BENCHMARKING GLOBAL PRACTICE



THE STATE OF PLAY IN SUSTAINABILITY ASSURANCE

JUNE 2021

IFAC International Federation of Accountants

AICPA & CIMA

THE STATE OF PLAY IN SUSTAINABILITY ASSURANCE

IFAC

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of over 180 members and associates in more than 130 countries and jurisdictions, representing more than 3 million accountants in public practice, education, government service, industry, and commerce.

More information: www.ifac.org

ABOUT THE ASSOCIATION OF INTERNATIONAL CERTIFIED PROFESSIONAL ACCOUNTANTS

The Association of International Certified Professional Accountants (the Association) is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and The Chartered Institute of Management Accountants (CIMA) to power trust, opportunity and prosperity for people, businesses and economies worldwide. It represents 650,000 members and students across 179 countries and territories in public and management accounting, and advocates for the public interest and business sustainability on current and emerging issues. With broad reach, rigor and resources, the Association advances the reputation, employability and quality of CPAs, CGMAs and accounting and finance professionals globally.

More information: www.aicpa.org

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Audit Analytics is the leading independent research and data provider of audit, regulatory, and disclosure intelligence. Founded in 2003, Audit Analytics offer 70+ comprehensive databases of normalized qualitative data available through an easy-to-use interface. With an unprecedented level of accuracy, Audit Analytics collects, organizes and analyzes data with rigor by an expert team of researchers.

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FOREWORD



Kevin Dancey



Susan S. Coffey

Corporate reporting is changing. Quickly. Yesterday's focus on financial statements is giving way to an integrated approach to financial information, ESG or sustainability information, and broader non-financial information. In particular, investors and other stakeholders are increasingly demanding high-quality sustainability information, and reporting entities are looking to—and in many cases are being required to—provide it. As a result, corporate boards must assume their rightful role in prioritizing and overseeing the collection and reporting of sustainability information, and obtaining robust assurance over the sustainability information is essential to ensure that it is high quality.

IFAC and the AICPA & CIMA embarked on this global benchmarking study, in partnership with Audit Analytics, to better understand the extent to which companies are reporting and obtaining assurance over their sustainability disclosures, which assurance standards are being used, and which companies are providing the assurance service. In short, the data shows a situation that is still evolving, with significant differences in practices across different jurisdictions.

The lack of consistent standards for reporting sustainability information is mirrored in the types and providers of assurance. In the last year, significant progress has been made towards harmonizing and rationalizing a system for sustainability reporting, such as the IFRS Foundation initiative to establish a new board focused on sustainability standards. There is also important work underway in a number of jurisdictions worldwide. The proposed Corporate Sustainability Reporting Directive in the European Union, as well as potential action in the United States and elsewhere, demonstrate the sea change underway with respect to sustainability information. Assurance practice needs to mature alongside the reporting.

As it stands, around half of companies reviewed are publishing sustainability information that is subject to any assurance. For those that do obtain assurance, it is often being provided by consultants or others, and not by independent professional accountants who possess the unique combination of skills, qualifications, experience, and the professional ethical obligation to act in the public interest. It is precisely this combination of professional requirements that leads to meaningful assurance, which brings trust and confidence to sustainability information. If the status quo was ever acceptable, it certainly is not now.

With investors increasingly incorporating sustainability matters into their asset allocation decisions, low-quality sustainability assurance is presenting a significant, global investor protection issue. The International Organization of Securities Commissions (IOSCO) is leading the way to understand the potential ramifications for investors. Further, with the Financial Stability Board (FSB) and the Network for Greening the Financial System (NGFS) articulating the link between climate risk and financial stability, low-quality sustainability assurance is emerging as a financial stability risk as well.

The accountancy profession, with our strong ethical foundation, robust qualifications framework, and extensive skills and experience in generating and assuring decision-useful information, is best placed to deliver on this emerging need. It is incumbent on professional accountancy organizations, audit firms, and individual professional accountants to rise to the occasion and meet it.

In a world where reliable sustainability information is becoming as important as financial information, we simply cannot leave it up to chance.

Kevin Dancey
Chief Executive Officer, IFAC

Susan S. Coffey, CPA, CGMA
Chief Executive Officer –
Public Accounting

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MAPPING GLOBAL PRACTICES

MAPPING GLOBAL REPORTING AND ASSURANCE PRACTICES

This benchmarking study was designed to understand current market practice for the assurance of environmental, social, and governance (ESG or sustainability) information, globally. 1400 companies across twenty-two jurisdictions were reviewed. Companies were selected based on largest market capitalization as of March 2021, and attributed to jurisdictions based on the location of the company's headquarters. 100 companies were examined for the six largest jurisdictions (based on GDP, identified with an asterisk) and 50 companies were examined for sixteen additional jurisdictions.

Americas	Europe, Middle East, and Africa (EMEA)	Asia-Pacific
• Argentina • Brazil • Canada • Mexico • United States of America*	• France • Germany* • Italy • Russia • Saudi Arabia • South Africa • Spain • Turkey • United Kingdom*	• Australia • China* (Mainland, ex-HK) • Hong Kong S.A.R. (China) • India* • Indonesia • Japan* • Singapore • South Korea

Our analysis indicates that while the frequency of reporting ESG information is high, the incidence of assurance is not and there are meaningful differences in reporting and assurance practices between the jurisdictions included in this study.

KEY FINDINGS

91%

of companies reviewed report some level of sustainability information

51%

of companies that report sustainability information provide some level of assurance on it

63%

of these assurance engagements were conducted by Audit or Audit-Affiliated Firms

88%

of assurance engagements employing an Audit Firm made use of the International Standard on Assurance Engagements 3000 (Revised), while other service providers often rely on alternative assurance standards

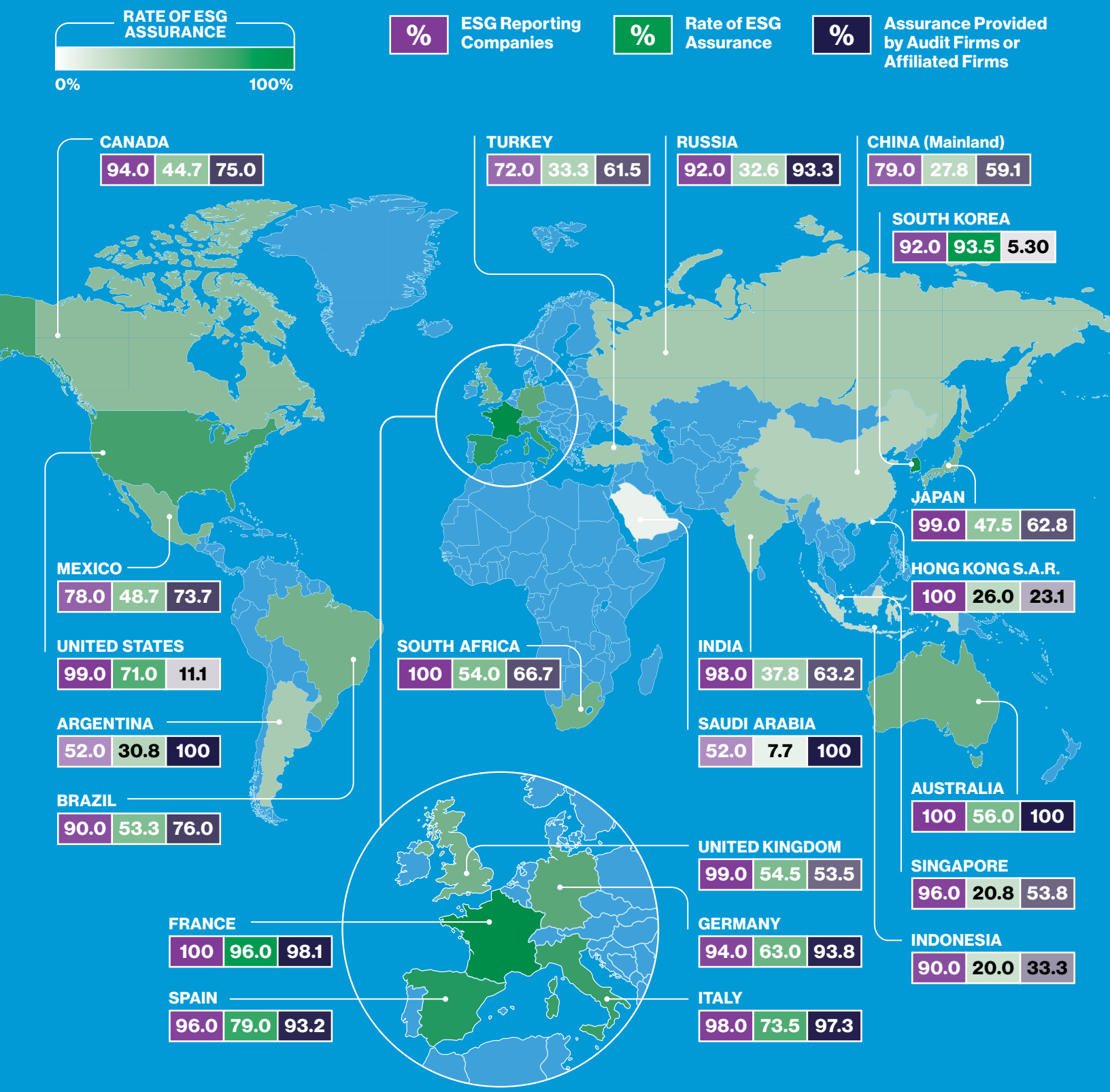
83%

of all assurance engagements result in limited assurance reports



There are significant differences across jurisdictions

MAPPING GLOBAL REPORTING AND ASSURANCE PRACTICES



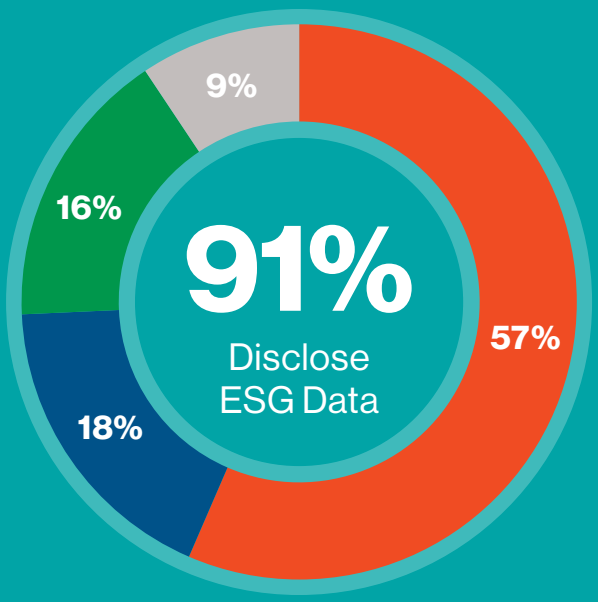
REPORTING

REPORTING

METHOD OF ESG REPORTING

Method of ESG disclosure is based on the type of report vs. the total number of companies in the analysis.

