securities and Exchange Commission (SEC), has endorsed the standards as an effective and proportionate global framework of investor-focused disclosures about climate-related matters and sustainability-related information, concluding that the ISSB Standards are appropriate to help globally integrated financial markets accurately assess relevant sustainability risks and opportunities (Dienes et al., 2016)

Double materiality has become a cornerstone for organizations advancing their sustainability journeys. It involves assessing both a business's impact on society and the environment (impact materiality) and the financial implications of environmental and social factors on the business (financial materiality). This dual lens provides a comprehensive understanding of risks and opportunities, enabling informed decision-making. Core elements of double materiality include:

1. Broader evaluation of sustainability topics, including biodiversity, ecosystems, and emerging concerns.
2. Analysis across the full value chain, from raw materials to end-of-life product stages.
3. Inclusion of both positive and negative, current and future risks and opportunities.

A robust Double Materiality Assessment (DMA) offers critical insights into the interdependencies between business models, societal impacts, and environmental systems. It enables organizations to:

1. Define materiality boundaries and focus areas.
2. Prioritize sustainability topics aligned with stakeholder expectations.
3. Identify actionable opportunities to drive resilience and long-term value creation.

Double materiality is not limited to regulatory compliance; it is a strategic approach that supports sustainability integration at all levels. Organizations adopting this framework are better positioned to navigate complex challenges, address stakeholder expectations, and create value through meaningful action.

According to the comparison made by (Permatasari & Narsa, 2021) on investors' preferences regarding the type of non-financial reporting, sustainability reporting ranks first. It is more accepted by the users due to its more candid, yet streamlined nature of presenting non-financial information. Sustainability reporting is more likely to help potential investors make rational decisions, leading to an increase in the value of the business in both monetary and social terms. The main reason why integrated reporting was not chosen as the first method is due to the fact that there is a possibility that by linking the two types of reporting in one document, non-financial information may influence the financial information negatively or positively. By being included in the same publication, the separate interpretation of the two pieces of information becomes more difficult.

IFRS S1 and S2 Standards – General Requirements for Disclosure of Sustainability- and Climate-Related Risks and Opportunities IFRS S1 standards are designed to facilitate disclosures from entities, as part of their general-purpose financial reports, about sustainability risks and opportunities, while IFRS S2 standards encourage companies to disclose information about how an

entity manages potential negative effects of climate change, including physical risks—for example, extreme weather events—transition risks—for example, policy changes—and opportunities refer to positive effects of climate change. Both standards encourage disclosures on how risks and opportunities impact an entity's prospects over the short, medium, and long term. In particular, the standards are designed to elicit entity-specific information about how these risks and opportunities will affect overall corporate value and should influence investment decisions.

Disclosures under both IFRS S1 and S2 mirror the framework established by the TCFD and are broadly categorized under four core considerations: governance, strategy, risk management, and information on metrics and targets. Disclosures under S1 and S2 slightly differ with respect to metrics and targets, with S2 encouraging disclosures on cross-industry metrics, (Kwakye, 2018) industry-based metrics, 5 and qualitative and quantitative targets and metrics set by the entity or required by law.

Using the conceptual foundations for reporting including fair presentation, materiality, and disclosure of connected information companies are encouraged to consider direct and indirect dependencies and impact of stakeholder, society, and natural resource interactions throughout value chains, as well as how these interactions increase or erode overall corporate value from an investor-focused perspective.

For an issuer either required to or electing to adhere to IFRS S1 and S2, disclosures are encouraged to be included in general financial reports, including, for example, annual reports on Form 10-K and quarterly reports on Form 10-Q, for U.S. issuers, or in the annual accounts for premium-listed UK companies. The standards allow for flexibility, however, in that entities may instead cross-reference another regulatory required report or standalone voluntary report containing the disclosures.

Flexibility in Disclosures

IFRS S1 and S2 are designed to elicit comparable information regardless of accounting standards applicable in different jurisdictions, meaning they can be utilized even by companies applying U.S. Generally Accepted Accounting Principles (GAAP), while also allowing companies to make disclosures without undue cost or effect, thereby catering to small- and large-resourced companies. These flexibilities afford reporting entities cost- and time-saving efficiencies, reducing duplicative and onerous reporting, which have been significant concerns for companies and investors about sustainability reporting.

Reporting timing under the new standards is the same as applies to the related financial statements covering the same reporting period. To the extent the standards are applied to an entity, they are to be adopted on or after January 1, 2024, with transitional reliefs such as limiting reporting in the first year only to climate-related matters.

