

Agenda Item 5A



Proposed SSAE, "Attestation Engagements on Sustainability Information," of the Clarified Attestation Standards (AT-C XXX)
May 6, 2016

Commented [DC1]: Please note: New requirements have been highlighted in yellow.

Section headers that are only applicable to one type of service are marked as such.

Proposed SSAE, Attestation Engagements on Sustainability Information	
Introduction, Effective Date, Objectives, Definitions, and Requirements	Application and Other Explanatory Material
<p>Introduction</p> <p>.01 This proposed Statement on Standards for Attestation Engagements (SSAE) contains performance and reporting requirements and application guidance for examination and review engagements of an entity's sustainability information. This SSAE is applicable when the subject matter is sustainability information and the reporting entity is holding the subject matter out as sustainability information or makes an assertion that it is sustainability information. (Ref: par. .A1-.A5)</p> <p>.02 AT-C section 215, <i>Agreed-Upon Procedures Engagements</i>, is applicable when a practitioner is performing an agreed-upon procedures engagement related to sustainability information.</p>	<p>Introduction</p> <p>.A1 Sustainability information refers to information about an entity's sustainability matters (such as economic, environmental, social and governance performance). The following are examples of subject matter that might be addressed in an entity's sustainability information:</p> <p><i>Economic</i></p> <ul style="list-style-type: none">• Direct economic value generated and distributed• Financial implications and other risks/opportunities related to climate change• Defined benefit plan obligations• Government-provided financial assistance• Market presence• Procurement practices <p><i>Environmental</i></p> <ul style="list-style-type: none">• Materials used• Energy consumption and intensity• Water consumption• Biodiversity• Greenhouse gas (GHG) emissions• Waste <p><i>Social</i></p> <ul style="list-style-type: none">• Occupational health and safety

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	<ul style="list-style-type: none"> • Training and education of employees • Diversity and equal opportunity employment • Equal remuneration for women and men • Non-discrimination • Freedom of association and collective bargaining • Labor practices and grievance mechanisms • Child labor • Forced or compulsory labor • Labor management relations • Anticorruption • Customer health and safety • Product and service labelling • Supply chain matters (for example, human rights and labor practices of suppliers) <p><i>Governance</i></p> <ul style="list-style-type: none"> • Governance structure and composition • Role of highest governance body in various activities of the entity <p>(Ref: par. .01)</p> <p>.A2 The subject matter of an examination or review engagement relating to sustainability information may</p> <ul style="list-style-type: none"> • consist of specified indicators that are presented on their own or included as part of a sustainability report or • be a discrete section of a report covering an individual topic or category (for example, human rights, health and safety) or • be the entire sustainability report. <p>If the subject matter is specified indicators, the practitioner may examine some of the specified indicators and review others. Also, the practitioner may review the entire sustainability report and examine some specified indicators within the reviewed sustainability report. Financial amounts included in the sustainability information would be subject to the engagement. Evidence obtained by the</p>

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	<p>practitioner in other engagements such as a financial statement audit may be used for purposes of the examination or review engagement. (Ref: par. .01)</p> <p>.A3 Examples of ways in which the reporting entity might hold out the subject matter as sustainability information include:</p> <ul style="list-style-type: none"> • Labeling the report containing the subject matter as a sustainability report, corporate social responsibility report, or environmental, social and governance report, or a similar title • Labeling the presentation of information as a greenhouse gas (GHG) emissions schedule or statement • Submitting the presentation in response to a third party requirement for the submission of sustainability information (for example, to sustainability rating bodies) • Labeling sections of a broader report, such as a report submitted to a securities regulator (e.g., an MD&A section of an SEC Form 10-K), as sustainability, corporate social responsibility or environmental, social and governance information • Citing a sustainability framework as criteria <p>(Ref: par. .01)</p> <p>.A4 A practitioner may apply this proposed SSAE regardless of whether the reporting entity holds the information out as sustainability information. (Ref: par. .01)</p> <p>.A5 Statement of Position 13-1, <i>Attestation Engagements on Greenhouse Gas Emissions Information</i> (AICPA Technical Practice Aids) provides additional guidance for</p> <ol style="list-style-type: none"> a. examining a GHG emissions statement under AT-C section 205, and b. reviewing a GHG emissions statement under AT-C section 210. <p>(Ref: par. .01)</p>
.03 In addition to complying with this section, a practitioner is required to comply with AT-C section 105, <i>Concepts</i>	

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<p><i>Common to All Attestation Engagements</i>, and either AT-C section 205, <i>Examination Engagements</i>, for examinations of sustainability information or AT-C section 210, <i>Review Engagements</i>, for reviews of sustainability information. In some cases, this section repeats or refers to requirements found in AT-C sections 105, 205, and 210 when describing those requirements in the context of an examination or review of sustainability information. Although not all the requirements in AT-C sections 105, 205, and 210 are repeated or referred to in this section, the practitioner is responsible for complying with all the requirements in AT-C sections 105, 205, and 210, as applicable.</p>	
Effective Date	
.04 This proposed SSAE is effective for practitioners' examination and review reports on sustainability information dated on or after [date].	
Objectives of an Examination Engagement	
.05 In conducting an examination of sustainability information, the objectives of the practitioner are to <ul style="list-style-type: none"> a. obtain reasonable assurance about whether the sustainability information as measured or evaluated against the criteria is free from material misstatement, b. express an opinion in a written report about whether <ul style="list-style-type: none"> i. the sustainability information is fairly presented in accordance with the criteria, in all material respects, or 	

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ii. the assertion is fairly stated, in all material respects	
Objectives of a Review Engagement	
<p>.06 In conducting a review of sustainability information, the objectives of the practitioner are to</p> <ul style="list-style-type: none"> a. obtain limited assurance about whether any material modifications should be made to the sustainability information in order for it to be fairly presented in accordance with the criteria b. express a conclusion in a written report about whether the practitioner is aware of any material modifications that should be made to <ul style="list-style-type: none"> i the sustainability information in order for it to be fairly presented in accordance with the criteria, or ii the assertion in order for it to be fairly stated 	
Definitions	Definitions
<p>.07 For the purposes of this proposed SSAE, the following terms have the meanings attributed as follows:</p> <ul style="list-style-type: none"> a. Accuracy (of measurement). The closeness of agreement between a measured value and a true value. b. Estimate. An approximation of a quantified amount in the absence of an accurate means of measurement. This term is used in this proposed SSAE for an amount when there is measurement uncertainty, as well as for amounts that require estimation. 	<p>Measurement uncertainty</p> <p>.A6 Measurement uncertainty may be insignificant or it may exceed the materiality threshold for a given engagement (the latter is referred to as large measurement uncertainty in this proposed SSAE). (Ref: par. .07g)</p> <p>.A7 The outcome of the measurement of sustainability information is affected by the method used to measure the sustainability information, how the method is applied, the competence and experience of the person making the measurement, and the accuracy and precision of the tool or methodology used to make the measurement. Measurement methods include direct measurement (for example, a meter for water withdrawn or electricity used, or a weighbridge for waste), measuring a surrogate activity (such as production data), and estimations. A significant amount of measurement uncertainty may</p>

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<p>c. Internal control over sustainability information. A process effected by management, and other personnel, to provide reasonable assurance regarding the achievement of the entity's objectives with regard to the reliability of sustainability reporting and the preparation of sustainability information.</p> <p>d. Large measurement uncertainty. Measurement uncertainty that is greater than the applicable materiality threshold.</p> <p>e. Management's specialist. An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing its sustainability information.</p> <p>f. Measurement. The value or result of a process of counting, measuring, estimating, valuing, or aggregating data; complete disclosure of the results of a measurement includes information about the unit of measure and, if material, the measurement uncertainty.</p> <p>g. Measurement uncertainty. A characteristic of reported measured values that informs users of the subject matter about the dispersion of the values that could reasonably be attributed to the reported value; measurement uncertainty includes estimation uncertainty and is attributable to both random and systematic errors (also see definition of large measurement uncertainty). (Ref: par. .A6 - .A8)</p>	<p>exist for certain sustainability information (for example, the measurement of GHG emissions). (Ref: par. .07g)</p> <p>.A8 Variability from the true value of sustainability information may result from factors such as the following:</p> <ul style="list-style-type: none"> a. The accuracy and precision of the measurement tool. b. The use of incomplete data in measuring the sustainability information, for example, <ul style="list-style-type: none"> • any compensation for missing data, such as missing data from nonreporting facilities or missing fuel bills; • the frequency of the measurement of the sustainability information may not account for all variability in the sustainability information; or • measurements may not all be performed on the exact "cut-off" date and time for the subject matter reported. c. The use of inexact conversion factors, for example, <ul style="list-style-type: none"> • factors that are uncertain, such as factors used to calculate the number of units of methane and nitrous oxide resulting from the combustion of fossil fuels; or • average factors that are not perfectly matched to specific and varying circumstances, such as average miles per gallon and average number of kilograms of carbon dioxide emitted per megawatt hour of energy generated. d. The use of inexact assumptions that simplify the calculation of highly complex processes. <p>(Ref: par. .07g)</p>

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<p>h. Operational boundary. Activities, including actions of third parties as a consequence of their interaction with the entity, that affect the entity's sustainability performance; an entity may recognize that its sustainability impacts and concerns extend beyond its organizational boundary, for example, greenhouse gas emissions of vendors (such as airlines, utility companies) as a consequence of doing business with the entity. (Ref: par. .A9)</p> <p>i. Organizational boundary. The legal composition of an entity for which it has direct or operational control over the entity's activities; common approaches used for organizational boundaries include equity share, financial control and operational control. (Ref: par. .A9)</p> <p>j. Point value. The amount selected by management for recognition or disclosure in sustainability information.</p> <p>k. Precision (of measurement). The degree of consistency and agreement among independent measurements of a quantity under the same conditions. (Ref: par. .A11)</p> <p>l. Random error. Random variability in the measured value from one measurement to another due to the accuracy and precision limitations of the measurement device or methodology.</p> <p>m. Reporting boundary. The boundary used by the entity to report its sustainability information; it may include direct and indirect effects including sustainability consequences of third parties that</p>	<p>Boundaries (Operational, Organizational and Reporting Boundaries)</p> <p>.A9 The organizational boundary is used to identify the operations, facilities, and activities of the entity. In reporting on sustainability performance, an entity then identifies its operational boundaries and activities within. These activities may occur within or beyond the organizational boundary. Activities within the operational boundary include activities such as emission sources, water stream, waste and employee categories associated with its operations that are affected by such activities. The operational boundary can vary by sustainability indicator or subject matter. The entity chooses the scope of accounting and reporting for activities within the operational boundary. (Ref: par. .07h, .07i)</p> <p>.A10 The reporting boundary can vary by sustainability indicator or subject matter. (Ref: par. .07m)</p> <p>Precision</p> <p>.A11 The term "precision" is not synonymous with the term "accuracy." For example, a highly precise measurement device or methodology gives repeated results that are very close to one another, even though they may not be accurate (i.e., close to the true value). (Ref: par. .07k)</p> <p>Sustainability Information</p> <p>.A12 Sustainability information may be quantitative or qualitative in nature (for example, narrative or qualitative measures) and may be presented in various ways, including in a sustainability report, within an entity's annual report, in a statement of GHG emissions, or as a presentation of one or more sustainability indicators or metrics. (Ref: par. .07p)</p>

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<p>are within the entity's operational boundary. (Ref: par. .A10)</p> <p>n. Specified indicators. Population of the sustainability indicators for which the practitioner has been engaged to perform an examination or review engagement.</p> <p>o. Sustainability indicators. Quantitative (including metrics) and qualitative sustainability information that is used to measure and report an entity's performance; such indicators may be presented alone or as a component of other sustainability information (for example, as part of a sustainability report).</p> <p>p. Sustainability information. Information about sustainability matters (such as economic, environmental, social and governance performance); sustainability metrics and sustainability indicators are components of sustainability information. (Ref: par. .A12)</p> <p>q. Sustainability metrics. Quantitative performance measures related to sustainability matters. Such metrics are usually part of a sustainability report.</p> <p>r. Sustainability report. A report that conveys sustainability information about the entity's performance regarding sustainability matters; also referred to by other names, such as a corporate social responsibility (CSR) report or an environmental, social and governance (ESG) report.</p> <p>s. Systematic error. A consistent bias in the measured value (i.e., a deviation from the true</p>	

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value) introduced by faulty equipment, calibration, assumptions, method or intent. (Ref: par. .A6 to .A12)	
Requirements	
Preconditions for an Examination or Review of Sustainability Information .08 In determining whether to accept an examination or review engagement, AT-C section 105, requires the practitioner to determine, among other preconditions, that: (Ref. par. .A13)	Preconditions for an Examination or Review of Sustainability Information .A13 AT-C section 105 contains guidance on each of the preconditions. This proposed SSAE supplements such guidance with some subject matter-specific considerations. (Ref. par. .08)
• The subject matter is appropriate. (Ref: par. .A14-.A16)	<p>Assessing the Appropriateness of the Subject Matter</p> <p>.A14 Matters to consider in assessing whether the subject matter (for example, an entire sustainability report, a discrete section or specified indicators) is appropriate may include the intended users' requirements and whether the sustainability information and the practitioner's report could be misleading, for example, an engagement to report on only the aspects of a sustainability program that have positive outcomes. A focus on intended users' needs can assist the practitioner in making professional judgments about materiality, including identifying matters that are considered most relevant to the users. (Ref: par. .08)</p> <p>.A15 Users are typically interested not only in what is included in the sustainability information, but also whether material information has been omitted. Performing an examination or review engagement on the entire sustainability report necessitates that the practitioner assess the completeness of the report, which could be highly subjective; while limiting the examination or review engagement to specified indicators appearing within a sustainability report necessitates that the practitioner assess the association risk of whether the results of the engagement could be construed to apply to more than the specified indicators and whether the entity employed cherry-picking in the selection of the specified indicators to achieve favorable results rather than</p>

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	<p>selecting the more important indicators. In accordance with paragraph .A41 of AT-C section 105, in cases where the examination or review engagement relates to only one part of a broader subject matter, in determining whether the engagement exhibits the characteristic of having an appropriate subject matter, it may be appropriate for the practitioner to consider whether information about the aspect that the practitioner is asked to examine or review is likely to meet the information needs of intended users. (Ref: par. .08)</p> <p>.A16 Determination of the appropriateness of the subject matter also may need to be considered in conjunction with evaluating the suitability of the criteria. (Ref: par. .08)</p>
<ul style="list-style-type: none"> The criteria to be applied in the preparation and evaluation of the sustainability information are suitable and will be available to the intended users. (Ref: par. .A17-.A22) 	<p>Assessing the Suitability of the Applicable Criteria</p> <p>.A17 In addition to the characteristics of suitable criteria identified in AT-C section 105, other matters that may be relevant in assessing the suitability of the criteria include the following:</p> <ul style="list-style-type: none"> • The specificity of the reporting framework, metric or measurement method • Whether the criteria are sufficiently precise • Whether disclosures are necessary for the criteria to be suitable, such as disclosures about the methodology(ies) applied, measurement method(s), assumptions, estimates, and factors used in making the measurement or evaluation and whether large measurement uncertainty exists. The need or potential need for disclosures not specified in the criteria does not preclude a practitioner from examining or reviewing such information. <p>Measurement uncertainty is not relevant in assessing the suitability of criteria. (Ref: par. .08)</p> <p>.A18 Criteria for measuring or evaluating qualitative information (for example, statements about employee safety or satisfaction) may not be sufficiently measurable to permit reasonably consistent measurements or evaluations of</p>

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	<p>the subject matter, for example, because the criteria may be subject to varying interpretations. Statements such as 'we are an ethical company', 'we provide a safe working environment for all our employees' or 'our employee survey indicates that our people are highly engaged and motivated' are not capable of measurement or evaluation in an examination or review engagement unless the entity is able to clearly articulate the criteria used to measure or evaluate the subject matter as evidence for these statements, and such criteria would allow for a consistent evaluation of the subject matter. (Ref: par. .08)</p> <p>.A19 An entity might use more than one set of criteria for the measurement and presentation of the sustainability information. For example, an entity might use the guidelines published by the Global Reporting Initiative for purposes of presenting its sustainability report and also use other criteria for measuring certain information reported therein (for example, the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol for GHG measurements). As discussed in paragraph .A17, specific disclosures regarding how the sustainability information has been measured against the criteria (such as the methodology(ies) applied, the measurement method(s), assumptions, estimates, and factors used in making the measurement or evaluation and whether large measurement uncertainty exists) may be necessary in the presentation. Considerations as to how such criteria and any specific disclosures are then made available to the intended users is discussed in paragraphs .A21-.A22 (Ref: par. .08)</p> <p>.A20 If the examination or review engagement relates to the entire sustainability report, matters to consider might include whether</p> <ul style="list-style-type: none"> • the criteria to assess every material element of the sustainability report will be defined and disclosed (what constitutes a material element of the sustainability report might need to be carefully considered in the context of qualitative information, particularly where numerical benchmarks do not apply). • any limitations, as well as the reason therefore, will be clearly and transparently disclosed (for example, if the sustainability report does not

