

Sustainability Reporting and Assurance

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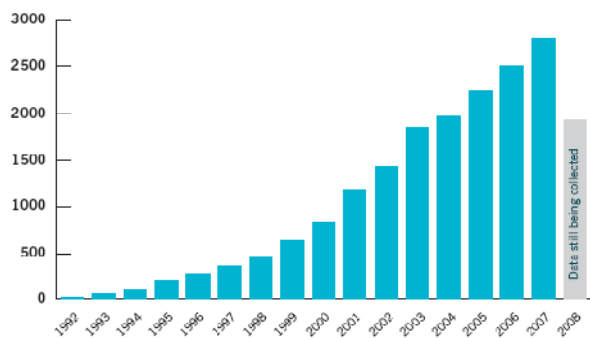
Sustainable Development is the Goal

Creating a sustainable future economically, socially and environmentally requires that the actions of organizations do not cause irreparable damage to the environment and to society, which would threaten the long term survival of and well-being of the planet.

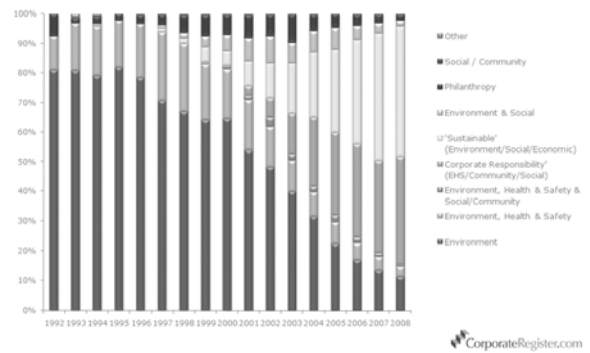


Sustainability Reporting

Global CR report output annually



Evolution of Reporting



Nice looking report but is it credible?

As corporate social responsibility (CSR) reports have become more common, so have accusations that they are merely elaborate attempts at 'green-washing' - full of glossy images, good intentions, and data that bears little relation to facts on the ground."

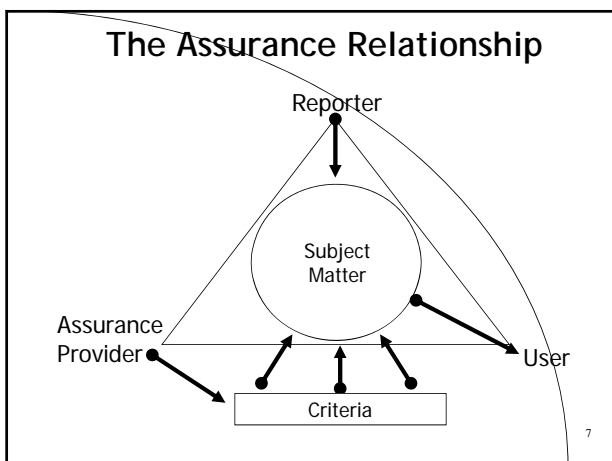
Environmental Finance, June 2005

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What do we mean by Assurance?

- "Assurance is an evaluation method that uses a specified set of principles and standards to assess the quality of an organization's subject matter and the underlying systems, processes and competencies that underpin its performance."
AA1000 Assurance Standard
- "An engagement in which a practitioner expresses a conclusion designed to enhance the degree of confidence of the intended users [...] about the evaluation or measurement of a subject matter against criteria."
IFAC International Framework for Assurance Engagements

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Assurance an integral part of ISO 26000