IFRS S1 and S2 standards provide guidelines on what must be reported, but do not go into the granular details on metrics or key performance indicators for measuring performance. Companies already reporting under the SASB standards will only need minimal adjustments to tracking and reporting practices, since the industry metrics defined by the SASB standards take a financial materiality approach.[

The ISSB's additional recognition of the GRI reporting standards will help address the gaps caused by this single-materiality outlook, which will be especially helpful for companies and businesses subject to multi jurisdictional reporting requirements or that may be otherwise required to report from a double-materiality perspective. Sasb 2022 International frameworks for sustainability measurement and disclosure

International sustainability frameworks serve as standards that provide guidelines for best-in-

class sustainability practices (Siew, 2015) and conventions for measuring and disclosing sustainability impacts (Escrig-Olmedo et al., 2010). The international frameworks are divided into general international frameworks that jointly address the sustainability dimensions, and into specific international frameworks that only focus on a specific sustainability issue or dimension.

The guidelines address aspects related to human rights, responsible employment, and industrial relations, environmental management and preservation, bribery and extortion combating, consumers' interest protection, science and technology laws compatibility, anti-competitive practices, and taxation. These guidelines provide non-binding standards and principles consistent with applicable laws and internationally responsible recognized standards. The application of the guidelines by the companies is supported by agencies established by the adhering governments, which are the National Contact Points (NCP) (OECD, 2020).

Sustainability Accounting Standards Board standards (SASB) (2018). The standards aim to establish connections between companies and investors concerning the financial impacts of sustainability.

The main purpose is to help companies identify, manage, and communicate sustainability-related risks that might affect their financial performance, that is, financially material sustainability information. SASB standards are industry-specific with a total of 77 standards designed to be useful tools for investors' financial decisions. Hence, the target audience is investors. Each industry-specific standard includes relevant material sustainability aspects and their associated accounting metrics.

SASB provides an implementation guide (last updated in 2019) for companies and an engagement guide for investors on issues to discuss with companies respecting financially material issues. In June 2021, the SASB merged with IIRC to form the Value Reporting Foundation (VRF). Sustainable Development Goals (SDGs) (2015).

The SDGs, launched by the United Nations, are the main action international framework to tackle societal grand challenges and ensure a sustainable future. It consists of an agenda consisting of 17 SDGs and 169 related targets to be met by 2030.

The agenda 2030 is the result of the agreement between 193 countries and cross-sector collaborations among multiple stakeholders, including government representatives, sector experts, companies, and civil society. Specifically, the 17 SDGs comprise: (1) no poverty, (2) zero Hunger, (3) good health and well-being, (4) quality education, (5) gender equality, (6) clean water and sanitation, (7) affordable and clean energy, (8) decent work and economic growth, (9) industry, innovation, and infrastructure, (10) reduced inequalities, (11) sustainable cities and communities, (12) responsible consumption and production, (13) climate action, (14) life below water, (15) life on land, (16) peace, justice, and strong institutions, and (17) partnerships for the goals.

The agenda also acknowledges the interconnected nature of the SDGs and the need for simultaneous and urgent action by all actors in society.

Depending On Sustainability Accounting What Challenges and Opportunities In The Assurance Practices By Reporting Firms

Reporting based on the GRI and SASB Standards can provide the depth and breadth of disclosure that all of an organization's stakeholders require. Distinctions Between GRI and SASB The application of materiality

The GRI reporting framework guides organizations to select topics that reflect their most significant economic, environmental, and social impacts in consultation with its stakeholders. These topics could include issues that have financially material impacts on the entity as well as topics that impact people and the environment outside the entity— such as greenhouse gas emissions, human rights, supply chain practices and many other matters.

SASB's approach to materiality is based on a financially oriented definition that is well-accepted by capital markets globally. The SASB Standards identify sustainability topics that are reasonably likely to impact the financial performance and longterm enterprise value of the typical company in an industry. SASB's process requires evidence of investor interest and evidence of financial impact for a topic to be included in the Standards. SASB Standards include disclosure topics across five sustainability dimensions, including environmental, social and human capital, business model and innovation, and leadership and governance.

SASB provides standards for 77 industries across 11 sectors. Each standard identifies the subset of sustainability issues reasonably likely to impact financial performance and long-term enterprise value of the typical company in an industry. On average, each standard has six disclosure topics and 13 accounting metrics. Each standard also includes technical protocols for compiling data and activity metrics for normalization. Approximately 75% of the accounting metrics in the SASB Standards are quantitative. The SASB Standards are designed to ensure that providers of financial capital have access to comparable, consistent and reliable data to inform investment and stewardship decisions.

