Consensus Document ESG Assurance

To	:	**Practitioners in ESG Assurance, non-authoritative guidance**
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Koninklijke Nederlandse Beroepsorganisatie van Accountants

NBA

A. Practice consensus ESG assurance general

1. Purpose

Purpose of this document is to achieve practice consensus on ESG Assurance. The document is a tracking document. The paragraphs in this document have been approved by the NBA Working Group ESG Assurance and the ACB Subcommittee Assurance as non-authoritative guidance.

2. Application of assurance Standards

There is a communal vision with regard to the following application of assurance standards:

NVCOS 3810N
In all cases where assurance regards the full scope of reporting for:

- all CSR reports, both national and international assignments (NVCOS are mandatory Dutch laws and regulations (RAs/AAs))
- reports that are based on generally accepted reporting standards and 'in accordance' claims (for example GRI)
- sustainability information within an (integrated) annual report, including 'narratives', which combined presents a reliable and adequate view of CSR (policy, business operations and the thereto related events and achievements).

NVCOS 3000
Applicable in case of:

- assurance at 'topic level' (for both generally accepted reporting standards (GRI/SASB) and specific reporting standards)
- assurance on selected KPIs/partial scope (fragmented approach) focused on 'ranking' or specific reports

In international assignments, NVCOS 3810N will not always be known and therefore the assurance provider can choose to state NVCOS 3810N is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000.

NVCOS 3410

- in case of GHG statements (specific 'topic')
- if GHG is a significant part of the report reference to two Standards is possible: NVCOS 3000 and 3410 or NVCOS 3810N and 3410, provided that both Standards are also applied during the assignment (is often indeed the case).

3. Assurance and reports with hyperlinks to websites

In financial audits assurance providers clearly mark the assurance environment in the audit reports; including hyperlinks to (other) parts of websites. In ESG assurance assignments the issue may be much more complex because of the large variety of reporting principles, frameworks and practices. Hyperlinks to PDF's with e.g. historical data may be highly necessary for a well-balanced report. In these cases, it is important that the assurance provider is able to establish what the link represents and that the link or information in the link remains unchanged.

The WG agreed the following assurance work to perform:
(1) assess the scope (clear statement of what is in scope; the rest is out of scope)
(2) assess materiality (is a direct link in the report desirable/necessary?)
(3) written authorization to use the reported links with content description for identification
(4) explicit client responsibility to execute according to the written authorization
(5) due care by the assurance provider for client's compliance with the agreed links/content

Optionally the assurance provider may mention a limitation of scope in the assurance report indicating that references to external sources or websites in the sustainability information are not part of the assured information

4. Transparency on definitions

The assurance provider must ascertain the appropriateness of the transparency on definitions of subject matter information / indicators used by the client in ESG-reports as definitions represent suitable test criteria for the assurance provider. This is relevant for GRI-indicators and also for organization's 'own indicators'. The purpose of consensus on this issue is avoiding disclosure overload on individual indicators which does not serve understandability for the user. The consensus achieved is based on the analogy with 'Standard 540 Estimates' in terms of nature, purpose, diversity of subject matters and applied frameworks, level of certainty and subjectivity of assumptions, suitability of test criteria, and variety of events and circumstances.

The consensus achieved is as follows:
(1) the objective of the assurance provider is to obtain sufficient appropriate assurance evidence about whether definitions on subject matter information are adequately disclosed in the context the applicable reporting framework.
(2) to avoid disclosure overload only disclosure a material subject matter indicator is required.
(3) additional disclosures should be limited to information necessary for sufficient understanding by users of scope, assumptions, methodology and completeness of underlying data sources.

5. The collaboration between Internal Audit and external auditors
(this paragraph remains a draft until the completion of the LIO research project)

The collaboration between Internal Audit and external auditors in CSR / sustainability reports can be organized in various ways. In practice, the external auditor frequently uses internal audit work for non-financial information, in addition to financial information. The distinction between financial and non-financial information is getting less clear (concrete examples: the management report and the Corporate Governance Code).

For statutory audits it is permitted that the external auditor relies on Internal Audit's work in order to obtain audit evidence. However, Direct Assistance by Internal Audit is not permitted based on Wta/Bta.

A different regime between financial audit of the financial statements and assurance of non-financial information is not desirable. The Working Group therefore advises not to apply Direct Assistance in such cases. It is often possible to use the work of the internal audit function in accordance with Standard 610 or, if that is not possible, the internal audit function can be seen as an internal control measure in accordance with Standard 315/330.