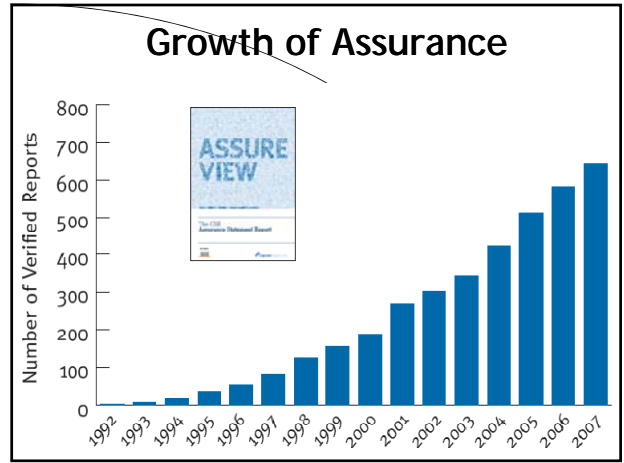
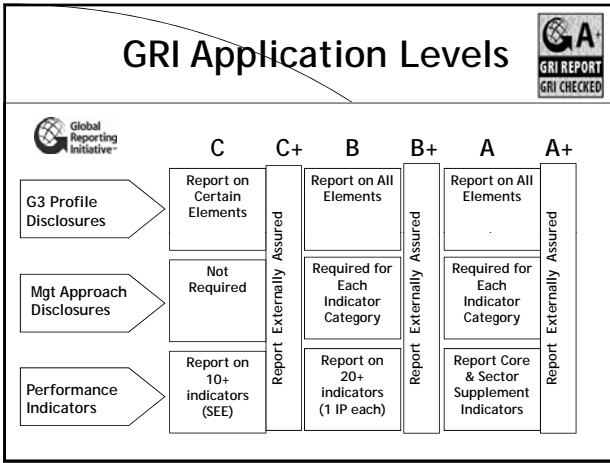
ISO 26000 and Assurance

NWIP states:

Standard should provide practical guidance related to:

- enhancing credibility of reports and claims made about social responsibility.
- Increase confidence and satisfaction in organizations among their customers and other stakeholders

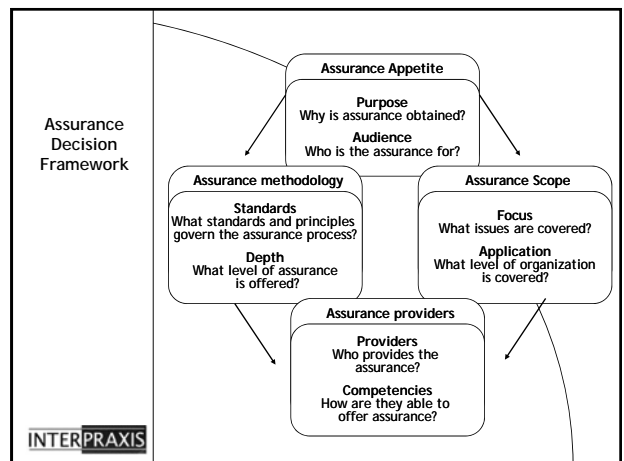
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Questionable Assurance:
Some stakeholders may like a second opinion?

"External assurance defuses the marketing spin and gives reports credibility"
 – Paul Burke, Cooperative Insurance

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Why Assurance?

- Meeting legal compliance requirements
- Convincing
- Decision making
- Learning

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Assurance For whom?

- Indoor stakeholders
- Back-door stakeholders
- Front-door stakeholders

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Emerging Global Architecture of Standards

What do they govern? How do they bite?

- Performance
- Management systems
- Assurance and reporting processes
- Definitive frameworks
- Membership and market access requirements
- Stakeholder standards
- Legal standards

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Mapping the CSR/Sustainability Environment

	Policy	Accounting	Assurance	Reporting
Social and Ethical			UN Norms	
Environmental	Global Compact	SA 8000		GRI
	OECD	ISO 14001		
Financial/Economic		DJSI	AA1000 Assurance Standard	
			Sarbanes-Oxley	

Source: WBCSD

What depth of assurance is offered?

```

graph TD
    Appetite --> Methodology
    Appetite --> Scope
    Methodology --> Providers
    Scope --> Providers
  
```

- **Data:** Is the information presented complete and accurate?
- **Systems:** Are the management and information systems robust?
- **Materiality and risk:** Is it the whole truth? What are the implications for the organization?
- **Compliance and responsiveness:** how is the organization doing in response to standards, commitments and stakeholders.