Audience and Stakeholder Interests Covered

The GRI Standards are used by all organizations, including companies to inform all stakeholders, including investors, labor, civil society and governments. SASB focuses on disclosures by companies to their investors and other providers of financial capital. The #ISSB was called on by the market and international policymakers to deliver an efficient reporting landscape, ending the alphabet soup of voluntary initiatives and meeting investor demand for decision-useful, comparable information. The ISSB remains committed to serving as an anchor in the sustainability disclosure landscape, working closely with partners around the world to drive efficiencies.

We Deliver This Through:

Consolidation – of #SASB (SASB Standards), #TCFD, Climate Disclosure Standards Board #CDSB and Integrated Reporting materials. Establishing the ISSB as the sister board of the International Accounting Standards Board (IASB) – making sure the ISSB Standards work especially well with the requirements of the #IASB, while useable alongside any generally accepted accounting principles. Supporting connections – through tools such as the #IntegratedReporting Framework and the Management Commentary Practice Statement. Interoperability – with Global Reporting Initiative (GRI) #GRI, #ESRS and the US SEC. The ISSB Standard's climate-related standard is becoming a basis for other initiatives – such as CDP, the Basel Committee on Banking Supervision, and the International Public Sector Accounting Standards Board (IPSASB).

Driving Harmonization in The Landscape – Through Several Strategic Relationships

“As the world faces pressing environmental and social challenges, the demand for reliable and transparent sustainability reporting has grown significantly, and increasingly shifted from voluntary to mandatory. There is a clear need for trusted global sustainability reporting and sustainability assurance standards to provide consistent and comparable reporting coupled with robust assurance.

To meet this global need for consistent sustainability assurance standards, the International Assurance and Assurance Standards Board (IAASB) has developed proposed International Standard on Sustainability Assurance 5000 (ISSA 5000), General Requirements for Sustainability

Assurance Engagements. ISSA 5000 was developed in close coordination with key global and regional standard-setting bodies responsible for sustainability reporting. The groundbreaking standard aims to set a global baseline for sustainability assurance by enhancing the quality and trustworthiness of sustainability information, thereby fostering greater accountability and transparency. The proposed standard will be open for public consultation until December 1, 2023.

Among Its Notable Features, ISSA 5000 Is:

Framework neutral, allowing it to be used irrespective of the reporting framework, standard, or criteria employed, which provides for flexibility and ease of implementation across different contexts. Scalable, meaning it can be applied to assurance on a single metric for a small entity, the entire sustainability information reported by a group, or even sustainability information throughout an entity's value chain.

Practitioner agnostic; assurance practitioners from any profession can use the standard, provided they comply with relevant ethical requirements and apply a system of quality management that is at least as rigorous as International Code of Ethics for Professional Accountants (including International Independence Standards), published by the International Ethics Standards Board for Accountants, and the IAASB's suite of quality management standards. This inclusivity enables professionals from diverse professional backgrounds to participate in sustainability assurance engagements. Applies to limited and reasonable assurance engagements and clearly differentiates where the procedures conducted diverge.

Understandable, clear, and concise, serving the needs of various stakeholders in the sustainability assurance ecosystem. The IAASB developed it using a collaborative approach and the expertise and insights of IAASB members, IAASB reference groups (including accountants and other professionals), and other key stakeholders. To ensure a comprehensive and globally coordinated approach, the IAASB consulted with leading global regulatory and standard-setting organizations. These include the International Organization of Securities Commissions (IOSCO), the International Forum of Independent Assurance Regulators (IFIAR), the Financial Stability Board (FSB), the International Ethics Standards Board for Accountants (IESBA), the International Sustainability Standards Board (ISSB), and the Global Reporting Initiative (GRI).

ISSA 5000 acknowledges the evolving reporting landscape and the need for flexibility in engagement scopes. With reporting requirements rapidly changing and growing in complexity, the standard addresses these challenges while building on the IAASB's existing approach to assurance. Notably, it does not reference any other IAASB assurance or assurance standards, allowing for the necessary adaptability and innovation required in sustainability assurance and supporting professional neutrality.

Elevating Sustainability Assurance

The proposed ISSA 5000 sets a global baseline for those who provide sustainability assurance services. It introduces key elements that strengthen the assurance process and promote reliable sustainability reporting.

