AccountAbility

AA1000

ASSURANCE STANDARD v3

LETTER TO STAKEHOLDERS

We live in a world that is not just dominated by the necessity to rethink our future as a result of COVID-19, but is also impacted by climate change, resource scarcity, worker welfare, volatility, and inequality. The pandemic further highlights the importance of sustainability matters such as good governance, transparent reporting, health and safety, social justice, and business resilience.

Investors, workers, consumers, governments, and regulators, as well as companies themselves, know that issues such as these are not merely of passing interest to businesses, but rather are increasingly material to their financial health and future success. Taking account of environmental, social, and governance matters is as much about managing risks and finding new business opportunities as it is about doing the right thing.

Twenty years ago, sustainability was a business luxury; a decade ago, a passive investment. **Today, sustainability is responsible business practice.**

As a result, sustainability practices will be assured with as much rigour and relevance as financial information. In fact, in the future it may become hard to distinguish them from each other.

Governments around the world are demanding more disclosure, while consumers – especially younger generations – want to know that companies have a purpose above and beyond simply seeking to make a profit. And once they know your purpose, then stakeholders expect to see the tangible actions and commitments behind your words.

We believe accountability will make your organisation healthier.

We also believe that demands for reliable, accurate, and verifiable information are only going to increase. For this information to be useful, it must be trusted, comparable with disclosures from competitors and peers, and aligned with financial reporting.

With expectations higher than ever before, assurance has become a business necessity. And AccountAbility has developed the solution of choice for sustainability leaders seeking assurance of their sustainability management, performance, and reporting.

The AA1000AS v3 offers **Principles-based Guidance** rooted in the AA1000 Accountability Principles (2018) of *Inclusivity, Materiality, Responsiveness, and Impact.*

The AccountAbility Assurance Standard:

- Incorporates a **Wide-angle, Integrated, and Forward-looking view** of a company's overall sustainability management, performance, and reporting practices.
- Ensures **Flexibility, Accessibility, and Applicability** by any organisation, of any size, in any industry, anywhere in the world.
- Prioritises the **User Experience** to be **easy to read, simple to use, and clear in its objectives.**

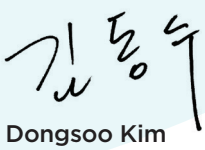
The new version is robust, relevant, built to grow with an organisation's sustainability requirements, and compatible with widely applied reporting standards. It is responsive to changing sustainability requirements and expectations, future business risks and opportunities, and the continued evolution of the new assurance landscape.

We invite you to join AccountAbility's global community to lend your voice and perspective toward advancing the sustainability assurance agenda.

Finally, we wholeheartedly thank those who have generously shared their time, insights, and experience with us throughout the revision of this important framework.

The next generation standard for sustainability assurance is here.

Sunil A. Misser
Chief Executive Officer
AccountAbility



Dongsoo Kim
Chair, AA1000 Steering Committee

Amy Springsteel
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ABOUT ACCOUNTABILITY

AccountAbility is a global consulting and standards firm that works with businesses, governments, investors, and multi-lateral organisations to advance responsible business practices and improve long term performance. Since 1995, we have been helping corporations, nonprofits, and governments embed ethical, environmental, social, and governance accountability into their organisational DNA.

At the core of AccountAbility's work is the AA1000 Series of Standards based on the principles of:

- **Inclusivity** – People should have a say in the decisions that impact them.
- **Materiality** – Decision makers should identify and be clear about the sustainability topics that matter.
- **Responsiveness** – Organisations should act transparently on material sustainability topics and their related impacts.
- **Impact** – Organisations should monitor, measure, and be accountable for how their actions affect their broader ecosystems.

The AA1000 Assurance Standard (AA1000AS v3), released in August 2020, is an internationally recognised, freely available standard that provides the requirements for AccountAbility-licensed assurance providers to conduct high-quality sustainability assurance on the application of the AA1000 AccountAbility Principles (AA1000AP, 2018) by reporting organisations.

THE ACCOUNTABILITY STANDARDS BOARD

The AccountAbility Standards Board approves the standards strategy and oversees the ongoing development of the Standards used by institutions worldwide. The composition of the Board is designed to provide broad representation from the public and private sectors, civil society, and the standards community.

The members of the AccountAbility Standards Board are:

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INTRODUCTION

1

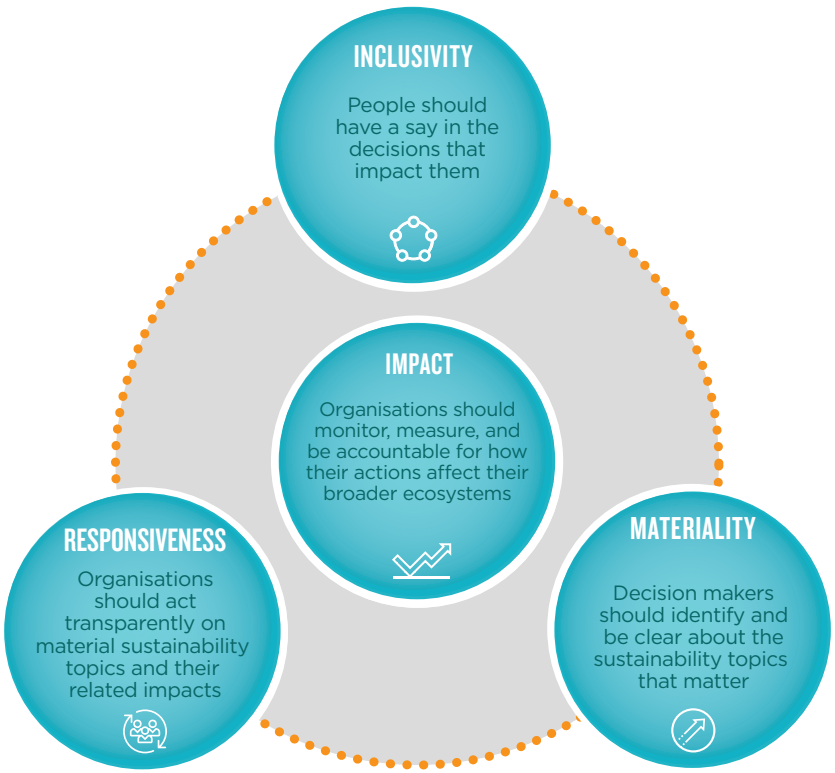
INTRODUCTION

The AA1000 Assurance Standard (AA1000AS v3) serves as a standard for assurance on sustainability information across organisations of all types, based on the effective application of the AA1000 AccountAbility Principles (AA1000AP, 2018).

As shown in Figure 1, the AA1000AP (2018) forms the core of the AA1000 Standards Series and is designed to be subject to external assurance by AccountAbility-licensed assurance providers[1] using the AA1000AS v3 while also providing the foundation for the AA1000 Stakeholder Engagement Standard (AA1000SES), AccountAbility's globally leading standard for high-quality stakeholder engagement.

The AA1000AS v3 provides a holistic way of holding an organisation accountable for its sustainability management, performance, and reporting practices by assessing the adherence of the organisation to the AA1000AP (2018). Intended to go well beyond simple data verification, the AA1000AS v3 focuses on the processes required for responsible and complete assurance engagements based on the AA1000AP (2018) Principles of ***Inclusivity, Materiality, Responsiveness,*** and ***Impact.***

Figure 1: AA1000 Standards Overview



AA1000AP – AccountAbility Principles

AA1000AS – Assurance Standard

AA1000SES – Stakeholder Engagement Standard

Source: AA1000 AccountAbility Principles (AA1000AP, 2018)

[1] For information on the AA1000AS v3 mandatory licensing process please visit www.accountability.org/standards

The AA1000AS v3 is designed to be a globally leading benchmark for external assurance of organisations' adherence to their stated sustainability goals and principles. It provides important guidance on the methods and processes that should be employed by independent, external assurance providers to maximise the credibility of their findings when assessing organisations' disclosures about their sustainability performance and underlying sustainability-related information, processes, and systems, as well as for issuing those findings in a formal Assurance Statement.

Fundamental requirements for high-quality sustainability assurance according to the AA1000AS v3 revolve broadly around three areas:

- **Meeting preconditions and considering suitable criteria** when an assurance engagement is accepted.
- **Conducting an assurance engagement** according to robust processes and practices implemented in a credible, legitimate, and transparent manner.
- **Issuing an Assurance Statement** with conclusions that accurately reflect the state of affairs and, if agreed upon in the engagement agreement, preparing a Report to Management materially consistent with the conclusions of the Assurance Statement.

As global reporting paradigms shift, high-quality assurance must remain dynamic and flexible in order to anticipate future evolutions in sustainability management. The AA1000AS v3, as a generally applicable framework, provides a basis for such flexibility and can also be aligned with financial reporting for holistic coverage of an organisation's disclosures across defined periodic, integrated, and/or annual reporting timeframes.

The AA1000AS v3 is divided into four sections. The first section describes the purpose and scope of the AA1000AS v3 itself and identifies intended users of the Assurance Standard. It also makes clear how the standard is applicable to reporting organisations of all types and sizes.