Consensus: Advice to use the same regime for 'direct assistance' of Internal Audit in assurance engagements for non-financial information in case of engagement for a statutory financial audit, which implies a prohibition of direct assistance.

Direct Assistance refers to what is stated in the definition of direct assistance in Standard 610, where it applies to statutory audit.

6. Sustainable Development Goals (SDGs)

Organisations are increasingly reporting about the Sustainable Development Goals (SDGs) in their sustainability reporting. Most organisations start with connecting the SDGs to existing sustainability reporting topics, followed by disclosures on their contribution and impact on the SDGs. Firms' experiences with respect to inappropriate SDG reporting are identified, such as SDGs being treated as reporting checklist, incomplete materiality assessment of SDGs, lacking links with strategy, focus on positive impact towards the SDGs only (SDG washing), mapping SDGs on a too high level (on the level of 17 goals and not on the level of 169 targets) and SDG text claims without disclosure of performance information.

When evaluating SDG disclosures in a NV COS3810 engagement, the following should be considered:
SDG disclosures will be treated as so called text claims. The evaluation includes supporting evidence of performance claims and:

- whether the SDGs are linked to the strategy;
- whether SDGs are input to the materiality analysis or included for reporting purposes only?
- if used as input in the materiality analysis is this performed at SDG level (17) or target level (169) (best practice is to map the SDGs at target level).
- the organisations discloses both positive and negative impact on the SDGs
- the language reflects the actual contribution of the organisation (e.g. "we have a positive impact on…" is a very strong claim more difficult to justify than "We contribute to the SDG … by…")

7. Assurance readiness check

Dutch practitioners experience a need by certain clients (mostly in the (S)ME-environment) for an assurance readiness check or pre-assurance. In these cases, clients usually perform a self-assessment or a gap-analysis and request for an assurance report for internal purposes (usually limited assurance). The nature of the work performed by assurance providers is similar to an assurance engagement but the nature of the assignment may also be considered as an advisory service (in that case this kind of service is not possible in the PIE environment, because of independence regulations). The stipulations in the engagement must be clear in this respect in order to avoid a risk of hybrid engagements: assurance (and wider publication) when the outcome is satisfactory and advisory (for internal purposes only) when the outcome is unsatisfactory (adverse or disclaimer). It is important to stress that assurance assignments must comply with regulations concerning assignment-acceptance (assignment from supervisory board/audit committee where relevant).

8. Engagement acceptance of assurance at KPI-level

Assurance at only 'select KPI level' is possible, in principle (within the concept of materiality) if it is a 'focused assignment' and, in light of the relevance for the organization and its stakeholders, in the public interest. The assurance provider must ascertain that this is the case. The assurance provider must be careful with this type of assignments because such assignments, based on benchmarks or checklists (such as the GRI table), are sometimes initiated from the point of view of rankings and ratings, the objective of which has become focused on the score.

9. Financial information in scope of the (sustainability) assurance engagement

When using NV COS 3810N, the assurance scope is a CSR report or the sustainability information within an (integrated) annual report (see chapter 2 of this consensus document). Financial information can be included within the scope that the assurance provider agrees with its client. Even though NV COS 3000 and NV COS 3810N do not directly state how to deal with financial information, the financial information in scope should not be seen as a "financial overview".

The financial information will most likely be in the form of indicators, KPIs or text claims which can sometimes be directly linked with the (audited) financial statements of the company.

The assurance provider should determine which procedures to perform to provide assurance on the financial information (as part of the full scope of the assurance engagement). The level of assurance should be taken into account.

Reconciling the information directly to the audited financial statements could be sufficient when the assurance engagement is aimed at obtaining a limited level of assurance. However, when the financial information is deemed highly material within the scope of the assurance engagement, the assurance provider should challenge whether reconciliation is sufficient. Especially since:

- the materiality levels can be different between the audit engagement and the assurance engagement, and
- the procedures performed on the financial indicator as part of the audit of the financial statements can be very limited (not material within the total audit of the financial statements)

Reconciling the information directly to the audited financial statements will probably not be sufficient when the assurance engagement is aimed at obtaining a reasonable level of assurance given the difference in materiality levels and the nature and extent of procedures performed between the audit and assurance engagements. Assurance providers should keep in mind that their own file needs to be readable stand-alone. In case of using the work of the financial auditor, documentation of this work needs to be included in the file of the assurance provider.