Competence and professional skepticism: ISSA 5000 emphasizes the need for assurance practitioners to possess the necessary expertise and competence in sustainability matters. It stresses the importance of professional skepticism, urging practitioners to question and critically evaluate the reliability and accuracy of sustainability information.

Risk procedures and materiality: The standard highlights the significance of conducting thorough risk procedures and identifying material sustainability matters. By focusing on the most

relevant issues, assurance practitioners can provide stakeholders with assurance on the areas that truly impact an organization's sustainability performance and disclosures.

Assurance procedures: ISSA 5000 guides the planning, execution, and documentation of assurance procedures. It outlines the steps to obtain appropriate and sufficient evidence, ensuring that the conclusions reached are well-founded and reliable. The standard encourages assurance practitioners to employ a combination of testing, analytical procedures, and other suitable methods to assess the accuracy and completeness of sustainability information.

Reporting and communication: ISSA 5000 stresses the importance of clear and transparent reporting. Assurance practitioners are required to provide stakeholders with a comprehensive assurance report, explaining the scope of the engagement, the procedures performed, any modifications to the report (such as material misstatements identified or the inability to obtain sufficient appropriate evidence), and the overall conclusion. This transparent communication enhances stakeholders' understanding and confidence in the sustainability information presented.

To carry out the study and to answer the research question it was necessary to collect two types of data, written data coming from the sustainable development reports and oral data from the interviews. The results highlight three issues: the lack of completeness of the verification statements, the need for competence and independence of the verifiers and finally the quest for legitimacy of the companies engaging in verification processes.

6.1 Assurance Statements Provided By Verifiers: A Lack of Completeness

According to our exploratory study, it seems that the statements or assurance reports provided by the verifiers at the end of their mission lacks precision and explanation as to the verification process and the conclusions stated. Whether the mission ends by a statement confirming the accuracy of the data and the conformity to the level of assurance required or whether it ends by a limitation, details and conclusion are never thoroughly explained. The aim of the engagement in a verification of sustainability data is mainly to increase reliability in the information disclosed and used by stakeholders, “verification of sustainability information brings a lot in terms of reliability and credibility” (Interview C.4). As a matter of fact the credibility gap in the disclosed information can be reduced by the introduction of an outside assurance and hence increase confidence in the reliability and accuracy of the information (Carey et al., 2000; Dando and Swift, 2003; Kolk and Perego, 2010).

Nevertheless, the lack of precision on the nature and scope of the work undertaken in the assurance statement provided at the end of the mission blurs the understanding of the assurance process and could throw doubt on the reliability of the sustainability information disclosed. Questioning of the reliability of the assessments provided by verifiers has been highlighted by numerous authors (Ball et al., 2000; Adams and Evans, 2004; O'Dwyer and Owen, 2005). Therefore, is the opinion of the verifier enough to convey reliance in the accuracy of the disclosed sustainability data?

Sustainability Verification Practices

The issue of the lack of completeness of the assessments provided by verifiers was also dealt with by Deegan et al. (2006). The authors state that the assurance statements provided by accountant auditors do not include commentaries or recommendations and are incomplete. This confirms our results. This lack of completeness associated to some 81 verifiers allows us to deal with the issue of the verifier's competence.

6.2 Verifier Status: A Need For Competence And Independence

Within the French context sustainability verifications are undertaken in their large majority by international audit firms (96 percent in 2007), which is not the case in an international context. Hence a power battle between the professions able to conduct these missions and the emergence of a new market Igalens, 2004b. This brings about the issue of the competence and independence of the verifiers.

The results of the analysis of the interviews show that the majority of the interviewees acknowledge the international audit firms as being competent in correctly undertaking the sustainability verification. It is undertaken by experts who are legitimate in conducting such missions as far as the companies interviewed are concerned. Moreover, the knowledge of the company, when they conduct the financial audit, benefits them. Yet, from the analysis of the assurance reports stated by verifiers, there are still questions concerning the real expertise of these verifiers in these types of missions. The big international accounting firms are really experts in their field which is financial accounting and they also hire experts trained in sustainable development, but the question of their independence has not been solved. The verifier's independence is a crucial issue which has been raised by several authors (Hodge et al., 2007) for two reasons.

When final and in use by assurance practitioners, ISSA 5000 will bring numerous benefits to organizations, assurance practitioners, and stakeholders.

Enhanced credibility and trust: By subjecting their sustainability reports to independent assurance in accordance with ISSA 5000, organizations demonstrate their commitment to transparency and accountability. This, in turn, enhances the credibility and trustworthiness of their sustainability information, fostering stronger relationships with stakeholders.