The final three sections establish the requirements for high-quality assurance, supported by clear guidance for independent assurance providers to gain a full and clear understanding. These three sections are:

- The characteristics of the AA1000AS v3 and preconditions to be considered when accepting an engagement where the standard is to be used
- How to conduct an engagement in accordance with the standard
- Guidance on issuing the final Assurance Statement and optional Report to Management

The AA1000AS v3 is the only sustainability assurance standard recognised by AccountAbility for assurance on the application of the AA1000AP (2018), and is supported by the supplementary guidance document, *Guidance on applying the AA1000AS v3 for Assurance Providers.*

ADVANTAGES OF EFFECTIVE APPLICATION OF THE AA1000AS v3

- Draws conclusions on the **quality, rigour, and alignment**, of an organisation's **overall management practices and performance** on the four **AccountAbility Principles (AA1000AP, 2018)**, namely *Inclusivity, Materiality, Responsiveness,* and *Impact.*
- Assists organisations in obtaining assurance across **holistic sustainability performance**, based on the **scope of management and reporting** established by applying the AA1000AP (2018).
- Assures a **stakeholder-centric** approach to the **goals, disclosures, and sustainability management** of the organisation.
- Provides a **tried and tested, internationally recognised** approach to sustainability assurance.
- **Complements** other international and national assurance **standards and frameworks.**
- Compatible with other **international, national, sectoral, and/or topic-driven sustainability-related** standards, frameworks, and guidelines.
- Builds **trust and credibility** regarding the **reliability and quality** of a reporting organisation's **disclosed information** on sustainability performance.
- Results in externally assured information to effectively support **governance practices, organisational decision-making, and risk management.**

WHAT IS NEW ABOUT THE AA1000AS v3

- Overall restructuring **now follows the assurance process sequentially** – from Preconditions, through Conducting the Engagement, to Issuing an AA1000AS v3 Statement – to better support practical application.
- Increased **emphasis** on the **"Preconditions for Assurance,"** including enhancements of independence and competence requirements of the assurance provider and responsibilities of the reporting organisation.
- Assurance providers may now assure **forward-looking information** when included in **organisational disclosures** at a **Moderate level** by verifying the methodology applied by the organisation in developing its **position, targets, metrics, and narrative.**
- As a **generally applicable framework**, providing a basis for high-quality assurance while remaining **dynamic and flexible**.
- Updated according to market trends to support information **alignment with financial reporting**.
- Adds **ease-of-use features** such as clearly defined requirements, segregated from guidance and supported by diagrams.
- Amends terminology for greater **consistency, uniformity, and clarity**.
- Emphasises the **interconnectedness of the AA1000 Series**, especially the uniqueness of the AA1000AS v3 for providing assurance.
- Focuses on the role of AA1000AS v3 as **the sole Standard by which to assure the adherence criteria of all four AA1000 AccountAbility Principles** (AA1000 AP, 2018).
- Highlights the **license agreement in place with AccountAbility for assurance providers** to issue AA1000AS v3 Assurance Statements.
- Retains the two types of AA1000AS v3 assurance while **clarifying the distinction** between **Type 1 assurance on adherence and Type 2 assurance on reliability and quality.**
- Creates the option for assurance providers to combine the **AA1000AS v3 with other assurance frameworks.**
- Mandates that if another framework is referenced on the same Assurance Statement it is the **assurance provider's responsibility** to ensure any corresponding terminology of the complementary framework is used only if the **associated methodology and rigour has been applied.**

SUPPORTING DOCUMENTS

- AA1000 AccountAbility Principles (AA1000AP, 2018)
- AA1000 Stakeholder Engagement Standard (AA1000SES)
- Guidance on applying the AA1000AS v3 for Assurance Providers

PURPOSE AND SCOPE OF THE AA1000AS v3

2

PURPOSE AND SCOPE OF THE AA1000AS v3

The AA1000AS v3 is an internationally recognised, industry-independent, and freely available standard that provides the requirements for AccountAbility licensed assurance providers to conduct high-quality sustainability assurance on the application of the AA1000AP (2018) by reporting organisations. Usage of the AA1000AS v3 by sustainability assurance providers is covered by a mandatory licensing agreement between AccountAbility AA1000CIC[2] and each assurance provider, which binds the user to adhere to the requirements of the AA1000AS v3.

The AA1000AS v3 may also be used by organisations internally for self-assessments, such as in preparing for an external assurance, free of charge, although the findings of such a self-assessment will not be publicly recognised by AccountAbility.

The AA1000AS v3 can be used immediately. Beginning 1 January 2021, when it fully replaces the AA1000AS (2008), the AA1000AS v3 will become the only recognised AA1000 Assurance Standard.

The AA1000AS v3 describes:

- How to define the **scope and preconditions** to be met when **accepting an assurance engagement** where the standard is used.
- How to **perform an engagement** in accordance with the standard.
- How to **issue** the final **Assurance Statement** and optional **Report to Management**.

Sustainability assurance in accordance with the AA1000AS v3 assesses and provides conclusions on:

- The **nature and extent of adherence** to the AA1000 AccountAbility Principles.
- If defined in the scope of the engagement, the **reliability and quality of disclosed information on sustainability performance.**

The AA1000AS v3 assurance process in Figure 2 is typical and can be applied across different engagements for organisations of all types and size. The standard is primarily intended for use by sustainability assurance providers, practitioners, and reporting organisations seeking assurance in accordance with the AA1000AP (2018). It may also be useful to internal audit and annual or financial reporting functions of organisations, as well as to users of sustainability Assurance Statements such as rating agencies, external stakeholders, and other standards developers.

The AA1000AS v3 can be used complementarily with other internationally recognised frameworks to further enhance the robustness and quality of the overall assurance process. While the AA1000AS v3 remains unique, given its principles-focused nature, it has not been designed to replace or undermine other frameworks that support high-quality assurance. That being said, certain terms used in the AA1000AS v3 may be defined differently in complementary standards and documents. In this case, the assurance provider in consultation with the reporting organisation should agree and clearly state which definition is used and the reason for the selection, with preference given to any definitions, nomenclature, or other terminology required for legal compliance.

[2] AccountAbility AA1000CIC is a limited company established to house the AA1000 Series of Standards, with special additional features of a Community Interest Company (CIC) created for the use of people who want to conduct a business for community benefit, and not purely for private advantage.