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	<p>yet address all relevant groups of users, does not yet include information for all countries in which the organization operates, or does not yet include all sustainability information and metrics of relevance and interest to users).</p> <p>(Ref. par. .08)</p> <p><i>Assessing Availability of Criteria</i></p> <p>.A21 AT-C section 105 cites various means by which criteria may be made available. When criteria used are not publically available (for example, when management has developed its own criteria or supplemented publicly available criteria with specific disclosures regarding how the sustainability information has been measured against the criteria as discussed in paragraph .A19), the criteria often are included in, or accompany (for example, in an exhibit), the sustainability information. Alternatively, the criteria might be included in or be attached to the practitioner's report. Such criteria could also be made available by posting a description of the criteria to the entity's website; however, care by the entity would need to be exercised that such criteria remain available as long as the sustainability information to which it pertains and the practitioner's report thereon is made available, the practitioner may include a provision in the engagement letter regarding management's responsibility to make the criteria available (see paragraph .10). (Ref: par. .08)</p> <p>.A22 In assessing the availability of the criteria, the practitioner may consider matters such as the following:</p> <ul style="list-style-type: none"> • Whether the description of the criteria to be made available will provide sufficient information • Whether the manner of presenting the criteria will facilitate identification of such criteria in the practitioner's report • If the criteria are to be posted to the entity's website, the risks of whether the criteria would remain available as discussed in paragraph .A21

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<ul style="list-style-type: none"> The practitioner expects to be able to obtain the evidence needed to arrive at the practitioner's opinion or conclusion. (Ref: par. .A23 - .A24) 	<p>(Ref: par. .08)</p> <p>Assessing the Ability to Obtain Evidence</p> <p>.A23 Examples of factors that are relevant in determining whether the necessary evidence is likely to be available include the following:</p> <ul style="list-style-type: none"> Whether the entity is likely to have adequate information systems, processes and controls to provide reliable information Whether the information is expected to have been retained, particularly if there has been a significant passage of time between the period covered or as of date of the subject matter and the performance of the examination or review engagement (for example, for base year information). (Ref: par. .08) <p>.A24 If the examination or review engagement relates to the entire sustainability report, matters to consider might include whether</p> <ul style="list-style-type: none"> adequate evidence in support of every material qualitative and quantitative statement included in the sustainability report can be obtained. adequate evidence could be obtained regarding the completeness of the sustainability report (i.e., whether it provides a balanced and reasonable representation of the entity's sustainability performance, and does not omit any material element(s), either in terms of its boundaries or the sustainability information). <p>(Ref: par. .08)</p>
.09 AT-C section 105 also states that the practitioner should accept an examination or review engagement only when the practitioner is satisfied that those persons who are to perform the engagement collectively have the	.A25 Examination and review engagements on sustainability information typically include significant use of specialists, as a result, assessing the

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appropriate competence and capabilities. ¹ (Ref: par. .A25-.A28)	<p>competence and capabilities of the engagement team for an examination or review engagement on sustainability information might include consideration of</p> <ul style="list-style-type: none"> • whether the engagement partner² has or can obtain sufficient knowledge of the subject matter to be able to evaluate whether sufficient evidence is obtained to support the practitioner's opinion or conclusion • whether the engagement team³ will perform a sufficient portion of the engagement to accept responsibility for the engagement <p>(Ref: par. .09)</p>
	<p>.A26 As indicated in paragraph .A1, sustainability information can be comprised of many types of information, not all of which may be in the field of the engagement partner's expertise. Accordingly, the evidence obtained, might include evidence obtained through the use of one or more practitioner's specialists (which may be a practitioner's internal specialist or a practitioner's external specialist)⁴. Accordingly, factors that might be considered by the engagement partner in determining whether to accept the engagement include the extent to which one or more practitioner's specialist(s) might be needed in the performance of the examination or review engagement and whether the practitioner has or can obtain a sufficient understanding of the subject matter to be able to understand and evaluate the specialist's work as it relates to obtaining evidence for the examination or review engagement. (Ref: par. .09)</p> <p>.A27 If a practitioner's internal specialist is to be used, an example of a relevant matter that may be considered includes whether a sufficient system of quality control is in place within the engagement team's firm, including with</p>

¹ Paragraph .27b of AT-C section 105.

² See definition in paragraph .10 of AT-C section 105.

³ See definition in paragraph .10 of AT-C section 105.

⁴ See definition in paragraph .10 of AT-C section 105.

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	<p>respect to hiring and professional qualifications of such specialists, for the engagement partner to rely on the work of such specialists. (Ref: par. .09)</p> <p>.A28 If a practitioner's external specialist or other practitioner⁵ is to be used, an example of a relevant matter that may be considered includes whether the practitioner will be able to be involved in the work of the specialist or other practitioner to an extent that is sufficient to accept responsibility for the assurance opinion or conclusion. (Ref: par. .09)</p>
Agreeing on the Terms of the Engagement .10 AT-C sections 205 and 210 require that the practitioner agree upon the terms of the engagement with the engaging party and specify the terms that should be included in the engagement letter or other suitable form of written agreement. ⁶ When performing an examination or review of sustainability information, the agreed-upon terms of the engagement also should include the following:	<p>Agreeing on the Terms of the Engagement</p> <p>.A29 In a sustainability examination or review engagement, the party within the entity requesting such engagement may not be responsible for the sustainability information (for example, someone in investor relations might request the engagement). (Ref: par. .10)</p> <p>.A30 Considerations in agreeing on the terms of the engagement may include:</p> <ul style="list-style-type: none"> • whether the individual to sign the engagement letter or other form of agreement can serve as the responsible party (for example, whether they have the responsibility and authority within the entity to agree to the terms and make the necessary representations and assertions). If the individual is not in charge of the reporting of the sustainability information, he/she may not be the appropriate person for agreeing to the terms of the engagement. • whether and in what manner the practitioner's report would be included with the sustainability information.

⁵ See definition in paragraph .10 of AT-C section 105.

⁶ Paragraphs .07-.09 of AT-C section 205 and .08-.10 of AT-C section 210, respectively.

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<p>(Ref: par. .A29-.A32)</p> <p>.11 If an examination of some specified indicators is to be performed and a review of others, the engagement letter should clearly articulate which indicators are the subject matter of the examination engagement and which are the subject matter of the review engagement.</p>	<ul style="list-style-type: none"> the form of the subject matter (for example, whether an on-line, web-based report or a PDF posted to the entity's website) and the potential risks that the practitioner's report could be believed to cover more than intended. For example, if a web-based form of a sustainability report that includes symbols to indicate the specific information that was the subject of the engagement is to be used, there is the risk that the practitioner's report may not be posted for the duration of the posting of the sustainability report and therefore may not be available to the readers. <p>(Ref: par. .10)</p> <p>.A31 On-line, web-based sustainability reports also run the risk of being updated without the practitioner's knowledge. Accordingly, as part of agreeing on the terms of the engagement, the practitioner might establish</p> <ul style="list-style-type: none"> an understanding with the client regarding the conditions that are to exist for the practitioner's report to be posted to the entity's website and the protocol for notification of the practitioner by the client in the event of any changes. <p>(Ref: par. .10)</p> <p>.A32 As the manner in which sustainability information is presented varies as discussed in paragraphs .A30-.A31, obtaining an acknowledgement before the commencement of the engagement about whether management agrees to include the practitioner's report with the related sustainability information if management indicates in such information that it has been subjected to an examination or review engagement and to make the criteria available helps avoid misunderstandings. (Ref: par. .10)</p>

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<p>Requesting a Written Assertion</p> <p>.12 As required under AT-C sections 205 and 210, the practitioner should request from the responsible party a written assertion about the measurement or evaluation of the subject matter against the applicable criteria. (Ref: par. .A33)</p>	<p>Requesting a Written Assertion</p> <p>.A33 The responsible party is management of the entity reporting the sustainability information (consistent with the definition in AT-C section 105). Given the nature of sustainability information, it is likely presented to intended users in a sustainability report or other form of presentation and may or may not be accompanied by a stand-alone written assertion. As permitted by AT-C section 205 and 210, the practitioner may report directly on the subject matter or a written assertion. Refer to paragraph .53 for guidance concerning obtaining assertions in the representation letter. (Ref: par. .12)</p>
<p>Planning and Performing the Engagement</p> <p>.13 In planning and performing an examination or review engagement, AT-C sections 205 and 210, state, among other things, that the practitioner should:</p> <ul style="list-style-type: none"> a. In an <i>examination</i>, identify the characteristics of the engagement that define its scope and ascertain the reporting objectives of the engagement in order to plan the timing of the engagement and the nature of the communications required and consider the factors that, in the practitioner's judgment are significant in directing the engagement team's efforts, or b. In a <i>review</i>, obtain an understanding of the subject matter and other engagement circumstances sufficient to provide a basis for designing and performing procedures in order to achieve the objectives of the engagement. That understanding should include the practices used to measure, recognize and record the subject matter. <p>(Ref: par. .A34-.A54)</p>	<p>Planning and Performing the Engagement</p> <p>.A34 Understanding the subject matter and other engagement circumstances in a sustainability examination or review engagement includes developing an understanding of the following:</p> <ul style="list-style-type: none"> a. The nature and characteristics of the subject matter as discussed in paragraphs .A35-.A41 b. The organization's structure and nature of the entity's business as discussed in paragraphs .A42-.A44 c. The entity's organizational boundary and its approach to setting reporting boundaries, including the reporting boundary used by the entity to prepare the sustainability information as discussed in paragraphs .A45-.A46 d. The criteria used, the responsible party's interpretation of the criteria, and the availability of the criteria to measure particular components of, and to present, the sustainability information e. Definitions of key terms used or assumptions made with respect to material components of the sustainability information f. The characteristics of the collection and reporting process of material components of the sustainability information as discussed in paragraphs .A47-.A49 g. Whether the criteria, measurement method (including methodology and conversion factors used), reporting boundary, or measurement units employed are consistent with that of the prior period as discussed in

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	<p>paragraph .A50</p> <ul style="list-style-type: none"> <i>h.</i> Whether comparative information is presented and, if so, whether it is to be covered by the current examination or review engagement or whether it was previously subjected to an examination or review engagement as discussed in paragraph .A51 <i>i.</i> Whether the entity's internal audit function (or similar function) is relevant to the engagement as discussed in paragraph .A52 <i>j.</i> Whether large measurement uncertainty exists in any of the quantitative sustainability information as discussed in paragraphs .A53-.A54 <p>(Ref: par. .13)</p>
	<p><i>Nature and Characteristics of the Subject Matter</i></p> <p>.A35 The nature of planning will vary according to the nature and characteristics of the subject matter and whether the engagement is to include the entire sustainability report; a presentation of GHG emissions information, an identifiable section of a sustainability report, or only specified indicators. For example, materiality considerations would vary when the engagement is to include only specified indicators. (Refer to the <i>Materiality in Planning and Performing the Engagement</i> sections for more information). (Ref: par. .13)</p> <p>.A36 When the engagement is to include only an identifiable section(s) or specified indicators and the practitioner's report is to appear in another document such as a sustainability report, the practitioner may develop an understanding of the information to be included in the entire document (for example, the sustainability report) by reading a preliminary draft of the document or the prior year document to identify any potential matters, such as other related disclosures, to be taken into consideration in planning the examination or review engagement. (Ref: par. .13)</p>

- .A37** The characteristics of the sustainability information affect the nature of the procedures to be performed. Sustainability information may have one or more of the following characteristics:
- Quantified measurements, including statistics, which may be produced internally (derived from the entity's reporting system) or externally obtained (such as from other organizations outside its organizational boundary but within its operational boundary). These quantified measurements may be subject to high degrees of accuracy and precision (small measurement uncertainty) or may be subject to high degrees of inaccuracy and lack of precision (large measurement uncertainty). Some quantified indicators, such as related to future-oriented matters (for example, amounts specified as targets or goals) cannot be measured but may be supported by other types of evidence such as board minutes and policy statements.
 - Factual narrative—information that is supported by events that have occurred, which may be evidenced in a number of ways, including reporting systems and their resulting reports produced internally, or in information reported externally by other organizations. This includes directional indications of an effect or anticipated outcome (for example, increase/decrease, favorable/unfavorable).
 - Soft narrative—information internally generated; it may contain views or judgments of management and those charged with governance but the substance of the narrative may be supported in the entity's operating practices and by various reports, internal communications, and the entity's internal or external websites.
 - Diagrams or graphs—may be used as pictorial representations in conjunction with or instead of a narrative, schedule or table.

(Ref: par. .13)

- .A38** If the engagement is for specified indicators, only certain of these characteristics may be present; however, if the subject matter of the examination or review engagement is an entire sustainability report or an identifiable section(s), all of these characteristics might be present. (Ref: par. .13)

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	<p>.A39 When the engagement is to include financial-related matters, and the practitioner is also the financial statement auditor, the practitioner may use the knowledge obtained from the financial statement audit and, if applicable, other services provided to the entity in planning the examination or review engagement. If the practitioner has not audited the financial statements, the practitioner may give consideration as to how the work of the financial statement auditor or other attest services may be used for purposes of obtaining appropriate evidence for financial-related and other matters included in the sustainability report that is the subject of the examination or review engagement. (Ref: par. .13)</p> <p>.A40 If the practitioner is engaged to perform the examination or review engagement with respect to specified indicators, the practitioner may consider whether sufficient evidence was obtained during the financial statement audit or other attest services performed by the practitioner for purposes of the engagement with respect to the individual specified indicators. The practitioner may need to supplement the audit or attest procedures with additional procedures to obtain sufficient evidence for the examination or review engagement. (Ref: par. .13)</p> <p>.A41 Exhibit B, <i>Characteristics of Sustainability Information and Illustrative Examination and Review Procedures</i>, illustrates the manner in which the characteristics of sustainability information described in paragraph .A37 apply to sustainability information, together with illustrative examination procedures for an examination engagement and review procedures for a review engagement of an entire sustainability report. (Ref: par. .13)</p>
	<p>Organization Structure and Nature of Business</p> <p>.A42 Obtaining an understanding of the entity's structure and nature of the business is important to being able to examine or review sustainability information. Accordingly, it is important to understand characteristics about the entity, including the following:</p>

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	<ul style="list-style-type: none"> • The legal entities comprising the entity, its organizational boundary, and its governance • Whether it has operations in multiple locations, and the types of products and services it offers • Significant changes thereto since the prior period <p>(Ref: par. .13)</p> <p>.A43 Sources of information to obtain the understanding include :</p> <ul style="list-style-type: none"> • Inquiries of management • The entity's website, and in particular, the sustainability site, which can provide information about the entity's structure, vision, products and services, as well as key stakeholders and how sustainability relates to its strategy • Minutes of the board and committee meetings <p>(Ref: par. .13)</p> <p>.A44 The extent of information described in paragraph .A43 that the practitioner reads, may vary according to</p> <ul style="list-style-type: none"> • whether the subject matter of the engagement is an entire sustainability report, a presentation of GHG emissions information, an identifiable section of a sustainability report or specified indicators and • whether an examination or a review is being conducted. <p>(Ref: par. .13)</p>

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	<p><i>Organizational and Reporting Boundaries</i></p> <p>.A45 Understanding the organizational and reporting boundaries of the entity and considering whether the entity selects a consistent approach for consolidating data and other sustainability information similar to its treatment in the entity's financial statements may assist in identifying risks and planning appropriate procedures. For example, if the entity reports sustainability information only for a particular region, understanding the reporting boundary may include consideration of the reason the entity has chosen to narrow its reporting boundary (for example, narrowing the boundary in an effort to exclude poorly performing regions may not be appropriate). In contrast, if the entity broadens its reporting boundary for sustainability information to include information from within its operational boundary (for example, to include information on the life cycle of its products and from its key suppliers) relevant considerations may include what and how such information is obtained by the entity. (Ref. par. .13)</p> <p>.A46 Paragraph .A66 discusses the practitioner's consideration of reporting boundary in assessing risks of material misstatement in an examination and paragraph .A112 discusses procedures concerning the reporting boundary in a review engagement. (Ref: par. .13)</p>
	<p><i>Characteristics of the collection and reporting process</i></p> <p>.A47 The characteristics of the information systems, processes and controls over the sustainability information may affect the accuracy, completeness and reliability of the information produced and may thus be relevant when planning and performing the engagement. Examples of characteristics that might be considered include the following:</p> <ul style="list-style-type: none"> • The complexity and number of the information systems and processes applicable to the collection, aggregation and reporting of the sustainability information, and the frequency with which the systems and processes operate

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	<ul style="list-style-type: none"> • The existence and robustness of controls over the collection, aggregation and reporting processes of the sustainability information and the frequency in which the controls operate • Where the records for the sustainability information reside <p>(Ref: par. .13)</p> <p>.A48 Because collecting and reporting sustainability information may be a relatively new activity for many entities, the information systems, processes and controls over the sustainability information may not be fully developed and may consist of both automated and manual processes. Some information may be initially gathered electronically and then used in a manual process, particularly if information is obtained from different systems. Relevant considerations may include whether any of the following situations are present and the effects that any such situation(s) might have on planning and performing the examination or review engagement:</p> <ul style="list-style-type: none"> • Systems and processes that produce the sustainability information are not traditional accounting systems and processes and, therefore, have not been subject to assessment previously (for example, by internal audit or in conjunction with external audit or attest services); in such cases, they may not produce or contain the necessary documentation. • Systems and processes have been designed for purposes other than reporting information about sustainability; in such cases, they may not capture all the required information. • Systems and processes capture measurements that can be complex and involve highly-technical information involving engineering and other science skills; in such cases, specialized skills may be necessary. <p>(Ref: par. .13)</p>

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	<p>.A49 A common concern with sustainability information is completeness, and with respect to any specific sustainability metric, the focus is ordinarily on the completeness of the inputs used to determine the sustainability metric. Additionally, in considering the entity's systems, processes, and controls, there may be heightened risk of human error in calculations or deficiencies in internal control. Examples of a few risks of material misstatement with respect to certain sustainability metrics include the following:</p> <p><i>Water usage and discharge</i></p> <ul style="list-style-type: none"> • Identification of the water sources may be incomplete. For example, water use may not be limited to metered supply from a supply company; it may include surface or ground water, or the removal of water from a river for use in the entity's process (for example, cooling). • The water meters may not be accurate, as the accuracy depends on regular calibration and maintenance. • Identification of or accounting for pipe or body of water leakage rates may be incomplete or inaccurate, and estimates may be required. • The entity's evaluation may not address evaporation or employ accurate evaporation rates. • There may be regulatory considerations over discharged water and potential water pollution, such as location of facility, waste water temperature, waste contaminants, or endangered or protected species. <p><i>Waste measurement</i></p> <ul style="list-style-type: none"> • Identification of waste, reuse and recycling sources may be incomplete. • The waste scale may be inaccurate. There also may be related risks with who is responsible for the measurement, such as if the entity is responsible for measurement, there may be a risk of understatement, and if the waste contractor is responsible for the measurement, there may be a risk of overstatement. • The length of time the waste has been stored could distort the data.

