



THE SIGMA GUIDELINES- TOOLKIT

THE SIGMA GUIDE TO THE AA1000 ASSURANCE STANDARD



THE AA1000 ASSURANCE STANDARD IN BRIEF

1. WHAT IS ASSURANCE?

Assurance is an evaluation method that uses a specified set of principles and standards to assess the quality of a reporting organisation's subject matter, such as reports, and the organisation's underlying systems, processes and competencies that underpin its performance. Assurance includes the communication of the results of this evaluation to provide credibility to the subject matter for its users.

2. AA1000 ASSURANCE STANDARD

The *AA1000 Assurance Standard* is a generally applicable standard for assessing, attesting to, and strengthening the credibility and quality of organisations' sustainability reporting, and their underlying processes, systems and competencies. It provides guidance on key elements of the assurance process.

3. KEY CHARACTERISTICS

The *AA1000 Assurance Standard's* key characteristics are that it:

- Covers the *full range of organisational performance*, i.e. 'sustainability performance'.
- *Focuses on the materiality of subject matter to stakeholders, as well as its accuracy.*
- Examines *the completeness of an organisation's understanding of its own performance and impacts, and associated stakeholder views.*
- Assesses Reporting Organisations' *responsiveness to stakeholders*, and in doing so interprets reporting as part of an ongoing engagement with them.
- Provides a *forward-looking approach* that indicates how able an organisation is to carry out stated policies and goals, as well as to meet future standards and expectations.

- ❑ Establishes the basis for *public assurance statements* that build the credibility of public sustainability reports.
- ❑ Supports and *integrates approaches to assurance* using multiple providers, approaches and standards, including specific compatibility with the Global Reporting Initiative Sustainability Reporting Guidelines.
- ❑ Applies to different types and sizes of organisations and assurance providers from diverse geographical, cultural and social backgrounds.
- ❑ Requires *disclosure by assurance providers covering their competencies and relationships with the Reporting Organisation* (i.e. client).

4. THE ACCOUNTABILITY COMMITMENT

The practice of *'inclusivity'* has to do with an organisation's:

- ❑ Commitment to *identify* and *understand* its social, environmental and economic performance and impact, and the associated views of its stakeholders;
- ❑ Commitment to *consider* and to *coherently respond* (whether negatively or positively) to the aspirations and needs of its stakeholders in its policies and practices, and;
- ❑ Commitment to *provide an account* to its stakeholders for its decisions, actions and impacts.

The principles set out below are the basis on which the credibility of an organisation's fulfilment of this over-arching Accountability Commitment can be assured.

5. THE AA1000 PRINCIPLES

The following principles must be applied in an assurance process undertaken using the AA1000 Assurance Standard:

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|---------------------|--------------|
| Principle 1. (P.1.) | Materiality |
| Principle 2. (P.2.) | Completeness |

AA1000 Assurance Standard: Commitment and Principles

The Accountability Commitment

'Inclusivity'

Principles

Materiality

Completeness

Responsiveness

P.1 Materiality

The AA1000 *Materiality Principle* requires that the Assurance Provider states whether the Reporting Organisation has included in the Report the information about its Sustainability Performance required by its Stakeholders for them to be able to make informed judgements, decisions and actions.

P.2 COMPLETENESS

The AA1000 *Completeness Principle* requires that the Assurance Provider evaluate the extent to which the Reporting Organisation can identify and understand material aspects (see P.1) of its Sustainability Performance.

P.3 RESPONSIVENESS

The AA1000 *Responsiveness Principle* requires that the Assurance Provider evaluate whether the Reporting Organisation has responded to stakeholder concerns, policies and relevant standards, and adequately communicated these responses in its Report.

6. Evidence

The Assurance Provider must evaluate whether the Reporting Organisation has provided adequate evidence to support the information contained in the Report.

7. Assurance Statement

The Assurance Statement should address the credibility of the Report and the underlying systems, processes and competencies that deliver the relevant information and underpin the organisation's performance.

8. Assurance Provider Standards

8.1 ASSURANCE CREDIBILITY

The credibility of a Report's assurance relies on the Assurance Provider's competencies, independence and impartiality, as well as the use of appropriate

standards, including the *AA1000 Assurance Standard*. The Assurance Provider should aim to be independent of the Reporting Organisation and impartial with respect to the organisation's Stakeholders. Any interests that detract from this independence and impartiality need to be transparently declared by the Assurance Provider.

9. Individual and Organisational Competencies

Assurance Providers and the Reporting Organisation must ensure that the individuals involved in any specific assurance process are demonstrably competent. The organisations through which individuals provide assurance must be able to demonstrate adequate institutional competencies.



About the SIGMA Project

The SIGMA Project - *Sustainability Integrated Guidelines for Management* was launched in 1999 with the support of the UK Department of Trade and Industry (DTI) and is led by:

- British Standards Institution - the leading standards organisation
- Forum for the Future - a leading sustainability charity and think-tank
- AccountAbility - the international professional body for accountability.

The SIGMA project has developed the SIGMA Guidelines and a series of tools to provide clear, practical advice to organisations to enable them to make a meaningful contribution to sustainable development.

The SIGMA Guidelines consist of:

- a set of **Guiding Principles** that help organisations to understand sustainability and their contribution to it.
- a **Management Framework** that integrates sustainability issues into core processes and mainstream decision-making. It is structured into phases and sub-phases.

The SIGMA **Toolkit**, consists of targeted tools and approaches to help with specific management challenges, and case studies explaining how organisations have used the SIGMA Guidelines and Toolkit to tackle real issues.

More information including the full SIGMA Guidelines and the accompanying SIGMA Toolkit are available at: www.projectsigma.com.