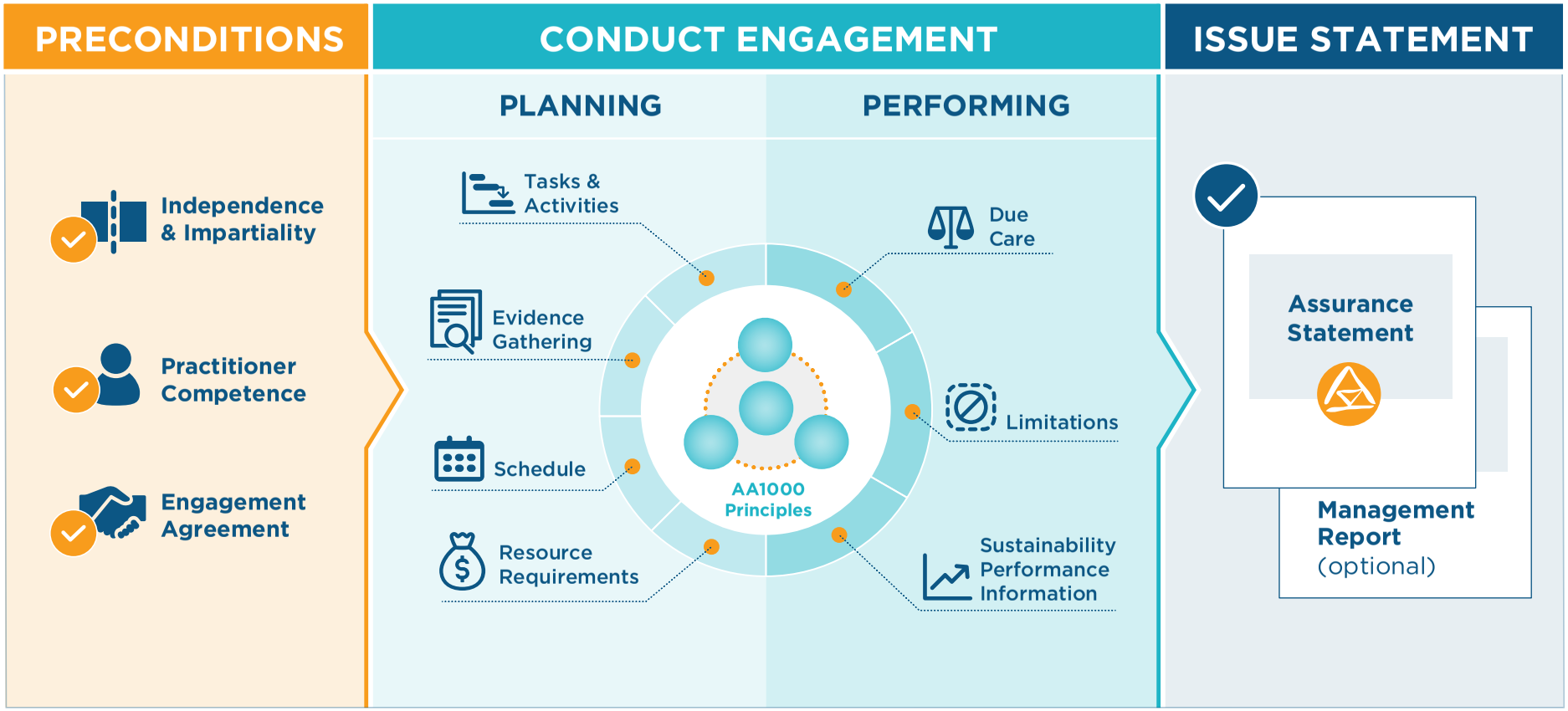


Figure 2. The AA1000AS v3 Assurance Process

While the AA1000AS v3 lends itself best to creation of a single, broad, standalone report, our rapidly evolving digital landscape requires that the standard be applicable to various forms of digital reporting as well. Such electronic recording, processing, and distribution of information is often synonymous with content narrowly targeted to specific audiences either electronically, or through the creation of custom reports and documents. In using the AA1000AS v3 for assurance of disclosures in a digital format, the assurance provider must be vigilant to ensure that no subsequent edits are made to the assured information. In the absence of controls such as those that guarantee static content, assurance over digital format reporting should be avoided to prevent disclosures being edited after assurance has been provided. Similarly, the AA1000AS v3 can be applicable to sustainability information spread across different reporting mediums including web disclosures, stakeholder reports, and regulatory-specific disclosures. In this case, while the assurance provider will need to exercise judgement regarding the scope of reporting that can be assured, it will be the reporting organisation's responsibility that the assured information is consistent, accurate, and not edited after assurance.

Usage of the AA1000AS v3 by sustainability assurance providers is covered by a mandatory licensing agreement between AccountAbility AA1000CIC and each assurance provider, which binds the user to adhere to the requirements of the AA1000AS v3. Assurance Statements issued by non-licensed assurance providers as adhering to any version of the AA1000 series do not have any agreement in place with AccountAbility AA1000CIC and are not part of an agreed adherence process. AccountAbility does not recognise usage of any other assurance standard or framework other than AA1000AS v3 for assurance on the AA1000 series, including the AA1000AP (2018) and AA1000SES. As noted herein, the AA1000AS v3 has a number of specific requirements related to the AA1000AP (2018) and reporting on AccountAbility Principles that may not be seen in other assurance standards.

The AccountAbility Issue Resolution Process is an essential part of maintaining the integrity of the AA1000 series. If there is any query with regard to Assurance Statements issued by a licensed assurance provider, the party concerned should contact the licensed assurance provider first to try and resolve any issues. Where this is not possible or appropriate, or where the issue has not been successfully resolved, AccountAbility welcomes queries to be addressed to the AA1000 Standards team via the email standards@accountability.org, and they will be addressed under the AccountAbility Issue Resolution Process.

THE AA1000AS v3 CONTAINS REQUIREMENTS, AND CLARIFYING GUIDANCE:

- **REQUIREMENTS:** All requirements are stated in italics in a blue outlined box, with the ★ symbol.
- **GUIDANCE:** All guidance is stated in normal text and supported by diagrams.

Note: The AA1000 AccountAbility Principles and accompanying requirements are presented in the AA1000AP (2018). The AA1000AS v3 is supported by an additional guidance document, ***Guidance on applying the AA1000AS v3 for Assurance Providers****, which is intended to further assist assurance practitioners.*

PRECONDITIONS FOR ACCEPTING AN AA1000AS v3 ASSURANCE ENGAGEMENT

3

PRECONDITIONS FOR ACCEPTING AN AA1000AS v3 ASSURANCE ENGAGEMENT

To ensure the AA1000AS v3 can be used for a high-quality, robust, and credible assurance process, a number of preconditions must be met before accepting an assurance agreement. These are described in the following section, along with related key characteristics of the assurance to be carried out.

3.1 INDEPENDENCE AND IMPARTIALITY

REQUIREMENT

An assurance provider shall not accept an assurance engagement if its relationship with the reporting organisation or its stakeholders will impede the production of a robust, independent, objective, and impartial assurance statement.

To ensure there is no "conflict of interest" with the reporting organisation and/or its significant stakeholders, the assurance provider should assess its own capacity for independence and impartiality including:

- Any **relationships** (including financial, commercial, personal, report preparation, governance, partnership, and ownership positions) that could be perceived to affect the assurance provider's ability to provide an **independent and impartial statement**
- Any **mechanisms or professional codes of practice** designed to ensure **independence** to which the assurance provider or assurance practitioners are bound

An assurance provider should accept an assurance engagement only if the assessment indicates there is no conflict of interest with the reporting organisation and/or its significant stakeholders.

If a conclusion of a conflict of interest with the reporting organisation arises according to the AA1000AS v3 Code of Practice (Appendix D herein) or other mechanisms or professional codes of practice adopted to ensure independence and impartiality to which the assurance provider or assurance practitioners are bound, the assurance engagement should not be undertaken.

3.2 COMPETENCE

REQUIREMENT

An assurance provider shall accept an assurance engagement only if it possesses the necessary competencies to deliver all aspects of the assurance engagement.

Assurance providers should ensure that the individual assurance practitioners and organisations, including external experts, involved in an assurance engagement are demonstrably skilled and proficient.

3.2 COMPETENCE CONTINUED

The assurance provider should be prepared to make information readily available to interested stakeholders regarding the competencies and capabilities of the assurance practitioners involved in its assurance engagement.

If the assurance provider finds later, during the course of the assurance engagement, that the individual assurance practitioners or external experts involved in an assurance engagement do not meet the expected level of competence and capability to proceed with the assurance engagement, satisfactory remedial measures should be put in place, with the reporting organisation being informed of the actions taken to ensure the quality of the assurance, as appropriate.

3.2.1 ASSURANCE PRACTITIONER COMPETENCE

The assurance provider should ensure that the individual assurance practitioners, as well as any relevant external experts involved in the assurance engagement are, at a minimum, demonstrably competent in the following areas:

- The AccountAbility Principles
- Application of Reporting and Assurance practices and standards
- Sustainability subject matter (including the specific subject matter of the engagement)
- Stakeholder Engagement

If the AA1000SES will be used to assess adherence to the AccountAbility principle of Inclusivity, at least one of the assurance practitioners should be familiar with the application of the standard.

The AccountAbility Certified Sustainability Assurance Practitioner (CSAP) qualification ensures that the individuals involved in the assurance engagement are demonstrably capable and proficient, and is highly recommended for practitioners. The CSAP qualification enables practitioners to develop, validate, and communicate their competence in a systematic manner.

There are three grades of CSAP qualification:

- Associate
- Practitioner
- Lead

These qualification grades make it easier for organisations to identify credible assurance practitioners and improve stakeholder confidence in the expertise of the sustainability assurance professionals being engaged.

3.2.2 ASSURANCE PROVIDER COMPETENCE

The appropriate institutional competencies of the assurance provider should include:

- Assurance **oversight mechanisms** to ensure high-quality
- Understanding of the **legal implications** of the assurance process
- Adequate **infrastructure and systems** to ensure high-quality delivery of assurance

All assurance providers wishing to use AA1000AS v3 commercially are required to become licensed through a licensing agreement with AccountAbility. Each licensed assurance provider is assigned a license number with a specific logo which can then be used by the assurance provider, indicating adherence to the license requirements including demonstrated competence.

3.3 ENGAGEMENT AGREEMENT

REQUIREMENT

Before accepting an assurance engagement, the assurance provider shall be satisfied that the requirements of the AA1000AS v3 can be met by the reporting organisation.

The terms and conditions of the engagement between the assurance provider and the reporting organisation shall be agreed upon in writing prior to the commencement of the engagement.

Before accepting an assurance engagement, the assurance provider should be satisfied that the engagement subject matter is appropriate, and that the assurance practitioner will have access to sufficient evidence to support their findings and conclusions. If such a baseline cannot be established, it will not be possible to conduct an assurance in accordance with the AA1000AS v3.

The use of existing organisational procurement practices and agreements is acceptable if, at a minimum, an agreement covers:

- **Responsibilities and Expectations** of the reporting organisation and assurance provider.
- **Scope** (including boundary, type, and level) of the Assurance Statement and/or Report to Management included in the engagement.
- **Subject Matter** of the engagement and **Criteria** to be used.

If the AA1000SES is used to assess adherence to the AccountAbility principle of *Inclusivity*, this should be clearly noted in the engagement agreement.

3.3.1 RESPONSIBILITIES AND EXPECTATIONS

Within the engagement agreement, the responsibilities and expectations of both the reporting organisation and the assurance provider must be documented as mutually agreed upon.

The responsibilities of the reporting organisation should include:

- Adherence to the terms of reference agreed with the assurance provider.
- Establishment and maintenance of appropriate performance management and internal control systems from which the reported information is derived.
- Preparation of the Disclosures/ Report and the collection and presentation of sustainability information.
- Ensuring that if information is spread across multiple disclosures – such as company reports, company webpages, stakeholder reports, or regulatory-specific disclosures – the information is not edited or amended in any way after assurance.
- Raising of any concerns with the assurance provider on any deviation from the agreed process, or if the assurance practitioners engaged in the assurance conduct themselves in a way that does not assure quality, independence, or impartiality.