Some companies may report corporate social responsibility (CSR), sustainability, or environmental, social and governance (ESG) information in more than one report (for the sake of simplicity, this study will use these terms interchangeably). Only one report is considered per company. A hierarchy was used to determine report method for companies with multiple reports. See *Methodology* for more detail.

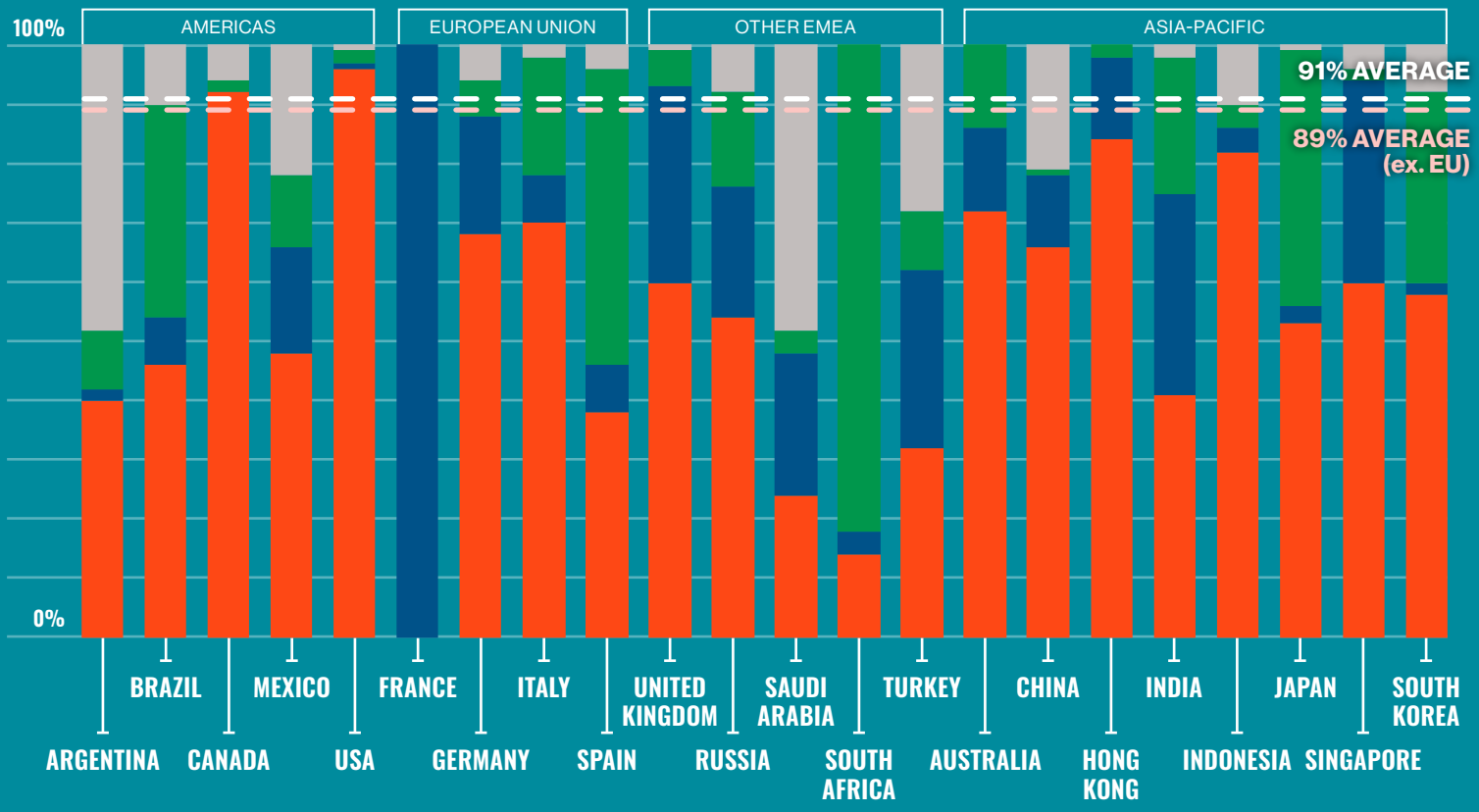


1,269

of **1,400** companies reported ESG data

- Sustainability Report
- Annual Report
- Integrated Report
- No Report

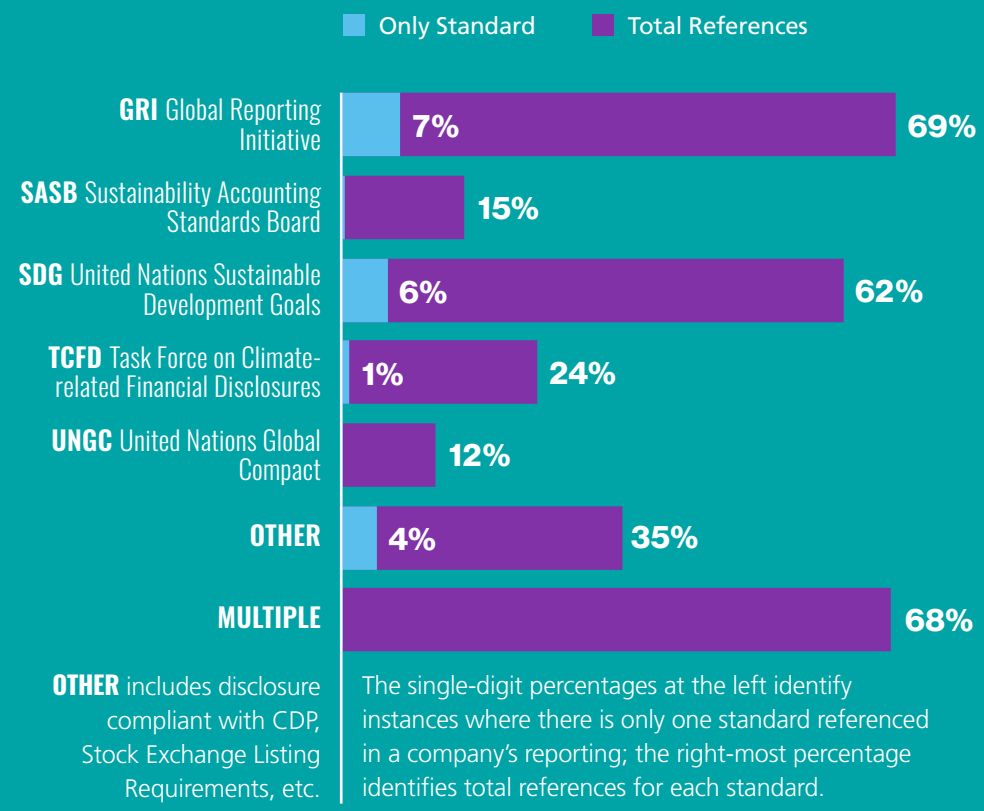
METHOD OF ESG REPORTING BY JURISDICTION



REPORTING

ESG REPORTING FRAMEWORK/STANDARD

The percentage of ESG reporting framework/standard is calculated as the number of reports that disclose the use of a specific framework/standard vs. the total number of reports that include ESG information (1269). The sum of the percentages indicated exceeds 100% because most companies use more than one framework/standard for reporting purposes. For example, many companies that use the Global Reporting Initiative (GRI) criteria also use the United Nation's Sustainable Development Goals (SDG) as a reporting framework for specific topics.

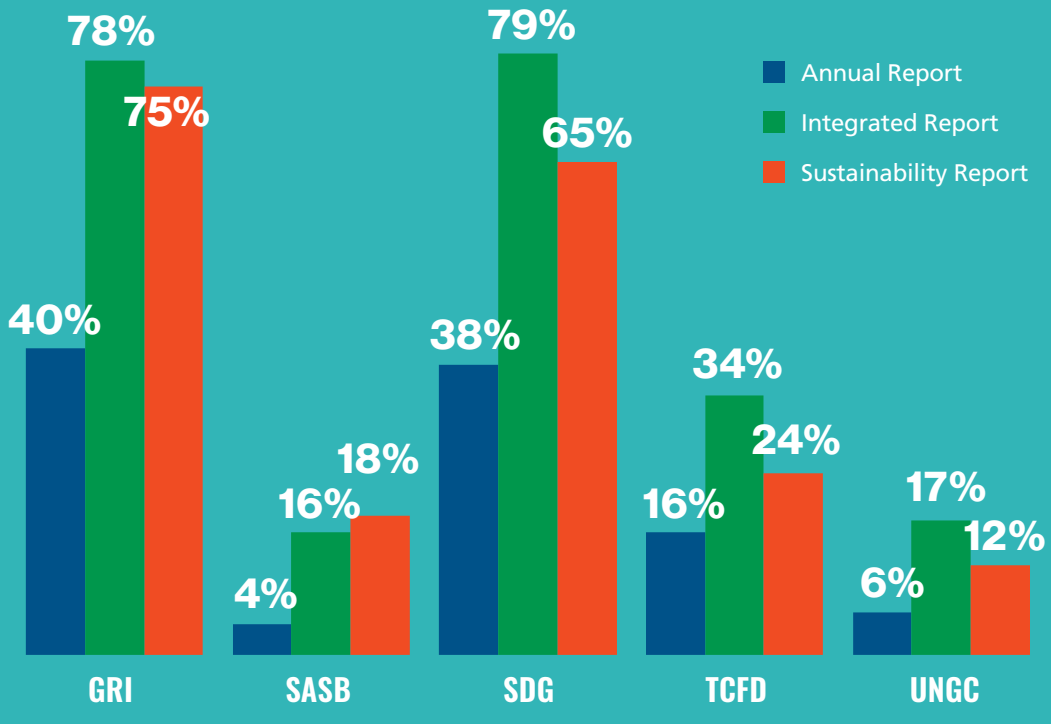


OTHER includes disclosure compliant with CDP, Stock Exchange Listing Requirements, etc.

