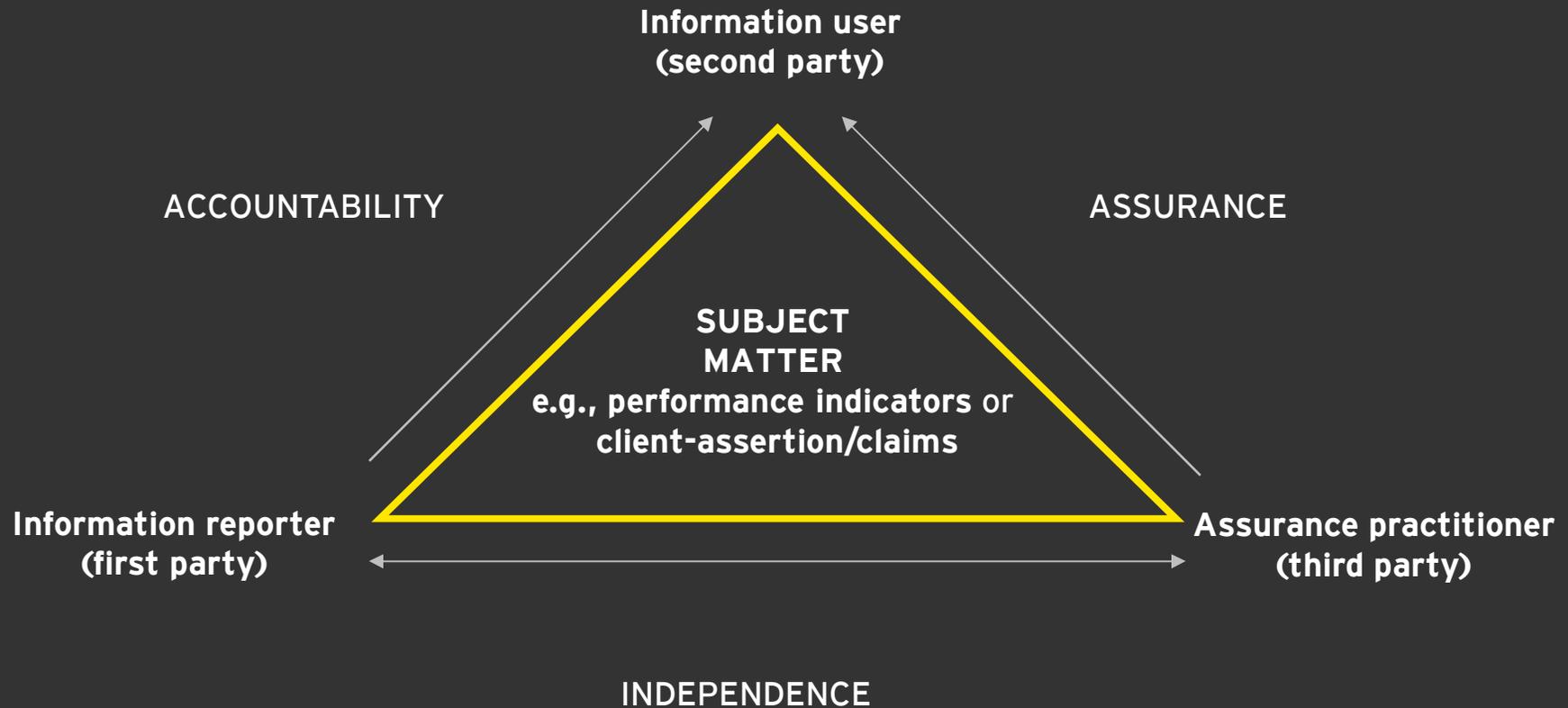


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- ▶ Assurance standards and criteria
- ▶ Sample work products