In the instance of provider deviation or unsatisfactory conduct, if acceptable remedial measures cannot be put in place or corrective actions carried out with appropriate urgency during the assurance engagement, the reporting organisation should inform AccountAbility AA1000CIC at standards@accountability.org to initiate a formal investigation of and/or complaint against the assurance provider.

The responsibilities of the assurance provider include:

- Adherence to the **terms of reference agreed** to with the reporting organisation.
- Responsibility to **other stakeholders** who are likely to rely on the assured information.
- Expression of their **expert opinion** in an Assurance Statement and optional Report to Management, **based on the work performed**.
- **Independence, impartiality, and competence** to deliver the assurance engagement.

If the assurance provider is involved in preparing the disclosures or report, or any sustainability information within the assured report or disclosures in any way – which could influence independence and impartiality – this will need to be disclosed in the Assurance Statement.

If the responsibilities of either party change over the course of the engagement, such changes will be documented in the Assurance Statement issued at the end of the engagement, along with the reason(s) for said changes.

3.3.2 SCOPE OF THE ENGAGEMENT

The scope of the assurance engagement should include the reporting boundary. When determining the scope of an engagement, the boundary used for financial reporting by the organisation, and material impacts relating to other stakeholders beyond the financial reporting boundary (if any, such as the supply chain and ownership structure), should be considered.

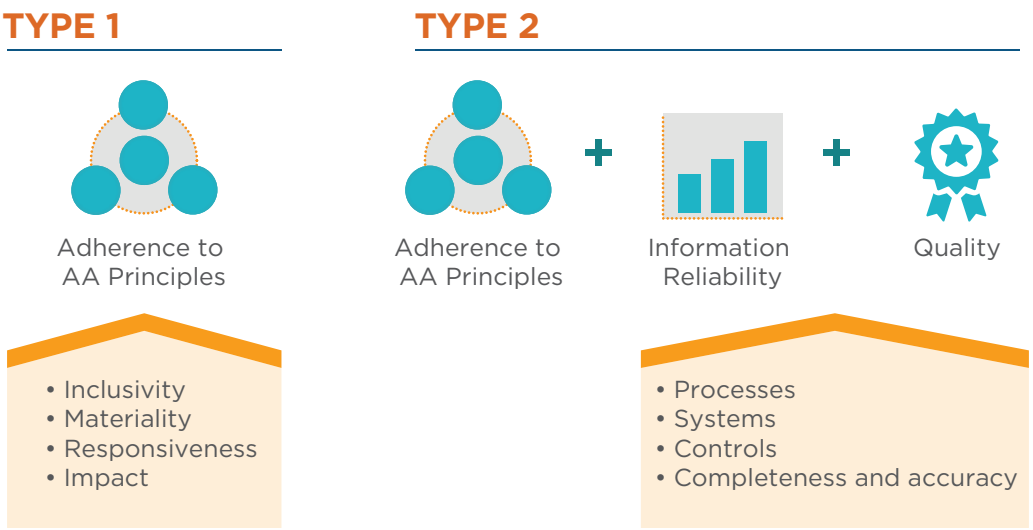
The boundary of the engagement should be selected considering the types and levels of assurance defined in the AA1000AS v3 as illustrated in Figure 3 and will be expanded upon in the sections that follow.

Figure 3. Types and Levels of AA1000AS v3 Engagement

3.3.2.1 TYPES OF AA1000AS v3 ENGAGEMENT

As illustrated in Figure 4, there are two types of AA1000AS v3 assurance engagement: Type 1 and Type 2.

Figure 4. Types of AA1000AS v3 Engagement



TYPE 1 ASSURANCE – ADHERENCE TO THE ACCOUNTABILITY PRINCIPLES

REQUIREMENT

For a Type 1 assurance engagement, the assurance provider shall review and assess the extent of the organisation's adherence to all four AA1000 AccountAbility Principles and provide relevant findings and conclusions.

A Type 1 assurance engagement is required to review and assess evidence of the use of relevant processes, systems and controls, and available performance information.

Type 1 assurance on the AA1000AP (2018) provides stakeholders with assurance on the way an organisation manages sustainability performance, and how this is communicated in its sustainability reporting and disclosures, but does not assure the reliability and quality of the reported information. In a Type 1 engagement, an assurance provider does not provide conclusions on the reliability and quality of the performance information.

The assurance provider is required to assess evidence of the use of relevant processes, systems and controls, and available performance information, in order to assess the organisation's adherence to the AA1000 AccountAbility Principles. The AA1000AP (2018) document outlines the adherence criteria for each of the four Principles.

3.3.2.1 TYPES OF AA1000AS v3 ENGAGEMENT CONTINUED

The assurance provider should utilise performance information as a source of evidence when assessing adherence to the principles. An assurance provider is not restricted in the types of information it seeks as evidence, although whether information used has been deemed robust and credible in their professional judgement must be clearly stated.

An assertion-based approach to assurance on the AA1000AS v3, Type 1 assurance does not necessarily require explicit management assertions or commitments of adherence to the AA1000AP (2018) in order to assure adherence in practice.

Adherence to the AA1000 Stakeholder Engagement Standard can be used to demonstrate existence of a stakeholder engagement process by the organisation that involves stakeholders in developing and achieving an accountable and strategic approach to sustainability. If the AA1000SES will be used to assess adherence to the principle of Inclusivity, this should be clearly noted in the engagement agreement when defining scope and criteria.

TYPE 2 ASSURANCE – ADHERENCE TO THE ACCOUNTABILITY PRINCIPLES, AND RELIABILITY AND QUALITY OF THE PERFORMANCE INFORMATION

REQUIREMENT

For a Type 2 assurance engagement, the assurance provider shall assess the extent of the organisation's adherence to all four AA1000 AccountAbility Principles and provide relevant findings and conclusions, and shall, additionally, assess and evidence the reliability and quality of specified sustainability performance and disclosed information, providing relevant findings and conclusions.

The assurance provider shall not accept a Type 2 engagement unless there are suitable criteria for assessing specified performance and disclosed information.

For Type 2 assurance engagements, the assurance provider should first review, assess, and evidence the extent of the organisation's adherence to the AA1000AP, as for Type 1. In a Type 2 engagement, the assurance provider should additionally have confidence that the specified performance information covered within the assurance engagement is meaningful and can be accurately reflected in the Assurance Statement with respect to topics that are material to the stakeholder according to the AA1000AP (2018). In order to sufficiently assure the reliability and quality of specified sustainability performance information, assurance providers must commit to providing findings and conclusions relating to the completeness and accuracy of such information.

An assurance engagement that only includes an assessment of the reliability and quality of specified sustainability performance and disclosed information without assessing and evidencing the extent of the organisation's adherence to the AA1000AP (2018) is not in accordance with the AA1000AS v3.

3.3.2.2 LEVEL OF ASSURANCE

REQUIREMENT

The assurance provider shall agree upon the level of assurance to be provided. This may be a combination of "High" or a "Moderate" level of assurance where appropriate.

According to the AA1000AS v3, an assurance engagement may be carried out to promote a **"High"** or a **"Moderate" level of assurance**. Since different subject matters may be addressed in a single assurance engagement, a High level of assurance may be provided for some subject matter while a Moderate level of assurance may be provided for others. This should be clearly noted in the Assurance Statement.

Given the challenges in defining appropriate evidence, or a prescriptive formula, that can support assurance on disclosures of soft narrative and future-oriented information, only assurance at a Moderate level is permitted on "forward-looking" information. The assurance provider should assess what methodologies (for example, scenario analysis, risk analysis, and/or future forecasting) have been applied by the organisation in developing its position, targets, metrics, and subsequent narrative in relation to forward-looking information. In subsequent assurance cycles, the progress towards targets established during previous years should also be examined.

The AA1000AS v3 allows the use of other complementary, generally accepted assurance standards or frameworks, including the prescribed level of assurance and terminology of the other framework(s), but only if the associated methodology requirements have been fulfilled and rigour has been applied. This is wholly the assurance provider's responsibility. The level of assurance as defined by another standard should only be used if it is clearly referred to, all associated requirements are met, and there is no conflict with the assurance levels of the AA1000AS v3.

CHARACTERISTICS OF HIGH AND MODERATE ASSURANCE

	MODERATE ASSURANCE	HIGH ASSURANCE
Objectives	The assurance provider achieves Moderate assurance where limited evidence has been obtained to support their statement. Moderate assurance will provide users with a relatively lower level of confidence in an organisation's disclosure on the subject matter it refers to.	The assurance provider achieves High assurance where sufficient evidence has been obtained to support their statement such that the risk of their conclusion being in error is very low but not zero. Triangulation of information has been carried out, such as through independent/external data sources, market recognised databases, or Artificial Intelligence. High assurance will provide users with a relatively high level of confidence in an organisation's disclosures on the subject matter it refers to.
Evidence characteristics used for conclusion on Assurance Statement	**Limited Evidence** **Adherence to the AA1000AP (2018):** Evidence is issued or compiled from internal sources and parties. Evidence gathering is generally restricted to corporate/ management levels in the organisation. **Assessment of specified performance and disclosed information:** Limited depth of evidence gathering including inquiry and analytical procedures as well as basic sampling at lower levels in the organisation as necessary. Emphasis is on the plausibility of the information.	**Extensive Evidence** **Adherence to the AA1000AP (2018):** Evidence is from internal and external sources and parties including stakeholders. Evidence is gathered at all levels of the organisation. **Assessment of specified performance and disclosed information:** Extensive depth of evidence gathering including corroborative evidence and sufficient sampling at multiple levels in the organisation. Emphasis is on the reliability and quality of the information.