The single-digit percentages at the left identify instances where there is only one standard referenced in a company's reporting; the right-most percentage identifies total references for each standard.

of the
1,269
companies that disclosed ESG data

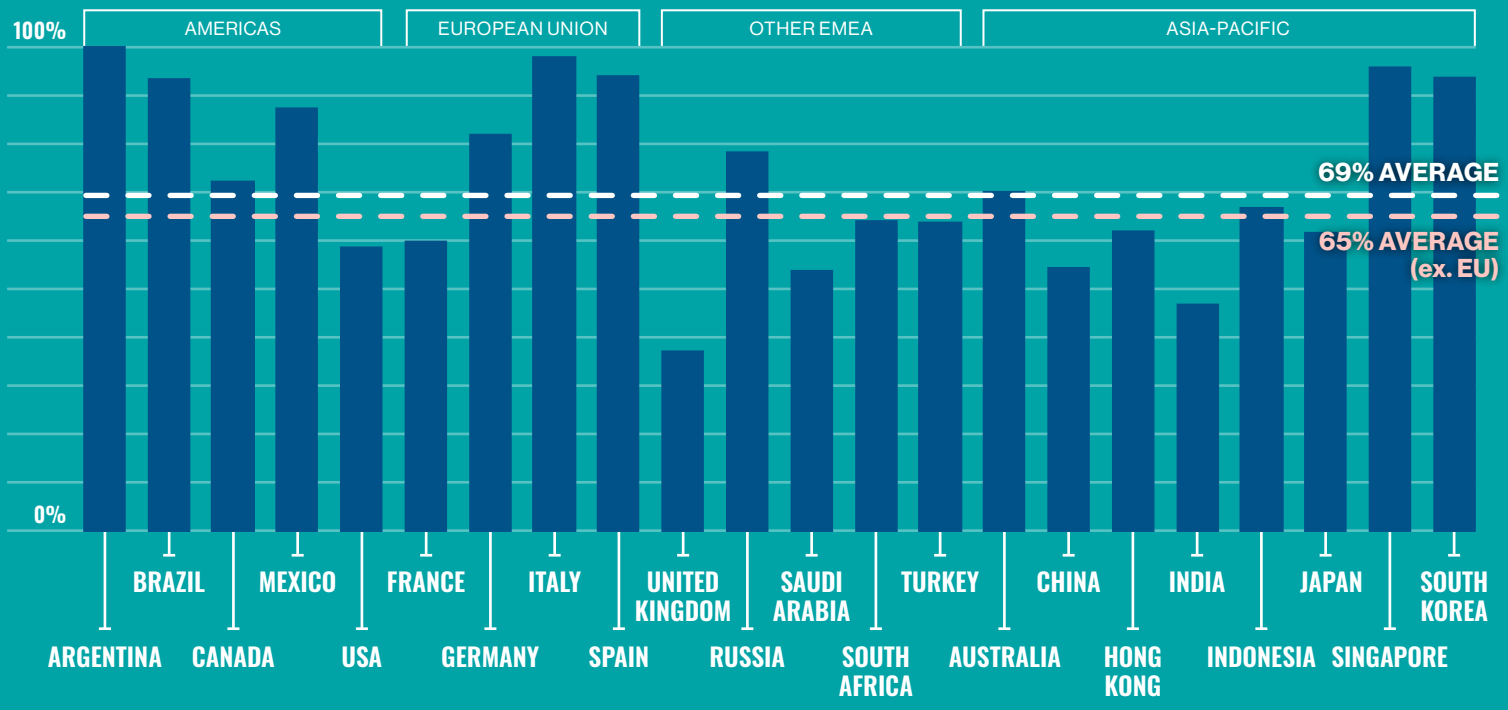
REPORTING FRAMEWORK / STANDARD BY REPORTING METHOD



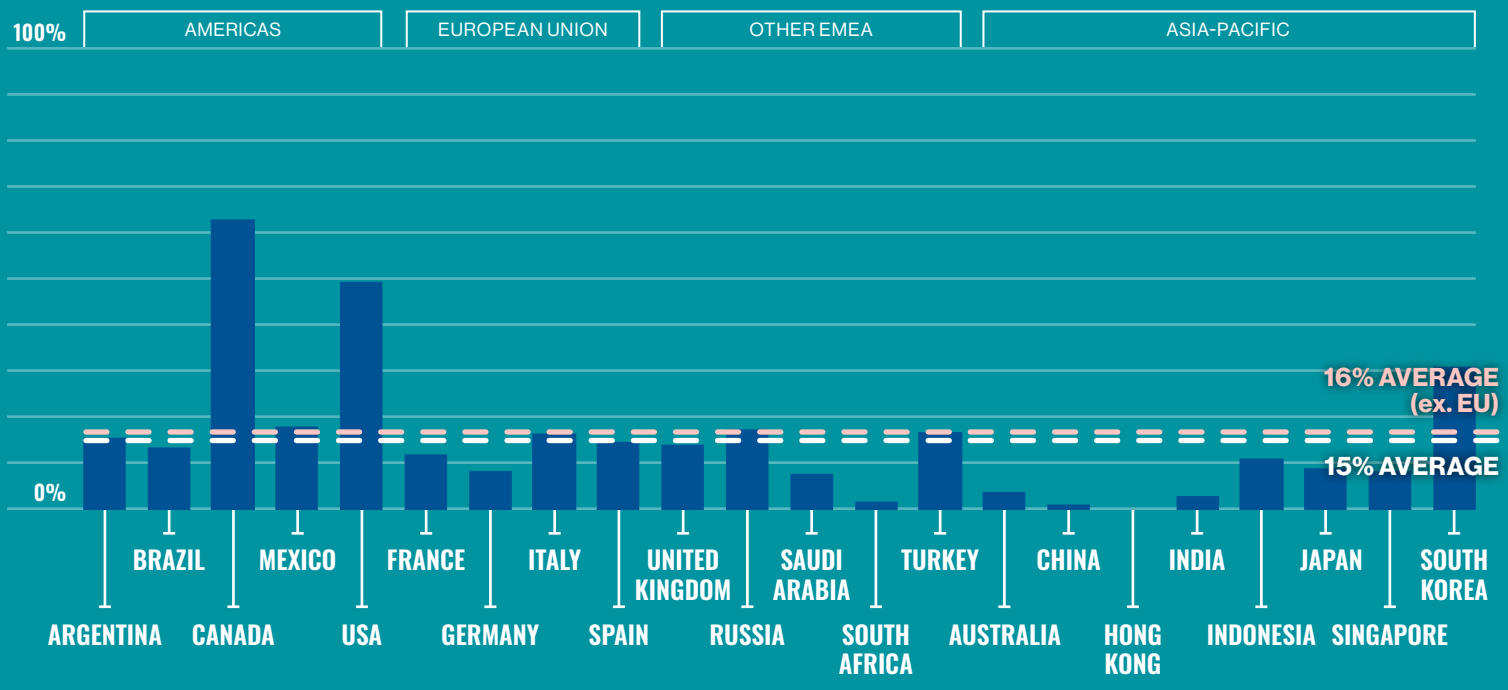
REPORTING

USE OF THE GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

The percentage of ESG reporting framework/standard is calculated as the number of ESG reports that disclosed the use of a framework/ standard vs. the total number of ESG reports.



