

Best Practices in Assurance

CSR Asia Summit 2009, Kuala Lumpur

Dr Helena Barton 28 October 2009



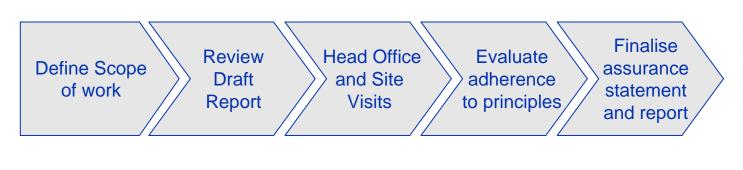
DNV (Det Norske Veritas)



- Independent foundation established in 1864 self-owned with no shareholders
- Global provider of certification, assessment and assurance services in sustainability
- Focus on sustainability, climate change, environmental, health and safety management and reporting across all industries and geographical regions

What is assurance?

- Aim: Raise confidence in communication on sustainability performance
- Evaluation using clear set of principles and standards to assess quality of reporting and underlying systems, processes and competencies
- Communication of results to convey credibility of reporting to users
- Common assurance principles include Materiality, Stakeholder Inclusiveness, Responsiveness, Reliability, Balance, Completeness
- Common steps in the assurance process:





usamablery reports, our enveronmental and social assurance specialities work in over do countries. Our assurance engagement was planned and carried out in accordance its the DNV Protocol for Verification of Sustainability Reporting, in that respect, the Report has been evaluated against the following oriteria: «rephyse

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Good assurance is more than just a stamp of approval...

- Sharpens internal performance and reliability of data and claims
- Identifies opportunities for improvement in reporting process and underlying data management systems
- Builds trust and credibility with stakeholders, enhancing reputation and brand value
- Provides a sparring partner on best practice in reporting
- Enables board's decision-making by providing assurance on:
 - Extent to which management of material issues is reported adequately and fairly
 - Extent to which information being put in public domain is accurate
- Helps meet reporting requirements, where mandatory
- Provides independent opinion on whether "the right things are in the report and the things in the report are right"





Supporting the reporting team



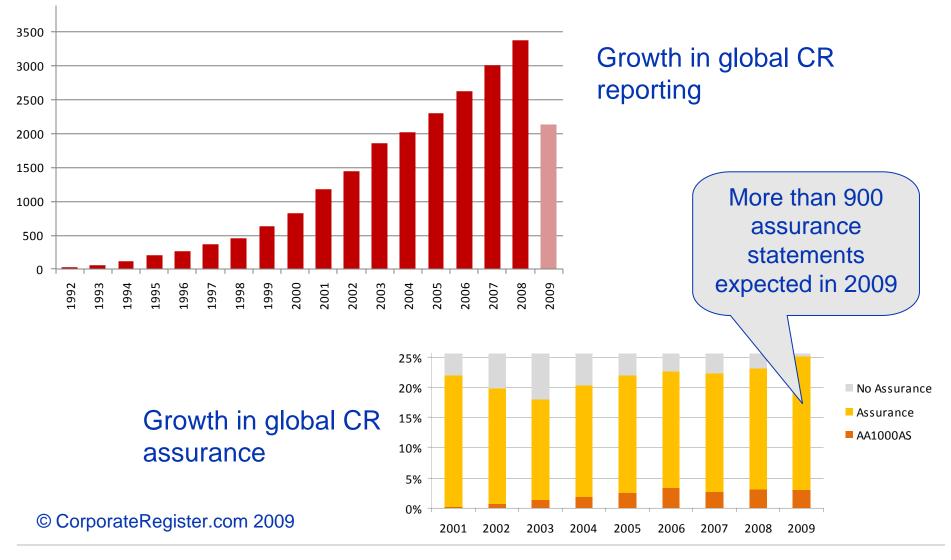
Source: Survey of DNV verification customers in Asia, October 2009

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"Our report was evaluated for compliance

with both AA1000 and GRI G3"

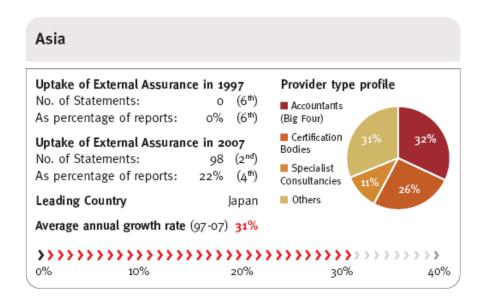
The global picture



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Asian growth trends

- 1999-2007: Asia became second largest global market for assurance statements
- Key drivers for regional growth in uptake of assurance:
 - Tendency to watch European market, decide on action, follow swiftly in large numbers
 - As mandatory reporting requirements emerge, increase in assurance likely to follow a few years later
- Estimated 25% of reports issued in Asia in 2008 contain an assurance statement
- Statistics exclude "opinion statements" from individuals – considered to be commentary, not credible assurance. Majority from Japanese companies.



Source: AssureView - CSR Assurance Statement Report, CorporateRegister.com, 2008; 2008 data from CorporateRegister.com

Good/Best practice in assurance

- Assurance provider: Independence and training
- Assurance process: Rigorous, public methodology of assurance provider
- Assurance Statement*:
 - Reference to reporting guidelines, assurance approaches/principles/assurance levels
 - Specific declarations from assurance provider (incl. audience, disclaimers, statement of independence, responsibilities)
 - Methodology followed and activities undertaken
 - Opinion and conclusions (positive/negative) on adherence to principles
 - Recommendations/opportunities for improvement
 - Readability of statement
- Assurance Report: Internal report to management elaborating on findings
- Integrated Assurance where possible (combining report verification with management system audits)

*Source: AssureView – The CSR Assurance Statement Report, CorporateRegister.com, 2008

When should an organisation seek assurance?

Two schools of thought:

Data management and reporting processes need to be fully developed before verification is appropriate

Obtaining verification at an early stage can help ensure the development of robust systems and provide the momentum for continual improvement



- "One size" does not fit all
- Extent to which assurance adds value depends on the reporter, the assurance provider and their approach to the assurance process
- Select the right assurance provider for your needs
- Plan and start early bring assurance provider on board while preparing report
- Independent verification lifts the quality and credibility of both report and reporting process, enhancing stakeholder trust in the reporter.



Safeguarding life, property and the environment

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