Table A: Characteristics of High and Moderate assurance according to the AA1000AS v3

Table A outlines the characteristics of High and Moderate assurance according to the AA1000AS v3 and the related assurance procedures.

3.3.3 SUBJECT MATTER

3.3.3.1 SUITABLE CRITERIA AND RELATIONSHIP TO OTHER STANDARDS OR FRAMEWORKS

REQUIREMENT

The assurance provider shall use criteria drawn from the AA1000AP (2018) in order to assess adherence to the AccountAbility Principles.

Other legally required statements or supplementary standards used in order to enhance the robustness and relevance of the overall assurance engagement shall be included in the criteria used where applicable.

The assurance provider and the reporting organisation will agree to include specific sustainability performance and other disclosed information in the assurance engagement. Assurance providers must agree with the reporting organisation on how specified criteria are selected, how they meaningfully respond to the material needs of stakeholders, and how they will be disclosed to the intended users of the Assurance Statement.

Existing standards, frameworks, conventions, or guidelines may provide criteria to assess sustainability performance information. These may be subject-matter or systems-specific and may have associated verification or certification programmes. In cases of generally accepted verifications and certifications, these should be used as criteria. The AA1000AP (2018) provides the criteria for assessing adherence to the AccountAbility Principles and can be used to complement other internationally recognised assurance standards, in order to ensure the most robust possible assurance criteria are defined.

3.3.3.2 DISCLOSURES COVERED

REQUIREMENT

The assurance provider shall identify and agree with the reporting organisation on all disclosures (e.g., reports, website content, mandated filings, or regulatory disclosures) to be covered by the assurance engagement.

As global reporting paradigms shift, high-quality assurance must remain dynamic and flexible. The range and types of disclosure include, but are not limited to sustainability reports, annual and/or integrated reports, website content, mandatory filings or regulatory disclosures, sustainability performance submissions, and other information documents based on specific organisational needs or stakeholder requests. Depending on the approach of the reporting organisation, the assurance can be agreed across defined periodic, integrated, and/or annual reporting timeframes, as appropriate.

Care, in terms of the overall control environment, should be taken by the assurance provider to ensure that no subsequent changes are made to any disclosures. This is particularly important in the case of a scope covering digital or web-based reporting. This topic is covered further in Section 1 of this Standard, "Purpose and Scope of the AA1000AS v3."

CONDUCTING AN AA1000AS v3 ENGAGEMENT

4

CONDUCTING AN AA1000AS v3 ENGAGEMENT

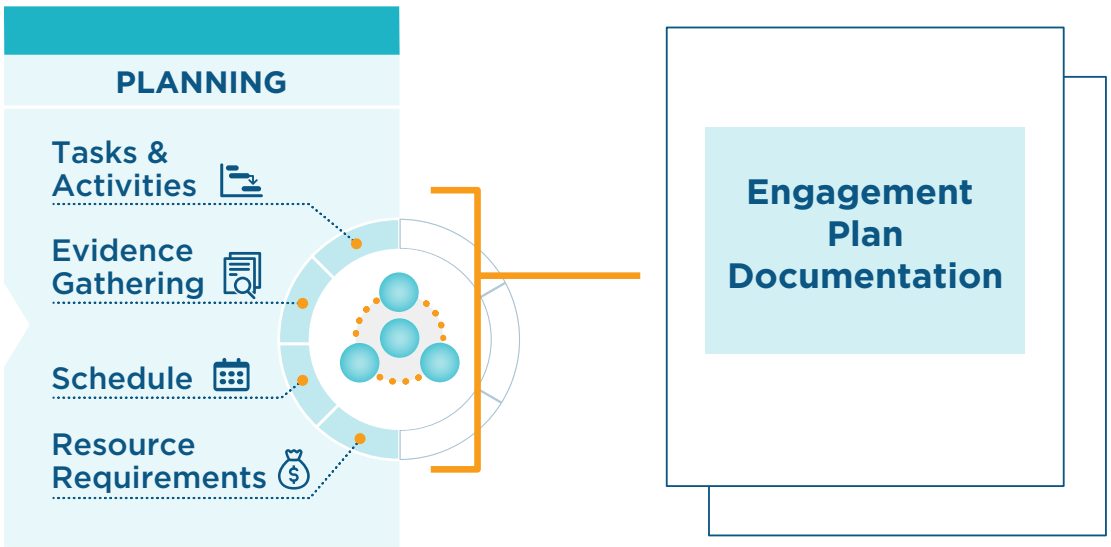
4.1 PLANNING THE ENGAGEMENT

REQUIREMENT

The assurance provider shall plan the assurance engagement in order to perform it effectively. The assurance provider shall document the key resource requirements, evidence to be gathered, tasks, activities, deliverables, and timeline in an Engagement Plan.

Planning involves developing and documenting a clear strategy to collect and assess evidence relevant to the agreed scope of the engagement. Adequate planning ensures a sufficiently inclusive, complete, robust, and balanced assurance process. Planning is an iterative process and should be reviewed and revised, as appropriate, throughout the engagement process.

Figure 5. Engagement Planning



The nature and extent of the planning process will vary depending on the purpose and scope of the engagement. As illustrated in Figure 5, in planning an assurance engagement, an assurance provider should consider at a minimum:

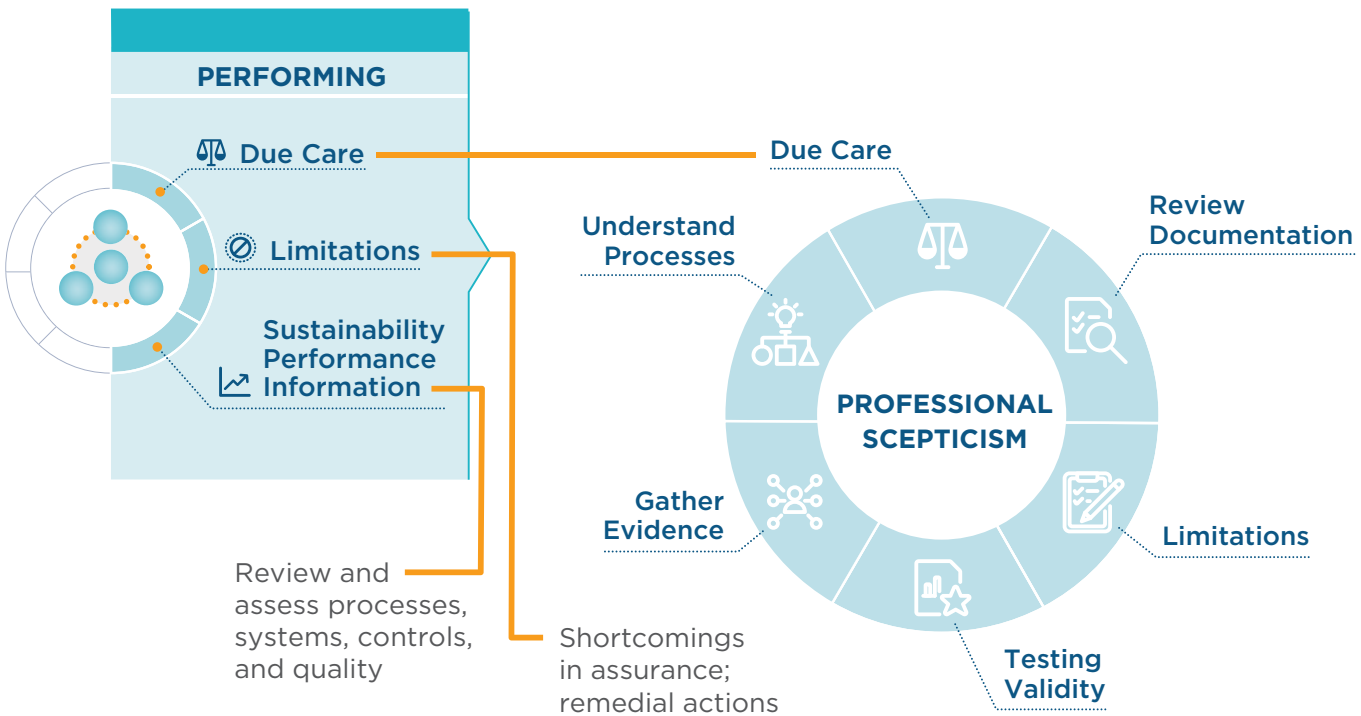
- The **tasks and activities** to be performed for deliverables
- The **evidence** gathering requirements, sampling methods, and associated risks
- The **resource** requirements
- The **schedule** for the engagement

The assurance provider should document this in an engagement plan that includes, at a minimum:

- **Objectives of the engagement**
- **Deliverables**
- **Assurance standard(s) to be used**
- **Roles, responsibilities, and relationships**
- **Competencies and capabilities**
- **Scope of the engagement**
- **Criteria to be used**
- **Type and level of assurance**
- **Assurance strategy (including risk assessment and evidence requirements)**
- **Tasks and activities (including gathering methods, resource requirements, and schedule)**

4.2 PERFORMING THE ENGAGEMENT

Figure 6. Attributes of Professional Scepticism



4.2.1 DUE CARE AND DOCUMENTATION

REQUIREMENT

Assurance providers and individual assurance practitioners shall clearly evidence the exercise of due care at all times in accordance with the material needs of the users of the Assurance Statement, the purpose and scope of the assurance process, and the established criteria.