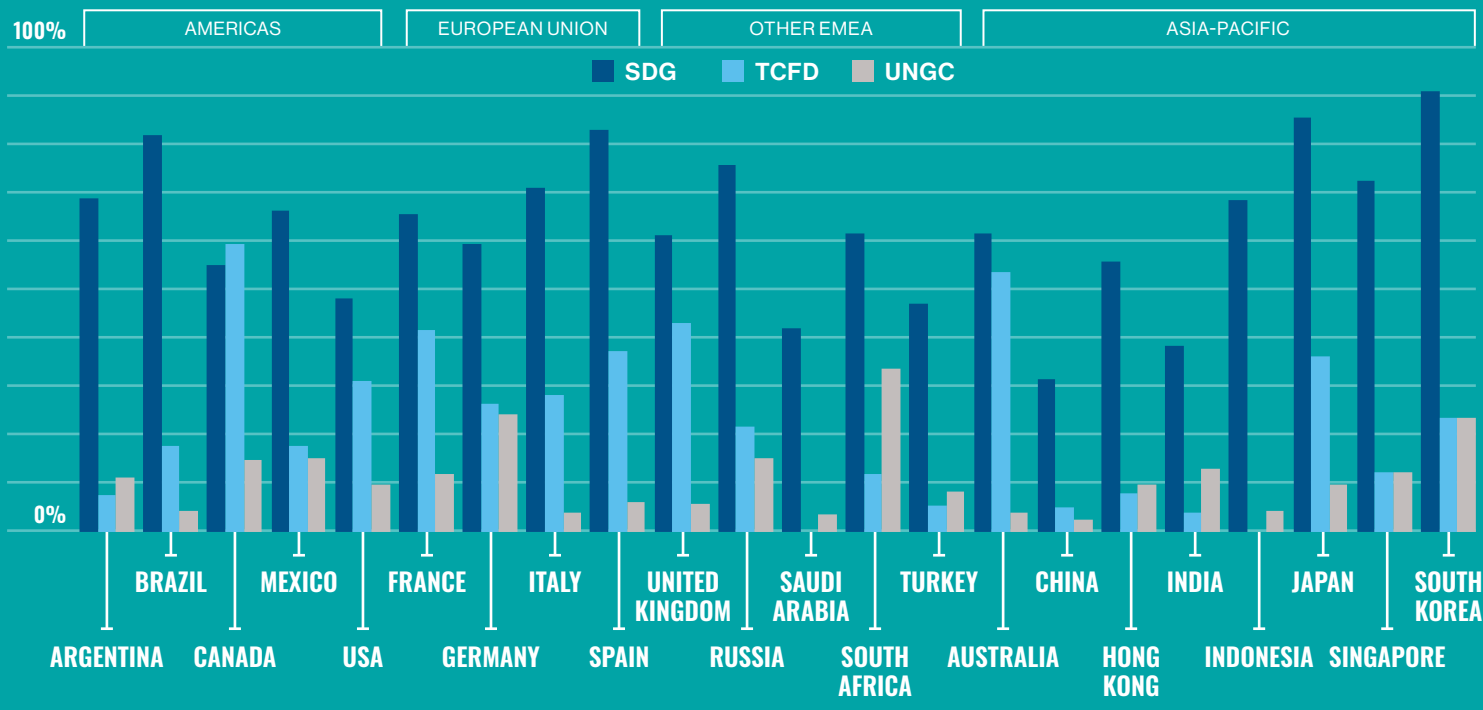
USE OF THE SASB STANDARDS



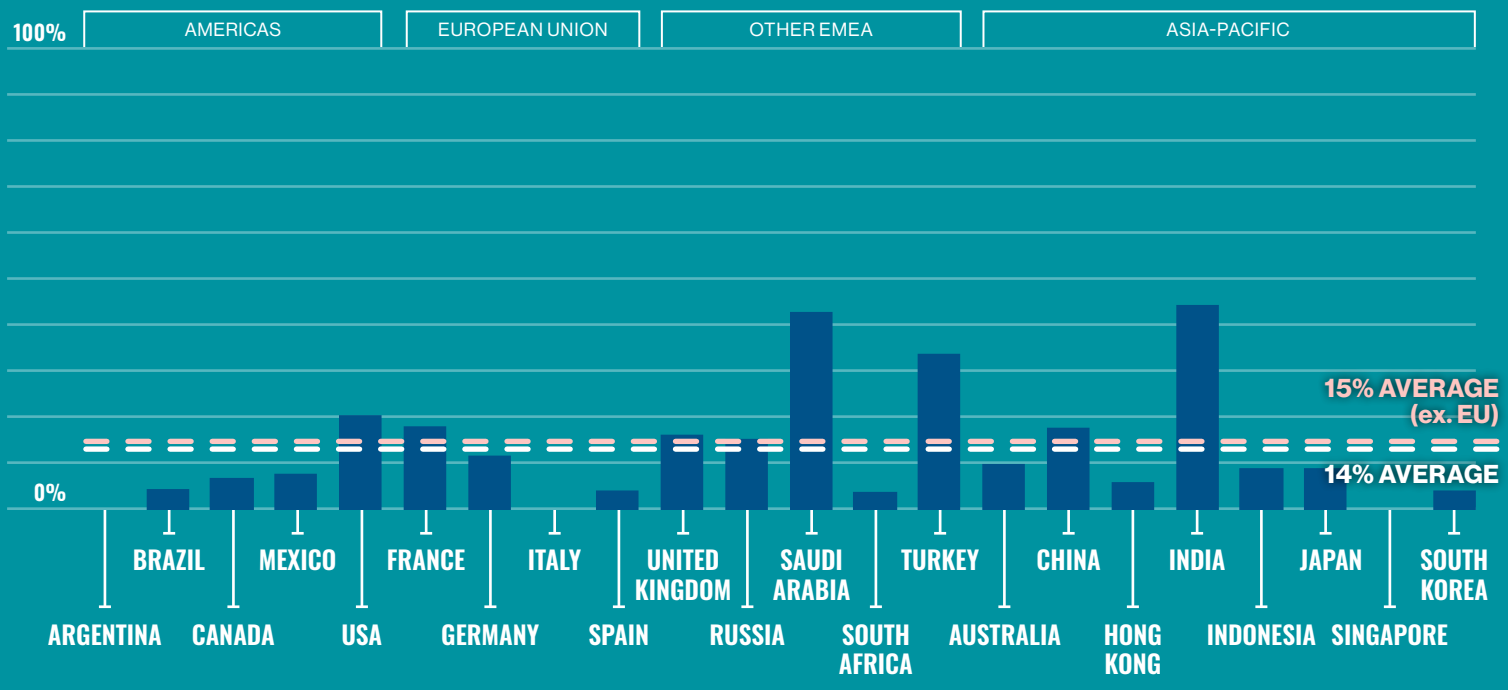
REPORTING

USE OF THE SDG, TCFD, AND UNGC FRAMEWORKS

The UN SDGs and UNGC are included in this analysis due to the frequency with which they are cited by reporting companies on a global level.



NO REPORTING FRAMEWORK/STANDARD REFERENCED



ASSURANCE

ASSURANCE

ASSURED ESG INFORMATION BY JURISDICTION

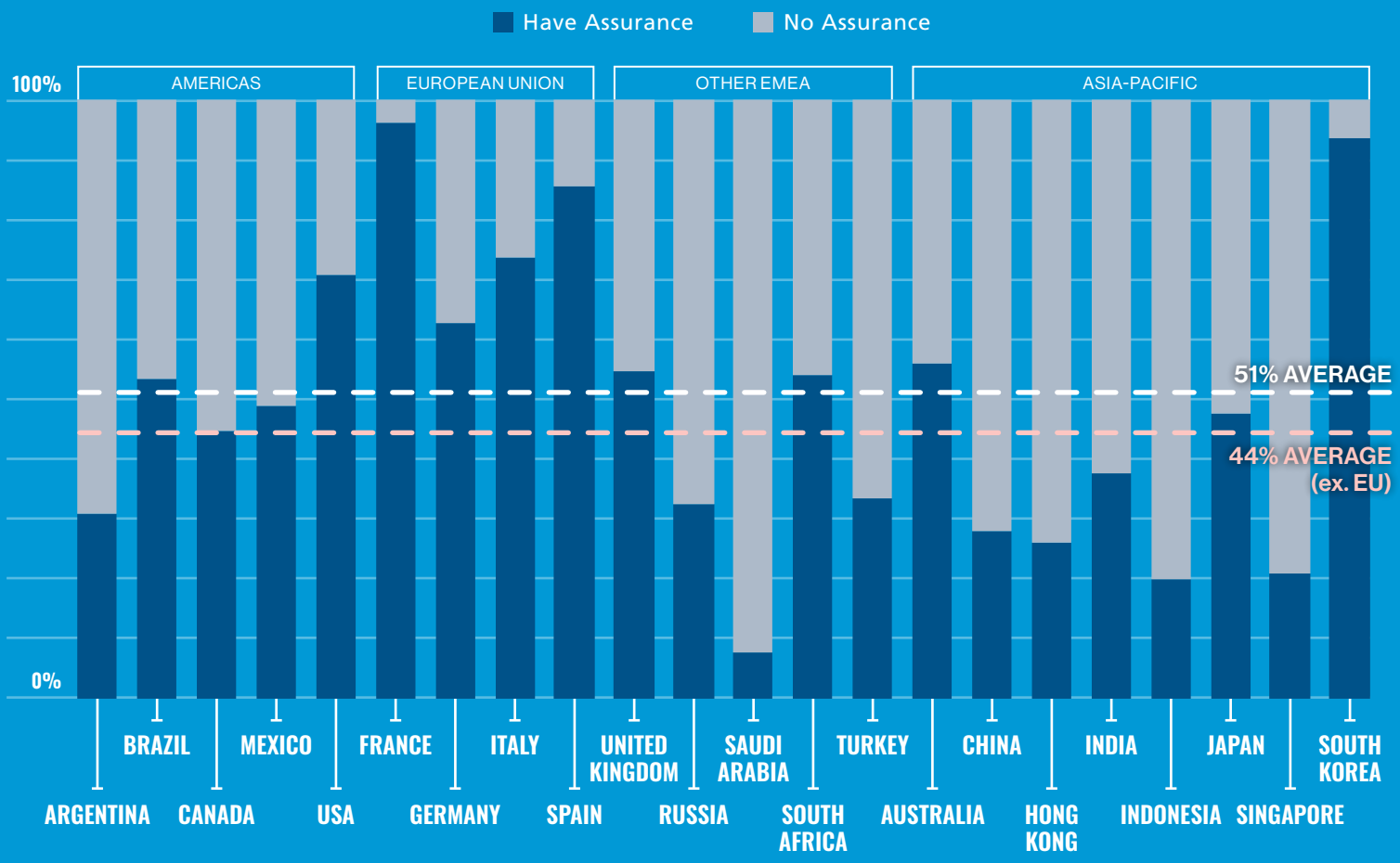
of the **1,269** companies that disclosed ESG data,

51% obtained assurance (**44%** excluding EU)

Percentage of assurance is based on the number of companies that provided assurance over reported ESG information (645) vs. the total number of companies that reported ESG information (1269). If a company provided more than one assurance report (i.e., there were multiple metrics/ information individually verified), that company is only counted once. For example, if a company included five separate assurance reports in their ESG disclosures, it was counted as one ESG report and one assurance report for the purposes of this calculation.

Reviews, verification statements, and other similar items were not counted as assurance reports.

Most assurance reports do not cover all reported information.



52%
OF SUSTAINABILITY REPORTS RECEIVED ASSURANCE

35%
OF ANNUAL REPORTS RECEIVED ASSURANCE

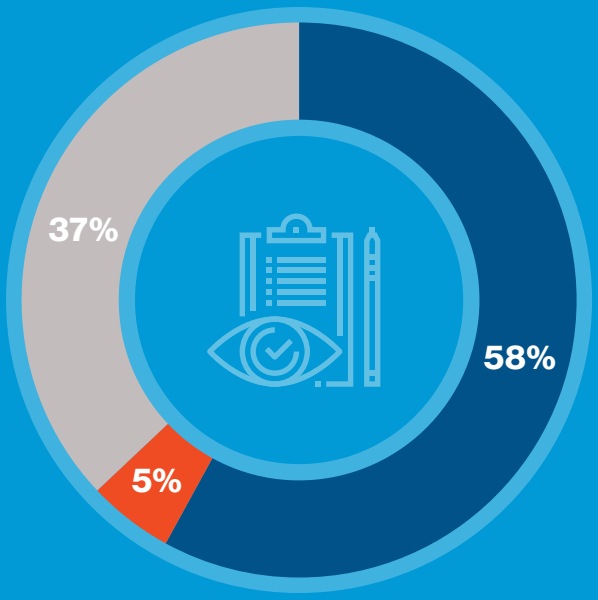
64%
OF INTEGRATED REPORTS RECEIVED ASSURANCE

ASSURANCE

TYPE OF FIRM PROVIDING ASSURANCE

Assurance provider is calculated as the number of assurance reports signed by firm type vs. the total number of assurance reports.

An Affiliated Firm is a an independent entity that is associated with a separate audit firm (typically the audit firm member of a global network).

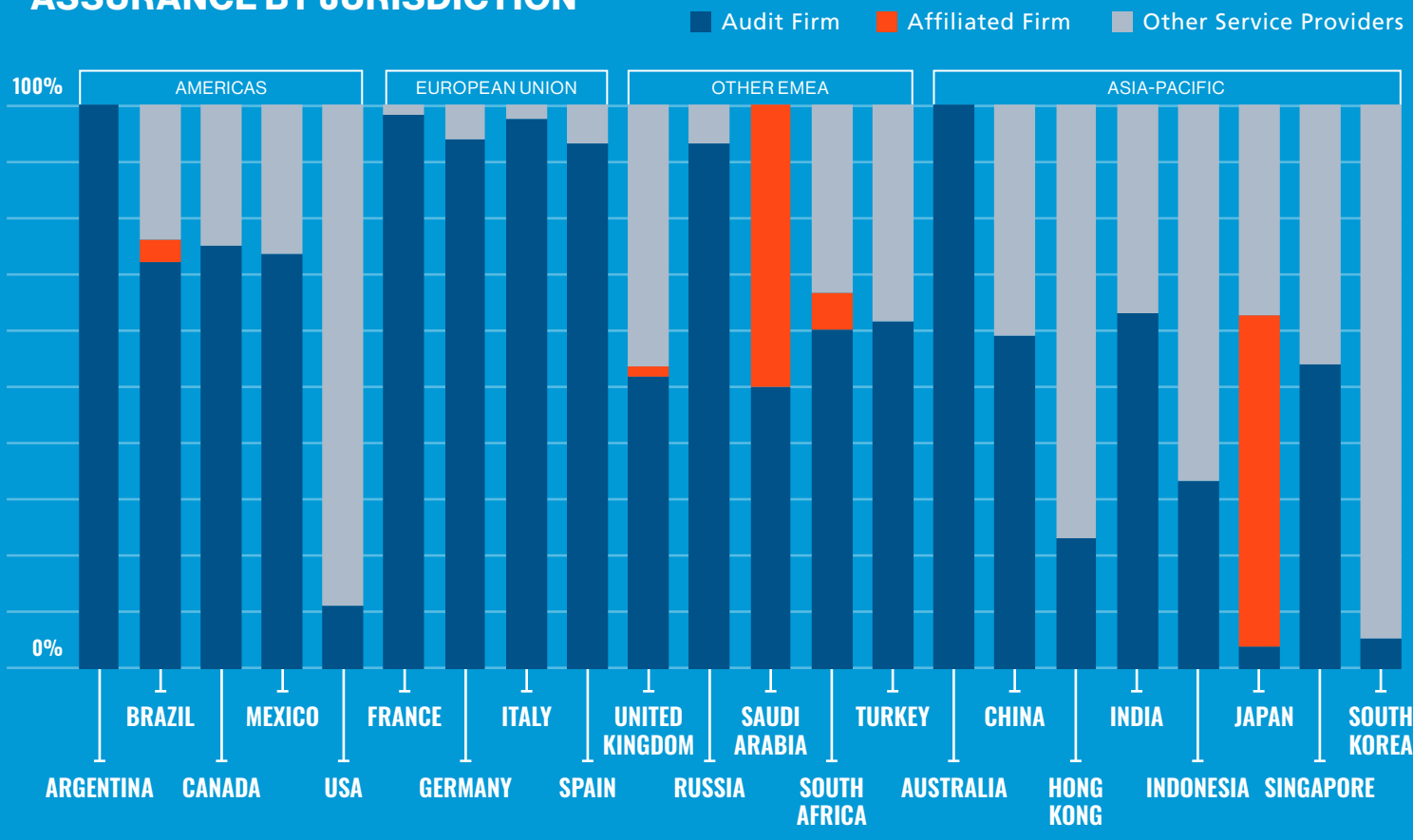


of **704**

distinct assurance reports that provide assurance for **645** companies that disclose ESG data