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	<ul style="list-style-type: none"> There may be regulatory considerations (for example, related to hazardous materials). <p><i>Health and safety</i></p> <ul style="list-style-type: none"> Identification of actual incidents reported may be incomplete as it is often dependant on timely voluntary reporting by employees and contractors. There may be performance incentives for lower incident rates. There may be industry or territorial differences that are “acceptable” for not reporting such incidents. There may be information obtained from a service organization. <p><i>GHG emissions</i></p> <ul style="list-style-type: none"> Identification of GHG emitting sources may be incomplete. Identification of all types of emissions may be incomplete (for example, omission of methane emissions). Given the manual nature of many of the calculations, there is risk of human error. Incorrect emissions factors may be used. Identification of or accounting for leakage may be incomplete or inaccurate. The baseline may need to be adjusted for events such as sales or acquisitions of emitting sources. There may be double counting of an emission source within the entity. There may be regulatory considerations providing incentive to falsify GHG emissions. <p>(Ref: par. .13)</p>
	<p>Consistency</p> <p>.A50 If the criteria, the responsible party's interpretation of the criteria, or other matters have changed, matters that may be evaluated by the practitioner include the appropriateness of the change for the current period, the adequacy</p>

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	<p>of disclosure regarding the change, implications on whether procedures are to be applied to amounts for prior periods that will be covered by the practitioner's updated opinion or conclusion, if applicable, and the implications on the practitioner's report, if any. Paragraphs .34-.37 for an examination and paragraphs .48-.52 for a review discuss evaluating consistency. (Ref: par. .13)</p>
	<p><i>Comparative information</i> .A51 If a prior period was initially subject to the practitioner's prior engagement but additional disclosures are included in the current period for such prior period(s), the practitioner may need to perform additional procedures in order to cover such prior period disclosures in the practitioner's report. (Ref: par. .13)</p>
	<p><i>Internal Audit</i> .A52 Activities similar to those performed by an internal audit function may be conducted by functions with other titles within the entity [for example, for certain sustainability information, such activities may be performed by the compliance function or several different internal audit functions that exist within the entity (such as both an environmental, health and safety internal audit function and a financial or operational internal audit function)]. Inquiries about the findings of relevant internal audit activities may be useful in planning the examination or review engagement to help identify any key risk areas. (Ref: par. .13)</p>
	<p><i>Measurement Uncertainty</i> .A53 A characteristic of certain sustainability information is that it cannot be measured with high accuracy. The degree of measurement uncertainty associated with such measurements affects the risks of material misstatement of the subject matter, including the susceptibility of the subject matter to unintentional or intentional management bias. (Ref: par. .13).</p>

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	<p>.A54 In planning the engagement, considerations that may be relevant include:</p> <ul style="list-style-type: none"> • whether measurement uncertainty greater than the applicable materiality threshold (large measurement uncertainty) is likely to exist in any of the quantitative sustainability information for purposes of identifying risks of material misstatement, as further discussed in paragraphs .17 and .18, and • whether management intends to include disclosures related to the reported point values, including disclosures about the source(s) of measurement uncertainty and a quantified expression of the measurement uncertainty. (Ref: par. .13)
EXAMINATION ENGAGEMENTS	
Risk Assessment Procedures (Examinations) .14 AT-C section 205 requires, in an examination engagement, that the practitioner perform risk assessment procedures by obtaining an understanding of the following:	<p>Risk Assessment Procedures (Examinations)</p> <p>.A55 In the case of sustainability information, risk assessment procedures include obtaining an understanding of the processes and internal control over identifying, measuring, capturing, aggregating, monitoring and reporting of the sustainability information. As discussed in paragraph .A48, the collection and reporting processes relating to sustainability information and internal control over those processes may not be fully developed increasing the risk of material misstatement of the sustainability information. (Ref: par. .14)</p>
Materiality in Planning and Performing the Engagement (Examination)	<p>Materiality in Planning and Performing the Engagement (Examination)</p> <p>.A56 Materiality as a concept relates to both (a) what information is material to users, and thus should be included in the sustainability report, and (b) whether an identified misstatement, including an omitted disclosure, would be</p>

⁷ Paragraph .16 of AT-C section 205.

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when determining the nature, timing, and extent of procedures) and when evaluating whether uncorrected misstatements are material, individually or in the aggregate. ⁸ (Ref: par. .A56-.A64)	<p>material to users. The former is about what information should be included in a report of sustainability information while the latter is about the need to correct identified misstatements and the practitioner's planning of the engagement so as to identify any such misstatements. (Ref: par. .15 and .38)</p> <p>.A57 Assessing the significance of a misstatement of some items in a sustainability report may be more dependent upon qualitative than quantitative considerations. Qualitative aspects of materiality relate to the relevance and reliability of the information presented (for example, qualitative aspects of materiality in assessing whether the underlying information, determinations, estimates and assumptions of the entity provide a reasonable basis for the disclosures in the sustainability report). Furthermore, quantitative information is often more meaningful when accompanied by qualitative disclosures. For example, quantitative information about a measurement of greenhouse gas emissions may be more meaningful when accompanied by narrative regarding the measurement uncertainty of such measurement. Materiality is also a concept that is judged in light of the expected range of reasonableness of the information; therefore, users should not expect information with complex measurement methods that incorporate assumptions to be as precise as information that can be easily counted. (Ref: par. .15 and .38)</p> <p>.A58 When the engagement is for an entire sustainability report, relevant materiality considerations may include</p> <ul style="list-style-type: none"> • obtaining an understanding of the process management undertook to identify what is material to the entity for sustainability reporting purposes • identification of the sustainability information that is most significant to the users of the report (material information) and • determination of a threshold of materiality of misstatements for that information.

⁸ Paragraph .59b of AT-C section 205.

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	<p>(Ref: par. .15 and .38)</p> <p>.A59 It is likely that the sustainability information that is considered most significant to users of the report will cover various topics or indicators, in which case a materiality of misstatement threshold would be assessed for each such topic or indicator. Relevant factors to consider in order to identify the sustainability information that is most significant to users of the report may include</p> <ul style="list-style-type: none"> a. management's view on the materiality of the information, b. the materiality determination process that the entity undertakes to determine what information to include in the report, and c. the practitioner's understanding of the intended users. <p>(Ref: par. .15 and .38)</p> <p>.A60 When the engagement is to include only specified indicators, materiality is assessed for each such indicator, for example, if GHG emissions information is presented, the practitioner might have a separate materiality for scope 2 emissions versus scope 3 emissions. (Ref: par. .15 and .38)</p> <p>.A61 The types of misstatements that could occur in sustainability information include the following:</p> <ul style="list-style-type: none"> • Misstatement of quantified information (for example, understatement or overstatement of emissions, omissions of activity for a period of time or a location, omission of the unit of measurement, or if the measurement uncertainty is large, the quantified extent of the measurement uncertainty) • Misstatement of narrative (for example, not balanced, incomplete information or inaccurate statement)

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	<ul style="list-style-type: none"> • Omitted disclosure (for example, lack of disclosure called for by the criteria or lack of a disclosure about a material event affecting the sustainability information) or • Insufficient description of the criteria (for example, for measurement of a particular indicator, the methodology(ies) applied, measurement method(s), assumptions, estimates, and factors used in making the measurement or evaluation might not be disclosed) <p>(Ref: par. .15 and .38)</p> <p>.A62 Factors that are relevant when evaluating whether an omission of a disclosure is material includes whether the sustainability information is misleading in the context of the engagement without the needed disclosure (for example, whether the disclosures omit information needed to understand and use the sustainability information). Disclosures may be specified by the criteria or may be in addition to that specified by the criteria. (Ref: par. .15 and .38)</p> <p>.A63 Given the varied nature of sustainability information, for an engagement involving the entire sustainability report, the practitioner is likely to establish different materiality thresholds for evaluating misstatements of the different types of sustainability information that is considered material information (for example, GHG emissions vs. labor statistics vs. financial information). When the sustainability information is quantified, materiality of misstatements might be considered in terms of a percentage of such amount. Whereas, if the sustainability information is narrative, materiality of misstatements might be considered in terms of qualitative factors in determining the overall engagement strategy or nature, timing and extent of the procedures. (Ref: par. .15 and .38)</p> <p>.A64 In some circumstances, the materiality of misstatements may be based on the criteria (for example, it might be stated in the criteria) and the intended use of such information (for example, when a specified indicator is to be submitted in conjunction with a filing requirement). (Ref: par. .15 and .38)</p>

Identifying Risks of Material Misstatement (Examinations)	Identifying Risks of Material Misstatement (Examinations)
<p>.16 Under AT-C section 205 the practitioner is required , in an examination engagement, to identify and assess risks of material misstatement as the basis for designing and performing further procedures whose nature, timing, and extent</p> <ul style="list-style-type: none">a. are responsive to assessed risks of material misstatement andb. allow the practitioner to obtain reasonable assurance about whether the subject matter is fairly presented in accordance with the criteria, in all material respects.⁹ <p>(Ref: par. .A65-.A66)</p>	<p>.A65 Procedures performed in assessing risks of material misstatement can include inquiries about the relationships of narrative statements to the sustainability metrics used and the source of the reported information. Inquiries about relationships of narrative statements to metrics used can identify inconsistencies or possible sources of evidence to support the disclosure, or to corroborate the results of other inquiries. (Ref: par. .16)</p> <p>.A66 The specific procedures to be performed are a function of the characteristics of the sustainability information and may take into consideration the following:</p> <ul style="list-style-type: none">• The practitioner's knowledge of the industry in which the organization operates.• The reporting boundary for purposes of the examination engagement and whether information to be reported is based on data received by the entity from organizations in the supply chain. <p>(Ref: par. .16)</p>
<p>Measurement Uncertainty</p> <p>.17 In identifying and assessing the risks of material misstatement in an examination of sustainability information, the practitioner should evaluate the degree of measurement uncertainty associated with reported information and tailor further procedures to respond to the identified risks. (Ref: par. .A67-.A69)</p> <p>.18 When large measurement uncertainty is identified in estimates that could have a material impact on the sustainability information that is the subject of the engagement, the practitioner should evaluate whether, in the practitioner's professional judgment, it gives rise to an increased risk of material misstatement, considering matters such as the following:</p>	<p>Measurement Uncertainty</p> <p>.A67 Examples of measurements that might be identified as having large measurement uncertainty include the following:</p> <ul style="list-style-type: none">• Those requiring high levels of judgment, for example, when significant assumptions could fall within a reasonable range of values that could significantly affect the measurement• Those with a less accurate and precise process for measuring the information• Those that require the addition of multiple values, each with its own significant measurement uncertainty <p>(Ref: par. .17-.18)</p>

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<ul style="list-style-type: none"> • How reported values were measured • The source and extent of measurement uncertainty for point values included in the sustainability information • How those point values were selected for reporting from within a range of values • Whether other measurement methods exist that are more precise • Whether other methods may be more or less accurate and precise and why management intends to use the selected method • Whether and what management intends to include disclosures related to such point values, including disclosures about the source(s) of measurement uncertainty and a quantified expression of the measurement uncertainty <p>(Ref: par. .A67-.A69)</p>	<p>.A68 Subject matter included in the scope of the engagement may extend beyond the organizational boundary of the reporting entity and its subsidiaries to include information from noncontrolled entities such as vendors, suppliers, and intermediaries. The reporting entity's ability to obtain accurate information from those noncontrolled entities may be limited, and alternative less precise means may be employed to estimate the sustainability information applicable to such entities. (Ref: par. .17-.18)</p> <p>.A69 When there is a high degree of measurement uncertainty involved in quantitative measurements included in a sustainability report, presenting such measurements as a range or including related disclosures about the measurement assists users of the report in understanding the variability of the measurement. Taking planned disclosures into consideration in designing the procedures to be performed may assist in identifying sufficient evidence/review evidence to be obtained.</p> <p>(Ref: par. .17-.18)</p>

⁹ Paragraph .18 of AT-C section 205.

Responding to Assessed Risks and Obtaining Evidence (Examinations) .19 In accordance with AT-C section 205, the practitioner is required to obtain sufficient appropriate evidence to <ul style="list-style-type: none"> • reduce attestation risk to an acceptably low level and thereby enable the practitioner to draw reasonable conclusions on which to base the practitioner's opinion on the sustainability information and • design and implement overall responses to address the assessed risks of material misstatement in the sustainability information.¹⁰ 	Responding to Assessed Risks and Obtaining Evidence (Examinations) .A70 The evidence required to support the level of assurance obtained is a matter of professional judgment. AT-C section 205 provides guidance about the evidence to be obtained in an examination engagement. Types and examples of evidence that the practitioner might consider obtaining in an examination of sustainability information include the following: <ul style="list-style-type: none"> • Evidence of the completeness and accuracy of amounts disclosed, including how the sustainability information has been calculated and the underlying methodology(ies) applied, measurement method(s), assumptions, estimates, and factors used in making the measurement or evaluation; such evidence may include the following: <ul style="list-style-type: none"> – Detailed schedules aggregated and maintained by the entity's sustainability reporting department. Characteristics for the practitioner to look for include whether the aggregation of data in these schedules follows the criteria adopted and disclosed by the entity and covers the entire reporting boundary. For example, the data may be supported by a monthly invoice from the supplier (such as for electricity or water usage), or an invoice that has been allocated based on an acceptable method of estimating (such as square footage, head count, units of production). – Detailed schedules collected and maintained through the entity's existing system of processes and controls for regulatory or compliance matters (for example, incident reports). – Supporting schedules of detail from third parties such as electricity invoices for all, or a subset of, facilities; air travel details provided by the entity's travel administrator. • Evidence regarding the reasonableness of narrative statements (for example, communications within the entity regarding the entity's targets for the subsequent period)
Further Procedures (Examinations)	Further Procedures (Examinations)

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<p>.20 AT-C section 205 requires the practitioner to design and perform further procedures whose nature, timing and extent are based on, and responsive to, the assessed risks of material misstatement.¹¹ (Ref: par. .A71-.A76)</p>	<p>.A71 The practitioner performs procedures in an examination to obtain evidence concerning the accuracy of measurements, including the disclosure of measurement uncertainty. Such procedures may involve considerations concerning the use of third party services and the availability of third party information. Examples of procedures concerning third party information include:</p> <ul style="list-style-type: none"> • Consideration of the source of the third party information • Understanding the processes and assumptions used by the third party and whether the third party obtained assurance over its processes • Other procedures to assess the reliability of such information <p>(Ref: par. .20)</p> <p>.A72 Further procedures concerning quantitative sustainability information may include the following:</p> <ul style="list-style-type: none"> • Tracing data back to the source. • Examining relevant contracts or confirming details of the transaction(s) with other parties. • Testing completeness by considering other sources of evidence and tracing back to the sustainability information to ascertain whether it has been properly included. • Ascertaining whether conversion factors have been properly applied, whether the underlying assumptions have been documented and whether those assumptions have a reasonable basis (for example, if industry standards are used, establishing the source, reliability and whether the most up to date factors have been used). • Ascertaining whether there have been any changes in the criteria or factors used to calculate the sustainability information. When applicable, ascertaining whether component entities have used the same criteria or factors. • Conducting site visits for significant locations.

¹⁰ Paragraphs .19-.20 of AT-C section 205.

¹¹ Paragraphs .21. of AT-C section 205.