The assurance provider shall document evidence, retaining relevant evidence where necessary.

The assurance provider should perform the engagement with an attitude of professional scepticism. As illustrated in Figure 6, this means the assurance provider must assess and question the validity of evidence obtained and its implications.

As per the engagement plan, the assurance provider should also document material assessments made, and all subsequent conclusions.

4.2.1.1 ASSESSMENT OF ADHERENCE TO THE AA1000 ACCOUNTABILITY PRINCIPLES (TYPE 1)

REQUIREMENT

The assurance provider shall review and assess findings and conclusions on the nature and extent of an organisation's adherence to the AA1000 AccountAbility Principles using the criteria in the AA1000AP (2018).

The assurance provider should review and assess the management processes, systems, and controls over information used to support sustainability performance disclosures on adherence to the AccountAbility Principles. The scope of the assessment should be based on the boundary of the information to be assured, as per the engagement agreement.

Minimum evidence gathering for assessing adherence to the AA1000 AccountAbility Principles at a **Moderate level of assurance** should include:

- **Understanding the processes** used to **assess adherence** to the AA1000 AccountAbility Principles and **testing adherence** on a sample basis.
- **Inquiring** of management, including senior management at executive and functional levels as well as relevant management personnel responsible for the management of sustainability, about the **effectiveness of processes** used to create *Impact*.
- **Observing and inspecting** management practices, **process testing, and evidence gathering** across the organisation on a sample basis.

- **Collecting and assessing** documentary evidence and management representations that **support adherence** to the AccountAbility Principles.

For a **High level of assurance**, the assurance provider should seek more extensive evidence in all areas as well as additional corroborative evidence. The assurance provider should exceed the minimum threshold for evidence gathering for assessing adherence to the AA1000 AccountAbility Principles at the moderate level. This could include:

- Direct engagement with a **wider spectrum of stakeholders** including perspectives of **external stakeholders** used to **validate organisational viewpoints** and **support conclusions** of the assurance engagement.
- Any information from **other sources** that appears to **contradict assertions** from the organisation investigated in the greatest appropriate detail.

4.2.1.2 ASSESSMENT OF SPECIFIED SUSTAINABILITY PERFORMANCE INFORMATION (TYPE 2)

REQUIREMENT

If included in the scope of the assurance engagement, the assurance provider shall assess and report findings and conclusions on the reliability and quality of specified sustainability information.

The assurance provider should review and assess the processes, systems, controls, and quality of all information used to support sustainability performance disclosures on the topics within the scope of the assurance engagement. The scope of the assessment should be based on the performance information to be assured, which may include adherence with the sustainability information as required by a one or more reporting frameworks, as and if specified in the engagement agreement.

Minimum evidence gathering for assessing the reliability and quality of specified information at a **Moderate level of assurance** should include:

- Understanding the quality management of specified performance information and information collection processes.
- **Reviewing** the design of processes, systems, and controls for managing **reliability and quality** of specified information.
- Inquiring with a **sample basis** of individuals with overall responsibility for information measurement and collection and reporting about the **information collection** processes.
- Carrying out **analytical procedures** (e.g., trend analysis).
- Observing and inspecting on a sample basis **management practices, process testing, and evidence gathering (from source to aggregation)** in order to sufficiently assure the **completeness and accuracy of information;**
- Limited **testing of details** on a sample basis (e.g., performance of calculations).
- **Collecting and assessing** documentary evidence and management representations to support the assurance work undertaken.
- Confirming that what is disclosed is **consistent with the findings** of the assurance process.

For a **High level of assurance**, the assurance provider should exceed the minimum threshold for evidence gathering for assessing the reliability and quality of specified information at the moderate level. The assurance provider should seek additional external corroborative evidence that may include:

- Reviewing the **organisation's approach** towards **assessing Impact**.
- **Information cross-checking or comparison with a wider spectrum of sources** such as accepted public databases, independent/external sources, or market recognised Artificial Intelligence (A.I.) data, when possible.
- Reviewing additional related **datasets from different departments or units** within the organisation which can be used to **validate organisational information** received during the assurance engagement and support its conclusions.

Any information from such additional sources that appears to contradict reported information from the organisation should be scrutinised in great detail.

4.2.2 LIMITATIONS

REQUIREMENT

The assurance provider shall take appropriate action, and reference where necessary, if limitations encountered during the engagement make it impossible to continue the engagement.

Where the scope of a disclosure is inadequate, the assurance provider should indicate this limitation in its statement and management report. If there are expectations from the reporting organisation that potentially affect the assurance provider's ability to provide an independent and impartial statement, the assurance provider should reassess its own capacity for independence and impartiality before continuing. If satisfactory remedial measures cannot be implemented, the assurance engagement should be terminated and the reporting organisation provided with sufficient explanation.

ISSUING AN AA1000AS v3 ASSURANCE STATEMENT AND OPTIONAL REPORT TO MANAGEMENT

5

ISSUING AN AA1000AS v3 ASSURANCE STATEMENT AND OPTIONAL REPORT TO MANAGEMENT

5.1 ASSURANCE STATEMENT

REQUIREMENT

An Assurance Statement that is in accordance with the AA1000AS v3 shall include the following information at a minimum:

Assurance Information

- ***Intended users*** *of the Assurance Statement*
- ***Responsibilities*** *of the* ***reporting organisation*** *and* ***assurance provider***
- ***Reference to the AA1000AS v3*** *and* ***other assurance standard(s)****, if used*
- *Description of the* ***scope****,* ***subject matter****,* ***the type****, and* ***level of assurance*** *provided*
- ***Reference*** *to* ***criteria*** *used*
- ***Description*** *and* ***sources*** *of* ***disclosures*** *covered*
- ***Description*** *of* ***methodology***
- ***Limitations*** *and* ***approach used*** *to* ***mitigate limitations***
- *Notes on the* ***independence*** *and* ***competencies*** *of the* ***assurance provider***
- ***Name*** *of the* ***assurance provider***
- ***Date and place***

Performance Related Information

- ***Findings*** *and* ***conclusions*** *concerning* ***adherence*** *to the* ***AA1000 AccountAbility Principles*** *of Inclusivity, Materiality, Responsiveness, and Impact (in all instances)*
- ***For Type 2 assurance****,* ***findings*** *and* ***conclusions*** *concerning the* ***reliability*** *and* ***quality*** *of* ***specified performance information***

5.1.1 INTENDED USERS OF THE ASSURANCE STATEMENT

The Assurance Statement must indicate its intended users, in the context of the purpose and scope of the engagement. Defining the intended users discloses the organisation's expectation as to which audience(s) or specific stakeholder groups it is targeting with the Assurance Statement and, by extension, the relevant disclosure.

5.1.2 RESPONSIBILITIES OF THE REPORTING ORGANISATION AND ASSURANCE PROVIDER

The Assurance Statement must reflect the expectations and responsibilities of the reporting organisation and assurance provider as agreed upon in the engagement agreement and applied in the engagement plan. The disclosed responsibilities will assist report users in determining the extent to which any activities that have been carried out may affect the independence or assessment of the assurance provider.

If any changes occurred during the course of the engagement in the responsibilities of either party, these changes must be documented in the Assurance Statement accompanied by the relevant reason(s). This may, for example, involve changes to the governance structure of either the reporting organisation or assurance provider that relate to the scope of the engagement.

5.1.3 REFERENCE TO THE USE OF THE AA1000AS v3 AND OTHER ASSURANCE STANDARD(S), IF USED

To be in accordance with the AA1000AS v3, the Assurance Statement must explicitly reference the use of the AA1000AS v3. To make such a statement, the assurance provider should ensure and evidence that assurance engagements clearly meet all requirements of this standard. An Assurance Statement referring to any other document of the AA1000 series other than in adherence with the AA1000AS v3 cannot be used for assurance. The Assurance Statement should also explicitly say whether any other recognised assurance frameworks applied complementarily to the AA1000AS v3 were used in the assurance process.

5.1.4 DESCRIPTION OF THE SCOPE, SUBJECT MATTER, THE TYPE, AND LEVEL OF ASSURANCE PROVIDED

The scope of the assurance engagement as defined in the engagement agreement should be stated. If circumstances arise that require changing the type or level of assurance, the reason(s) for such change(s) must be deemed significant and documented. Without significant and documented reason, the assurance provider should not agree to change to a lower level of assurance during an engagement or when the Assurance Report is issued. When a High level of assurance is provided for part of the subject matter while a Moderate level of assurance is provided for others in the same Assurance Statement, this should be clearly noted.