- Audit Firm
- Affiliated Firm
- Other Service Providers

TYPE OF FIRM PROVIDING ASSURANCE BY JURISDICTION



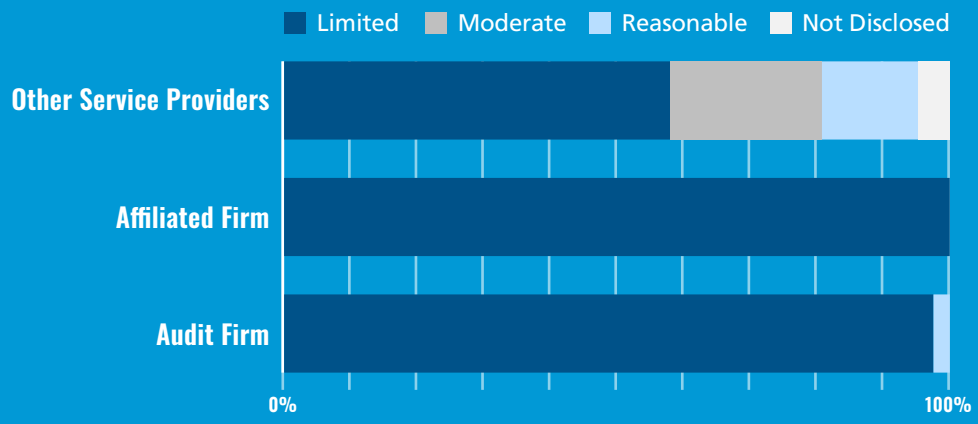
ASSURANCE

LEVEL OF ASSURANCE BY FIRM TYPE

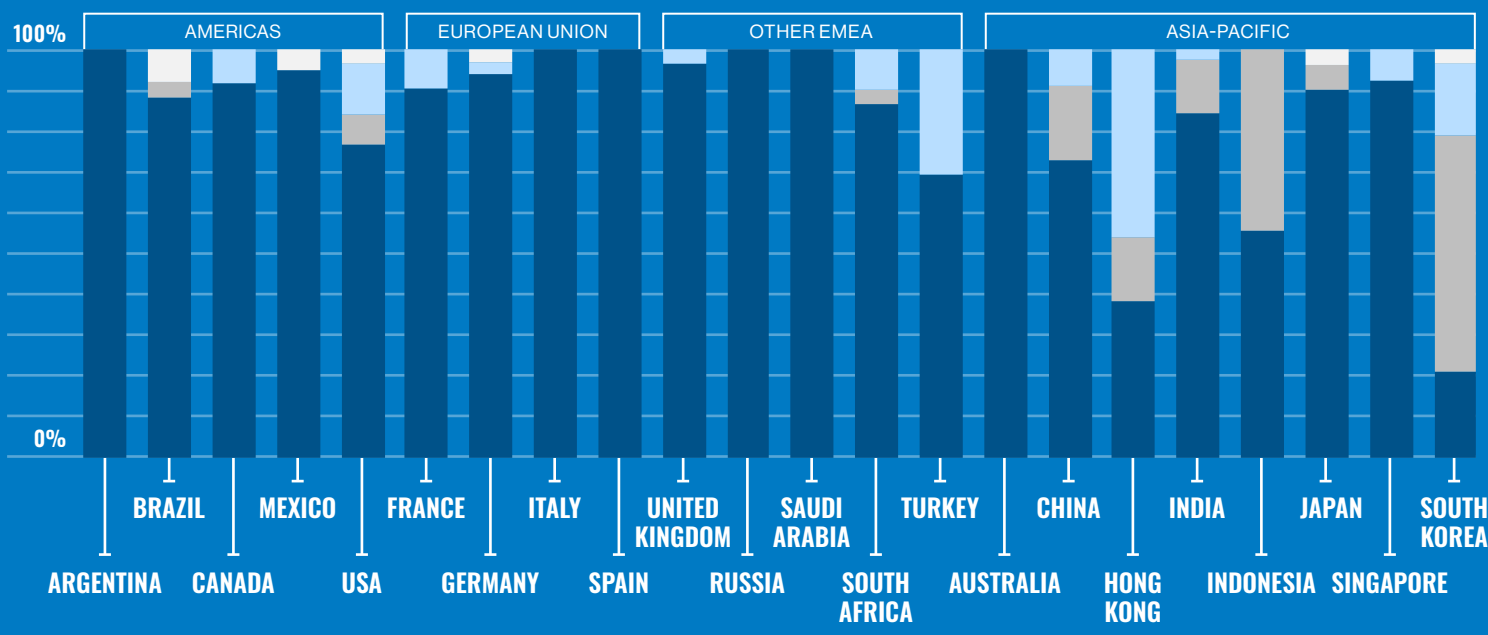
83% **of all assurance engagements result in Limited assurance reports**

Level of assurance is calculated as the number of assurance reports citing a specific level of assurance vs. the total number of assurance reports per firm type.

of **704** distinct assurance reports that provide assurance for **645** companies that disclose ESG data



LEVEL OF ASSURANCE BY JURISDICTION



Level of assurance is calculated as the number of assurance reports citing a specific level of assurance vs. the total number of assurance reports per jurisdiction.

Twenty-four (24) assurance reports provided reasonable assurance on a small number of select disclosure items. These were included as limited assurance because the majority of the assurance was on a limited basis. Ten (10) of these companies were in France, seven (7) were in South Africa, and two (2) were in the United Kingdom. One (1) was in Argentina, Australia, Canada, Hong Kong, and South Korea, each.

In some jurisdictions (e.g., South Korea), there is a common practice of publishing certain metrics (e.g., GHG) in a separate assurance report which receives reasonable assurance, while the majority of ESG information is published in the primary ESG assurance report, which receives either limited or moderate assurance.

All "moderate" assurance reports were signed by other service providers. Moderate assurance was most common in South Korea. Twenty-eight (28) of the thirty-six moderate assurance reports were issued for South Korean companies. Only one company outside of Asia received a moderate-level assurance.

ASSURANCE

ASSURANCE STANDARDS CITED IN ESG REPORTS

Assurance standards cited is calculated as the number of assurance standard references vs. the total number of assurance reports (704). More than one assurance standard may be cited in the same assurance report. For example, ISAE 3410 is often accompanied by ISAE 3000.

The use of ISAE 3000 and ISAE 3410 by Affiliated Firms primarily occurs in Japan.

National 3000 refers to instances where ISAE 3000 has been adopted through a localized domestic standard.

In the USA, "Other" refers to the AICPA Attestation Standards.

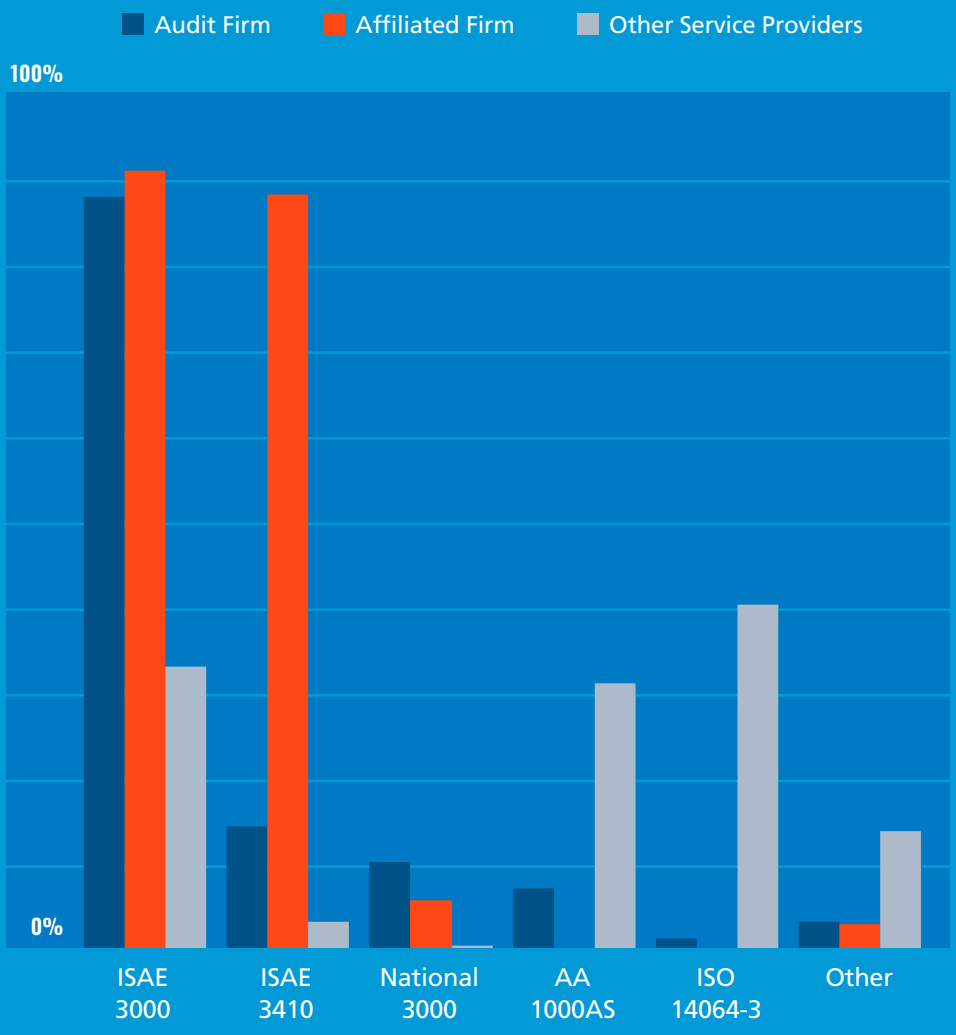
88%

of assurance engagements employing an Audit Firm made use of the International Standard on Assurance Engagements 3000 (Revised), while other service providers often rely on alternative assurance standards.