The assurance model



Benefits of assurance of sustainability data and claims

Risk management benefits

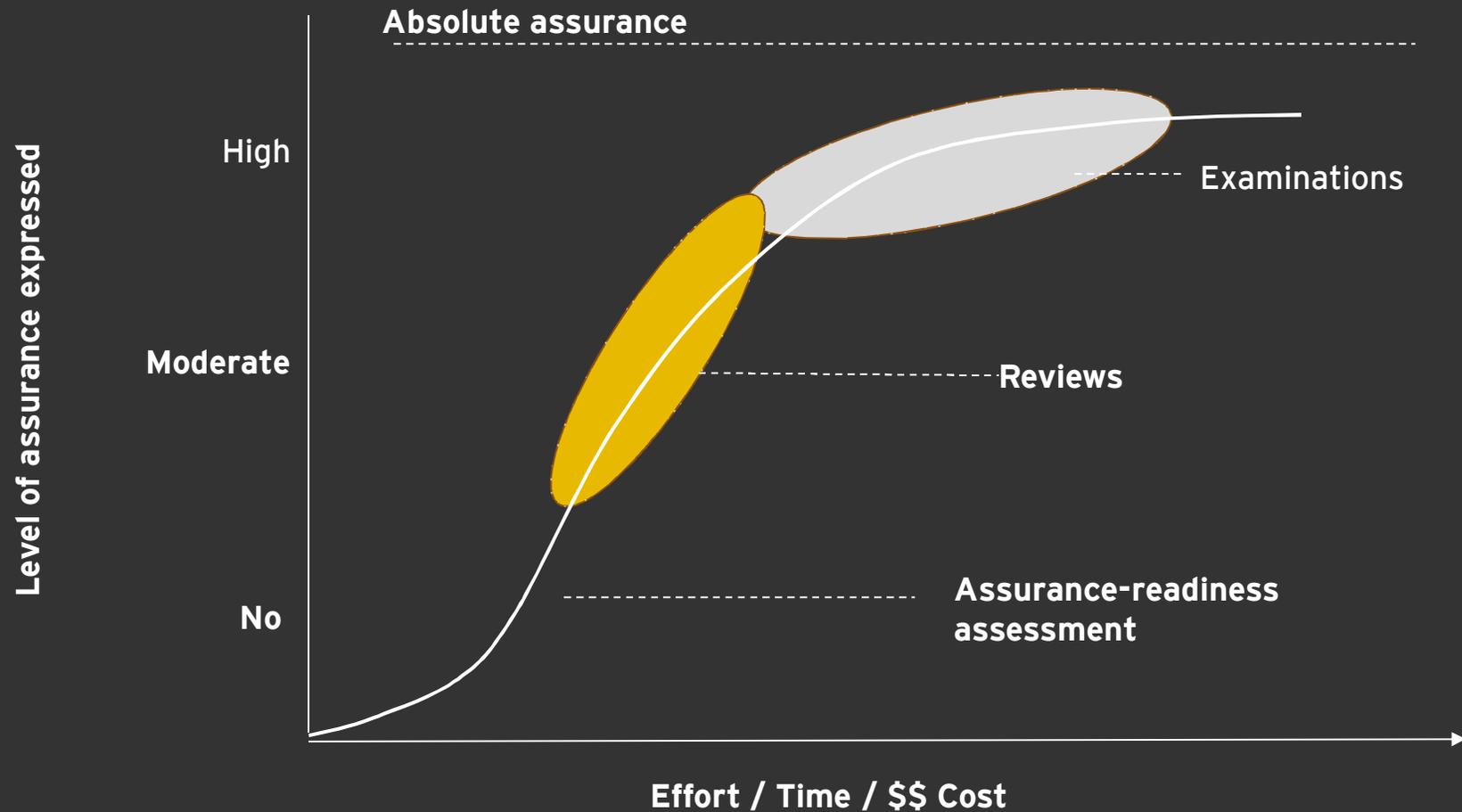
- Errors happen; assurance gives the reporting entity an opportunity to address errors before the report is released
- Gives management confidence that the information is materially correct
- Identifies opportunities to strengthen reporting processes and systems

Communication benefits

- Enhances credibility of information, giving the user greater confidence
- Signals to the information user/report reader that the organization is committed to accurate & complete reporting

Globally, approximately 35% of sustainability reports have external assurance with that number rising by ~5% per annum over the past few years.