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What Issues are Covered?

```

graph TD
    Appetite --> Methodology
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```

- **Specific:** e.g. aspects of social, environmental and economic performance
- **Sustainability:** aims to cover overall performance

What parts of the organization are covered?

- **Site specific:** e.g. supplier audits
- **Product specific:** e.g. assurance for labelling
- **Company or group level:** e.g. sustainability reports

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Who Assures?

```

graph TD
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```

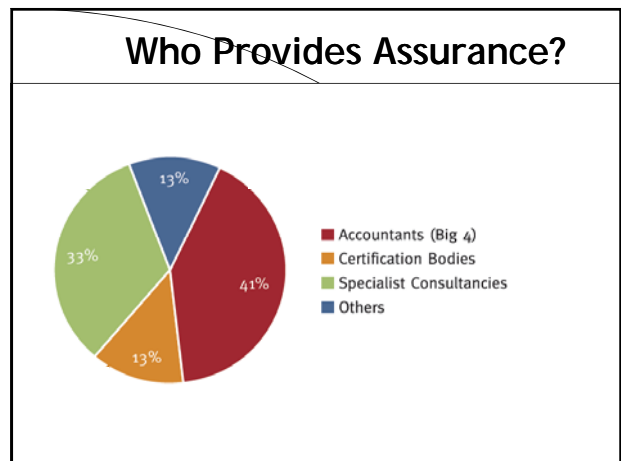
Internal Assurance

- Functional areas
- Risk assessment/ internal audit
- Board level


External Assurance

- Audit professionals
- CSR specialists
- Civil society orgs
- Opinion leaders
- Advisory panels

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The AA1000 Assurance Standard




AA1000 Assurance Standard

- Provides a forward looking approach
- Applies to different types and sizes of organizations.
- Requires disclosure by assurance provider covering their competencies and relationship with the reporting organization.
- Supports an integrates approaches to assurance including specific compatibility with the GRI.

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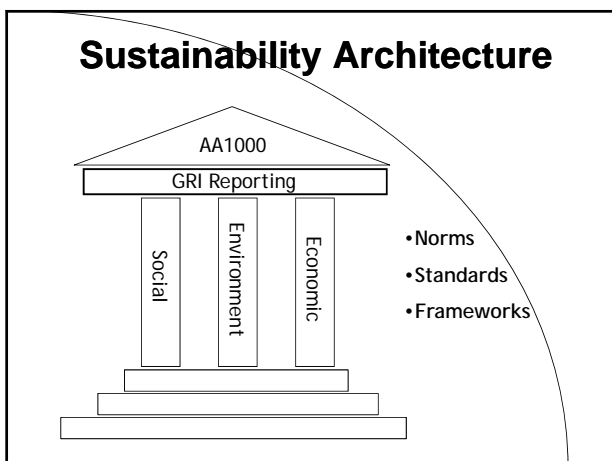
What does the Assurance Provider conclude on?




Assurance Provider's Conclusions

- Provides assurance providers with a methodology to evaluate and provide conclusions on:
 - the nature and extent of adherence to the AA1000 AccountAbility Principles, and
 - the quality of the information publicly disclosed on sustainability

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Certified Sustainability Assurance Practitioner Designation

CSAP Program

- Associate
- Practitioner
- Lead Practitioner

The International Register of Certificated Auditors (IRCA) is the world's original and largest international certification body for auditors of management systems. IRCA certifies more than 11,500 auditors in over 105 countries worldwide.

For more information go to: www.irca.org

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Training



The Accountability Project

Further information available at: www.theaccountabilityproject.ca

Sustainability Reporting and Assurance in the 21st Century



- Sustainability reporting and assurance was initially seen by many as a side affair...
- This point of view is, however changing. Sound sustainability reporting and associated assurance is now understood as an important element of good corporate governance.

- UNEP

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