Informed decision making: Stakeholders, including investors, regulators, and the general public, can make more informed decisions when sustainability information is subject to robust assurance. The reliability and accuracy provided by ISSA 5000 enable stakeholders to assess an organization's sustainability performance and make choices aligned with their values and objectives.

Global consistency: ISSA 5000 facilitates consistent application of sustainability assurance across organizations and jurisdictions. This global consistency ensures that stakeholders can compare and benchmark sustainability performance effectively, allowing for meaningful analysis and evaluation.

Combat greenwashing: By addressing the risks of management bias and fraud throughout the standard, ISSA 5000 promotes reliable sustainability information and enables more informed decision making. This, in turn, combats greenwashing and contributes to increasing trust among market players.

Continuous improvement: Through the assurance process required when applying ISSA 5000, organizations receive valuable feedback on the reliability of their sustainability reporting that will be a driver for improving their sustainability practices and disclosures. This facilitates a cycle of continuous improvement, where organizations refine their processes to support accurate and transparent sustainability reporting that will better inform their decision making and that of stakeholders, including strategies to contribute to a more sustainable future.

The proposed International Standard on Sustainability Assurance 5000 is a landmark for sustainability reporting and assurance and will play a pivotal role in elevating the quality and trustworthiness of sustainability reporting. By providing a robust framework for assurance practitioners, ISSA 5000 enables organizations to demonstrate their commitment to transparency and accountability while providing stakeholders with reliable information for decision making. With sustainability taking center stage in today's world, ISSA 5000 sets a global benchmark for sustainability assurance, driving positive change and promoting a more sustainable future for all.

The IAASB approved the International Standard on Sustainability Assurance 5000 on

September 20, 2024. With this milestone, we will now finalize the text of the standard for certification by the Public Interest Oversight Board in 2025 and publish a range of guidance and application materials.

The agenda papers with the final text include requirements for application and materials amendments to represent the final text.

The International Ethics Standards Board for Accountants (IESBA) welcomes the Public Interest Oversight Board's (PIOB) important decision to certify its Global Ethics Sustainability Standards and the International Organization of Securities Commissions (IOSCO) Statement of Support calling on its members to apply or be informed by the new framework.

These landmark new standards provide a robust ethical framework for reporting and assuring sustainability-related information that promotes high quality, reliable information for decision-making by investors, lenders, customers, suppliers, government, regulators and other stakeholders.

The IESSA and related revisions to the Code, including regarding using the work of an external expert, address critical risks to the integrity, quality and effectiveness of sustainability reporting and assurance such as bias, conflicts of interest, pressure to act unethically, fraud including greenwashing, non-compliance with laws and regulations, and threats to the independence of the assurance practitioners.

The final standards can be found on the IESBA's website The official launch of the new standards will take place on January 27, 2025 (IAASB, 2013)

Practical Guidance on Establishing An Sustainability Assurance

Assurance program is essential for organizations committed to enhancing their sustainability performance. This section will provide practical guidance on establishing an sustainability assurance program that aligns with the organization's goals and values.

Key steps include: **Defining Roles and Responsibilities:** Clearly define the roles and responsibilities of individuals involved in the assurance process. This ensures accountability and clarity of expectations.

Establishing Clear Processes: Establish a structured and transparent process for conducting sustainability assurances. This includes defining the scope, methodology, and timeline of the assurances, as well as outlining the criteria for evaluating performance.

Integrating Assurances into Existing Systems: Integrate sustainability assurances into existing management systems, such as quality management or risk management systems.

Reputation and Credibility: Consider the reputation and credibility. Seek recommendations, review client testimonials, and assess their adherence to professional ethics and standards.

Alignment with Organizational Values: Ensure that the values align with your organization's mission, vision, and commitment to sustainability. This alignment fosters collaboration and a shared understanding of the organization's unique challenges and opportunities

Continuous Improvement and Learning: Sustainability assurances should be viewed as a process of continuous improvement. This section emphasizes the importance of learning from assurance results and actively seeking opportunities for ongoing enhancement:

Feedback Mechanisms: Implement feedback mechanisms to gather insights from stakeholders, assurance, and internal teams involved in the assurance process. This feedback can inform improvements in assurance in practices, identify emerging risks, and promote stakeholder engagement.

Performance Monitoring: Establish robust performance monitoring systems to track progress on sustainability goals and initiatives. Regular monitoring provides visibility into the effectiveness of sustainability practices and identifies areas for improvement.