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	<ul style="list-style-type: none"> • Making inquiries of entity personnel about the following and obtaining evidence to evaluate explanations regarding any such matters <ul style="list-style-type: none"> – whether there have been any changes in operations (for example, lower production levels because of a long-term outage; changes in baselines, such as changes resulting from the sale or acquisition of operational facilities or subsidiaries); – the nature of significant judgments and estimates made by management and any uncertainties regarding measurements; and – whether there have been any communications from regulators concerning non-compliance with permits or regulatory schemes. • Performing cut-off procedures to assess whether transactions at both the beginning and end of the period have, as appropriate, been included in/excluded from the reported information. • Comparing the reported sustainability information to the underlying records and checking the mathematical accuracy thereof. • Testing significant reconciliations and examining significant reconciling items. • Examining material adjustments made during the course of preparing the sustainability information. • Obtaining a legal letter (for example, to address noncompliance with laws or regulations, noncompliance with GHG regulatory schemes, or threatened litigation related to hazardous waste, employee related health and safety matters, or ownership matters). • Obtaining and reading internal audit reports and minutes of audit committee meetings (or other relevant board committees to which the internal auditors report on sustainability information). <p>(Ref: par. .20)</p> <p>.A73 Further procedures concerning qualitative disclosures may include inquiries and other procedures related to the assumptions used, such as the following:</p>

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	<ul style="list-style-type: none"> • Considering who to make additional inquiries of and the documents that might exist relating to such matters • Reading board minutes • Obtaining analyses performed by management and relevant documents <p>(Ref: par. .20)</p> <p>.A74 Inquiries of the responsible party about whether the subject matter has been prepared in accordance with the criteria include inquiries that assist the practitioner in</p> <ul style="list-style-type: none"> • understanding why specified indicators and measurement criteria were selected, • understanding whether the criteria were customized and, if so, how the criteria were customized and whether the customized criteria are objective (unbiased), and • ascertaining whether management has elected to report only favorable indicators or use more favorable measurement criteria. <p>(Ref: par. .20 and .42a)</p> <p>.A75 Examples of inquiries about the practices used by the responsible party to measure, recognize, and record the subject matter include inquiries about the following:</p> <ul style="list-style-type: none"> • The measurement tools and methodology used, alternative methodologies that might have been used and the reasons for the selected approach • The appropriateness of the point value selected for disclosure in relation to (a) the range of probable values and (b) the distribution of values within the range, and how and why the reported point values were selected • The nature of significant judgments and estimates made by management and any uncertainties regarding measurements, including the quantified expression of measurement uncertainty • The existence and extent of measurement uncertainty and the distribution of reasonably possible measured amounts

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	<ul style="list-style-type: none"> The consistency of the criteria or measurement methods used with the prior period (see paragraphs .34-.37 for examination engagements and .48-.52 for review engagements) Cut-off procedures performed at both the period beginning and period end Whether the activities of internal audit encompassed the sustainability information (Ref: par. .20 and .42b) <p>.A76 Certain procedures may be performed as 'dual purpose' testing in conjunction with the testing of the operating effectiveness of relevant controls discussed in paragraph .21. (Ref: par. .20)</p>
<p>Tests of Controls (Examinations)</p> <p>.21 In accordance with AT-C section 205, the practitioner is required to design and perform tests of controls to obtain sufficient appropriate evidence about the operating effectiveness of relevant controls if (a) the practitioner intends to rely on the operating effectiveness of controls in determining the nature timing and extent of other procedures or (b) procedures other than tests of controls cannot alone provide sufficient appropriate evidence.¹² AT-C section 205 also includes requirements for addressing identified deviations in the controls. (Ref: par. .A77-.A78)</p>	<p>Tests of Controls (Examinations)</p> <p>.A77 As described in paragraph .A48, the collection and reporting processes and internal control may not be fully developed, accordingly, a control reliance strategy might not be possible. (Ref: par. .21)</p> <p>.A78 When it is possible to test controls over the sustainability information, with respect to estimates and other measurements that are material information, it is generally appropriate to test the operating effectiveness of the controls over specified indicators. Factors to consider may include:</p> <ul style="list-style-type: none"> the source and flow of data into the measurement process the selection and modification of measurement methods and processes, the management, evaluation and disclosure of measurement uncertainty, and the selection of the specific value reported. <p>(Ref: par. .21)</p>

¹² Paragraph .24a-b of AT-C section 205.

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<p>Procedures Other Than Tests of Controls (Examinations)</p> <p>.22 As required by AT-C section 205, irrespective of the assessed risks of material misstatement, the practitioner should design and perform tests of details or analytical procedures related to the sustainability information. (Ref: par. .A79-.A80)</p>	<p>Procedures Other Than Tests of Controls (Examinations)</p> <p>.A79 Even where there is an ability for the practitioner to form an expectation relating to the sustainability information and to perform analytical procedures, the processes in place to record and report the sustainability information need to be sufficient to produce a reliable basis on which to perform the procedures. The lower the reliance on internal controls, the more likely it is the practitioner would perform tests of details. (Ref: par .22)</p> <p>.A80 In some situations, for reasons beyond a difficulty in forming an expectation relating to the sustainability information, performing analytical procedures will be less effective and efficient than performing tests of details to obtain evidence. For example, in obtaining evidence related to an entity's community investment, it might be more effective and efficient to confirm significant donations with beneficiaries, compare significant contributions to check copies and bank statements, or observe donated property in use. For other metrics, such as a health and safety statistic of fatalities per year, the qualitative significance of presenting an accurate number could also result in tests of details being more effective than an analytical procedure. (Ref: par .22)</p>
<p>Analytical Procedures Performed in Response to Assessed Risks (Examinations)</p> <p>.23 AT-C section 205 requires that the practitioner, when designing and performing analytical procedures in response to assessed risk, should</p> <ul style="list-style-type: none"> a. determine the suitability of particular analytical procedures for the subject matter, taking into account the assessed risks of material misstatement and any related tests of details; b. evaluate the reliability of data from which the practitioner's expectation is developed, taking into account the source, comparability, nature, and relevance of information available, and controls over their preparation; and 	<p>Analytical Procedures Performed in Response to Assessed Risks (Examinations)</p> <p>.A81 Some sustainability information, while quantifiable, may not be suitable for analytical procedures (for example, safety metrics). Where analytical procedures are considered to be appropriate, the reliability of the data might be considered using the factors described in paragraph .A93. (Ref: par. .23)</p> <p>.A82 Inquiries and analytical procedures are often interrelated. For example, responses to inquiries about whether there have been any changes in operations, such as lower production levels because of a long-term outage, or changes in baselines, such as sales or acquisitions of operational facilities or subsidiaries, may help the practitioner develop appropriate expectations for related analytical procedures. (Ref: par. .23 and .41)</p>

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<p>c. develop an expectation that is sufficiently precise to identify possible material misstatements (taking into account whether analytical procedures are to be performed alone or in combination with tests of details).¹³ (Ref: par. .A81-.A84)</p>	<p>.A83 The practitioner might identify external information that can be used to evaluate the reliability of data included in the analysis or to develop an expectation. For example,</p> <ul style="list-style-type: none"> • miles traveled might be obtained from an external travel agent to compare to the information reflected in the entity's analysis or to develop an expectation regarding greenhouse gas emissions related to travel; or • utility bills might be used to recalculate emissions or to perform other analytical procedures. (Ref: par. .23 and .41) <p>.A84 In evaluating the responses to the practitioner's inquiries, considerations might include the consistency of the responses with the practitioner's understanding of the business, knowledge of the industry in which the entity operates and the results of other procedures performed. (Ref: par. .23 and .41)</p>
<p>Procedures Regarding Estimates and Measurement Uncertainty (Examinations)</p> <p>.24 AT-C section 205 requires the practitioner to evaluate, based on the assessed risks of material misstatement, whether (a) the responsible party has appropriately applied the requirements of the criteria relevant to any estimated amounts and (b) the methods for making estimates are appropriate and have been applied consistently and whether changes, if any, in reported estimates or in the method for making them from the prior period, if applicable, are appropriate in the circumstances.¹⁴ (Ref: par. .A85-.A87)</p>	<p>Procedures Regarding Estimates and Measurement Uncertainty (Examinations)</p> <p>.A85 Estimates relating to sustainability information can relate to the following:</p> <ul style="list-style-type: none"> • Matters for which measurement uncertainty exists (such as in estimating greenhouse gas emissions by applying a factor to square footage or units of production; estimating energy consumption for certain months for which the actual consumption measurements cannot be found) • Matters for which a precise measurement is susceptible to the outcome of future events (Ref: par. .24) <p>.A86 When examining estimates and other measurements, relevant considerations may include evaluating whether the methods for making</p>

¹³ Paragraph .27 of AT-C section 205.

¹⁴ Paragraph .29 of AT-C section 205.

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<p>.25 AT-C section 205 also requires the practitioner to undertake one or more of the following when responding to an assessed risk of material misstatement related to an estimate, taking into account the nature of the estimate:</p> <ul style="list-style-type: none"> a. Determine whether events occurring up to the date of the practitioner's report provide evidence regarding the estimate. b. Test how the responsible party made the estimate and the data on which it is based. In doing so, the practitioner should evaluate whether the <ul style="list-style-type: none"> i. method of measurement used is appropriate in the circumstances, ii. assumptions used by the responsible party are reasonable, and iii. data on which the estimate is based are sufficiently reliable for the practitioner's purposes. c. Test the operating effectiveness of the controls over how the responsible party made the estimate, together with other appropriate further procedures. d. Develop a point estimate or a range to evaluate the responsible party's estimate. For this purpose, if the practitioner <ul style="list-style-type: none"> i. uses assumptions or methods that differ from those of the responsible party, the practitioner should obtain an understanding of the responsible party's assumptions or methods sufficient to establish that the practitioner's point value or range takes into account relevant variables and to evaluate any significant differences from the responsible party's point estimate. ii. concludes that it is appropriate to use a range, the practitioner should narrow the range, based 	<p>estimates and other measurements are appropriate and have been applied consistently, and whether changes, if any, in reported measurements or in the method for making them from the prior period, if applicable, are appropriate in the circumstances. When there is a significant change in the methodology used to make a material measurement, relevant matters that the practitioner may evaluate include whether</p> <ul style="list-style-type: none"> a. the disclosures related to the change are appropriate, and b. the entity has justified that the alternative is preferable. <p>(Ref: par. .24)</p> <p>.A87 When examining estimates, relevant procedures that the practitioner may perform include the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of how the quantified measurement uncertainty to be disclosed was determined and evaluating whether it reflects all significant sources of measurement uncertainty and the total has been appropriately accumulated. • Testing the computation or other determination of the quantified measurement uncertainty to be disclosed and evaluating whether the measurement method and confidence level on which the disclosed quantified measurement uncertainty is based is reasonable and consistent with prior periods. • Evaluating the appropriateness of the point value selected for disclosure in relation to (a) the range of probable values and (b) the distribution of values within the range. For example, for an expected normal distribution of values, the selected point value is generally near the midpoint of the range, but for a distribution that is skewed, the selected point value is generally near the value with the highest probability or the mathematically determined "expected" value. In other cases, the distribution may not have a point reasonably representative of the highest probability and consultation with a measurement specialist may be needed to evaluate whether the point value selected by the preparer is appropriately representational of the measured subject matter.

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on evidence available, until all outcomes within the range are considered reasonable. ¹⁵ (Ref: par. .A87)	<ul style="list-style-type: none"> Evaluating the consistency of the selection of the reported point value from period to period and the basis for any change in the rationale for the selection of the reported point value. Evaluating whether the planned disclosure of the source(s) of measurement uncertainty and the quantified expression of measurement are understandable, comparable, useful and not misleading, considering the materiality of the reported information. (Ref: par. .24 - .25)
Sampling (Examinations) .26 If sampling is used, AT-C section 205 requires the practitioner to, when designing the sample, consider the purpose of the procedure and the characteristics of the population from which the sample will be drawn. ¹⁶ (Ref: par. .A88-.A89)	Sampling (Examinations) .A88 If the entity's systems, processes, and controls are expected to produce reliable information that can therefore be tested on a sample basis, sampling might be used in an examination of sustainability information to select a sample for purposes of, for example <ul style="list-style-type: none"> comparing monthly electricity or water usage to an invoice from the supplier; or observing an employee's electronic signoff of the entity's code of conduct. (Ref: par. .26) .A89 As discussed in paragraph .A15, a common concern with sustainability information is the completeness of the population being tested. This risk would not be addressed by increasing the confidence level and sample size (that is, testing more of a potentially incomplete population does not provide evidence of completeness). Rather, completeness is typically addressed by procedures focused specifically on the completeness assertion (for example, reconciliation, accounting for the numerical sequence of transactions). (Ref: par. .26)
Fraud, Laws, and Regulations (Examinations) .27 AT-C section 205 requires the practitioner to	Fraud, Laws, and Regulations (Examinations) .A90 The reporting of sustainability information is a less developed area than financial reporting. It is a subject matter for which information is often

¹⁵ Paragraph .30 of AT-C section 205.

¹⁶ Paragraph .31 of AT-C section 205.

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<p>a. consider whether risk assessment procedures and other procedures related to understanding the subject matter indicate risk of material misstatement due to fraud or noncompliance with laws or regulations.</p> <p>b. make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter.</p> <p>c. evaluate whether there are unusual or unexpected relationships within the subject matter, or between the subject matter and other related information, that indicate risks of material misstatement due to fraud or noncompliance with laws or regulations.</p> <p>d. evaluate whether other information obtained indicates risk of material misstatement due to fraud or noncompliance with laws or regulations.¹⁷</p>	<p>(Ref: par. .A90)</p> <p>imperfect; controls may be immature; governance can be variable; and measurement and reporting standards are not harmonized. All these factors heighten the risk of intentional misstatement, including fraud, particularly where there are pressures to conform to targets, whether set by external parties such as regulators and customers, or by the entity as a performance incentive. Examples factors that heighten the risk include the following:</p> <ul style="list-style-type: none"> • Overstating the base line in order to make reported sustainability information look more favorable in subsequent periods • Falsifying records (for example, in a greenhouse gas emissions context, to be able to show additionality in a project, or to overstate carbon credits generated by the project) • Understating health and safety incidents or work related illnesses • Destroying or excluding negative results of surveys (for example, employee or customer surveys, factory inspections) and only presenting favorable results • Bribing officials to facilitate approvals or secure rights in developing countries, or to minimize fines or avoid negative publicity • Misstating compliance metrics that may be associated with penalties/fines • Misstating metrics associated with aggressive internal or external goals • Misstating metrics linked to product or corporate public statements/claims • Misstating metrics linked to performance and compensation • Misstating metrics associated with specific project milestones, budget approval, rights to access certain markets/begin projects in certain markets/geographies

¹⁷ Paragraph .32 of AT-C section 205.

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	(Ref: par. .27 and .44)
Revision of Risk Assessment (Examinations) .28 AT-C section 205 requires the practitioner to revise the assessment and modify the planned procedures accordingly in circumstances in which the practitioner obtains evidence from performing further procedures, or if new information is obtained, either of which is inconsistent with the evidence on which the practitioner originally based the assessment. ¹⁸ (Ref: par. .A91-.A92)	<p>Revision of Risk Assessment (Examinations)</p> <p>.A91 During the engagement, the practitioner may become aware of situations in which the sustainability information was not collected, measured, or reported in accordance with the expected process, or that there were misstatements in the process due to error or fraud. Examples include the following:</p> <ul style="list-style-type: none"> • Errors were observed when comparing data with a source document (for example, kwh used or miles travelled per a spreadsheet do not agree to the invoice). • Matters arose from tests of key reconciliations that may be indicative of increased fraud risks or control deficiencies with wider assurance implications. • Additional sources of the subject matter were observed (for example, GHG emissions from a machine not included in the inventory). • Locations throughout the entity were using different estimation methods, factors, or methodologies to develop the sustainability information. • Results were adjusted because the metric served as an input into the incentive compensation calculation. <p>(Ref: par. .28)</p> <p>.A92 When such situations are encountered, relevant considerations may include:</p> <ul style="list-style-type: none"> • discussing the matter with management and the audit committee, and

¹⁸ Paragraph .34 of AT-C section 205.

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	<ul style="list-style-type: none"> evaluating whether the engagement should be suspended while management, the internal audit function or external parties investigate, or extending procedures performed to gather evidence. <p>(Ref: par. .28)</p>
Evaluating the Reliability of Information Produced by the Entity (Examinations) .29 When using information produced by the entity, AT-C section 205 requires the practitioner to evaluate whether the information is sufficiently reliable for the practitioner's purposes. ¹⁹ (Ref: par. .A93) <p>.30 If information to be used as evidence has been prepared using the work of a management's specialist, the practitioner should, to the extent necessary, taking into account the significance of that specialist's work for the practitioner's purposes,</p> <ol style="list-style-type: none"> evaluate the competence, capabilities, and objectivity of that specialist; obtain an understanding of the work of that specialist; and evaluate the appropriateness of that specialist's work as evidence for the examination. 	Evaluating the Reliability of Information Produced by the Entity (Examinations) .A93 Relevant factors to consider in assessing the reliability of data produced by the entity may include: <ul style="list-style-type: none"> Whether the data can be traced back to a source and, where applicable, details of the transaction(s) confirmed Whether the data was developed under a process with adequate controls, including review Whether the data is obtained from independent sources outside the entity or from within the entity Whether the sources within the entity were independent of those who are responsible for the data and the review of such data <p>(Ref: par. .29)</p>

¹⁹ Paragraph .35 of AT-C section 205.