of **410**
AUDIT FIRM REPORTS

of **35**
AFFILIATED FIRM REPORTS

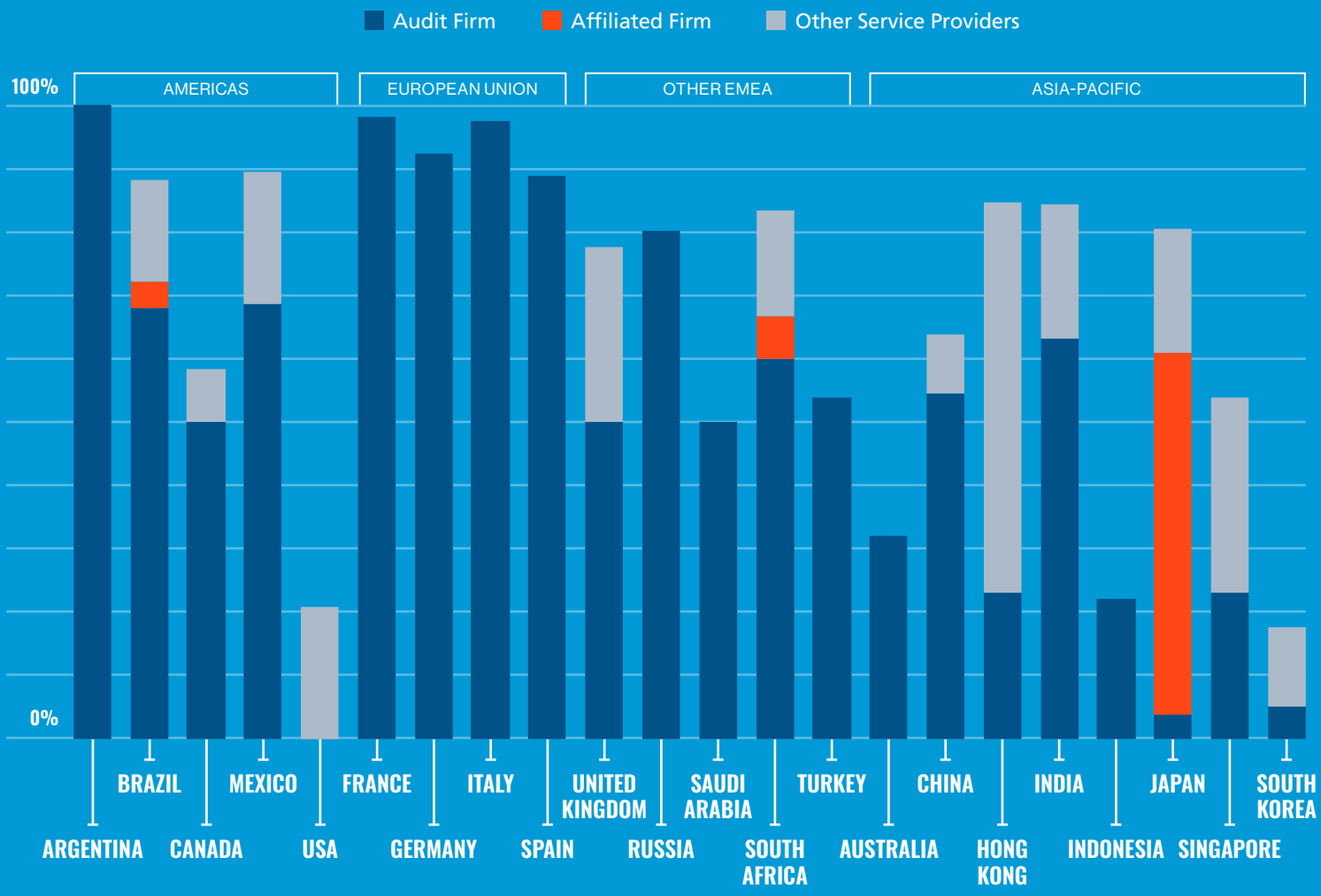
of **259**
OTHER SERVICE PROVIDER REPORTS



ASSURANCE

USE OF ISAE 3000 BY ASSURANCE FIRM TYPE ACROSS DIFFERENT JURISDICTIONS

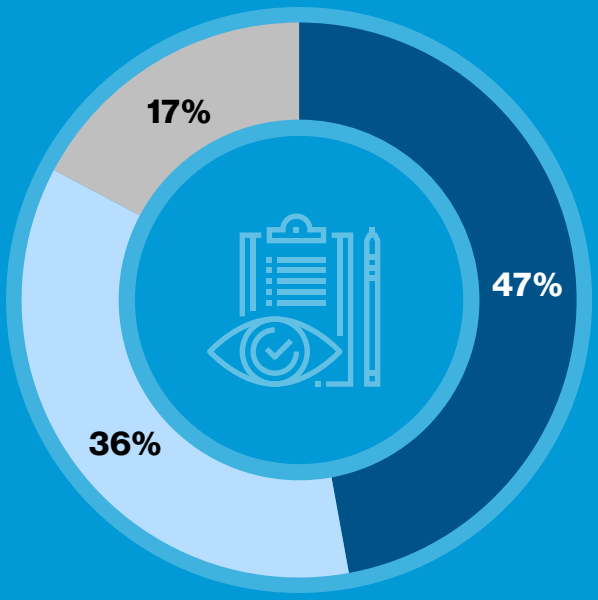
The percentage of assurance firms that use ISAE 3000 is calculated as the number of assurance reports that reference ISAE 3000 vs. the total number of assurance reports (704).



ASSURANCE

OTHER SERVICE PROVIDERS' USE OF ISAE 3000

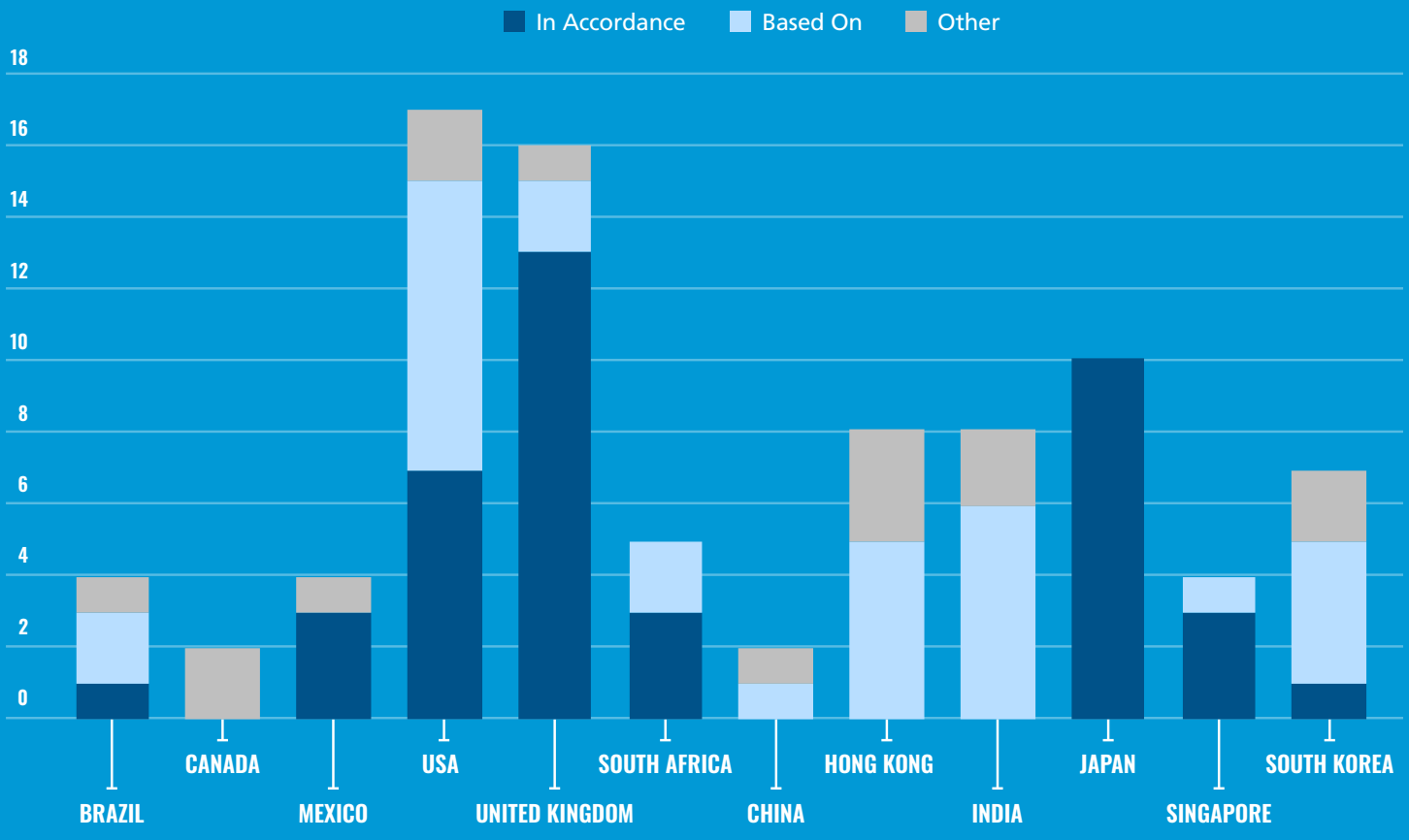
This percentage demonstrates how other service providers reference their use of ISAE 3000. This is calculated by the number of assurance reports using specific terms vs. the total number of assurance reports that reference ISAE 3000 and are signed by other service providers. This occurred in twelve (12) jurisdictions. "Other" includes references to ISAE 3000 in various ways, including "incorporated," "applied," "used to conduct," "commensurate," "including," and "utilized the same verification principles." Several reference ISAE 3000 with no additional context.