Learning from Assurance Results: Actively learn from the findings and recommendations of sustainability assurances. Use assurance results to identify areas where the entity can enhance sustainability performance, address gaps, and implement corrective actions.

Best Practices from Successful Companies

Building on the experiences of successful organizations, we can extract valuable lessons and best practices for implementing effective ESG assurances:

Establish Clear Goals and Metrics: Successful companies understand the importance of setting clear goals and metrics to guide their ESG assurance programs. By defining specific targets and performance indicators, organizations can track progress, assess their sustainability performance, and identify areas for improvement.

Foster Stakeholder Engagement: Engaging stakeholders throughout the ESG assurance process is key to success. By actively involving employees, investors, customers, and local communities, organizations can gain diverse perspectives, build trust, and enhance their decision-making processes.

Embrace Technology and Data Analytics: Leveraging technology and data analytics can streamline data collection, analysis, and reporting processes. Successful companies invest in digital tools and platforms to enhance data accuracy, automate reporting, and gain real-time insights into their sustainability performance.

Drive Continuous Improvement: Continuous improvement is at the core of successful sustainability assurance programs. By learning from assurance results, seeking feedback, and implementing corrective actions, organizations can continually enhance their sustainability practices, mitigate risks, and seize new opportunities.

By learning from the experiences of successful companies, organizations can navigate their own sustainability assurance journeys more effectively. These best practices provide valuable guidance for implementing sustainability assurances and reporting, ultimately leading to enhanced sustainability performance, improved stakeholder relationships, and a positive impact on the environment and society. Choose the appropriate assurance approach, engage the right assurances and consultants, and foster a culture of continuous improvement. Sustainability assurances play a critical role in enhancing transparency, identifying risks and opportunities, and driving positive change toward a more sustainable future.

Lessons Learned and Best Practices from Successful Companies

Real-world sustainability Assurance and Reporting Case Studies: Real-world case studies provide valuable insights into the practical implementation of sustainability assurance programs. In this section, we will present notable examples of organizations that have successfully embraced sustainability assurances and reporting. These case studies will highlight the challenges they faced, the strategies they employed, and the outcomes they achieved. By examining these real-life examples, readers can gain a deeper understanding of how sustainability assurances can drive positive change and deliver tangible benefits.

Example of good sustainability Reports

IBM's recently released 2021 sustainability report is a good example of a clear structure for an sustainability report. For the entity of key concerns, they draw from the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board, the Task Force on Climate-Related

Financial Disclosures (TCFD), the Stakeholder Capitalism Metrics, and the United Nations Sustainable Development Goals.

Board of IOSCO congratulates the International Ethics Standards Board for Accountants (IESBA) on achieving an important milestone of finalizing their International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting. IOSCO notes the extensive and thorough outreach program conducted by the IESBA throughout the lifecycle of the development of IESSA. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions. By providing high quality technical assistance, education and training, IOSCO supports its members to come together to achieve the following three objectives.

1. Enhance investor protection;
2. Ensure markets are fair and efficient;
3. Promote financial stability by reducing systemic risk.

IOSCO endorsed the sustainability-related financial disclosures standards of the International Sustainability Standards Board (ISSB) in July 2023. IOSCO issued a statement of support on the International Standard on Sustainability Assurance (ISSA) 5000 of the International Auditing and Assurance Standards Board (IAASB) in November 2024.

The report first outlines IBM's sustainability strategy in the context of the organization's core values on which it is built. Each section of the report clearly outlines the business risks and opportunities, followed by a description of 'highlights' of policies, activities, and actions that make up the risk management strategy. Clear quantitative data is also provided for each KPI. In addition, there are several links to supplementary information, such as Codes of Conduct, other relevant reports, and details of initiatives and programs.

Some other examples of companies that follow best practices for sustainability reporting include Microsoft, Netflix, and Lenovo.

MSCI released its annual Climate Trends to Watch report yesterday, with some key insights for the year ahead. Brief summary below of 3 key trends, along with my take. Low Carbon private markets are vastly outperforming public markets 17% private growth vs. 11% public growth, and double the growth of returns than the public company All Companies World Index (ACWI IMI) What does this mean? Investors are increasingly looking towards the private / SME market for sustainability data, and companies who provide that data are receiving phenomenal access to capital opportunities.

There's a clear leader on climate adaptation solutions : The Insurance sector has double the amount of offerings for climate adaptation solutions than the next closest sector, Utilities.