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Using the Work of a Practitioner's Specialist or Internal Auditors (Examinations) .31 When the practitioner expects to use the work of a practitioner's specialist or internal auditors in an examination engagement relating to sustainability information, the practitioner should apply the requirements in AT-C section 205, and the related application guidance, for an examination engagement. (Ref: par. .A94-.A95)	Using the Work of a Practitioner's Specialist or Internal Auditors (Examinations) .A94 The practitioner might use the work of a practitioner's specialist in an examination engagement relating to sustainability information to provide specialized skill or knowledge in a particular field other than accounting or auditing. For example, the entity may include information concerning the following: <ul style="list-style-type: none"> • GHG emissions, which might involve a scientist or an engineer • Water data, which might involve a water specialist • Health and safety matters, which might involve a safety engineer or labor law specialist Similarly, the practitioner might involve a practitioner's specialist to evaluate the work performed by the responsible party or management's specialist. (Ref: par. .31)
	.A95 Internal auditors may have performed work regarding the entity's sustainability performance or concerning compliance of the entity with requirements of specified laws, regulations, rules, contracts or grants that might be pertinent to the sustainability information reported. Accordingly, the practitioner might use such work to obtain evidence regarding the sustainability information, or the practitioner might also use internal auditors to provide direct assistance. (Ref: par. .31)

Evaluating the Results of Examination Procedures	Evaluating the Results of Examination Procedures
<p>.32 In evaluating the results of examination procedures, AT-C section 205 requires the practitioner to</p> <ul style="list-style-type: none">a. accumulate misstatements identified during the engagement, other than those that are clearly trivial, andb. evaluate the sufficiency and appropriateness of the evidence obtained in the context of the engagement and, if necessary, attempt to obtain further evidence.²⁰ (Ref: par. .A96-A99)	<p>.A96 In accordance with AT-C section 205, uncorrected misstatements are accumulated during the engagement for the purpose of evaluating whether, individually or in aggregate, they are material when forming the practitioner's opinion²¹. The manner in which such misstatements of sustainability information are evaluated is a function of the nature of the sustainability information that is the subject of the engagement. If the subject matter is a sustainability report, misstatements might be aggregated according to the nature of the matter (for example, by economic, environmental, social, and governance information) and then considered in relation to the entire sustainability report. When the sustainability information is a statement of greenhouse gas emissions, misstatements might be aggregated by type of greenhouse gas emissions. For an examination of specified indicators, misstatements are aggregated separately for each specified indicator. (Ref: par. .32)</p> <p>.A97 When considering qualitative materiality, relevant matters that might be considered include the following:</p> <ul style="list-style-type: none">• Business purpose of the engagement• Users of the sustainability information• Reason for the misstatement• Impact on the sustainability information, disclosures, or metrics that are significant to the company, its industry, or its regulators• Impact on management's compensation or incentives• Impact on trends• Impact on commitments made by the company regarding its sustainability goals• If the engagement is the entire sustainability report, the effects of the matter on the sustainability report taken as a whole, not necessarily the significance of the amounts alone <p>(Ref: par. .32)</p> <p>.A98 Materiality relates to measurement uncertainty in that disclosure of the uncertainty in a manner that makes it understandable and useful to the intended report users is needed when large measurement uncertainty exists and thus, knowledge of the measurement uncertainty could affect the users'</p>

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	<p>decision making. An omission of such disclosure is generally considered by the practitioner to be a material misstatement. (Ref: par. .32)</p> <p>.A99 Considerations concerning evaluating the reporting boundary may include the following:</p> <ul style="list-style-type: none"> • Whether the reporting boundary applied in preparing the sustainability information is appropriate • Whether the reporting boundary applied in preparing the sustainability information is the same as the reporting boundary disclosed • Whether the reporting boundary is consistent with prior periods • Whether any changes in the reporting boundary have been clearly disclosed <p>(Ref: par. .32)</p>
Considering Subsequent Events and Subsequently Discovered Facts (Examinations)	<p>Considering Subsequent Events and Subsequently Discovered Facts (Examinations)</p> <p>.A100 Given the nature of sustainability information, subsequent events typically affect reported information from the perspective of considering whether disclosure of the event and its effect on the entity might be appropriate. Examples of such subsequent events include the following:</p> <ul style="list-style-type: none"> • A change in emissions factors in the subsequent period • A fatality that occurs after the end of the period that was the result of an injury sustained during the period being reported on • A sale or purchase of a component after the end of the period that might have a significant effect on future periods • A fire at a significant facility • A change in regulatory requirements

²⁰ Paragraph .45-.46 of AT-C section 205.

²¹ Paragraph .A47 of AT-C section 205.

²² Paragraph .48 of AT-C section 205.

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	(Ref: par. .33 and .47)
<p>Evaluating Consistency (Examinations)</p> <p>.34 With respect to the sustainability information subject to the practitioner's current year engagement, the practitioner should evaluate whether the comparability of the sustainability information between periods has been materially affected by (1) a change in criteria, measurement method, reporting boundary, or units of measurement employed or by (2) adjustments to correct a material misstatement in previously issued sustainability information. (Ref: par. .A101)</p> <p>.35 The periods included in the practitioner's evaluation of consistency depend on the periods covered by the practitioner's opinion on the sustainability information as well as what information is presented:</p> <ul style="list-style-type: none"> When the practitioner's opinion covers only the current period, the practitioner should evaluate whether the current-period sustainability information is consistent with that of the preceding period, regardless of whether sustainability information for the preceding period is presented. When the practitioner's opinion covers two or more periods, the practitioner should evaluate 	<p>Evaluating Consistency (Examinations)</p> <p>.A101 Unless the practitioner's report explicitly states otherwise, the practitioner's report implies that the practitioner is satisfied that the comparability of sustainability information between periods has not been materially affected by a change in criteria, measurement method, reporting boundary, units of measurement employed or by adjustments to correct a material misstatement in a previously issued sustainability information. There may be no effect on comparability between or among periods because either (a) no change in a criteria, measurement method, reporting boundary or units of measurement employed has occurred, or (b) there has been a change in a criteria, measurement method, reporting boundary or units of measurement employed but the effect of the change on the comparability of the sustainability information is not material. When no material effect on comparability results from a change in criteria, measurement method, reporting boundary, or units of measurement employed or from an adjustment to the previously issued sustainability information, the practitioner need not refer to consistency in the practitioner's report. Paragraph .63 discusses the effect on the practitioner's report. (Ref: par. .34)</p> <p>.A102 The periods covered in the practitioner's evaluation of consistency depend on the periods presented and the periods covered by the practitioner's opinion on the sustainability information. If an entity presents comparative sustainability information and has a change in practitioners in the current year, the evaluation of consistency includes the consistency between the year covered by the practitioner's opinion and the immediately preceding year in accordance with the requirements in paragraph .35. (Ref: par. .35)</p> <p>.A103 When an entity accounts for a change in criteria, measurement method, reporting boundary or units of measurement employed by applying the criteria, measurement method, reporting boundary or units of measurement employed to one or more prior periods that were included in previously issued sustainability information, as if that principle had always been used (commonly</p>

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<p>consistency between such periods and the consistency of the earliest period covered by the practitioner's opinion with the period prior thereto, regardless of whether the sustainability information of the preceding period is presented.</p> <ul style="list-style-type: none"> • If such prior period is presented with the sustainability information being reported upon, the practitioner also should evaluate whether the sustainability information for the periods being reported upon is consistent with previously issued sustainability information for the relevant periods. <p>(Ref: par. .A102)</p> <p>.36 The practitioner should evaluate a change in criteria, measurement method, reporting boundary or units of measurement employed to determine whether</p> <ul style="list-style-type: none"> a. the disclosures related to the change are appropriate and adequate, and b. the entity has justified that the alternative is preferable. <p>(Ref: par. .A103-.A104)</p> <p>.37 If the practitioner becomes aware of a misstatement in previously issued sustainability information, the practitioner should evaluate the effect on the current engagement. The practitioner should evaluate a correction of a misstatement in previously issued sustainability information for the purpose of determining</p> <ul style="list-style-type: none"> a. whether the correction is appropriate and the effects, if any, on the measurement of the current 	<p>referred to as retrospective application), the sustainability information presented generally will be consistent. When retrospective application is used by the entity, the previous periods' sustainability information presented with the current period's sustainability information will appear different from that previously reported and, accordingly, the requirements of paragraph .36 apply to such prior period sustainability information presented with the current period information. (Ref: par..36)</p> <p>.A104 If the entity has changed the criteria or measurement method in the current period but has not used retrospective application for any prior period information presented with the current period information, relevant considerations may include the materiality of the lack of such change to such prior period information in evaluating the effect on the practitioner's report, as discussed in paragraph .63. (Ref: par. .36)</p> <p>.A105 Action steps that the practitioner may take when the practitioner becomes aware of a misstatement in previously issued sustainability information include:</p> <ul style="list-style-type: none"> • Discussing the matter with management and, when appropriate, those charged with governance. • Discussing the matter with the predecessor practitioner as discussed in paragraph .A106. • Determining whether the sustainability information needs revision and, if so, inquiring how management intends to address the matter in the sustainability information. • Assessing whether steps are necessary to prevent further reliance on the misstated information. • Obtaining representations from management regarding the misstatement and any correction. <p>(Ref: par. .37)</p>

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<p>period sustainability information subject to the practitioner's engagement;</p> <p>b. whether disclosures related to the correction are appropriate and adequate in the sustainability information subject to the practitioner's examination, and</p> <p>c. if the practitioner previously issued an examination or review report on such information requiring correction, whether there are any effects on the previously issued practitioner's report and related actions that the practitioner should take.</p> <p>(Ref: par. .A105-.A106)</p>	<p>.A106 If the practitioner becomes aware of information during the examination that leads the practitioner to believe that the sustainability information reported on by the predecessor practitioner may require revision, the practitioner may consider it appropriate to request management to inform the predecessor practitioner of the situation and arrange for the three parties to discuss this information and attempt to resolve the matter. Relevant factors that may be considered in determining whether it is appropriate to make such a request include the following:</p> <ul style="list-style-type: none"> • Whether the corrected information will be included for comparative purposes with the sustainability information subject to the practitioner's engagement • The passage of time since the predecessor practitioner's report was issued <p>(Ref: par. .37)</p>
REVIEW ENGAGEMENTS	
Materiality in Planning and Performing the Engagement (Review) .38 As required by AT-C section 210, the practitioner should consider materiality when planning and performing the review engagement, including when determining the nature, timing, and extent of procedures and when evaluating whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be fairly presented in accordance with the criteria or the assertion in order for it to be fairly stated. ²³ (Ref: par. .A56-.A64)	Materiality in Planning and Performing the Engagement (Review) [Note to ASB: application guidance is the same as for an examination and has not been repeated here.]
Procedures to be Performed (Reviews)	Procedures to be Performed (Reviews)

²³ Paragraph .14 of AT-C section 210.

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<p>.39 AT-C section 210 requires the practitioner to place increased focus on areas in which the practitioner believes there are increased risks that the subject matter may be materially misstated.²⁴ (Ref: par. .A107-.A112)</p> <p>.40 AT-C section 210 does not require that the practitioner obtain an understanding of internal control over the measurement, evaluation, or disclosure of the subject matter information in a review engagement; however, an understanding of relevant components of internal control over the measurement, evaluation and disclosure of such information may be helpful to appropriately plan the review engagement. (Ref: par. .A113-.A114)</p>	<p>.A107 In the case of specified indicators, the increased focus relates to each indicator. In the case of an identifiable section of a sustainability report or an entire sustainability report, the increased focus relates to those areas that the practitioner determines are material to such discrete section or the presentation as a whole, respectively. (Ref: par. .39)</p> <p>.A108 In considering areas in which to place increased focus the practitioner may make inquiries about the relationships of narrative statements to the sustainability metrics used and the source of the reported information. Inquiries about relationships of narrative statements to metrics used can identify inconsistencies or possible sources of evidence to support the disclosure, or to corroborate the results of other inquiries. The specific inquiries to be made are a function of the characteristics of the sustainability information and may take into consideration the practitioner's knowledge of the industry in which the entity operates. (Ref: par. .39)</p> <p>.A109 The nature of procedures in a review engagement concerning sustainability information will vary according to whether analytical procedures can be performed. Some sustainability information, although quantifiable in nature, may not be suitable for analytical procedures (for example, safety metrics). In such situations, procedures of a substantive nature may be performed; however, to a lesser extent than in an examination engagement. For sustainability information of a qualitative nature, the practitioner may perform other procedures (such as inspection and observation) to obtain limited assurance. Paragraphs .A120 and .A121 discuss other review procedures. (Ref: par. .39)</p> <p>.A110 Even when there is the ability to perform analytical procedures, conditions may exist that might not produce a reliable basis on which to perform the procedures or performing analytical procedures will be less effective and efficient than performing tests of details to obtain sufficient review evidence. For example, in obtaining review evidence related to an entity's community investment, it might be more effective to review documentary evidence of payments made or observe donated property in use. For other</p>

²⁴ Paragraph .18 of AT-C section 210.

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	<p>metrics, such as a health and safety statistic of fatalities per year, the qualitative significance of presenting an accurate number could also result in tests of details being more effective than an analytical procedure. (Ref: par. .39)</p> <p>.A111 The evidence required to support the level of assurance obtained is a matter of professional judgment. AT-C section 210 provides guidance about the evidence to be obtained in review engagements; review evidence is obtained regardless of whether it appears to corroborate or contradict the measurement or evaluation of the subject matter or assertion. Types and examples of review evidence that the practitioner might consider obtaining in a review of sustainability information include the following:</p> <ul style="list-style-type: none"> • Review evidence regarding the reasonableness of the basis of measurement • Review evidence regarding the accuracy of amounts disclosed, including how the sustainability information has been calculated and the underlying methods, conversion factors, assumptions and estimates used • Review evidence regarding the reasonableness of narrative statements included <p>(Ref: par. .39)</p> <p><i>Reporting Boundary</i></p> <p>.A112 Relevant procedures with respect to the reporting boundary include the following:</p> <ul style="list-style-type: none"> • Inquiring as to the reporting boundary used for the sustainability information • Considering whether information to be reported is based on data received by the entity from organizations in the supply chain • Evaluating the appropriateness of the planned procedures in light of the reporting boundary for purposes of the review engagement

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	<p>(Ref: par. .39)</p> <p><i>Internal Control</i></p> <p>.A113 Understanding the processes and internal control over identifying, measuring, capturing, aggregating, monitoring and reporting of the sustainability information might be helpful in identifying the nature and scope of the review procedures and the expected nature of review evidence. If documentation of the process is not available, the practitioner might perform inquiries and a walk through of the process with the entity's management or other pertinent employees to gain an understanding of the process and systems used and the initial sources of capturing the data. (Ref: par. .40)</p> <p>.A114 The practitioner's understanding of such relevant components also might raise doubts about whether the practitioner will be able to obtain sufficient review evidence to complete the engagement. For example, it may raise concerns about the condition and reliability of the entity's records or cause the practitioner to question the reliability of management representations. (Ref: par. .40)</p>
Analytical Procedures (Reviews) .41 AT-C section 210 requires that the practitioner should, when designing and performing analytical procedures	<p>Analytical Procedures (Reviews)</p> <p>.A115 To perform the analytical procedures, the practitioner may obtain the report or analysis prepared by the entity with respect to each material sustainability metric and may make inquiries about the source of the information, the assumptions used and any related qualitative disclosures. Factors that may be considered in assessing the reliability of the data include the following:</p> <ul style="list-style-type: none"> • Whether the data can be traced back to a source • Whether the data was developed under a process with adequate controls, including review

²⁵ Paragraph .19 of AT-C section 210.

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(Ref: par. .A82-.A84, .A115)	<ul style="list-style-type: none"> • Whether the data is obtained from independent sources outside the entity or from within the entity • Whether the sources within the entity were independent of those who are responsible for the data subject to review procedures <p>(Ref: par. .41)</p>
Inquiries and Other Review Procedures .42 AT-C section 210 states that the practitioner should inquire of the responsible party concerning the following: a. Whether the subject matter has been prepared in accordance with the criteria (Ref: par. .A74) b. The practices used by the responsible party to measure, recognize, and record the subject matter (Ref: par. .A75) c. Questions that have arisen in the course of applying the review procedures (Ref: par. .A118) d. Communications from regulatory agencies or others, if relevant ²⁶ (Ref: par. .A119) (Ref. par. .A74-.A75, .A116-.A121)	<p>Inquiries and Other Review Procedures</p> <p>General Inquiry Considerations</p> <p>.A116 Inquiries may be made of one individual; however, it is often useful to make the same or similar inquiries of others to corroborate such responses. Knowledge gained in obtaining an understanding of the entity during planning and other procedures is relevant in considering the responses received and in determining whether other review procedures are to be performed. (Ref: par. .42)</p> <p>.A117 The consistency of the responses with the practitioner's understanding of the business, knowledge of the industry in which the entity operates and the results of other procedures performed are relevant matters in evaluating the responses to the practitioner's inquiries. (Ref: par. .42)</p> <p>Specific Inquiries</p> <p>.A118 Questions may arise if the practitioner notes any of the following types of matters in the course of applying the review procedures and the practitioner may seek to obtain further information by making inquiries of management of the responsible party about such matter(s):</p> <ul style="list-style-type: none"> • A potential error (for example, a misalignment with the criteria, a supporting schedule that does not align with the disclosure) • An omission (for example, exclusion of measurements for a period of time or location; lack of a significant disclosure)

²⁶ Paragraph .21 of AT-C section 210.