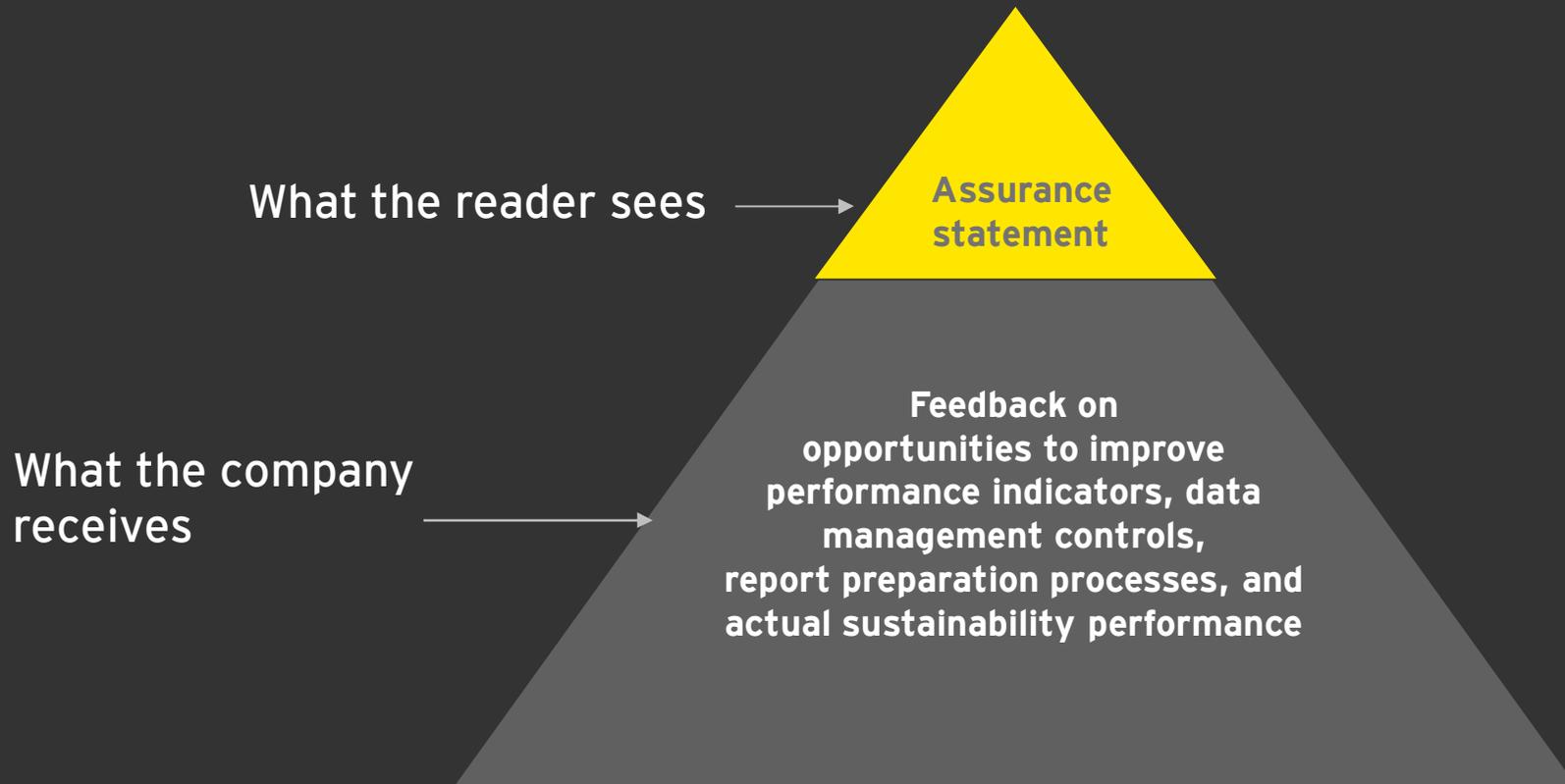
Levels of assurance



Assurance standards and criteria

Professional standards	Consulting Standards: AICPA Standards for Consulting Services CS 100	Attestation Standards for Accounting Firms: AICPA AT 101: US country-specific standard	
Level of assurance	Assurance-readiness assessment	Review	Examination
Subject matter (Assertions)	<p>Key Performance Indicators (data) of the company, or services, products and tools</p> <ul style="list-style-type: none"> -Progress against action plans (claims, commitments, goals, objectives, actions, etc.) -Reporting procedures (GRI's Discussion on Management Approach , etc.) -Content (affirmations, other assertions, etc.) 		
Criteria Examples	<ul style="list-style-type: none"> -Greenhouse gas (GHG) Protocol -Global Reporting Guidelines (G3, G3.1 or G4 and appropriate sector supplements) -Industry standards (e.g. International Council on Mining and Metals) -Law and application texts -Policies or internal procedures -Product or service labels 		
Work Products	Findings and Recommendations Report (internal)	Assurance report (Conclusion in a negative form) + Management Letter	Assurance report (Conclusion as a positive opinion) + Management Letter

Our work products



Our work products - sample review report

Report of Independent Accountant

Board of Directors and Stockholders
XYZ Company

We have reviewed selected quantitative performance indicators (the "subject matter") included in the table below and as presented in XYZ Company's 2012/2013 GRI Report (the "Report") for the year ended December 31, 2012. We did not review all information included in the Report. We did not review the narrative sections of the Report, except where they incorporated the subject matter. XYZ management is responsible for the subject matter included in the table below and as also presented in the Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, AT101, *Statements on Standards for Attestation Engagements*. A review is substantially less in scope than an examination, the objective of which is an expression of opinion on the subject matter, and accordingly, no such opinion is expressed.