Assurance providers should accurately describe the procedures performed on the financial information in the assurance report (within the procedures performed section). This will enable readers to understand the type of procedures performed on this information.

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10. Impact measurement

Integrated or sustainability reports may contain the outcomes from an impact measurement performed by the client or an external expert. Given the characteristics of impact measurement models, an assurance provider will have to design an assurance approach that fits those characteristics. The following elements or aspects will be considered when designing the assurance approach:

- Impact measurement models may address a limited scope. For example, they may focus on a specific project or investment decision, which may lead to unbalanced reporting. It is important to consider the effect of the outcome of the impact measurement and the way it is presented in the report on the decision-making of the users of the report and to adjust the report, the assurance report or the assurance approach accordingly.
- By definition impact measurement models contain inherent uncertainties. The assurance provider considers whether the report sufficiently discloses the inherent uncertainties of the model, which may amongst others be emphasized by disclosing the bandwidth of possible outcomes based on changing the underlying assumptions.
- It is important to consider whether the underlying assumptions and the main characteristics of the impact measurement model are sufficiently disclosed in the report or in another publicly accessible location (such as a website or a pdf document).
- Auditing or reviewing the impact measurement model as an estimate as meant in COS 540 estimates expectedly fits the characteristics of an impact measurement model in most cases. Therefore, this standard will be applied for impact measurement evaluation.

- It requires professional judgement to design an assurance approach that is fit for the specific circumstances and content of each impact measurement model. The following procedures can be considered for the mix of assurance procedures:
    - Assessing the reasonableness of the scope of the measurement and the suitability of the methodology chosen;
    - If applicable, assessing the competence and independence of the expert used by the entity, including inspection of the contractual conditions;
    - Interviewing the expert or client for a key understanding of the impact measurement;
    - Reviewing the final report of the measurement containing a description of the calculation models, assumptions used and the outcome(s) of the impact measurement;
    - Reviewing the relevant assumptions on suitability, reasonableness, completeness and relevance;
    - Obtaining a key understanding of the calculation model;
    - Recalculation and reperformance, and
    - Inspection of documents.
- The extent of procedures to be performed differ between limited assurance engagements and reasonable assurance engagements. The assurance provider will decide upon the mix of assurance procedures used based on his or her professional judgement.
- If the measurement model is not accessible by the assurance provider for review on the basis of confidentiality restrictions from the client's external subject matter expert, the assurance provider should consider to request the client to exclude the outcome of the impact measurement model from the report or to qualify the assurance report in this regard. Given the importance/materiality of an impact model in most cases, it is not probable the auditor will only exclude the impact model from the scope of the assurance engagement.
- A difference of opinion may exist between the expert and the assurance provider on the way the calculation is performed or the assumptions are used. An assurance provider may decide that clear disclosure of assumptions and the calculation model used is sufficient for a user to judge the outcomes for decision-making. An assurance provider may also conclude that a material risk of misleading reporting exists, and request the client to adjust or remove the outcome or to qualify the assurance report.

11. Adjustments of errors and change in estimates in ESG reporting

The principles regarding change of estimates, change of accounting policies and errors in financial information are included in IAS 8, RJ 150 or another applicable reporting framework. These principles can be basically applied for ESG reporting:
When a material error is identified in ESG reporting in T an adjustment in the Integrated ESG Report T+1 is necessary. An example of an error is when a company has made a mistake in calculating a KPI, for example in the calculation the data of one group component is not included.
When a company decides to change the assumptions for calculating a KPI this is classified as a change of accounting policies. We are of the opinion that the principles included in IAS 8 the applicable reporting framework regarding change of accounting policies, change of accounting estimates and errors are applicable to ESG reporting as well, with a few exceptions are described below.

Adjustments need to be disclosed. This disclosure of errors needs to be included in the text and not in the footnotes as usually there are quite a number of footnotes included in the ESG reporting. For other restatements disclosure in a footnote could be acceptable. Another suggestion could be to include a page on which all the adjustments, restatements - except those from errors - are disclosed. This page could be included in the 'about the report' section of the report.

According to the IAS in case of an error the comparative figures need to be adjusted. As stated above in case of a material error an adjustment is necessary. The IAS also states that a correction of the starting value needs to be made. This is not applicable for non-financial information as this consists usually of KPI's which give information about one single year. When for example a company does have KPI's regarding for example CO2 reduction in five years it is possible to adjust the cumulative value according to the new calculation principles.