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	<ul style="list-style-type: none"> An inconsistency (for example, the use of multiple methods of measurement, multiple conversion factors, or different methods for different locations) (Ref: par. .42c) <p>.A119 Questions concerning communications from regulatory agencies or others might include whether there have been any communications from regulatory agencies concerning non-compliance with permits or regulatory schemes. Consideration may also be given to obtaining a legal letter when considered appropriate (for example, to address non-compliance with regulatory schemes, or threatened litigation related to hazardous waste, employee related health and safety matters, or ownership matters). (Ref: par. .42d)</p> <p><i>Other Review Procedures</i></p> <p>.A120 In circumstances in which inquiry and analytical procedures are not expected to provide sufficient appropriate review evidence, or when the nature of the subject matter does not lend itself to the application of analytical procedures, the practitioner may perform other procedures that he or she believes can provide the practitioner with a level of assurance equivalent to that which inquiries and analytical procedures would have provided. Given the nature of certain sustainability information (such as health and safety information where, for example, the number of fatalities reported does not have a meaningful correlation with other data to perform analytical procedures) or given the immaturity of the systems in place, analytical procedures or inquiries may not be able to provide sufficient appropriate review evidence, in which case the practitioner may perform other review procedures. (Ref: par. .42)</p> <p>.A121 Examples of other review procedures include the following:</p> <ul style="list-style-type: none"> Conducting site visits for significant locations for purposes of inquiry and understanding the business and access to pertinent records Comparisons of the reported sustainability information to the underlying records Performing tests of mathematical accuracy of computations

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	<ul style="list-style-type: none"> • Performing tests of significant analyses or reconciliations prepared by the entity in developing the sustainability information, including material adjustments made during the course of preparing the sustainability information • Consideration of other information of which the practitioner becomes aware and its implications on the sustainability information • Reading relevant contracts to understand terms related to relevant sustainability information or to corroborate a response to an inquiry <p>(Ref: par. .42)</p>
<p>Measurement Uncertainty (Reviews)</p> <p>.43 When large measurement uncertainty is identified in estimates that could have a material impact on the sustainability information that is the subject of the engagement, the practitioner should place increased focus in those areas in which the practitioner believes there are increased risks that the sustainability information may be materially misstated, considering matters such as the following:</p> <ul style="list-style-type: none"> • The level of judgment required to make the measurement reported • The process around developing the information • The rigor with which the information is developed • The completeness of planned disclosures concerning the magnitude of the uncertainty <p>(Ref: par. .A122-.A124)</p>	<p>Measurement Uncertainty (Reviews)</p> <p>.A122 Examples of measurements that might be identified as having large measurement uncertainty include the following:</p> <ul style="list-style-type: none"> • Those requiring high levels of judgment, for example, when significant assumptions could fall within a reasonable range of values that could significantly impact the measurement • Those with a less accurate and precise process around measuring the information • Those that require the addition of multiple values, each with its own significant measurement uncertainty <p>(Ref: par. .43)</p> <p>Gathering Evidence – Including Consideration of Management's Process for Measurement (Reviews)</p> <p>.A123 When reviewing estimates and other measurements, inquiries by the practitioner may include whether</p> <ol style="list-style-type: none"> a) the methods for making estimates and other measurements are appropriate and have been applied consistently b) changes, if any, in reported measurements or in the method for making them from the prior period, if applicable, are appropriate in the circumstances. When there is a significant change in the methodology

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	<p>used to make a material measurement, such inquiries also may include whether</p> <ul style="list-style-type: none"> i. the disclosures related to the change are appropriate, and ii. the entity has justified that the alternative is preferable. <p>c) significant assumptions are reasonable, and</p> <p>d) the data on which the measurement is based is sufficiently reliable for the practitioner's purposes.</p> <p>(Ref: par. .43)</p> <p>.A124 In performing a review of a material estimate with large measurement uncertainty, to the practitioner may:</p> <ul style="list-style-type: none"> • Consider whether to make inquiries about the operating effectiveness of the controls over how the responsible party made the measurement and developed disclosures, specifically, the controls over the source and flow of data into the measurement process; controls over the selection and modification of measurement methods and processes; controls over the management, evaluation and disclosure of measurement uncertainty; and controls over the selection of the specific value reported. • Inquire about how the quantified measurement uncertainty to be disclosed was determined, whether it reflects all significant sources of measurement uncertainty and how the responsible party determined that the total has been appropriately accumulated. • Inquire about whether the measurement method and confidence level on which the disclosed quantified measurement uncertainty is based is reasonable and consistent with prior periods. • Inquire about the appropriateness of the point value selected for disclosure in relation to (a) the range of probable values and (b) the distribution of values within the range. For example, for an expected normal distribution of values, the selected point value is generally near the midpoint of the range, but for a distribution that is skewed, the

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	<p>selected point value is generally near the value with the highest probability or the mathematically determined “expected” value. In other cases, the distribution may not have a point reasonably representative of the highest probability and consultation with a measurement specialist may be needed to evaluate whether the point value selected by the responsible party is appropriately representational of the measured subject matter.</p> <ul style="list-style-type: none">• Inquire about the consistency of the selection of the reported point value from period to period and the basis for any change in the rationale for the selection of the reported point value.• Evaluate whether the planned disclosure of the source(s) of measurement uncertainty and the quantified expression of measurement are understandable, comparable, useful and not misleading, considering the materiality of the reported information. <p>(Ref: par. .43)</p>

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Fraud, Laws, and Regulations (Reviews) <p>.44 AT-C section 210 requires the practitioner to (1) make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter and (2) respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that is identified during the engagement.²⁷ (Ref: par. .A90)</p>	Fraud, Laws, and Regulations (Reviews) <p>[Note to ASB: application guidance is the same as for examinations and has not been duplicated here.]</p>
Using the Work of a Practitioner's Specialist or Internal Auditors (Reviews) <p>.45 AT-C section 210 states that when the practitioner expects to use the work of a practitioner's specialist or internal auditors in a review engagement, the practitioner should apply the requirements in AT-C section 205 and related application guidance, as appropriate for a review engagement.²⁸ (Ref: par. .A125-.A126)</p>	Using the Work of a Practitioner's Specialist or Internal Auditors (Reviews) <p>.A125 Paragraphs .31 and .A94 describe the manner in which a practitioner's specialist might be used in an examination engagement related to sustainability information. A practitioner's specialist might also be used in a similar manner in a review engagement; however, the extent of review evidence to be obtained might be lower. For example, the practitioner might not obtain as much evidence regarding the specialist's work as in an examination. (Ref: par. .45)</p> <p>.A126 Paragraph .A95 discusses the use of internal auditors in an examination engagement concerning sustainability information. The extent to which such internal auditors might be used in a review engagement may be lower. In some cases, the practitioner might obtain and read relevant internal audit reports and minutes of audit committee meetings (or other relevant board committees to which the internal auditors report on sustainability information) to corroborate inquiries or to obtain further details about internal audit findings. (Ref: par. .45)</p>

²⁷ Paragraphs .23-.24 of AT-C section 210.

²⁸ Paragraph .27 of AT-C section 210.

Evaluating the Results of Review Procedures	Evaluating the Results of Review Procedures
<p>.46 In evaluating the results of review procedures, AT-C section 210 requires the practitioner to</p> <ol style="list-style-type: none">accumulate misstatements identified during the engagement, other than those that are clearly trivial, andevaluate the sufficiency and appropriateness of the review evidence obtained in the context of the engagement and, if necessary, attempt to obtain further review evidence.²⁹ <p>(Ref: par. .A127-.A131)</p>	<p>.A127 The types of misstatements that could occur in sustainability information include the following:</p> <ul style="list-style-type: none">Misstatement of quantified information (for example, understatement or overstatement of emissions, omissions of activity for a period of time or a location, omission of the unit of measurement, or if large measurement uncertainty exists, the quantified extent of the measurement uncertainty)Misstatement of narrative (for example, not balanced, incomplete information or inaccurate statement)Omitted disclosure (for example, lack of a disclosure called for by the specified reporting criteria or lack of a disclosure about a material event affecting the sustainability information) orInsufficient description of the criteria (for example, for measurement of a particular indicator) <p>(Ref: par. .46)</p> <p>.A128 When evaluating whether an omission of a needed disclosure is material, relevant considerations may include whether the sustainability information that is the subject of the engagement is misleading within the context of the engagement absent the needed disclosure (for example, whether the disclosures that are made omit any information that is needed to understand and use such sustainability information that is presented). Needed disclosures may be specified by the criteria or may be in addition to that specified by the criteria. (Ref: par. .46)</p> <p>.A129 Materiality relates to measurement uncertainty in that disclosure of the uncertainty in a manner that makes it understandable and useful to the intended report users is needed when large measurement uncertainty exists and thus, knowledge of the measurement uncertainty could affect the user's decision making. In evaluating the results of review procedures, an omission of such disclosure is likely to be a material misstatement. (Ref: par. .46)</p> <p>.A130 In some circumstances, materiality of misstatements may be based on the criteria (for example, it might be stated in the criteria) and the intended use</p>

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	<p>for such information (for example, when a specified indicator is to be submitted in conjunction with a filing requirement). (Ref: par. .46)</p> <p>.A131 Relevant considerations concerning evaluating the reporting boundary may include the following:</p> <ul style="list-style-type: none">• Whether the reporting boundary applied in preparing the sustainability information is appropriate• Whether the reporting boundary applied in preparing the sustainability information is the same as the reporting boundary disclosed• Whether the reporting boundary is consistent with prior periods• Whether any changes in the reporting boundary have been clearly disclosed <p>(Ref: par. .46)</p>

²⁹ Paragraphs .28-.29 of AT-C section 210.

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Considering Subsequent Events and Subsequently Discovered Facts (Reviews) .47 AT-C section 210 requires the practitioner to inquire whether the responsible party (and if different, the engaging party) is aware of any events subsequent to the period (or point in time) covered by the review engagement up to the date of the practitioner's report that could have a significant effect on the subject matter or assertion. ³⁰ Paragraphs .31-.32 of AT-C section 210 include requirements of actions to take and application guidance in considering subsequent events and subsequently discovered facts in a review engagement. (Ref: par. .A100)	Considering Subsequent Events and Subsequently Discovered Facts (Reviews) [Note to ASB: application guidance is the same as for examinations and has not been duplicated here.]
Considering Consistency (Reviews) .48 With respect to the sustainability information subject to the practitioner's current year engagement, the practitioner should consider whether the comparability of the sustainability information between periods has been materially affected by (1) a change in criteria, management's interpretation of the criteria, measurement method, reporting boundary, or units of measurement employed or by (2) adjustments to correct a material misstatement in previously issued sustainability information. (Ref: par. .A132) .49 If during the review engagement, the practitioner becomes aware of information that leads him or her to believe that sustainability information reported on by the predecessor practitioner may require revision, the	Considering Consistency (Reviews) .A132 Unless the practitioner's report explicitly states otherwise, the practitioner's report implies that the practitioner is not aware that the comparability of sustainability information between periods has been materially affected by a change in criteria, management's interpretation of the criteria, measurement method, reporting boundary, or units of measurement employed or by adjustments to correct a material misstatement in previously issued sustainability information. There may be no effect on comparability between or among periods because either (a) no change in a criteria, management's interpretation of the criteria, measurement method, reporting boundary or units of measurement employed has occurred, or (b) there has been a change in a criteria, management's interpretation of the criteria, measurement method, reporting boundary or units of measurement employed but the effect of the change on the comparability of the sustainability information is not material. When no material effect on comparability results from a change in criteria, management's interpretation of the criteria, measurement method, reporting

³⁰ Paragraph .31 of AT-C section 210.

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<p>successor practitioner should request that the client inform the predecessor practitioner of the situation and arrange for the three parties to discuss this information and attempt to resolve the matter. (Ref: par. .A133)</p> <p>.50 The periods included in the practitioner's consideration of consistency depend on the periods covered by the practitioner's conclusion on the sustainability information as well as what information is presented:</p> <ul style="list-style-type: none"> • When the practitioner's conclusion covers only the current period, the practitioner should consider whether the current-period sustainability information is consistent with that of the preceding period, regardless of whether sustainability information for the preceding period is presented. • When the practitioner's conclusion covers two or more periods, the practitioner should consider the consistency between such periods and the consistency of the earliest period covered by the practitioner's conclusion with the period prior thereto, regardless of whether the sustainability information of the preceding period is presented. • If such prior period is presented with the sustainability information being reported upon, the practitioner also should consider whether the sustainability information for the periods being reported upon is consistent with previously issued sustainability information for the relevant periods. <p>(Ref: par. .A134)</p>	<p>boundary, or units of measurement employed or an adjustment to the previously issued sustainability information, the practitioner need not refer to consistency in the practitioner's report. Paragraph .63 discusses the effect on the practitioner's report. (Ref: par. .48)</p> <p>.A133 The successor practitioner may communicate to the predecessor practitioner any information that the predecessor practitioner may need to consider in evaluating whether such previously reported information requires revision. (Ref: par. .49)</p> <p>.A134 The periods covered in the practitioner's consideration of consistency depend on the periods presented and the periods covered by the practitioner's conclusion on the sustainability information. If an entity presents comparative sustainability information and has a change in practitioners in the current year, the consideration of consistency includes the consistency between the year covered by the practitioner's conclusion and the immediately preceding year in accordance with the requirements in paragraph .50. (Ref: par. .50)</p> <p>.A135 When an entity accounts for a change in criteria, measurement method, reporting boundary or units of measurement employed by applying the criteria, measurement method, reporting boundary or units of measurement employed to one or more prior periods that were included in previously issued sustainability information, as if that principle had always been used (commonly referred to as retrospective application), the sustainability information presented generally will be consistent. When retrospective application is used by the entity, the previous periods' sustainability information presented with the current period's sustainability information will appear different from that previously reported and, accordingly, the requirements of paragraph .51 apply to such prior period sustainability information presented with the current period information. (Ref: par. .51)</p> <p>.A136 If the entity has changed the criteria or measurement method in the current period but has not used retrospective application for any prior period information presented with the current period information, relevant</p>

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<p>.51 The practitioner should assess a change in criteria, measurement method, reporting boundary or units of measurement employed to consider whether</p> <ul style="list-style-type: none"> a. the disclosures related to the change are appropriate and adequate, and b. the entity has justified that the alternative is preferable. <p>(Ref: par. .A135-.A136)</p> <p>.52 If the practitioner becomes aware of a misstatement in previously issued sustainability information, the practitioner should consider the effect on the current engagement. The practitioner should consider a correction of a misstatement in previously issued sustainability information for the purpose of assessing</p> <ul style="list-style-type: none"> a. whether the correction appears appropriate in light of the information obtained and the potential effects, if any, on the measurement of the current period sustainability information subject to the practitioner's engagement, b. whether disclosures related to the correction appear appropriate and adequate in the sustainability information subject to the practitioner's review in light of the information obtained, and c. if the practitioner previously issued an examination or review report on such information requiring correction, whether there are any effects on the previously issued practitioner's report and related actions that the practitioner should take. 	<p>considerations may include the materiality of the lack of such change to such prior period information in considering the effect on the practitioner's report, as discussed in paragraph .63. (Ref: par. .51)</p> <p>.A137 Action steps that the practitioner may take when the practitioner becomes aware of a misstatement in previously issued sustainability information include:</p> <ul style="list-style-type: none"> • Discussing the matter with management and, when appropriate, those charged with governance. • Discussing the matter with the predecessor practitioner as discussed in paragraph .A138. • Assessing whether the sustainability information may need revision and, if so, inquiring how management intends to address the matter in the sustainability information. • Assessing whether steps are necessary to prevent further reliance on the misstated information. • Obtaining representations from management regarding the misstatement and any correction. <p>(Ref: par. .52)</p> <p>.A138 If the practitioner becomes aware of information during the review that leads the practitioner to believe that the sustainability information reported on by the predecessor practitioner may require revision, the practitioner may consider it appropriate to request management to inform the predecessor practitioner of the situation and arrange for the three parties to discuss this information and attempt to resolve the matter. Relevant factors that may be considered in assessing whether it is appropriate to make such a request include the following:</p>

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(Ref: par. .A137-.A138)	<ul style="list-style-type: none"> • Whether the corrected information will be included for comparative purposes with the sustainability information subject to the practitioner's engagement • The passage of time since the predecessor practitioner's report was issued <p>(Ref: par. .52)</p>
Written Representations (Examinations and Reviews) <p>.53 In addition to the written representations from the responsible party required by AT-C section 205 for an examination engagement or by AT-C section 210 for a review engagement, the practitioner should request the responsible party to provide written representations that</p> <ul style="list-style-type: none"> • acknowledge management's responsibility for determining: <ul style="list-style-type: none"> a. which sustainability information is subject to the engagement (i.e., specified indicators, identified section(s), or the entire sustainability report), and b. the level of assurance (i.e., reasonable assurance as in an examination engagement or limited assurance as in a review engagement) to be obtained for each of the specified indicators, identified section(s) or the entire sustainability report. • Address whether large measurement uncertainty exists and the nature of such measurement uncertainty. <p>(Ref: par. .A139-.A140)</p>	Written Representations (Examinations and Reviews) <p>.A139 It is likely that the responsible party and the engaging party are the same in an examination or review engagement relating to sustainability information. If they are not the same, refer to AT-C section 205 for an examination or AT-C section 210 for a review engagement for additional requirements and considerations. (Ref: par. .53)</p> <p>.A140 Written representations provide necessary (although not sufficient appropriate) evidence; therefore, the person(s) from whom the practitioner requests written representations is ordinarily a member of senior management or those charged with governance who has the authority to provide such representations, and is also competent to provide representations about sustainability information. (Ref: par. .53)</p>

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Other Information <p>.54 Sustainability information and the practitioner's examination or review report thereon often are included in documents that contain other information. In accordance with AT-C sections 205 and 210, if prior to or after the release of the practitioner's report on the sustainability information, the practitioner is willing to permit the inclusion of the report in a document that contains the sustainability information or assertion and other information, the practitioner should read that other information to identify material inconsistencies, if any, with the sustainability information, assertion or the report. AT-C sections 205 and 210 include requirements of actions to be taken if the practitioner believes that a material inconsistency of material misstatement of fact exists.³¹ (Ref: par. .A141)</p>	Other Information <p>.A141 If the engagement is on the entire sustainability report, other information might include a statement from the entity's chief executive officer appearing with such report. If the engagement is on specified sustainability indicators included in a sustainability report or an identified section(s), other information would encompass the rest of the document in which such specified sustainability indicators or section(s) and the practitioner's report is to be included. (Ref: par. .54)</p>
Description of Criteria <p>.55 AT-C sections 205 and 210 require the practitioner to evaluate whether the written description of the subject matter or assertion adequately refers to or describes the criteria.³² (Ref: par. .A142)</p>	Description of Criteria <p>.A142 Depending on the nature of the sustainability information that is the subject of the engagement, the manner in which such information refers to or describes the criteria might vary. For example, the sustainability information might reference externally available criteria or a description of the criteria might be included in or accompany the sustainability information. As described in paragraph .A19, an entity might use more than one set of criteria and, accordingly, might reference externally available criteria as well as include a description of other criteria in or accompanying the sustainability information. (Ref: par. .55)</p>

³¹ Paragraphs .57 and .40 of AT-C sections 205 and 210, respectively.