5.1.5 REFERENCE TO CRITERIA USED

Any specified sustainability performance information that has been agreed to in the scope of the assurance engagement should be stated. The selected criteria should meaningfully respond to the material needs of the intended users of the Assurance Statement, and can include relevant global frameworks, reporting standards, or legal or national regulatory criteria in addition to the AA1000AP (2018).

5.1.6 DESCRIPTION AND SOURCES OF DISCLOSURES COVERED

The agreed disclosures (e.g., reports) to be covered by the assurance engagement should be described. Related sources and evidence should be stated for transparency (e.g., company webpages, stakeholder reports, or regulatory-specific disclosures). The reporting company is responsible for the overall consistency and accuracy of reported information, and the assurance provider is responsible for clarity of agreed disclosures represented in the Assurance Statement.

5.1.7 DESCRIPTION OF METHODOLOGY

The methods and processes, using suitable criteria and standards for assurance, employed by the assurance provider to assess an organisation's sustainability disclosures about its performance, as well as those used to assess underlying systems, information, and processes, should be clearly stated.

5.1.8 LIMITATIONS AND APPROACH USED TO MITIGATE LIMITATIONS

Any limitations observed related to the assessed disclosures, the assurance engagement, or the evidence gathering, should be documented in the Assurance Statement, along with any approach used to mitigate the limitations.

5.1.9 NOTES ON THE INDEPENDENCE AND COMPETENCIES OF THE ASSURANCE PROVIDER

The assurance provider should include a statement of independence and impartiality that includes disclosure of any relationships that could be perceived to affect an independent and impartial statement. Any mechanisms or professional codes of practice designed to ensure independence and impartiality that have been applied including the AA1000AS v3 Code of Practice (Appendix D herein) or other mechanisms or professional codes of practice adopted to ensure independence to which the assurance provider or assurance practitioners are bound should also be included. If there is a conflict between the codes of practice, the assurance provider should disclose the conflict, and which code was applied.

The Assurance Statement should identify AccountAbility CSAP qualified individuals and their relevant levels. The competence and experience of the assurance practitioners, including relevant qualifications with regard to the application of the AccountAbility Principles, the application of reporting and assurance standards, and sustainability subject matter of the engagement should be stated.

5.1.10 NAME OF THE ASSURANCE PROVIDER

The name of the legal entity licensed to provide AA1000AS v3 assurance as per the license agreement with AccountAbility AA1000 CIC should be included.

5.1.11 DATE AND PLACE

The date and place the Assurance Statement has been issued should be stated.

5.1.12 FINDINGS AND CONCLUSIONS CONCERNING ADHERENCE TO THE AA1000 ACCOUNTABILITY PRINCIPLES OF *INCLUSIVITY, MATERIALITY, RESPONSIVENESS,* AND *IMPACT* (IN ALL INSTANCES)

There must be a conclusion from the assurance provider based on findings on each of the four AccountAbility Principles that goes beyond simple "yes" or "no" judgements. At the least, the required criteria for implementation of each of the AA1000 AccountAbility Principles must be referred to in any Assurance Statement prepared under the AA1000AP (2018).

As assurance engagements should only be accepted and conducted based on the ability to obtain sufficient evidence to achieve the agreed-upon assurance type and level, if insufficient evidence (or any other relevant matter) jeopardises the assurance being in accordance with the AA1000AS v3, this should be clearly stated.

Given the challenges in defining appropriate evidence, or a prescriptive formula, that can support assurance on disclosures of soft narrative and future-oriented information, which could be used to objectively support a "forward-looking view," the assurance should include commentary on what methodologies (for example, scenario planning, risk analysis, and/or future forecasting) have been applied by the organisation in developing its position, targets, metrics, and subsequent narrative in relation to forward-looking information. This information gains greater importance in subsequent assurance cycles. Subsequent assurance may refer to the progress towards the previous forward-looking information and targets.

5.1.13 FOR TYPE 2 ASSURANCE, FINDINGS AND CONCLUSIONS CONCERNING THE RELIABILITY AND QUALITY OF SPECIFIED PERFORMANCE INFORMATION

In addition to all the requirements for assurance in 5.1.12 above, Type 2 assurance conclusions about the reliability and quality of information must be based on findings related to the specified sustainability performance information. Conclusions on disclosures with respect to sustainability performance should also address the completeness and accuracy of information based on an assessment of evidence in relation to the agreed criteria. The Assurance Statement may address the underlying information systems and processes as well as the disclosed assertions.

5.1.14 RECOMMENDATIONS TO ADDRESS DEFICIENCIES

The Assurance Statement should address deficiencies in adherence to the AA1000 AccountAbility Principles and, where Type 2 engagements have been carried out, on the reliability and quality of performance information. Recommendations should be provided by the assurance provider based on the identified areas of non-adherence to the Principles, or areas of deficiency in the reliability and quality of performance information.

Note: The AA1000 AccountAbility Principles and accompanying requirements are presented in the AA1000 AccountAbility Principles, AA1000AP (2018). The AA1000AS v3 is supported by an additional guidance document, "Guidance on applying the AA1000AS v3 for Assurance Providers," which is intended to further assist assurance practitioners.

5.2 REPORT TO MANAGEMENT

REQUIREMENT

Based upon the engagement agreement between the reporting organisation and the assurance provider, the assurance provider shall prepare a Report to Management.

A Report to Management should not communicate materially different findings, conclusions, and recommendations than those stated in the publicly available Assurance Statement. Where relevant, the Report to Management should include any limitations in the scope of disclosures on sustainability management, the assurance engagement, or the evidence gathering. The Report to Management may, however, provide a greater depth of detail, with clear examples, on observations and recommendations from the engagement and suggested remediation.

ANNEXES

6

A.
DEFINITIONS

ASSESSMENT
A systematic process of objective judgement.

ASSURANCE
Assurance refers to the methods and processes employed by an assurer to assess an organisation's disclosures about its performance as well as underlying information, processes, and systems, using suitable criteria and standards in order to increase credibility. Assurance includes the communication of the results of the assurance process in an Assurance Statement.

ASSURANCE ENGAGEMENT
An engagement in which an assurance provider assesses and expresses a conclusion on an organisation's disclosure about its performance and underlying processes, systems, and controls using suitable criteria in order to enhance the credibility and legitimacy of the information for the intended audience.

ASSURANCE PRACTITIONER
An individual who is qualified to provide assurance services.

ASSURANCE PROVIDER
An assurance provider is an independent organisation that assesses and expresses a conclusion on a reporting organisation's disclosure about its performance and underlying processes, systems, and controls using suitable criteria.

EVALUATION
The process of measuring something for the purpose of determining its value.

FORWARD-LOOKING INFORMATION
Information that is progressive and future-oriented in nature that projects or positions targets, expectations, or possibilities.

REPORTING BOUNDARY
The established limit of reported information related to organisational stakeholders and impacts.

REPORTING ORGANISATION
An organisation that is responsible for the preparation and publication of disclosures on sustainability topics and that engages an assurance provider to undertake an assurance engagement relating to sustainability reporting.

SPECIFIED PERFORMANCE INFORMATION

Performance statements or information about sustainability topics or processes that can be included in the scope of a "Type 2" assurance engagement.

STAKEHOLDERS

Stakeholders are those groups or individuals who affect and/or could be affected by an organisation's activities, products or services, and associated performance. This does not include everyone who may simply have knowledge of or views about an organisation, only those who can be materially affected by the organisation's actions. Organisations will have many stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the process used by an organisation to engage relevant stakeholders for the purpose of achieving agreed outcomes.

SUSTAINABILITY ASSURANCE

Assurance of disclosures on sustainability performance as well as underlying processes, systems, and controls using suitable criteria and standards.

SUSTAINABILITY ASSURANCE ENGAGEMENT

An assurance engagement in relation to an organisation's disclosure on sustainability performance.

SUSTAINABLE DEVELOPMENT

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.[3]

[3] (Source: 1987 report of the Brundtland Commission: The World Commission on Environment and Development)

B.
EVOLUTION OF THE AA1000 ACCOUNTABILITY STANDARDS

1999

THE ACCOUNTABILITY PRINCIPLES FOR SUSTAINABLE DEVELOPMENT

The **AA1000 Framework Standard**, the foundational platform of the AA1000 Series of Standards, was formally published in 1999. The Framework Standard was designed to strengthen the quality of specialised accountability standards and also serve as a **stand-alone system for guiding, managing, and communicating social and ethical accountability and performance.**

2005

AA1000 STAKEHOLDER ENGAGEMENT STANDARD

To support organisations' achievement of the Principle of Inclusivity, guidance on how to design and conduct stakeholder engagement evolved into the **AA1000 Stakeholder Engagement Standard (2005)**. The AA1000SES (2005) is recognised as the **first internationally accepted standard** on stakeholder engagement to be published.