The RJ states that in case of a significant error a message need to be filed within the Chamber of Commerce. As filling of an ESG Report is not mandatory this principle is not applicable for Integrated ESG reports. We are of the opinion that in case of a significant error in the non-financial information and a correction is made a message need to be send to the stakeholders made publicly available. This can be done by placing a message at the website or a media statement.

12. Applied combination of limited and reasonable assurance

For certain engagements, the auditor of ESG information can be asked to provide both reasonable and limited assurance to different information aspects within one subject matter. For example, the auditor might provide reasonable assurance to a set of key indicators, and limited assurance to the remainder of the ESG information.

A combination is allowed within the relevant assurance standards, according to NVCOS 3000A art. A2 and NVCOS 3810N art. 1.

The variety of choices in scoping and level of assurance might be difficult to understand by the user of the (assured) information. At the same time, using a combination of limited and reasonable assurance makes sense in a maturing field of work (i.e. ESG reporting and ESG assurance). For example, a combination could be used to grow towards reasonable assurance for the whole ESG reporting context.

Consensus achieved on the following matters:

- an auditor should use professional judgment in accepting an engagement using a combination of limited and reasonable assurance to ESG information,
- it should be very clearly scoped which ESG information is subject to limited or reasonable assurance, and
- considerations made need to be documented; these include the following considerations:

- what are the circumstances leading to asking a combination (considering possible underlying arguments cost savings, cherry-picking, preventing disclaimers)? Who is driving this question and with which perspective?
- to what extent does the combination benefit the users of the ESG information (and possible disadvantages)?
- is the scope of ESG information subject to limited or reasonable assurance rational in light of the materiality analysis and context of the organization?

13. Principles for evaluation of mergers and demergers

How to account for a merger/demerger regarding the sustainability information is the responsibility of the company. The auditor evaluates if the accounting is a proper reflection of the situation. The current reporting frameworks do not give clear guidance on the reporting of the sustainability information in these situations.

Overall, the most important topic is transparency towards the stakeholders. For stakeholders it should be clear how the merger/demerger took place, how this is reflected in the information, and the challenges thereto.

The following principles can help in the auditors' evaluation. For each principle, considerations/challenges give insight in how the principle can be used in the evaluation.

- Boundary perspective focusses on the possibility of the company to influence the sustainability policies and output.
  Considerations/challenges: The type of merger is important for this evaluation. For a clear merger of two companies (where a new board of directors is formed from the prior boards) the reporting can be different than for a merger where one of the companies actually takes over another company.
- Accountability perspective focusses on the insight for stakeholders to look back and reflect on the achievements in the past.
  Considerations/challenges: What is the impact on the prior year indicators in reflection to the policies and business operations, and what is the impact on the comparability of the performance indicators in case of a merger, when for example the new year shows consolidated information.
- Stewardship perspective is the possibility for stakeholders to look forward and to analyze for example the goals of the company.
  Considerations/challenges: when goals after a merger/demerger event are set, the possibility for stakeholders to analyze them with the comparatives can be an important aspect to take into consideration.

14. Determining materiality on indicator level

Determining materiality in assurance engagements of non-financial and sustainability information is determined on two levels: on the reporting level and on indicator level.

Materiality on the reporting level cannot be stated in a figure as it encompasses all kinds of both qualitative as quantitative information. Therefore, the assurance provider will need to apply professional judgement when assessing whether a material misstatement (or omission) is present.

For determining materiality on the indicator level, a percentage could be applied. Certain considerations can be taken into account when determining the materiality level. Assigning a classification of "low", "medium" or "high" to each consideration can help the assurance provider to determine whether the materiality percentage should be lower or higher. Some indicators however, are not suitable to determine such a percentage, for example the number of fatalities (which should have a materiality of 0%) or the availability of certain services (which are sometimes reported as 99,999% availability).

The following considerations can be taken into account when determining the materiality percentage on indicator level:

- the margin or room between the realization of an indicator and the previously set objective
- the amount of attention the indicator has in the reporting (e.g. included in the foreword of the CEO, key results)
- the variation compared to the prior reporting period (significant change, changing trend)
- whether the indicator is part of the (sustainability) strategy
- impact of the indicator on the reputation of the organization (including performance when relating to peers)
- financial impact
- sensitivity of information to stakeholders (including number of stakeholders)
- other considerations arising from reporting standards such as GRI or IIRC

Performance materiality is a cut-off from materiality at indicator level. It considers the probability of a material error in the population not being discovered. The determination of performance materiality is subject to the auditor's professional judgment. This professional judgment should be documented. The question is where performance materiality is applied. Often this will be with disaggregated data. It is also possible to apply these in analytical procedures. Performance materiality will be more relevant with reasonable assurance than with limited assurance. This is because testing activities are applied more often with reasonable assurance.

