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with substantial variation in practice within different jurisdictions

Isaac M. O'Bannon • Aug. 01, 2022



The number of global companies obtaining independent assurance on their environmental, social and governance (ESG) information increased from 51% to 58% in 2020, compared to the previous year, according to [new data](#) from the International Federation of Accountants (IFAC), American Institute of CPAs (AICPA) and Chartered Institute of Management Accountants (CIMA), the latter two of which represent the unified voice of the Association of International Certified Professional Accountants.

The 2020 information released today is an update to the accounting bodies' inaugural study last year that examined global trends in both sustainability-related

reporting and its assurance. This latest update offers the first benchmark of progress

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most assurance engagements are conducted by service providers outside of the accountancy profession. Professional accountants have high professional standards, including independence, and are subject to regulatory oversight, which is critical in this space.

On the reporting side, the study found 92% of global companies provided some ESG data to investors, either through integrated, annual or standalone reports. The use of, or reference to, Sustainability Accounting Standards Board (SASB) standards more than doubled in 2020. This is important because new disclosure proposals from the International Sustainability Standards Board (ISSB) include and build upon SASB standards. (SASB's parent organization, the Value Reporting Foundation, will consolidate into the IFRS Foundation on Aug. 1, 2022, to support the work of the ISSB.)

“It's encouraging to see continued high levels of reporting on sustainability information and an overall increase in assurance globally,” said IFAC CEO Kevin Dancey. “But our research tells us that 80% of companies are using multiple frameworks or standards, which results in data that is not consistent, comparable or decision-useful for investors, stakeholders or society at large. Sustainability reporting and assurance will only reach its full potential when it is based on a harmonized global system led by the International Sustainability Standards Board's comprehensive baseline of disclosure.”

The 2020 study data also shows 89% of companies presented at least some information in each of four categories: greenhouse gasses, other environmental factors, social and governance. Yet only 43% provided assurance for all four categories. The most common area for independent assurance was greenhouse gases (95%).

Seventy percent of global companies that engaged a professional accounting firm to

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