What does this mean? With extreme weather events top-of-mind, companies or sectors that demonstrate the ability to adapt to climate will get a lot more access to equity markets than those sectors who don't.

Human Capital is an increasingly important factor in MSCI ESG ratings: MSCI adjusts the weights of key issues within sectors, in-line with market-induced changes in Sustainability risks. This impacts how a company is scored for its rating, depending on what sector it's classified as. Human Capital Development saw the biggest rise in weight across sectors, particularly IT sector which accounts for ~12% of the ACWI. Conversely, Carbon Emissions fell as a key issue, particularly in the Energy sector.

What does this mean? Companies should play close attention to the weights of key issues in their scorecards, and especially for those with higher Social weights, should consider social impacts (workforce, value chain, societal dynamics) in how they define "sustainability". Social metrics are

increasingly prioritised, and in certain sectors they carry a much deeper impact than Environmental metrics.

CONCLUSION

The objective of this paper was to contribute to the understanding of sustainability assurance practice by discussing the positive impact of sustainability accounting on sustainability assurance practice as the integration of sustainability factors depending on double materiality.

Sustainability accounting goes beyond traditional financial reporting by incorporating sustainability factors that encompass a wide range of issues, such as environmental impact, employee well-being, community engagement, and ethical governance, measurement and disclosure organizations using sustainability accounting collect, measure, and disclose data related to their sustainability performance.

This data may include carbon emissions, energy consumption, diversity and inclusion metrics, philanthropic activities, and more.

To promote consistency and comparability, there are various reporting frameworks and standards available, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD). These frameworks guide organizations on what and how to report to Stakeholder Engagement Sustainability accounting considers the interests of a broad range of stakeholders, including investors, customers, employees, regulators, and the community.

It aims to provide transparent information to meet the diverse needs of these stakeholders to make decisions, the information generated through sustainability accounting can assist organizations in making more informed decisions.

It helps them identify risks and opportunities related to sustainability and sustainability factors, which can impact long-term financial performance.

By reporting on sustainability factors, organizations demonstrate transparency in their operations and hold themselves accountable for their social and environmental impacts to enhance their reputation and trust among stakeholders.

Regulatory compliance in some regions, there are legal requirements for sustainability reporting Sustainability accounting ensures organizations comply with these regulations pacredits 2023. This feedback loop promotes ongoing refinement of sustainability practices continuous Improvement assurance processes often identify areas for improvement in an organization's sustainability accounting and reporting, to streamline sustainability assurances, self-assessments, and reporting processes, empowering to conduct assurances, assessments, and reporting

Sustainability assurance involves an independent assessment by qualified assurance providers, such as professional accounting firms or specialized sustainability consultants. These professionals assess the organization's sustainability data and practices without bias by identifying the scope of assurance can vary but typically includes a review of an organization's sustainability reports, data, and associated processes. Assurance providers assess whether the reported information is complete, accurate, and in compliance with relevant reporting frameworks or standards (e.g., GRI, SASB, TCFD) as on auditing financial report qualification and requirement.

Furthermore, challenges that impede the adoption of and issues that constrain the opportunities of sustainability assurance are also identified, such as the absence of stakeholder engagement or independence of the assurance provider as the world faces pressing environmental and social challenges, the demand for reliable and transparent sustainability reporting has grown significantly and increasingly shifted from voluntary to mandatory. There is a clear need for trusted global sustainability reporting and sustainability assurance standards to provide consistent and comparable reporting coupled with robust assurance, to meet this global need for consistent

sustainability assurance standards, Assurance Standards Board (IAASB) has developed International Standard on Sustainability Assurance 5000 (ISSA 5000), General Requirements for Sustainability Assurance Engagements. ISSA 5000 was developed in close coordination with key global and regional standard-setting bodies responsible for sustainability reporting. The groundbreaking standard aims to set a global baseline for sustainability assurance by enhancing the quality and trustworthiness of sustainability information, thereby fostering greater accountability and transparency (IAASB, 2013).