AA1000 ASSURANCE STANDARD

This **first edition** of the **AA1000 Assurance Standard** was published as the **world's first sustainability assurance standard**. The result of a two-year, worldwide consultation, the Assurance Standard was developed to **assure the credibility and quality of sustainability performance and reporting**.

2003

AA1000 ASSURANCE STANDARD

In 2008, the second edition of the **AA1000 Assurance Standard** was released, featuring revisions and enhancements that specifically focused on sustainability assurance engagements.

AA1000 ACCOUNTABILITY PRINCIPLES STANDARD

During consultation for the AA1000 Assurance Standard (2008) revision, a consensus was reached for placing the **AA1000 AccountAbility Principles** in a **separate standard** to allow for their broader application and to facilitate their use during sustainability assurance engagements.

2008

2015

AA1000 STAKEHOLDER ENGAGEMENT STANDARD

Considering feedback from the first version and critical expert review following a broad-based multi-stakeholder process, the AA1000SES Exposure Draft released in 2011 was edited, refined, validated, and published as the final **A1000 Stakeholder Engagement Standard (AA1000SES, 2015).**

2018

AA1000 ACCOUNTABILITY PRINCIPLES

During the AA1000AS (Assurance Standard) revision period, stakeholder feedback supported and a consensus was reached for the AA1000 AccountAbility Principles Standard to undergo, in parallel, a structured rethinking and a formal revision process.

To advance the **relevance and applicability** of the **AA1000 Principles,** it was decided that they would move away from the format and expectations associated with a standard and instead take the **form of an overall framework and guidance mechanism for principles-based sustainability management and reporting.**

Furthermore, **a fourth Principle — Impact —** was added, whilst the definitions, explanations, and criteria related to the three original Principles — Inclusivity, Materiality, and Responsiveness — were updated to reflect the evolution of sustainability as a whole since the Principles' first publication.

The AA1000 AccountAbility Principles (2018) is a flexible, applicable, and practical framework designed to underpin, and shape AccountAbility's global Standards, the AA1000 Assurance Standard (AA1000AS) and the AA1000 Stakeholder Engagement Standard (AA1000SES).

14 15 16 17 18 20

A1000 ASSURANCE STANDARD

The third edition of the ***AA1000 Assurance Standard, released as v3***, has been enhanced through iterative research and review processes in order to optimise its **relevance, ease-of-use,** and **applicability for effective sustainability assurance -** whether used as a **standalone** or **complementary** tool.

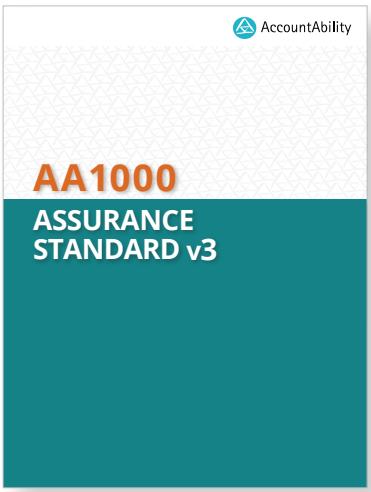
As demand for non-financial assurance has grown, so has the inclusion of sustainability assurance mechanisms in the marketplace. The AA1000AS v3 was developed using a **broad-based, multi-stakeholder process.** A period of initial research was followed by Working Group consultations which resulted in the preparation of a draft standard for public review. A broad **panel of experts** representing a **range of stakeholders** were consulted **globally** via the online web platform collaborase.com during June and July 2019. The consensus reached was that the existing document had achieved a **high-level of quality** that is **valid and relevant** for providing a **valuable, easy-to-apply standard** to its users. The draft was reviewed and revised based on applicable comments received during the period of public review. The final document was agreed on by the AccountAbility AA1000 Steering Committee and submitted to the AccountAbility Standards Board, which approved it for publication in August 2020.

2020

C.
THE AA1000 SERIES OF STANDARDS

The AA1000 Series consists of one set of Guiding Principles and two Standards

AA1000 AccountAbility Principles (2018)



AA1000 Assurance Standard v3 (2020)

AA1000 Stakeholder Engagement Standard v3 (Upcoming)

D.
AA1000AS v3 - CODE OF PRACTICE

High-quality application of the AA1000AS v3 is dependent on, both, the technical abilities of the assurance practitioner and their underlying commitment to furthering sustainable development outcomes. Values associated with this latter commitment should deepen and reinforce their professionalism and effectiveness.

All assurance practitioners are required to agree to act in accordance with, and be bound by, the following Code of Practice.

1. **Exercise due care, diligence, honesty, and objectivity in every assurance engagement. In particular, they shall not endorse information supplied by a client or other organisation unless reasonable steps have been taken to establish its validity according to accepted principles of engagement and associated criteria. No declaration or assertion should be included in an Assurance Statement, or optional Report to Management that the practitioner believes to be untrue or which is, or may be, misleading due to the omission of material information.**

2. **Consider and apply, when professionally appropriate, the AA1000 AccountAbility Principles (AA1000AP, 2018) to secure integrity of the assurance engagement.**

3. **Fully disclose their competencies and capabilities.**

4. **Acknowledge limitations by not participating in any assurance contract, assignment, or other duties that he or she knows is beyond their professional capability.**

5. **Certified practitioners shall, upon reasonable request, provide transparent, independent, and accurate information about their individual key competencies and capabilities to their employers, client organisations, and interested stakeholders.**

6. **Be supported by a person or persons, when necessary, with the necessary technical and language skills in order to conduct the work.**

7. **Avoid any undue influence being exerted on professional independence and objectivity through an actual or potential conflict of interest with the client organisation. Certified practitioners shall make all relevant parties, including their employers, aware where such a conflict exists or may arise.**

continued

AA1000AS v3 - CODE OF PRACTICE CONTINUED

Following the requirements set out in the AA1000AS v3, it is a precondition of any external assurance assignment that individual practitioners and their employers make:

8 ***A Statement of Independence*** from their client including any ongoing or potential relationships (including financial, commercial, personal, report preparation, governance, and ownership positions) that could be perceived to affect the assurance provider's ability to provide an independent and impartial statement.

9 ***A Statement of Impartiality*** with respect to stakeholder interests, including an account of any recent, ongoing, or potential relationship with the organisation's stakeholders (including financial, commercial, personal, report preparation, governance, and ownership positions) that could be perceived to affect the assurance provider's ability to provide an independent and impartial statement.

10 Not accept any inducement, commission, discount, or any other favour from anyone connected to their clients (external or internal) or their clients' stakeholders, nor knowingly allow personnel for whom you are responsible to do so.

11 Continually strive for improvement in the proficiency, effectiveness, and high-quality of the assurance profession through sharing experience and expertise with colleagues and candidates wishing to enter the profession.

12 Behave in a manner that peers and society at large would view as professional and appropriate.

13 Not act intentionally in a manner that would damage the reputation, interest, or credibility of AccountAbility. Differences of opinion pertaining to the programme and its underlying standards, or the implementation of either, should be dealt with appropriately and in a professional manner.

14 Enhance personal competence through continuing professional development in sustainability assurance.

15 Maintain a written log of all related assurance work completed and training undertaken, which should be available upon reasonable request.

16 Ensure that he or she fully understands the expectations of the engaging organisation in order to avoid false trust based on an expectation gap.

17 Ensure that the necessary and relevant resources are allocated in order to perform the assurance engagement.

18 Ensure that the necessary knowledge, skills, competencies, and capabilities are available in relation to the subject matter and the complexity of the organisation. This may require a multidisciplinary team.

19 Cooperate fully in any formal enquiry procedure in the event of any alleged breach of this Code of Practice.

E.
THE ACCOUNTABILITY AA1000AS v3 WORKING GROUP

Mr. Murray Sayce	(Chair) Principal, Corporate Sustainability, ERM CVS, UK
Mr. Wim Bartels	Global Head of Sustainability Reporting & Assurance, KPMG, Netherlands (Until May 2018)
Ms. Sarah Bostwick	Manager, Reporting, UN Global Compact; Co-Coordinator, UN Sustainable Stock Exchanges, US (Until October 2016)
Dr. Glenn Frommer	Managing Partner, ESG Matters ApS, Denmark
Mr. Vishal Goel	Associate Director, Sustainability, Bureau Veritas, UK (From November 2018)
Ms. Lina Hilwani	Sustainability Services Manager, Bureau Veritas, UK (From August 2017 – November 2018)
Mr. Terence Jeyaretnam	Partner, Climate Change and Sustainability Services, EY, Australia
Dr. Nils Kok	Chief Executive Officer, GRESB, Netherlands (Until February 2017)
Ms. Monika Kumar	Environmental Specialist, Corporate Responsibility Program, World Bank
Dr. Kheng Min Loi	Managing Director, KM Loi & Associates, Malaysia
Dr. Colin Morgan	Business Development Director, RSK ADAS, UK (Chair until January 2017)
Ms. Anupam Nidhi	Head, Corporate Citizenship and Sustainability, Siemens Ltd, India
Mr. Prathmesh Raichura	Executive Director, Climate Change and Sustainability Services, KPMG, India (From June 2018)
Dr. Vladimir Skobarev	Partner, Head of Corporate Governance and Sustainability, FBK Grant Thornton, Russian Federation

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