The contribution of sustainability reporting to the success of your organization depends to a large extent on the credibility of the final report. If you convince stakeholders that you report transparently and with accountability, this will greatly increase the faith of stakeholders in the long-term sustainability of your organization.

Verification by an independent third party such as DQS proves that your report provides an accurate depiction of the main sustainability aspects of your organization and assures your stakeholders of the trustworthiness of the disclosures made.

This publication explains the various aspects of sustainability assurance and guides you through the process step by step.

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WHAT IS ASSURANCE?

Third Party Verification of Sustainability Reports

When it comes to sustainability reporting, the terms ‘verification’ and ‘assurance’ essentially mean the same thing: an external audit, during which we evaluate the credibility, accuracy and relevance of your report. The purpose of such an audit is to convincingly demonstrate the reliability of your publication.

The Global Reporting Initiative (GRI), the driving force behind the GRI Standards for sustainability reporting, strongly recommends third party verification as part of the reporting process. According to GRI data, external assurance is increasingly common: about 50% of all published reports are subjected to verification, with this figure set to increase in the future.

Assurance Methodology

Although GRI recommends assurance, it has not developed an assurance method yet. In order to fill this gap, the British non-profit organization AccountAbility has published its AA1000 Assurance Standard: this standard does not pose requirements to the report as such, but rather describes the principles that assurance providers need to adhere to. As such, it provides a unified and internationally accepted methodology for external assurance and raises the overall quality of assurance statements.

As a licensed Assurance Provider according to the AA1000 standard, the DQS Group is the globally recognized and qualified assurance partner you have been looking for. Regardless of whether your sustainability report follows the GRI principles or a custom approach, we will be happy to guide you through the process.
WHAT ARE THE BENEFITS OF EXTERNAL ASSURANCE?

1. **Recognition & Trust**
   An assurance statement confirms the reliability of your sustainability report and boosts stakeholder confidence. This applies not only to business partners and shareholders, but also to investors and rating agencies, which increasingly take into account assurance statements when making investment and rating decisions.

2. **Reduced risk and increased value**
   An independent verification considerably reduces the risk of faulty or incomplete data and saves you from having to issue corrective statements. The increased reliability of the data also increases the value of the final report, both as a basis for internal decision-making as well as for interested parties.

3. **Improved Stakeholder Communication**
   An assurance engagement in accordance with the AA1000 standard includes a review of the stakeholder engagement processes and intensifies the stakeholder dialogue.

4. **Optimized data gathering and processes**
   The external review of all data gathering processes improves the consistency of the data, which in turn builds a solid foundation for management decisions. The external audit also evaluates internal systems and control points, questions the materiality of the findings and highlights potential for improvement in sustainability management systems.

5. **Strengthening Organizational Cohesion**
   All levels of the organization are involved in the assurance process. This leads to an increased interest in sustainability management and raises awareness across all departments. It also puts sustainability issues on the agenda in the board room and encourages top management to assume responsibility.
HOW DO WE PERFORM AN ASSURANCE ENGAGEMENT?

STEP 1: PROJECT PLANNING

Before the engagement, we discuss the following aspects of the project to develop a tailor-made approach and timeline:

- the intended use and distribution of the sustainability disclosures
- the reporting framework and guidelines as well as the assurance criteria (GRI, AA1000, ...)
- the scope of the assessment
- the responsibilities of top management in the assurance process
- the responsibilities of DQS as assurance provider
- ethical and legal obligations
- access to documents and evidence during the assurance process
- expectations for the Assurance Statement as well as the feedback process
- timeline and resources
DECISIONS TO MAKE DURING THE PLANNING PHASE

Type 1 or Type 2?

The AA1000 Assurance Standard distinguishes between two types of assurance.

A Type 1 Assessment evaluates whether your sustainability report or disclosures are in line with the three AccountAbility principles:

- **Inclusivity**: do the relevant stakeholders participate in the process of sustainability reporting?
- **Materiality**: does the report take into account all significant social and environmental aspects and issues, relevant to the organization?
- **Responsiveness**: does the organization take into account the interests of all stakeholders and do their expectations shape the sustainability management and communication of the organization?

These three principles are described in detail in the AA1000 AccountAbility Standard. As they correspond to the GRI guidelines, there is no extra effort to implement them.

A Type 2 Assessment includes, in addition to the evaluation of the three principles, a verification of all the data in the report. This includes performance indicators, statistics and any other non-financial information. This is by far the more common approach.

The Level of Assurance

Regardless of whether you have chosen a Type 1 or a Type 2 assessment, you also need to decide on the level of assurance. This concerns the depth of the assessment and affects the credibility of the assurance statement:

- **Moderate Assurance**: Our assessors evaluate the plausibility of your report. The assessment focuses on internal records and interviews with the management.
- **High Assurance**: Assessors look beyond plausibility and require solid evidence to ensure the reliability of the report. The assessment is not limited to internal records, but also includes external sources. Interviews are conducted at all levels of the organization.

TALK TO US!

Not sure which type and level of assurance is right for you? Many organizations start with a moderate level of assurance and move to a higher level in subsequent years. We will be happy to discuss the various options with you at all stages of the assessment process. All you need to do is talk to us!
STEP 2: THE OPTIONAL GAP ANALYSIS

To identify potential for improvement at an early stage, DQS offers optional pre-assessments. These typically consist of two elements: a completeness check is performed to compare the disclosures in the report to the GRI indicators, after which begins the analysis of the content.

The findings of the assessment are outlined in a comprehensive report, with specific recommendations to improve the quality and relevance of the report.

The timing of a pre-assessment depends entirely upon you: we can either use a previous report as basis for the assessment as well as a draft report.

3. THE ASSURANCE ASSESSMENT

The actual assurance engagement also consists of two parts: a document review and an on-site assessment. The duration of the on-site assessment depends on the scope of the assessment, the length of the report and the level of assurance.

During the closing meeting, the assessors present their findings, provide feedback and plan the next steps with you.
STEP 4: THE ASSURANCE STATEMENT

After the assessment, we provide you with an assurance statement, which you can include in your sustainability report. The statement typically contains the following information:

- **Addressees**: The intended readers for the assurance statement
- **Introduction**: A statement of the overall objectives of the engagement, as well as an overview of the responsibilities of the reporting organization and the assurance provider
- **Scope**: A description of the disclosures covered by the assurance process
- **Level and type of assurance**: Moderate or high level of assurance, Type I or Type II Assurance
- **Criteria** for report preparation and assurance, e.g. GRI G4 for the report and the AA1000 Standard for the assurance
- **Activities**: A description of the steps taken by the assurance provider to ensure the reliability of the report
- **Conclusion**: A statement indicating whether the assured information is fairly presented, free of material misstatements and reported in accordance with reporting criteria.
- **Recommendations**: A summary of recommendation for further actions and to improve future reports
- **Date** and **signature** of the assurance provider
30 YEARS OF DQS:

- 3 decades of experience
- 82 offices in 66 countries
- 3000 auditors across the globe
- 50 000 certified sites in over 130 countries
- 80 000 assessment days per year
ABOUT DQS CFS

DQS CFS is your partner for all audit and assessment services related to sustainability. This includes amongst others social auditing, environmental assessments, third party assurance for sustainability reporting as well as certification of management systems and products. Some of our focus areas are business ethics, labour conditions, energy- and environmental standards as well as responsible sourcing.