³² Paragraphs .58 and .41 of AT-C sections 205 and 210, respectively.

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<p>Forming the Opinion or Conclusion</p> <p>.56 In forming an opinion or conclusion, AT-C sections 205 and 210 require the practitioner to evaluate³³</p> <ul style="list-style-type: none"> a. the practitioner's conclusion regarding the sufficiency and appropriateness of evidence/review evidence obtained; and b. whether uncorrected misstatements are material, individually or in the aggregate. <p>(Ref: par. .A143)</p> <p>.57 AT-C sections 205 and 210 require the practitioner to evaluate, based on the evidence obtained, whether the presentation of the subject matter or assertion is misleading within the context of the engagement.³⁴</p> <p>.58 Features of sustainability information that should be considered by the practitioner in forming an opinion or conclusion on the sustainability information include the following:</p> <ul style="list-style-type: none"> a. The overall presentation, structure, and content of the sustainability information b. Consistency of criteria and measurement method(s) used from the prior period c. The completeness of the sustainability information for the intended purpose d. Whether the disclosures are informative of matters that affect the use, understanding and interpretation of the sustainability information in the context of its intended purpose <p>(Ref: par. .A144-.A145)</p>	<p>Forming the Opinion or Conclusion</p> <p>.A143 Examples of evidence considered in evaluating the sufficiency and appropriateness of evidence/review evidence obtained, includes the evidence obtained with respect to each material qualitative and quantitative statement included in the sustainability information. (Ref: par. .56)</p> <p>.A144 Considerations in forming the opinion or conclusion, include the features of the sustainability information and matters such as the following:</p> <ul style="list-style-type: none"> • Whether a change in the entity's organizational boundary has occurred and whether the entity is using a consistent approach to determining its reporting boundary for preparation of the sustainability information (for example, if the organizational or reporting boundary has changed from the prior year, regardless of whether comparative information is presented, whether such change is appropriately disclosed) • The adequacy of disclosures (for example, the measurement criteria used in the current period and whether it is comparable with that used in the prior period even if prior period sustainability information is not presented; inherent uncertainties related to such information) • If graphics (for example, diagrams or graphs) are presented, whether such presentation is reflective of the actual quantitative information or possibly may be misleading • The balance of narrative disclosures to tables or graphics • Whether errors were identified and corrected in the current period that may be indicative of errors in prior period information that is included for comparative purposes • If the change in reporting boundary is a result of a change in the organizational boundary (e.g., a change from reporting on the organization's domestic entities to reporting on the consolidated

³³ Paragraphs .59 and .42 of AT-C sections 205 and 210, respectively.

³⁴ Paragraphs .60 and .43 of AT-C sections 205 and 210, respectively.

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	<p>organization), whether the sustainability information is appropriately labelled with the organizational boundary in the practitioner's identification of the primary legal entity.</p> <p>(Ref: par. .58)</p> <p>.A145 AT-C sections 205 and 210 address the implications for the practitioner's opinion or conclusion when the practitioner believes that the responsible party's disclosure of matters necessary to understand the subject matter information (for example, measurement uncertainty) is inadequate or otherwise misleading.³⁵ (Ref: par. .58)</p>
<p>Measurement Uncertainty</p> <p>.59 The criteria for sustainability information may not include explicit criteria for the disclosure of measurement uncertainty. In forming an opinion or conclusion about whether the sustainability information is not misleading, the practitioner should consider whether it is necessary for the sustainability information to include disclosure about measurement uncertainty, even when the criteria does not require such disclosure. The practitioner should conclude that sustainability information is not presented, in all material respects, in accordance with the identified criteria when it is not informative of matters that may affect the use, understanding and interpretation of the information.</p> <p>(Ref: par. .A146-.A148)</p>	<p>Measurement Uncertainty</p> <p>.A146 If measurement uncertainty is large for certain sustainability information covered by the engagement, considerations may include whether and how it is communicated to report users. For example, one way of identifying and communicating such uncertainty is by identifying a range within which the true value may fall. The range consists of a distribution of likely values. The uncertainty or potential margin of error of a measurement may be stated by giving a range of values likely to enclose the true value. (Ref: par. .59)</p> <p>.A147 For subject matter that is subject to large measurement uncertainty, the practitioner likely may conclude that a planned lack of disclosure of measurement uncertainty is misleading in light of the circumstances and facts involved, even when the planned disclosures with respect to the estimate are in accordance with the reporting criteria. That is, the criteria may not specify all the disclosures needed to make the information reported understandable, useful, complete and not misleading. The practitioner's evaluation of the adequacy of disclosure of measurement uncertainty increases in importance the greater the range of possible outcomes of the measurement in relation to materiality. (Ref: par. .59)</p>

³⁵ Paragraphs .68-.81 and 51-.58 of AT-C sections 205 and 210, respectively.

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	<p>.A148 In some cases, the practitioner may also consider it appropriate to encourage the responsible party to describe in the presentation of the sustainability information the circumstances giving rise to the measurement uncertainty. (Ref: par. .59)</p>
<p>Preparing the Practitioner's Report</p> <p>.60 AT-C sections 205 and 210 require that the practitioner's report be in writing and include an identification of the sustainability information or assertion being reported on, including the point in time or period of time to which the sustainability information relates. (Ref: par. .A149-.A151)</p> <p>.61 If the practitioner has been engaged to perform an examination of some specified indicators and a review of others, the practitioner should make clear in the practitioner's report as to which specified indicators are covered by the examination report and which are covered by the review report. (Ref: par. .A150-.A151)</p>	<p>Preparing the Practitioner's Report</p> <p>.A149 Identifying the sustainability information being reported on under the examination or review engagement</p> <ul style="list-style-type: none"> a. clarifies the level of assurance obtained by the practitioner on such information and b. if information that was not the subject of the practitioner's engagement(s) is included with the subject matter, helps clarify which information is not the subject matter of the examination or review engagement. (Ref: par. .60) <p>.A150 To more clearly articulate what information is subject to the practitioner's examination or review engagement, the practitioner may include a paragraph disclaiming an opinion or conclusion on the information that is not subject to the engagement. (Ref: par. .60-.61)</p> <p>.A151 If the specified indicators are included in a sustainability report or other information accompanies the specified indicators, symbols that reference a written report that conveys the level of engagement related to each specified indicator and that is readily available may be used to identify those specified indicators that are the subject of the engagement. (Ref: par. .60-.61)</p>

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<p>Content of the Practitioner's Report</p> <p>.62 The list of report elements in AT-C sections 205 and 210 constitutes all of the required report elements for an examination and a review engagement, respectively, of sustainability information, except when one or more of the following situations is encountered:</p> <ul style="list-style-type: none"> • There have been changes in criteria, measurement method, reporting boundary or units of measurement (see paragraph .63) • Comparative information is presented (see paragraph .64) • Correction of a previously issued sustainability report is made (see paragraph .67) <p>(Ref: par. .A152-.A168, .A171)</p>	<p>Content of the Practitioner's Report</p> <p>General</p> <p>.A152 Examples 1(A) and 1(B) of the Exhibit, <i>Illustrative Reports for Examinations and Reviews of Sustainability Information</i>, illustrate the application of the report elements of a review report pertaining to sustainability information, and Example 1(C) illustrates the application of the report elements of an examination report pertaining to sustainability information. Example 1(D) of the Exhibit illustrates the form of a single report if the practitioner has been engaged to perform an examination of one or more specified indicators and a review of others. (Ref: par. .62)</p> <p>.A153 The practitioner may elaborate further on management's responsibility for its assertion; for example, such as by describing its responsibility for the criteria and internal control. The following such description has been illustrated in Example 1(B):</p> <p style="padding-left: 40px;">XYZ Company's management is responsible for its assertion and for the [selection or development of] criteria, which it has identified as an objective basis against which it assesses and reports on the selected sustainability metrics. Management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of selected sustainability metrics that are free from material misstatement, whether due to fraud or error.</p> <p>(Ref: par. .62)</p> <p>.A154 If the criteria are not otherwise publically available, the criteria may be included with the subject matter or in the practitioner's report. (Ref: par. .62)</p>

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	<p><i>Examination Reports</i></p> <p>.A155 The statement of the description of planning and performing the examination required by AT-C section 205.63f.ii may depend on the nature of the sustainability information. For example:</p> <ul style="list-style-type: none"> • If the sustainability information is an entire sustainability report or specified indicators, the practitioner might state that those standards require that the practitioner plan and perform the examination to obtain reasonable assurance about whether the sustainability information is fairly presented in accordance with the criteria in all material respects. • If the sustainability information is a management assertion about specified indicators being in accordance with the criteria, the practitioner might state that those standards require that the practitioner plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. <p>(Ref: par. .62)</p>
	<p>.A156 The manner in which the practitioner states the practitioner's opinion may depend on the nature of the sustainability information. For example:</p> <ul style="list-style-type: none"> • If the sustainability information is an entire sustainability report or specified indicators, the practitioner might state the practitioner's opinion about whether the sustainability information is fairly presented in accordance with the criteria, in all material respects. • If the sustainability information is a management assertion about specified indicators being in accordance with the criteria, the practitioner's opinion might state that management's assertion is fairly stated, in all material respects. <p>(Ref: par. .62)</p>

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	<p><i>Review Reports</i></p> <p>.A157 The statement of the description of planning and performing the review required by AT-C section 210.46f.ii may depend on the nature of the sustainability information. For example:</p> <ul style="list-style-type: none"> • If the sustainability information is an entire sustainability report or specified indicators, the practitioner might state that those standards require that the practitioner plan and perform the review to obtain limited assurance about whether any material modifications should be made to the sustainability information in order for it to be fairly presented in accordance with the criteria. • If the sustainability information is a management assertion about specified indicators being in accordance with the criteria, the practitioner might state that those standards require that the practitioner plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. <p>(Ref: par. .62)</p> <p>.A158 The manner in which the practitioner states the practitioner's conclusion may depend on the nature of the sustainability information. For example:</p> <ul style="list-style-type: none"> • If the sustainability information is an entire sustainability report or specified indicators, the practitioner might state whether the practitioner is aware of any material modifications that should be made to the sustainability information in order for it to be fairly presented in accordance with the criteria. • If the sustainability information is a management assertion about specified indicators being in accordance with the criteria, the practitioner's conclusion might state whether the practitioner is aware of

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	<p>any material modifications that should be made to management's assertion in order for it to be fairly stated. (Ref: par. .62)</p>
	<p><i>Reporting Situations Applicable to Both Examination and Review Engagements</i></p> <p><i>Significant Inherent Limitations</i></p> <p>.A159 Identification in the practitioner's report of inherent limitations is based on the practitioner's judgment. (Ref: par. .62)</p> <p>.A160 The following is an example of language that might be included in the practitioner's report regarding significant inherent limitations concerning the entire sustainability report:</p> <p>The preparation of [<i>identify the sustainability information</i>] requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Different entities may make different but acceptable interpretations, determinations and estimates. The sustainability information includes information regarding the Company's environmental, social and governance initiatives and targets, the consideration of the estimated future impact of events that have occurred or are expected to occur, commitments, and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because events and circumstances frequently do not occur as expected.</p> <p>(Ref: par. .62)</p>
	<p>.A161 The following is an example of language that might be included in the practitioner's report regarding significant inherent limitations concerning quantification of greenhouse gas emissions:</p> <p>As described in footnote(s) [<i>insert footnote number(s)</i>], greenhouse gas ("GHG") emissions quantification is subject to significant inherent</p>

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	<p>measurement uncertainty because of such things as emissions factors that are used in mathematical models to calculate emissions and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and methods used for measuring such data. The selection of a different but acceptable measurement method may have resulted in materially different measurements and within the range of uncertainty inherent in the chosen measurement method, a materially different amount could have been selected for reporting.</p> <p>(Ref: par. .62)</p> <p>.A162 The following is an example of language that might be included in the practitioner's report regarding significant inherent limitations concerning data related to water use:</p> <p style="padding-left: 40px;">As described in footnote(s) [insert footnote number(s)], measurements included in data related to water use are subject to significant inherent measurement uncertainty given the nature and methods used for determining such data. The selection of a different but acceptable measurement method may have resulted in materially different measurements and within the range of uncertainty inherent in the chosen measurement method, a materially different amount could have been selected for reporting.</p> <p>(Ref: par. .62)</p> <p>.A163 The following is an example of language that might be included in the practitioner's report regarding significant inherent limitations concerning measurement uncertainty:</p> <p style="padding-left: 40px;">Measurement of certain amounts and sustainability metrics, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty <i>[insert reference to measurement uncertainty]</i></p>

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	<p><i>disclosures in the sustainability information].</i> Obtaining sufficient appropriate evidence to support our opinion [or obtaining review evidence to support our conclusion] does not reduce the inherent uncertainty in the amounts and metrics and the selection of a different but acceptable measurement method may have resulted in materially different amounts and metrics being reported and within the range of uncertainty inherent in the chosen measurement method, a materially different amount could have been selected for reporting.</p> <p>(Ref: par. .62)</p> <p><i>Matters of Emphasis</i></p> <p>.A164 The practitioner may include additional paragraphs to emphasize certain matters relating to the examination or review engagement or the subject matter. The following is an example of language that might be included for a material change in criteria, measurement method, reporting boundary or units of measurement employed that is justified and for which there is appropriate disclosure:</p> <p style="padding-left: 40px;">As discussed in Note X to the sustainability [report or information], in 20X2, the entity adopted a new [measurement method] for [<i>insert description of sustainability indicator</i>].</p> <p>(Ref: par. .62)</p>
.63 The practitioner should include a separate paragraph in the practitioner's report when there is a material change in the criteria, measurement method, or reporting boundary. The paragraph should be included in the period of the change and in subsequent periods until the new criteria, measurement method, or reporting boundary is applied in all periods presented. If the change is accounted for by retrospective application to the sustainability information of all prior periods presented, the	<p>.A165 Paragraphs .34-.37 and .48-.52 discuss the practitioner's consideration of situations in which the criteria have changed from prior years for examination and review engagements, respectively. (Ref: par. .63)</p> <p>.A166 The practitioner may consider whether to include a separate paragraph when there is a change in the unit of measurement. For example, if the responsible party uses pounds in one year and tons in another, such changes might not warrant inclusion of an explanatory paragraph, provided the unit of measurement is clearly labelled. However, if the unit of measurement for</p>

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<p>paragraph is needed only in the period of such change. (Ref: par. .A165-.A166)</p> <p>.64 If comparative information is presented, the practitioner's report should indicate the practitioner's responsibility for such comparative information. If such information was not subject to the practitioner's current or prior engagement, the practitioner's report should include a statement that such information was not subject to the examination or review. (Ref: par. .A167-.A168)</p>	<p>customer satisfaction was changed from number of repeat purchases to the approval rating in a survey, the practitioner might include a separate paragraph describing the change, if material. (Ref: par. .63)</p> <p>.A167 The following is an example of language that might be included in the practitioner's report when comparative information is included that was not subject to the practitioner's current or prior engagement: <i>The information for [insert periods presented that were not subject to a prior engagement, such as 20X1] was not subject to our [examination] [review] and, accordingly, we do not express an opinion or any form of assurance on such information.</i> (Ref: par. .64)</p> <p>.A168 The following is an example of language that might be included in the practitioner's report when comparative information is included that was not subject to the practitioner's current or prior engagement, but was subject to an engagement by a predecessor practitioner: <i>The information for [insert periods presented that were not subject to our prior engagement, but were subject to an engagement by a predecessor practitioner, such as 20X1] was [examined] [reviewed] by another practitioner whose report dated [date] expressed an unmodified [opinion][conclusion] on such information.</i> (Ref: par. .64)</p>
Modified Opinions (Examinations)	Modified Opinions (Examinations)
<p>.65 The requirements in AT-C section 205 regarding circumstances in which the practitioner should modify the opinion are applicable to sustainability information. (Ref: par. .A169)</p>	<p>.A169 If the engagement is for specified indicators and the modified opinion relates to one or more but not all of the specified indicators, the practitioner might express separate conclusions in which an unmodified opinion is expressed on some indicators and a modified opinion on others. (Ref: par. .65)</p>