The Opportunities of Sustainability Assurance are also identified from Sustainability Accounting:

1. Assurance enhances the credibility and trustworthiness of an organization's sustainability disclosures. It demonstrates a commitment to transparency and accountability in addressing environmental and social impacts.
2. Through the assurance process, weaknesses or areas of improvement in an organization's sustainability reporting and practices can be identified, and this feedback can help the entity refine its approach to sustainability.
3. Assured sustainability reports are more likely to instill confidence in stakeholders, including investors, customers, regulators, and the general public, stakeholders can rely on the assurance statement as an endorsement of the reported information.
4. In some jurisdictions, there are legal requirements for sustainability assurance, especially for publicly traded companies or entities in specific industries, assurance helps ensure compliance with these regulations.
5. By rigorously examining sustainability data and practices, assurance can help organizations identify and mitigate risks related to environmental, social, and governance issues.
6. Organizations often use the findings from assurance engagements to improve their sustainability reporting and management systems continually. this iterative process can lead to better sustainability performance.
7. Overall, sustainability assurance plays a crucial role in promoting transparency, accountability, and the reliability of sustainability reporting, it aligns with the growing demand for organizations to demonstrate their commitment to responsible and sustainable business practices while helping stakeholders make informed decisions based on trustworthy information.
8. With sustainability taking center stage in today's world, ISSA 5000 sets a global benchmark for sustainability assurance, driving positive change and promoting a more sustainable future for all.

GLOBAL ASSURANCE AND ETHICS STANDARDS: TRUST IN SUSTAINABILITY

The IAASB and IESBA have issued landmark standards aimed at advancing trust and transparency in sustainability reporting and assurance. Taken together, these new and revised standards provide a unified global approach to addressing the growing market demand and calls from regulators and other stakeholders for trustworthy sustainability information to support stakeholder decisions. These findings align with recent literature on contributes to previous theory providing substantial insights into the dynamics between sustainability reporting, assurance practices and the extent of SDG disclosure among rms. The results clearly illustrate the critical role that these practices play in enhancing the transparency, credibility and comprehensiveness of corporate sustainability communications

One of the key ndings is the positive relationship between adherence to GRI standards and the breadth of SDG disclosure. This suggests that rms following GRI guidelines tend to report on a wider range of SDGs. GRI standards appear to play a crucial role in encouraging rms to cover multiple SDGs in their sustainability reports, thus promoting a more comprehensive approach to sustainability reporting.

These concerns and our ndings underscore the need for robust reporting standards and assurance practices, combined with stakeholder engagement, to enhance the effectiveness of SDG disclosures.

The practical implications of this study underscore once again the signi cance of adopting comprehensive and high-quality sustainability reporting practices. Additionally, the study highlights

the value of engaging a diverse range of stakeholders in the reporting process. This engagement can lead to more detailed and reflective disclosures, helping firms to address stakeholder concerns more effectively and demonstrating a genuine commitment to sustainable development. Companies can leverage these detailed disclosures to improve their risk management practices, identify new opportunities for sustainable growth and ensure compliance with increasing regulatory requirements.

Although this study aims to provide a substantial contribution to the field, it is important to acknowledge its limitations. One limitation of our study was the partial consideration of the institutional characteristics across different countries where the companies operate. These, coupled with the diverse practices under examination, could further influence the breadth and depth of SDG disclosure. Additionally, our sample selection only included companies listed in Forbes Global 2000, which may not be representative of all companies.

Future research should consider a larger sample that includes a more diverse range of companies to ensure the robustness of findings. Another limitation is the source of data for SDG disclosure. While we used CoP questionnaires as the primary source of SDG disclosure, we recognise that companies may also disseminate SDG disclosures through other channels, such as websites and social media. Incorporating these other channels of Meditari, Accountancy, Research. 257, MEDAR, 32,7 258 SDG disclosure into future research would provide a more comprehensive understanding of SDG disclosure practices. We also acknowledge that our disclosure indexes may not fully capture the depth of SDG-based information disclosed by companies. Further analysis of the content of the information disclosed may be necessary to better evaluate the quality of SDG disclosure practices. Finally, although our research investigates SDG disclosures from two distinct dimensions, it is constrained within the confines of studying SDG disclosure exclusively. Future research could consider the relationship between disclosure and actual SDG performance to provide deeper insights into the effectiveness of corporate sustainability practices. This could involve developing metrics and methodologies that better capture the impact of corporate actions on achieving the SDGs. The regulatory landscape for sustainability reporting is rapidly evolving, with new frameworks emerging in various jurisdictions. For example, the CSRD in Europe and the rules on climate-related disclosures issued by the Securities and Exchange Commission (SEC) in the USA are set to significantly change reporting requirements for companies. These regulations are likely to increase the rigour and comparability of sustainability disclosures, thereby reducing the risk of greenwashing and enhancing investor confidence. Future research could explore the impact of these regulatory changes on SDG disclosure practices. (Zampone & Guidi, 2024).

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