15. Multilocation assurance

When an organization is located in several locations this can result in a discussion about the bounderies of the ESG information and the scope of our procedures.

For an organization it can be acceptable to continuously increase the bounderies of the ESG information. If the organization does not include all their locations in their ESG information, it is important that:

- The organization is clearly describing the bounderies of the ESG information and its considerations.
- The auditor asks critical questions about the bounderies and the considerations of the organization. For example, we cannot agree with the scope of the reporting if only locations with a positive impact are included in the ESG information and locations with a negative impact are excluded from the ESG information.
- The organization has a detailed plan on when and how they will include all locations with a material impact in the scope of the reporting ESG information.

When an organization has several locations, we need to obtain sufficient assurance coverage. ISA 600 is the basis for our audit scoping, but there are some specific elements to consider:

Both quantitative and qualitative measures are important to determine the audit scope. Qualitative measures are more likely to be important for non-financial information. The risk assessment of the auditor is the basis for determining the audit scope.

- Coverage cannot be determined by one fixed percentage for one specific performance measure. The auditor needs to take into account the contribution of a location for each specific performance measure. The percentage of audit coverage obtained can differ between specific performance measures. The auditor should clearly document the considerations for the audit scoping and the coverage.

The nature, timing and extent of procedures to be performed for a location in scope depends on the specific circumstances. The auditor should determine if the procedures should be performed by the central audit team or if a local auditor can perform the procedures. Procedures can also be performed by a combined team of the central audit team and a local auditor.

The auditor should determine whether a location visit is necessary. Important considerations in determining whether a location visit is necessary, could be (but are not limited to) the following:

- The scope; is it an audit, specific procedures or review assignment;
- Risk assessment and significance of locations;
- Mistakes and previous errors;
- The related assertion. Especially for completeness it can be difficult to obtain sufficient evidence for the audit team without visiting the location;
- Knowledge of the competence of the local audit teams;
- Possibility to obtain sufficient audit evidence without visiting the location.
- Understanding of the process (for example, does the accountant have sufficient knowledge of the production process)
- Involvement of internal audit
- Location visits performed in previous years (rotation plan)

16. the alignment between the materiality analysis and risk paragraph

Our responsibilities for the other information versus the assurance object; specifically, the alignment between the materiality analysis and risk paragraph requires further guidance.

Different elements are combined in integrated annual reports such as: the financial statements, directors report and other information. Where in the past sustainability information was reported separately, this information is now often integrated in the directors' report and/or other information of the integrated annual report.

For an assurance engagement this means that the sustainability information may include (large) parts of the directors' report, but not always the whole. Often, important items such as the mandatory risk paragraph (according to the Dutch Civil Code art 2:391 sub 1) are not part of the assurance scope. This is then seen as 'other information' and should be assessed by the auditor (based on ISAE 3000.62) on consistency with the assured information and that it is material accurate based on the evidence obtained from the assurance engagement.

An important example and area where specific attention is desirable, relates to the alignment between the materiality analysis and the risk paragraph. The materiality analysis gives insight into the material themes that are most important for the organization to report on. On the other hand, the risk paragraph should include the most important risks and uncertainties the organization faces. Therefore, it is expected that the material topics are reflected in the risk paragraph.

In practice it can occur that not all material themes are reflected in the risk paragraph. This can be caused by a difference in scoping (the materiality analysis is broader than the risk paragraph or embeds to a multi-stakeholder approach), in other occurrences there may an illogical misalignment. It is important to discuss these situations with a professional skeptic mindset to assess the rationale. The concept of double materiality (inside out and outside in perspective) is helpful in these discussions. Clients must be challenged to explain these differences to the auditor. On the other hand, clients can also be challenged to disclose this rationale in the annual report itself.

