



AccountAbility

Setting the Standard for Sustainability

**Position Statement:
The AA1000 Assurance Standard
in the Evolving Sustainability Landscape**

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Dubai

London

New York

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In a world where sustainability is increasingly at the forefront of corporate and public policy agendas, the significance of credible, robust sustainability assurance cannot be overstated. As many regions around the globe transition towards mandatory sustainability disclosure requirements, the role of comprehensive and reliable assurance standards becomes paramount. Against this backdrop, the AA1000 Assurance Standard (AA1000AS), pioneered by AccountAbility in 2003, stands out as a beacon for sustainability practitioners seeking to navigate the complexities of modern sustainability challenges.

AA1000AS was crafted to offer a business-centric approach to sustainability performance, anchoring its methodology in the AccountAbility Principles. These principles prioritize engagement with pre-financial topics critical to stakeholders and ratings, becoming instrumental in shaping the future value of companies. The standard's focus on stakeholder inclusivity and materiality places it at the vanguard of sustainability assurance practices, offering a pathway beyond traditional financial metrics to gauge an organization's long-term viability and impact.

Licensing sustainability assurance services under AA1000AS v3 requires compliance with all relevant laws and regulations, extending to the Code of Practice included in AA1000AS v3, which mandates adherence to ethics and independence requirements.

AccountAbility's e-licensing platform further reinforces the standard's integrity by assuring that quality management systems are robustly applied. AA1000AS v3 distinguishes itself by allowing licensed assurance providers the flexibility to incorporate other generally accepted assurance standards or frameworks for combined assurance, provided they meet all associated requirements and enhance and do not detract from AccountAbility's foundational principles.

AccountAbility licensed assurance providers in jurisdictions that exclusively recognize a different standard for sustainability assurance will thereby need to meet those requirements in addition to AA1000AS v3 if they wish to use combined assurance. This approach supports interoperability of the standard within a broader assurance ecosystem while maintaining its core commitment to sustainability.

Despite the investor appeal and potential advantages of a standalone assurance standard for comparability of reported sustainability data, AccountAbility acknowledges the challenges and pitfalls of achieving such uniformity. Technical specifications, terminology, and requirements of assurance standards applied by accounting professionals may inadvertently erect barriers to entry for sustainability practitioners from non-accounting backgrounds. This concern is compounded by the inherent differences in assuring financial versus non-financial information, with the latter encompassing a diverse range of topics that defy easy quantification or verification.



Recognizing these complexities, rather than seeking to replicate the compliance orientation of assuring data to be comparable with traditional financial audits, AA1000AS v3 offers “next generation” sustainability assurance. AA1000AS v3 has been designed to provide a more effective stakeholder-centric assurance of an organization's adherence to the AccountAbility Principles. This nuanced approach offers a more holistic view of sustainability performance, emphasizing the value of management systems that support stakeholder inclusivity and materiality.

The shift from voluntary to mandatory sustainability reporting underscores the critical need for market-accepted assurance standards that adapt to evolving disclosure landscapes. To this end, AccountAbility is developing a Bridging Document, set for release in Q2 2024, which aims to align the assurance levels of AA1000AS v3 with those traditionally recognized in the accounting domain. This initiative reflects a strategic effort to bridge the gap between different assurance methodologies, facilitating greater coherence and comparability across the spectrum of sustainability reporting.

However, the dynamic nature of regulatory frameworks means that jurisdictions may recognize varying standards for sustainability assurance, with some potentially mandating a level of assurance akin to that of financial audits. In this context, the AA1000AS faces the dual challenge of adhering to its foundational principles while ensuring its applicability, broad usage, and relevance in a diverse regulatory environment.

In conclusion, the adoption of AA1000AS v3 is not just a tool for compliance; it's a strategic choice that symbolizes a commitment to sustainability leadership. It's more than data verification; it's a dedication to genuine, stakeholder-focused sustainability. By integrating stakeholder inclusivity, materiality, and ethical conduct into the core of business operations, AA1000AS v3 sets a benchmark for assuring sustainability. Companies that recognize these aspects not only align with global sustainability leaders but also distinguish themselves in a crowded marketplace. AccountAbility continues to champion AA1000AS v3 as an essential standard for organizations aiming to lead in sustainability, encouraging its use as a means to drive meaningful, long-term change.