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Modified Conclusions (Reviews) .66 The requirements in AT-C section 210 regarding circumstances in which the practitioner should modify the conclusion or withdraw from the engagement are applicable to sustainability information. (Ref: par..A170)	Modified Conclusions (Reviews) .A170 If the engagement is for specified indicators and the modified conclusion relates to one or more but not all of the specified indicators, the practitioner might express separate conclusions in which an unmodified conclusion is expressed on some indicators and a modified conclusion on others. However, if the effects of the matter on a specified indicator are so material that the practitioner believes that the qualification of the conclusion in the standard practitioner's report is not adequate to indicate the misstatements in the specified indicator, the practitioner actions will be based on whether the responsible party removes such specified indicator from its report: <ul style="list-style-type: none"> a. If the responsible party does not remove the specified indicator from its report, the practitioner is required under AT-C section 210 to withdraw from the engagement when withdrawal is possible under applicable law or regulation. b. If the specified indicator is removed from the report, the practitioner may consider whether, under the facts and circumstances, the practitioner is willing to issue a review report on the remaining specified indicators or whether to withdraw from the engagement. (Ref: par. .66)
Correction of a Material Misstatement in Previously Issued Sustainability Information .67 The practitioner should include a separate paragraph in the practitioner's report when there are adjustments to correct a material misstatement in a previously issued sustainability report on which the practitioner previously reported. The paragraph need not be repeated in subsequent periods. The paragraph should include <ul style="list-style-type: none"> a. a statement that the previously issued sustainability report has been restated for the 	Correction of a Material Misstatement in Previously Issued Sustainability Information .A171 The following is an example of language that might be included when there has been a correction of a material misstatement in previously issued sustainability information on which the practitioner previously reported: <p style="padding-left: 40px;">As discussed in Note X to the sustainability [information or report], the 20X2 sustainability [information or report] has been restated to correct a misstatement relating to [describe indicator or matter].</p> (Ref: par. .67)

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<p>correction of a material misstatement in the respective period and</p> <p>b. a reference to the entity's disclosure of the correction of the material misstatement.</p> <p>(Ref: par. .A171)</p> <p>.68 If the disclosures relating to the restatement to correct a material misstatement in previously issued sustainability information are not adequate, the practitioner should address the inadequacy of disclosure as described in paragraphs .57-.58.</p>	

Exhibit A: Illustrative Reports for Examinations and Reviews of Sustainability Information

EXAMPLE 1(A): Review Report on Sustainability Information

The following is an illustrative report for a review engagement in which the practitioner has reviewed and is reporting on the subject matter.

Independent Accountant's Review Report

[Appropriate Addressee]

We have reviewed [identify the subject matter, for example, the Sustainability Report of XYZ Company for the year ended December 31, 20XX]. XYZ Company's management is responsible for the preparation of [identify the subject matter, for example, the sustainability report for the year ended December 31, 20XX] in accordance with [identify the criteria, for example, ABC criteria as further described [on pages X-X of the sustainability report] [in the accompanying notes]]. Our responsibility is to express a conclusion on [identify the subject matter, for example, the sustainability report] based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to [identify the subject matter, for example, the sustainability report] in order for it to be fairly presented in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether [identify the subject matter, for example, the sustainability report] is fairly presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

[Include a description of significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria. See paragraphs .A159 to .A163 for example language.]

[Additional paragraph(s) may be added to emphasize certain matters relating to the review engagement or the subject matter, such as measurement uncertainty. See paragraph .A164.]

Based on our review, we are not aware of any material modifications that should be made to [identify the subject matter, for example, the Sustainability Report of XYZ Company for the year ended December 31, 20XX], in order for it to be fairly presented in accordance with [identify the criteria, for example, ABC criteria as further described [on pages X to X of the Sustainability Report] [in the accompanying notes]].

[Practitioner's signature]

[Practitioner's city and state]

[Date of practitioner's report]

Conclusion paragraph covering one or several elements or a specified section:

Based our review, we are not aware of any material modifications that should be made to [identify the subject matter, for example, specified element(s) or section in the accompanying sustainability report of XYZ Company for the year ended December 31, 20XX] in order for them/it to be fairly presented in accordance with [identify the criteria].

Example 1(B): Review Report on an Assertion; Unmodified Conclusion

The following is an illustrative report for a review engagement in which the practitioner has reviewed the responsible party's assertion and is reporting on that assertion.

Independent Accountant's Review Report

[Appropriate Addressee]

We have reviewed management of XYZ Company's assertion that [identify the assertion, including the subject matter and the criteria, for example, the selected sustainability metrics identified below and denoted by an asterisk (*) within the XYZ Company Corporate Responsibility Report, as of and for the periods indicated below, are fairly presented in accordance with the criteria set forth in the accompanying management assertion.]

[List the applicable indicators and the date or period (for example:

- Ethnic diversity – United States – as of November 30, 20X0
- Recordable incidence rate – United States, Canada and Mexico – year ended December 31, 20X0
- Foundation grant making – year ended December 31, 20X0
- Greenhouse gas emissions – Scope 1 and Scope 2 – year ended December 31, 20X0
- Water use – year ended December 31, 20X0)]

XYZ Company's management is responsible for its assertion [and for the [selection or development of] criteria, which it has identified as an objective basis against which it assesses and reports on the selected sustainability metrics. Management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of selected sustainability metrics that are free from material misstatement, whether due to fraud or error]. Our responsibility is to express a conclusion on management's assertion based on our review.

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Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

[Include a description of significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria. See paragraphs .A159 to .A163 for example language.]

[Additional paragraph(s) may be added to emphasize certain matters relating to the review engagement or the subject matter, such as measurement uncertainty. See paragraph .A164.]

Based on our review, we are not aware of any material modifications that should be made to management of XYZ Company's assertion in order for it to be fairly stated.

[Practitioner's signature]

[Practitioner's city and state]

[Date of practitioner's report]

EXAMPLE 1(C): Examination Report on Sustainability Information

The following is an illustrative report for an engagement in which the practitioner has examined the subject matter and is reporting on the subject matter.

Independent Accountant's Report

[Appropriate Addressee]

We have examined *[identify the subject matter, for example, the specified indicators of XYZ Company listed below for the year ended December 31, 20XX].*

- *[Indicator 1]*
- *[Indicator 2]*

XYZ Company's management is responsible for [*identify the subject matter, for example, the preparation of the above specified indicators*] in accordance with [*identify the criteria, for example, the criteria specified within the accompanying report of XYZ Company*]. Our responsibility is to express an opinion on [*identify the subject matter, for example, these specified indicators*] based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether [*identify the subject matter, for example, the specified indicators*] are/is fairly presented in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about [*identify the subject matter, for example, the specified indicators*]. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of [*identify the subject matter, for example, the specified indicators*], whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

[Include a description of significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria. See paragraphs .A159 to .A163 for example language.]

[Additional paragraph(s) may be added to emphasize certain matters relating to the examination engagement or the subject matter, such as measurement uncertainty. See paragraph .A164.]

In our opinion, [*identify the subject matter, for example, the specified indicators referred to above*] are/is fairly presented in accordance with [*identify the criteria, for example, the criteria specified within the report*] in all material respects.

[Practitioner's signature]

[Practitioner's city and state]

[Date of practitioner's report]

Opinion paragraph covering a specified section:

In our opinion, [*identify the subject matter, for example, specify the applicable section*] of [*identify the report that the subject matter is included in, for example, the 20XX sustainability report of XYZ Company*] is fairly presented in accordance with [*identify the criteria*], in all material respects.

Depending on the nature of, and information included in, the specified section, the following might be an appropriate alternative:

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In our opinion, the information provided in [specify the subject matter section] in the accompanying [identify the report that the subject matter is included in, for example, the 20XX sustainability report of XYZ Company] is fairly presented in accordance with [identify the criteria], in all material respects.

EXAMPLE 1(D): Report on Both an Examination and a Review of Sustainability Information

The following is an illustrative report for an engagement in which the practitioner has examined certain sustainability information and reviewed other sustainability information and is reporting on the subject matter.

Independent Accountant's Report

[Appropriate Addressee]

EXAMINATION OF CERTAIN SUSTAINABILITY INFORMATION

We have examined [identify the subject matter, for example, the specified indicators of XYZ Company listed below for the year ended December 31, 20XX]:

- [Indicator 1]
- [Indicator 2]

XYZ Company's management is responsible for [identify the subject matter, for example, the preparation of the above specified indicators] in accordance with [identify the criteria, for example, the criteria specified within the accompanying report of XYZ Company]. Our responsibility is to express an opinion on these specified indicators based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether [identify the subject matter, for example, the specified indicators listed above] are/is fairly presented in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about [identify the subject matter, for example, the specified indicators listed above]. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of [identify the subject matter, for example, the specified indicators listed above], whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

[Include a description of significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria. See paragraphs .A159 to .A163 for example language.]

[Additional paragraph(s) may be added to emphasize certain matters relating to the examination engagement or the subject matter, such as measurement uncertainty. See paragraph .A164.]

In our opinion, [identify the subject matter, for example, the specified indicators referred to above] are/is fairly presented in accordance with [identify the criteria, for example, the criteria specified within the accompanying report of XYZ Company], in all material respects.

REVIEW OF CERTAIN SUSTAINABILITY INFORMATION

We have reviewed [identify the subject matter, for example, the specified indicators of XYZ Company listed below for the year ended December 31, 20XX]:

- [Indicator 3]
- [Indicator 4]
- [Indicator 5]

XYZ Company's management is responsible for [identify the subject matter, for example, the preparation of the above specified indicators] in accordance with [identify the criteria, for example, the criteria specified within the accompanying report of XYZ Company]. Our responsibility is to express a conclusion on these specified indicators based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to [identify the subject matter, for example, the specified indicators listed above] in order for them/it to be fairly presented in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether [identify the subject matter, for example, the specified indicators] are/is fairly presented in accordance with the criteria, in all material respects in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

[Include a description of significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria. See paragraphs .A159 to .A163 for example language.]

[Additional paragraph(s) may be added to emphasize certain matters relating to the review engagement or the subject matter, such as measurement uncertainty. See paragraph .A164.]

Based on our review, we are not aware of any material modifications that should be made to [identify the subject matter, for example, the specified indicators listed above of XYZ Company for the year ended December 31, 20XX], in order for them/it be fairly presented in accordance with [identify the criteria, for example, the criteria specified within the report].

[Practitioner's signature]

[Practitioner's city and state]

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[Date of practitioner's report]

Exhibit B: Characteristics of Sustainability Information and Illustrative Examination and Review Procedures

The table below illustrates the manner in which the characteristics of sustainability information described in paragraph .A37 apply to sustainability information, together with illustrative procedures that might be performed and it differentiates the nature of the work between an examination and a review engagement on an entire sustainability report. If the practitioner is engaged to perform an examination or review engagement on specified indicators, the extent of procedures for such an opinion or conclusion may be more extensive for each specified indicator than they would be for an examination or review engagement on an entire sustainability report. The type of the procedures are also affected by the criteria that the information is to be measured or evaluated against.

NOTE: It is assumed in the description of procedures below that the practitioner is also the financial statement auditor and, accordingly, is able to use the knowledge obtained from the financial statement audit and, if applicable, other services provided to the entity. (See paragraph .A39 for relevant matters that might be considered when the practitioner is not the financial statement auditor or independent public accountant and for relevant considerations with regard to when the practitioner is engaged to perform the examination or review engagement with respect to specified indicators).

Characteristic of information		Examples	Types of procedures	
			Examination	Review
Quantified measurements	Amounts	• Number of countries in which the entity operates	<ul style="list-style-type: none"> • Evaluate listing for consistency with knowledge of entity • Inquiries of management • Comparison of the listing of countries with other records (for example, payroll records, tax filings) • Comparison to information shared publicly (for example, on the entity's website, in press releases) 	<ul style="list-style-type: none"> • Evaluate listing for consistency with knowledge of entity • Inquiries of management
		• Number of employees	<ul style="list-style-type: none"> • Reconciliation to payroll records • Tests of reconciliation 	<ul style="list-style-type: none"> • Analytical review of analysis of employees by location • Reconciliation of significant or higher risk location(s) to payroll records
		• Revenues	• Comparison to audited F/S	• Comparison to audited F/S

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Characteristic of information		Examples	Types of procedures	
			Examination	Review
		<ul style="list-style-type: none"> Economic value distributed¹ 	<ul style="list-style-type: none"> Comparison of components to audited F/S Analytical procedures Recalculation 	<ul style="list-style-type: none"> Comparison of components to audited F/S Analytical procedures Recalculation
	Percentages	<ul style="list-style-type: none"> % of employees covered by collective bargaining agreements 	<ul style="list-style-type: none"> Inquiries as to how the numerator and denominator are derived Analytical procedures on the numerator and denominator, or on the percentage(s) Testing of the accuracy of population comprising the numerator and denominator Recalculation 	<ul style="list-style-type: none"> Inquiries as to how the numerator and denominator are derived Analytical procedures on the numerator and denominator, or on the percentage(s) Recalculation
	Targets	<ul style="list-style-type: none"> Inquiries as to basis for targets Comparison with reported achievements for current and prior years Comparison to budgets, plans and other strategy documents 	<ul style="list-style-type: none"> Inquiries as to basis for targets Comparison with reported achievements for current and prior years 	<ul style="list-style-type: none">
Factual narrative		<ul style="list-style-type: none"> Description of governance 	<ul style="list-style-type: none"> Comparison with information reported on the entity's website Comparison with other publicly available documents (for example, public entity filings) Inquiries of management 	<ul style="list-style-type: none"> Comparison with information reported on the entity's website Comparison with other publicly available documents (for example, public entity filings) Inquiries of management

¹ Economic value distributed is defined by the Global Reporting Initiative's G4 Sustainability Reporting Guidelines as operating costs, employee wages and benefits, payments to providers of capital, payments to government (by country), and community investments.

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Characteristic of information		Examples	Types of procedures	
			Examination	Review
		<ul style="list-style-type: none"> Composition of board and committees 	<ul style="list-style-type: none"> Comparison with information reported on the entity's website, proxy statements (public companies) and other documentation Inquiries of management as to whether there have been any recent changes 	<ul style="list-style-type: none"> Comparison with information reported on the entity's website or proxy statements Inquiries of management as to whether there have been any recent changes
		<ul style="list-style-type: none"> Description of key impacts on sustainability 	<ul style="list-style-type: none"> Inquiries as to the basis for such estimates Comparisons with documents used by management as a basis for the estimate Obtaining an understanding of the estimation process and model(s) used Tests of data and evaluations of key assumptions used in the estimate 	<ul style="list-style-type: none"> Inquiries as to the basis for such estimates Comparisons with documents used by management as a basis for the estimate (extent less than for an examination)
Soft narrative		<ul style="list-style-type: none"> Statement of vision & strategy 	<ul style="list-style-type: none"> Inquiries of senior management Comparison with internal documents Comparison with our knowledge of the entity 	<ul style="list-style-type: none"> Inquiries of senior management Comparison with our knowledge of the entity
		<ul style="list-style-type: none"> Description of risks and opportunities 	<ul style="list-style-type: none"> Inquiries of key financial and operational management; consideration with existing business knowledge Inspection of internal documents Comparison of risk factors disclosed in public filings 	<ul style="list-style-type: none"> Inquiries of key financial and operational management; consideration with existing business knowledge Inspection of internal documents

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Characteristic of information		Examples	Types of procedures	
			Examination	Review
		<ul style="list-style-type: none"> • Description of remuneration policies 	<ul style="list-style-type: none"> • Comparison of risk factors disclosed to industry information • Inquiries of senior management • Inquiries of the compensation committee or board of directors • Comparison with other documentation (for example, disclosures on remuneration policies included in public filings) 	<ul style="list-style-type: none"> • Inquiries of senior management • Comparison with other documentation
		<ul style="list-style-type: none"> • Description of processes 	<ul style="list-style-type: none"> • Inquiries of different individuals • Comparison with written descriptions provided to employees, posted to internal or external websites, etc. • Walkthroughs (reperformance) of the processes 	<ul style="list-style-type: none"> • Inquiries of different individuals • Inspection of written materials
Diagrams or graphs		<ul style="list-style-type: none"> • Charts and graphs 	<ul style="list-style-type: none"> • Comparisons of amounts with supporting documentation • Testing of information underlying the chart • Consideration as to whether the form and scale of the diagram or graph portrays the information in a reasonable and not misleading manner, without bias 	<ul style="list-style-type: none"> • Comparisons of amounts with supporting documentation (extent less than for an examination) • Consideration as to whether the form and scale of the diagram or graph portrays the information in a reasonable and not misleading manner, without bias