17. Assurance on 'certificate on energy source'-related reports (such as biomass, concrete, solar, wind, water, fossil)

The GvO regulation (garantie van oorsprong – GoO, guarantee of origin) sometimes requires assurance on annual reports regarding inputs and outputs in volumes and percentages. An example is the CertiQ-regulation following the 'Regeling garanties van oorsprong voor energie uit hernieuwbare energiebronnen en HR-WKK-elektriciteit'.

Doubts exist on whether certain varieties or elements of renewable energy are sufficiently sustainable as presented; not all externalities related to the production may have been acknowledged, such as GHG and biodiversity. For accepting the engagement, the auditor may refrain from these specific (ethical) considerations; the auditor conclusions focus on the assertions for input and output volumes and percentages presented in the report and does not cover the level of sustainability. However, the auditor should acknowledge the potential expectation gap for users; the auditor's assurance report may therefore elaborate on these specific (ethical) considerations if desirable.

In this type of engagements, the auditor is often expected to give an opinion on volumes and percentages of fuels processed. Likewise, in financial audit, such an assurance engagement implies relying on the movement of goods, materials and cash and relying on the underlying governance, internal controls and processes, including IT data management. In some instances, this type of engagements is performed in conjunction with an EU ETS Assurance engagement for stationary installations. It is recommended therefore, that such an engagement is performed alongside a financial audit or an EU ETS assurance engagement. Standalone engagements in this context are feasible but should not be underestimated

B. GRI application

- **Assignment, scope and claim 'in accordance with GRI Standards'**
  The assurance provider must ascertain that there is a rational assignment. The scope of the assignment is important thereby: full scope or partial scope and the reporting standards/indicators to be applied.

  The assurance provider assesses whether the applied reporting standards/indicators are acceptable in the given circumstances. GRI is often used, but not fully and not consistently. For the application of other acceptable public standards, such as SASB, the same applies as for GRI. A mixture of various standards/indicators or client-specific standards/indicators will only be deemed acceptable if this provides a better insight than generally accepted reporting standards. Which principles/reporting standards are referred to depends on the circumstances. If the client uses GRI, but does not use all GRI-KPIs (which is possible) or is not (fully) GRI compliant, this must be represented in a transparent manner in the report, including the reason; the assurance report will include all this by expressly stating the principles/indicators used and accepted.

  In the event of full scope, the assignment is focused on assurance on the full report; partial application of GRI Standards is unacceptable in that case, unless there is a (temporary) 'growth process', in general technical or client specific terms. In the event of a growth process the report must be sufficiently transparent regarding this, stating reasons; it must be possible to demonstrate that there is indeed a 'growth process'. More specifically this implies consistent application and actual 'growth' (not driven by 'cherry picking'), transparent explanation of the growth process (and expectations concerning this) and explanation of the omissions that create not being in accordance with GRI Standard 101, section 3.2. In that case the claim of 'in accordance with GRI Standards' will be suitable.
  In a 'growth process' also fits 'growth in assurance' and accordingly also differentiation of assurance levels in an assurance assignment (for example the combination of reasonable assurance for some data and limited assurance for other data and narratives, DMA).
  Applicable standards: NVCOS 3810N.

  In case of partial scope, other than aforesaid growth process, partial application of GRI Standards is acceptable in the form of specific 'topics' or 'selected KPIs', leading to a GRI-referenced claim. In such accountability the general claim of 'in accordance with GRI Standards' is not suitable. Partial scope, which is not based on GRI topics, could not be any basis for a GRI label. Once again: the assurance report will include all this by expressly stating the principles/indicators used and accepted.
  Applicable standards: NVOS 3000 and in case of GHG also NVCOS 3410.

  The assurance scope can differ from the reporting scope: an organization can claim 'in accordance with GRI Standards' and have a limited scope of assurance. In case of a limited scope there is no assurance of the full report, however there will be assurance of a 'topic' or on selected KPIs.
  If there is a claim of 'in accordance with GRI Standards' in combination with a limited scope of assurance, but there is assurance on the 'claim', the assurance provider must always test the principles and standards applied. Furthermore, the assurance report must avoid any suggestion that assurance has been provided on (all) underlying information.

- **GRI Content index**
  In case of a 'full scope assignment' the assurance provider principally provides assurance of the total presentation as represented in the report, on the basis of an applicable level of materiality. It is not the intention to still provide separate assurance at a level of detail regarding 'topics' or 'line items' by means of the 'external assurance' column in the GRI content index; the column is intended as a reference: 'table of content', and for navigation through the report from the assurance perspective. It is also not mandatory to include this column. In a 'full scope assignment' all material 'topics' and 'line items' must be included in

the reference. The claim of ‘in accordance with GRI Standards’ does not imply a full report regarding the table topics and line items, but only regarding the topics that are selected to be material (relevant for the business based on the company’s impacts).