Non-financial information contained within corporate responsibility reports are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, nothing came to our attention that caused us to believe that the subject matter for the year ended December 31, 2012 is not presented in all material respects, in conformity with the relevant criteria.

Our work products - sample assurance readiness assessment report

Indicator name(s)	Criteria	Control assessment	Assessment of the reliability of evidence	Observation	Considerations
<ul style="list-style-type: none"> ▶ EN3 – Direct energy consumption ▶ EN8-EN10 – Total water withdrawal by source 	<p>GRI G3.1</p> <p>GHG Protocol Corporate Reporting Standard</p>	Informal	Low	<p>Global Sustainability collects electricity and water consumption data from site coordinators globally. Site coordinators record the data in Excel® spreadsheets stored in XYZ's shared-drive (Share Point). Global Sustainability consolidates the information regionally (i.e., North America, Europe, Asia/South America) and globally to report XYZ's total electricity and water consumption in the Environmental Sustainability report.</p> <p>Currently, there is insufficient inventory and process documentation on the basis of preparation regarding electricity and water consumption figures.</p> <p>Based on interviews with site personnel and an analysis of sites' Excel® spreadsheets, we identified the following:</p> <ul style="list-style-type: none"> ▶ Inconsistent data collection practices ▶ Inconsistent use of reporting periods <p>Refer to Appendix X for more process mapping details</p>	<p>Establish and document a comprehensive process for the collection, aggregation and reporting of data, and quality management of the inventory. This document should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> ▶ A list of sites included in the inventory ▶ Data sources and collection methodology ▶ Estimation methodology for sites that currently do not report or do not have timely access to invoices ▶ Units reported ▶ Emission factors ▶ Reporting periods and reporting schedule ▶ Controls and tests for accuracy ▶ Roles and responsibilities ▶ Communication guidelines ▶ A materiality threshold for variances that should be investigated
<ul style="list-style-type: none"> ▶ EN3 – Direct energy consumption ▶ EN8-EN10 – Total water withdrawal by source 	<p>GRI G3.1</p> <p>GHG Protocol Corporate Reporting Standard</p>	Informal	Low	<p>Manufacturing, distribution and research sites should collect and report their electricity and water consumption data through the shared-drive (Share Point). Administration and warehouse sites are not required to report; however, they are allowed to do so voluntarily. Based on our analysis of XYZ's shared-drive, we found the following:</p> <ul style="list-style-type: none"> ▶ Currently, 21 out of 23 manufacturing, distribution and research sites report their consumption data in the shared-drive (Share Point). <ul style="list-style-type: none"> ▶ Two manufacturing sites (xxxx and yyyy) do not report their consumption data in Share Point. xxxx does not maintain an Excel® spreadsheet and did not provide any data to Global Sustainability to include in global total. yyyy maintains an Excel® spreadsheet outside of Share Point. However, it did not provide this information to Global Sustainability for inclusion in global total. 	<p>Establish and document a comprehensive process for the collection, aggregation and reporting of data, and quality management of the inventory. This document should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> ▶ List of sites included in the inventory ▶ Data collection methodology ▶ Reporting periods and reporting schedule ▶ Roles and responsibilities ▶ Communication guidelines

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Background

Kal Trinkner specializes in providing sustainability advisory and assurance services covering compliance requirements, life cycle assessment, triple bottom line reporting, and process improvement. Kal advises public and private companies on financial and non-financial matters and brings significant experience in conducting assurance readiness assessments, assurance over non-financial information and input-output life cycle assessments. Kal began his career in EY's Advisory practice where he led the fieldwork on a variety of internal audit and SOX 404 compliance projects. He holds a Bachelor of Science in Business Administration degree and a Master of Accounting degree from the University of North Carolina at Chapel Hill and is a CPA in the state of North Carolina.

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