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Item 28. Credibility and Trust Events Update

Project Update

Meeting	3-5 November 2015, Amsterdam
Project	Enhancing credibility and trust of sustainability reporting
Description	The GSSB has decided to engage with stakeholders in a series of events on the topic of enhancing the credibility and trust of sustainability reporting. This paper presents a project update.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.

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1 *Background*

2 At the GSSB meeting of 24–26 March 2015 it was decided to engage with stakeholders in a series of
3 events on the topic of enhancing the credibility and trust of sustainability reporting. This paper presents
4 an update on the events and summarizes the key feedback from stakeholders attending the events on
5 how credibility and trust of sustainability reporting can be enhanced.

6 *The events*

7 Events took place in Taipei, Beijing, Mumbai and Amsterdam in June, and in New York in September
8 2015. The five locations were selected based on the maturity level of the sustainability reporting market,
9 the availability of GRI stakeholders with thorough knowledge of the topic, and the availability of local
10 support. Each event included a panel discussion followed by subgroup sessions, with a final plenary
11 session to share the subgroup conclusions and summarize the discussions of the day.

12 The program was introduced by the hosting party (Regional Hub China, BSCD Taiwan, TCS India, NBA
13 Netherlands and Bloomberg) with a short introduction by a GRI speaker, followed by a panel discussion.
14 The panel comprised between three and five speakers from a variety of backgrounds: reporting
15 organizations, assurance providers, academics and special interest groups. They brought different views
16 and experiences to how the credibility and trust of sustainability reporting can be enhanced and why it is
17 important. The panels also discussed experiences with verification of other types of standards,
18 differences between AA1000 Assurance Standard and ISAE 3000, and assurance challenges. The
19 audience was given the opportunity to pose questions to the panel.

20 The panel discussion was followed by subgroup discussions on three topics: what needs to happen to
21 enhance the credibility and trust of sustainability reporting a) at global or national level and b) within
22 reporting organizations. At some events a) and b) were combined and discussed in one group. Each
23 event had one subgroup discuss how the ‘assurability’ of GRI reporting requirements could be
24 improved, with another subgroup exploring what constitutes good assurance.

25 Each of the events had between 30 and 55 attendees from reporting organizations, assurance providers,
26 academics and special interest groups. Speakers and attendees were highly engaged and keen to share
27 their opinions on how to enhance credibility and trust. All attendees were provided with factual
28 background information¹ beforehand.

29 From the evaluation surveys after each event it can be concluded that the events were well received.
30 The topic was timely, generally well presented and the speakers and subgroups were addressing the
31 right topics. Some feedback indicated that the events focused too much on a very detailed discussion of
32 assurance, while other means to enhance credibility and trust were not sufficiently discussed.

¹The background information as provided to the attendees of the events on enhancing credibility and trust was included in the GSSB meeting materials for the meeting of 24–26 March 2015 as Item 07 - Concept Note GRI Assurance Events.

33 *Summary of results*

34 Key conclusions derived from the five stakeholder events will be discussed by the GSSB. Each conclusion
35 leads to a call to action to different stakeholder groups or organizations; sustainability reporting
36 standard-setters, reporting organizations, accounting and auditing standard-setters, as well as data users,
37 have an opportunity to contribute to enhancing the credibility and trust of sustainability reporting.

38 The stakeholders at the events confirmed that the correct application of the GRI Guidelines, and
39 especially the G4 Principles for Defining Reporting Content and Quality, has been identified as a key
40 contributing factor for better quality reporting.

41 Stakeholders stated that internal management and auditing systems contribute to better quality
42 reporting, which enhances credibility and trust.

43 Furthermore, stakeholders recognized the use of external assurance as another means for further
44 enhancing credibility and trust of reporting.

45 Stakeholders recognized that different approaches to external assurance of sustainability reporting are
46 used: assurance of the whole report, assurance of the reporting processes, assurance of the data
47 collection systems, and assurance of data all have a certain value to enhance reporting credibility and
48 trust. Some of these approaches add more value than others, and the benefits and value of these
49 approaches for reporting organizations needs to be better described.

50 One of the conclusions was that there is a need for more clarification of what is seen as good assurance.
51 Stakeholders also called for more alignment between reporting frameworks and standards and their
52 approaches to assurance.

53 During the events stakeholders mentioned that they see many GRI reports that are not in compliance
54 with the GRI G4 'in accordance' criteria, and call for the external review of report meeting these
55 criteria. Some stakeholders suggested including an assurance requirement in the G4 'in accordance'
56 criteria.

57 Stakeholders at the events overall do see the value of external assurance and how this enhances
58 credibility and trust of sustainability reporting, and mentioned that data users such as governments,
59 rating agencies and stock exchanges should require external assurance.

60 *Next steps*

61 The GSSB will publish a paper on how the credibility and trust of sustainability reporting can be
62 enhanced. This paper will include lessons learned for the future activities of the GSSB, including areas of
63 improvement in the current G4 Guidelines and the development of the GRI Standards. It will further
64 explore the attributes of good assurance on individual elements or components of sustainability reports
65 as well as of comprehensive sustainability reports. In addition, it will specify recommendations for
66 reporting organizations, those that provide assurance and those that set assurance standards.

67 As a further contribution to the discussion, the GSSB plans to issue an overview of national assurance
68 standards and regulatory requirements to provide orientation for stakeholders that have an interest in
69 the developments around credibility and trust.