In case of partial scope, the vision is shared that, analogous to the reasoning for a full scope assignment: in that case there is assurance at the ‘topic’ level, but not at the ‘line item’ level. A specific example of an assignment at topic level with a specific Standard concerns GHG statements and NVCOS 3410.

- **Sustainability report and scope of the assurance instrument**
  The GRI Context Index should be considered as part of the GRI reporting framework, not as an assurance instrument. ESG Assurance implies that assurance is provided on the report (the information medium), not on the organization’s conclusion. The organization chooses the reporting framework and consequently the chosen framework is to be used as the assurance instrument (the norm). The assurance report must be transparent about the assurance work performed in order to achieve transparency about compliance with GRI-requirements. The conclusion is that this is not necessarily based on the GRI Content Index. From the assurance provider it is expected to investigate the acceptability of the Sustainability Report in case material information is included in the GRI Content Index rather than in the Sustainability Report.

- **Assurance of substantiation of materiality, stakeholder inclusiveness, boundary setting**
  Materiality analysis, stakeholder inclusiveness and boundary setting are relevant during an assurance assignment in particular (but not exclusively) in the view of ‘completeness’. The substantiation by the client is therefore important and therefore also the object of investigation in the assurance assignment. The substantiation of the policy considerations and choices made must be included in a transparent manner in an ‘in accordance with GRI Standards’ report. It is for the assurance provider to assess the substantiation applied for these aspects by the management, with professional judgment.

- **Assurance assignment and dealing with ‘confidential data’ and ‘data not available’**
  Explanation of the omissions needs to be provided in accordance with GRI Standard 101, section 3.2.

  The acceptability of unreported data (confidential / not available) must be viewed in light of materiality analysis, stakeholder inclusiveness and boundary setting. The substantiation by the client is important and therefore also the object of investigation in the assurance assignment. The substantiation of the considerations and choices made must be included in a transparent manner in the ‘in accordance with GRI Standards’ report.

  The occurrence of unreported (material) ‘confidential’ data is essentially not logic from the perspective of stakeholder engagement. The assurance provider must ascertain that the considerations of the client are rational and, in view of the relevance for the organization and its stakeholders, in the public interest.

  With regard to specific ‘data not available’ it is important to consider to what extent the omission can be attributed to and should be put in the context of the growth ambition toward ‘full compliance’, and thereby to what extent distinctive general technical aspects and client specific aspects are involved.

  The acceptability of reported non-material data and disclosures must be viewed in the context of the materiality analysis, stakeholder inclusiveness and boundary setting.
  If in all this it is argued by the client that these data are important for specific stakeholders, the conclusion must be made that the ‘subject matter’ is perhaps material nevertheless.

- **Use of own criteria for KPI's when applying GRI**

  GRI is the most commonly applied framework for ESG reporting. At the moment a lot of companies use additional own criteria in their ESG reporting besides using the standard GRI criteria and KPI's. The question is whether this is desirable or not.

  As an auditor we need to audit (with limited and reasonable assurance) whether the report gives a true and fair view in accordance with the applicable reporting criteria.

  During our discussion we concluded that it is desirable, and in a lot of cases necessary, to use additional own criteria when compiling ESG information to give a reliable and adequate view of the specifics of an individual company. As an auditor you need to form an opinion about the report as a whole. To give sufficient insight in the organization it can be necessary to use additional own criteria.

  The reporting principles of GRI for defining the reporting content require to include all material information too. A consequence of this can be that the KPI's defined in GRI are not applicable or useful for some organizations as they are very generic and less specific. In this case it is necessary to include own criteria to give a complete overview of the organization.

  An auditor should take into account whether the selected criteria are suitable. Factors that need to take into account when evaluating whether own criteria are suitable are:

  - When using additional own criteria; is the report still comparable with other reports from comparable organizations?
  - Is the report still consistent with previous reports?
  - Is it still possible to get a good overview of the organization? Are there not too much own criteria?
  - Assess whether the organization is not cherry-picking. Are there own KPI's included which show negative impact of the organization as well or are there only positive impacts included?
  - Do the own criteria meet the characteristics as required in NVCOS 3810N A19?
  - Is deviation from GRI KPI's justified?