of the **87**

assurance reports by Other Service Providers using ISAE 3000

- In Accordance
- Based On
- Other

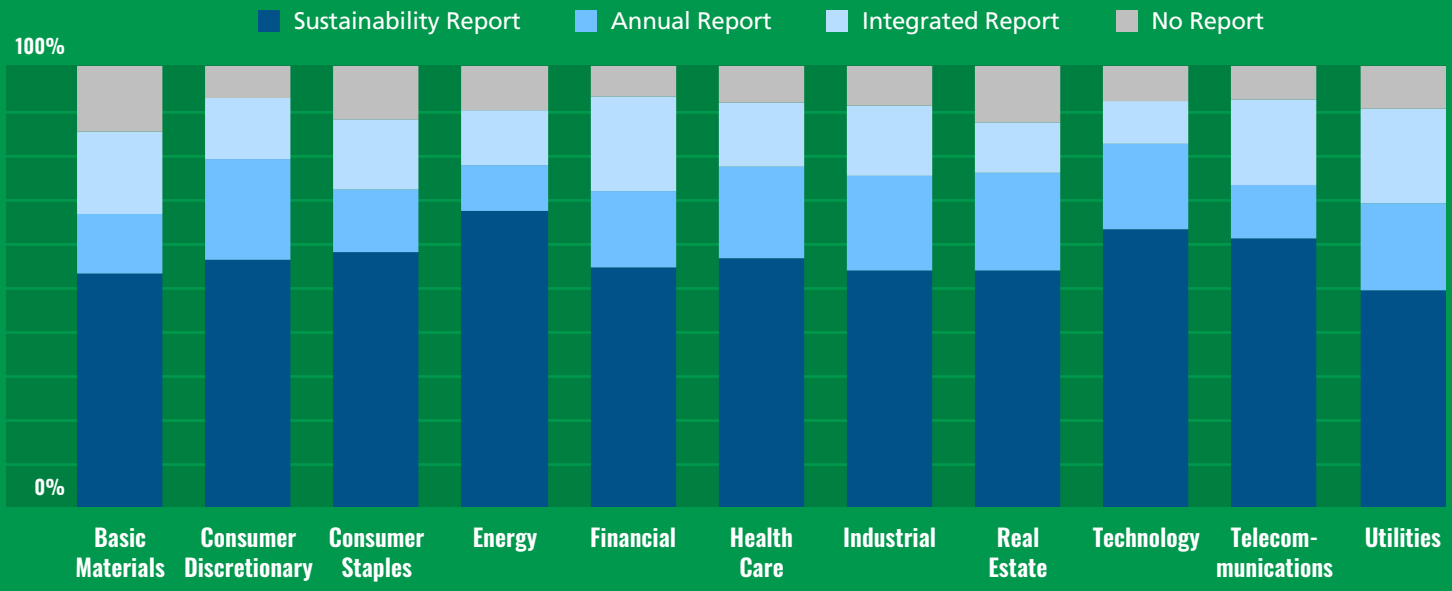


INDUSTRY ANALYSIS

INDUSTRY ANALYSIS

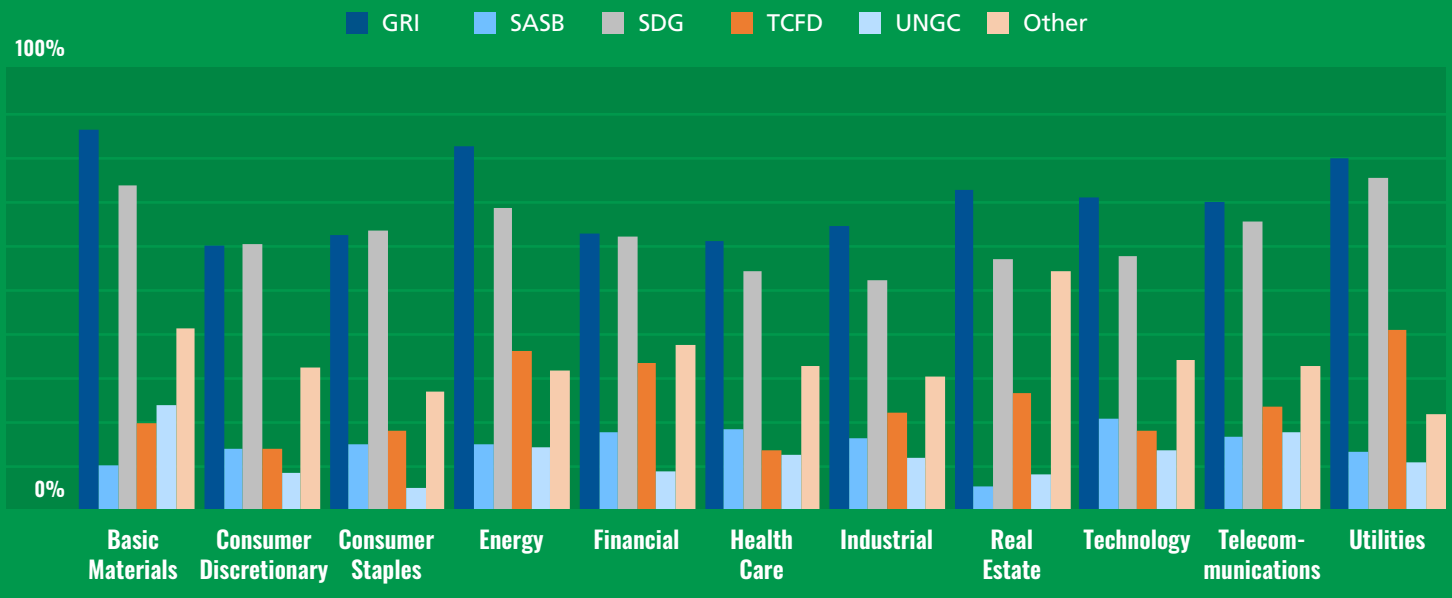
METHOD OF ESG REPORTING BY INDUSTRY

Method of ESG disclosure is based on the type of report vs. the total number of companies in the analysis (1400).



ESG REPORTING FRAMEWORK/ STANDARDS BY INDUSTRY

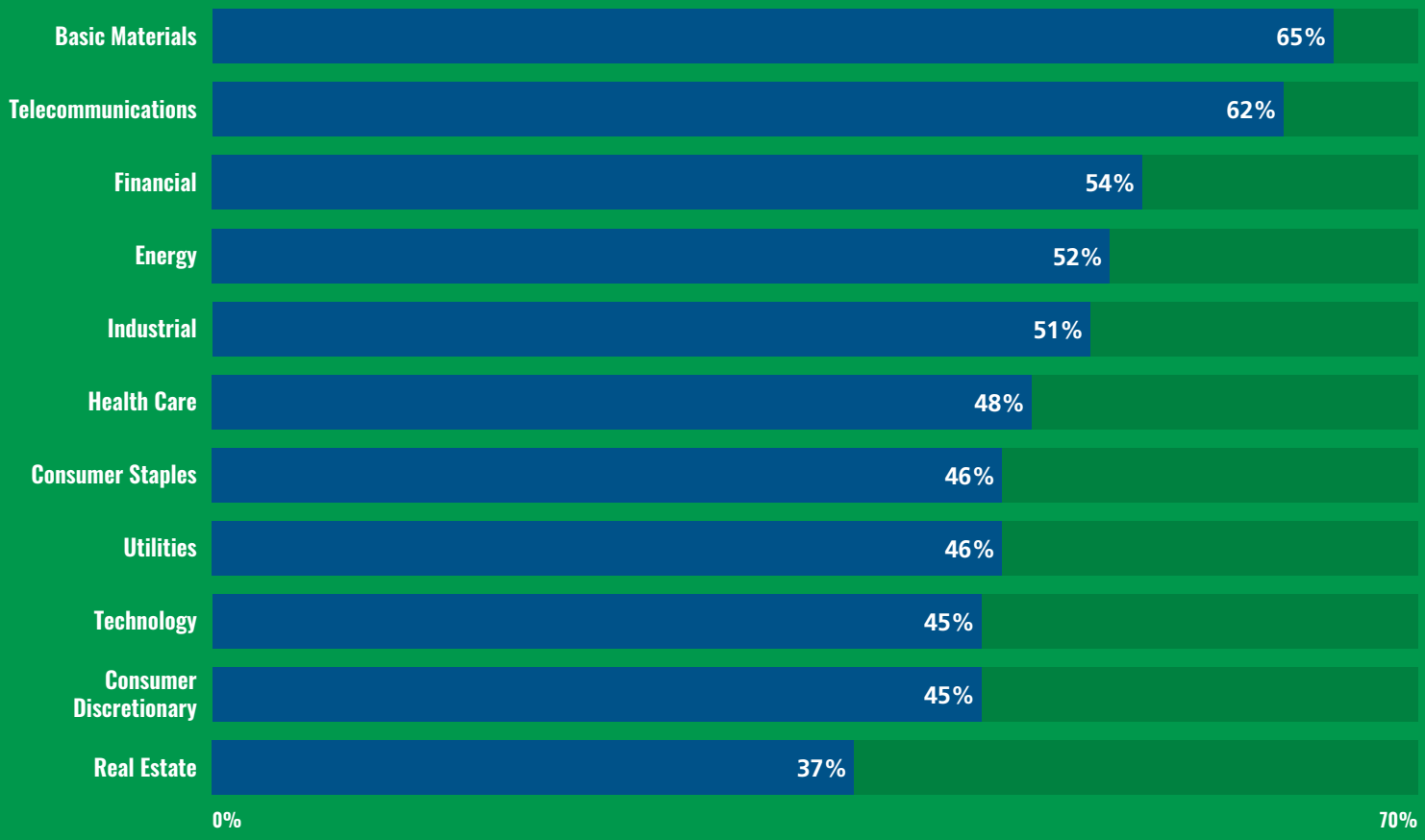
The percentage of ESG reporting framework/standard is calculated as the number of reports that disclose the use of a specific framework/standard vs. the total number of reports that include ESG information (1269). The total percentage of frameworks/ standards will be greater than 100% because a company might use more than one framework/standard for reporting purposes.



INDUSTRY ANALYSIS

PERCENTAGE OF ASSURANCE BY INDUSTRY

Percentage of assurance is based on the number of companies that received assurance reports vs. the total number of unique reports (704). This excludes companies that do not issue ESG reports.



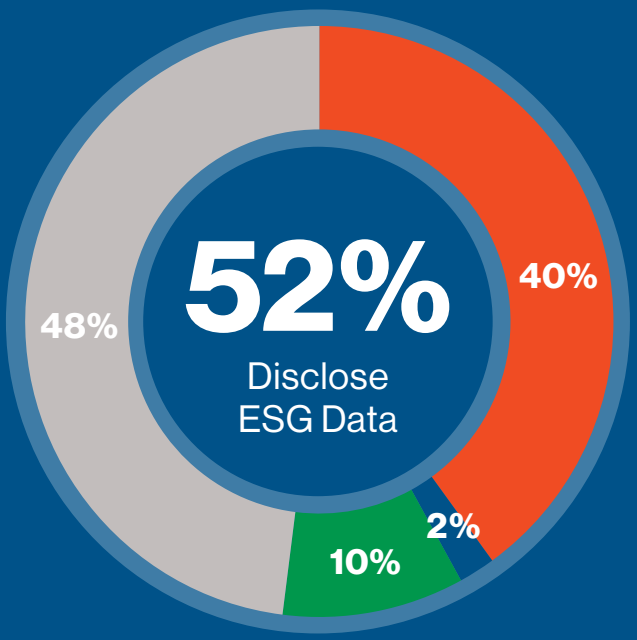
JURISDICTION PROFILES

ARGENTINA

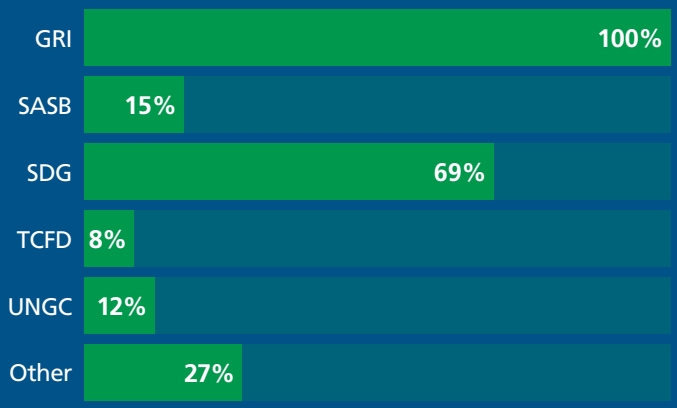
METHOD OF ESG DISCLOSURE

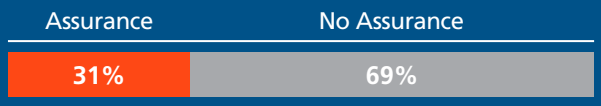
Region: AMERICAS





52% (26) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:



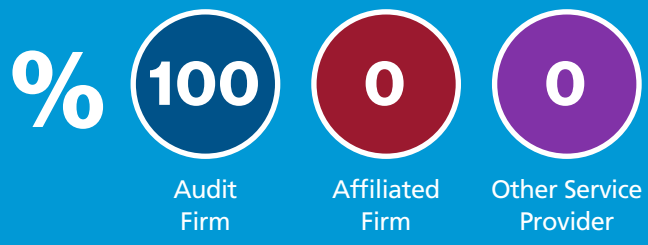


Of the 26 companies that provided ESG Disclosures, 31% (8) received assurance as follows:

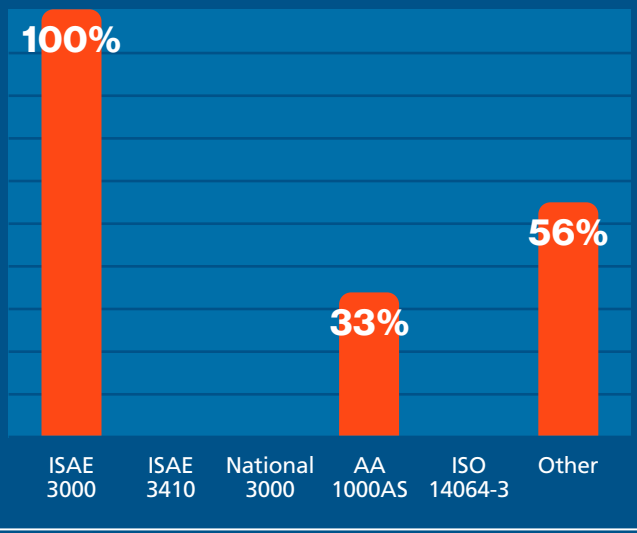


Assurance was provided through 9 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM



ASSURANCE STANDARD

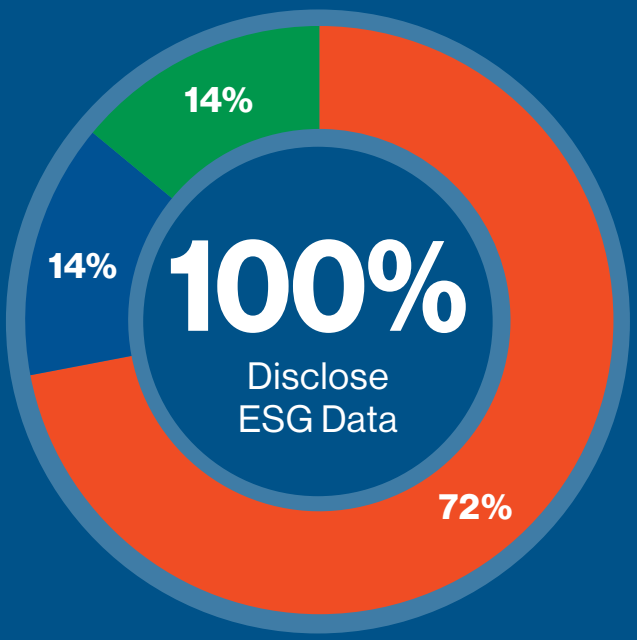


AUSTRALIA

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

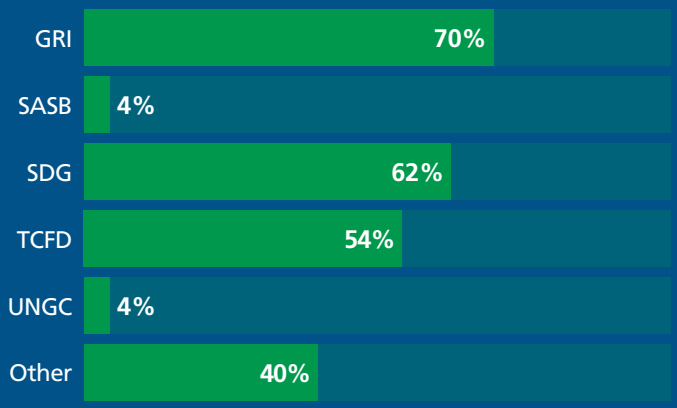






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

100% (50) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 50 companies that provided ESG Disclosures, 56% (28) received assurance as follows:

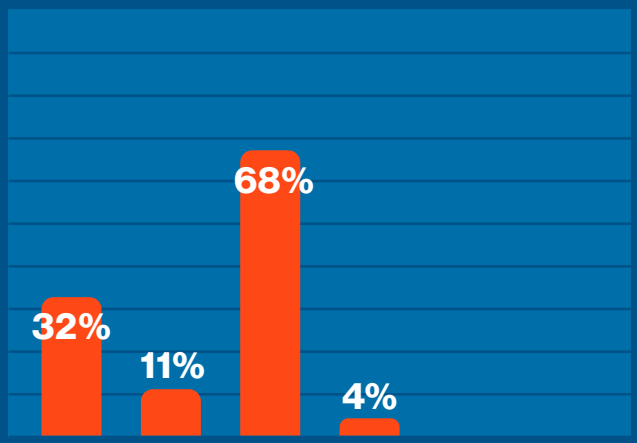
%	100	0	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 28 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	100	0	0
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

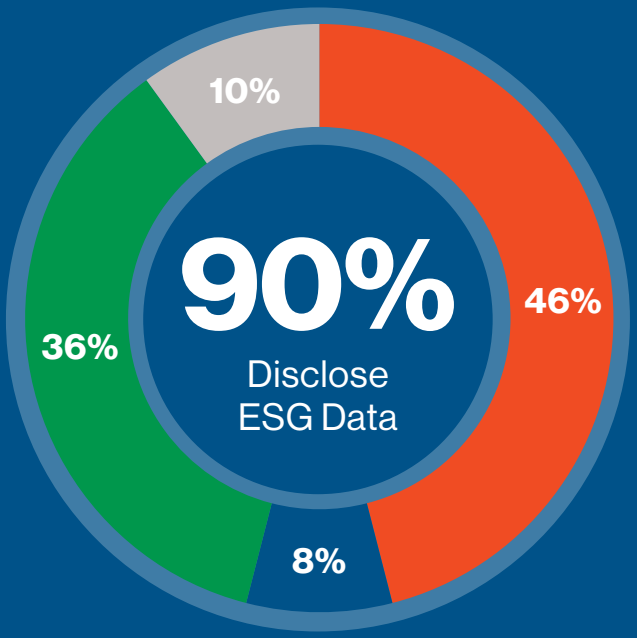


BRAZIL

METHOD OF ESG DISCLOSURE

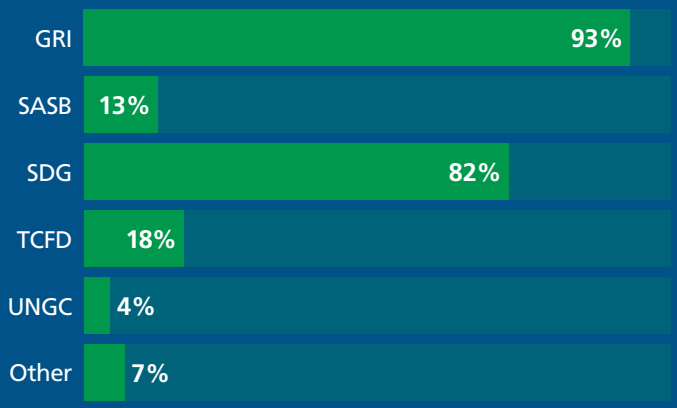
Region: AMERICAS







90% (45) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 45 companies that provided ESG Disclosures, 53% (24) received assurance as follows:

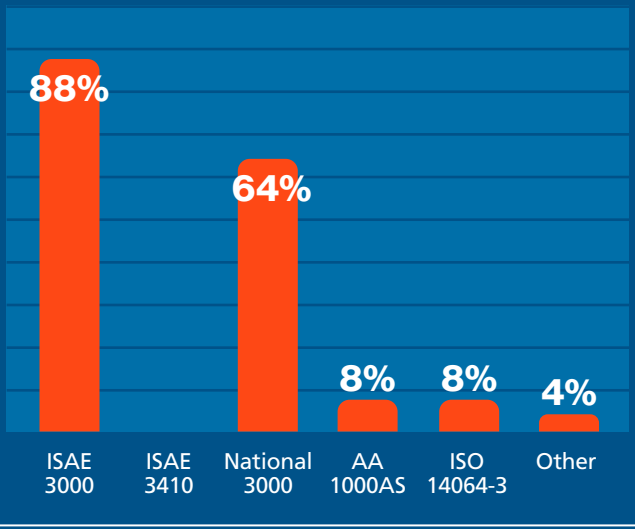


Assurance was provided through 25 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM



ASSURANCE STANDARD

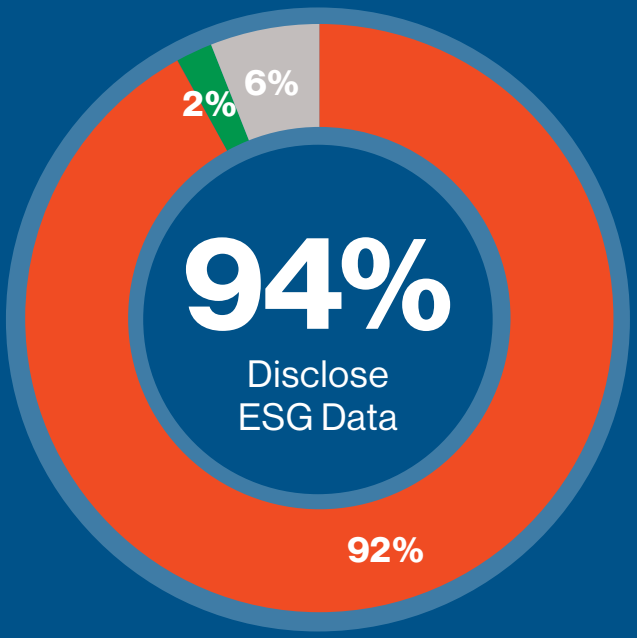


CANADA

METHOD OF ESG DISCLOSURE

Region: AMERICAS

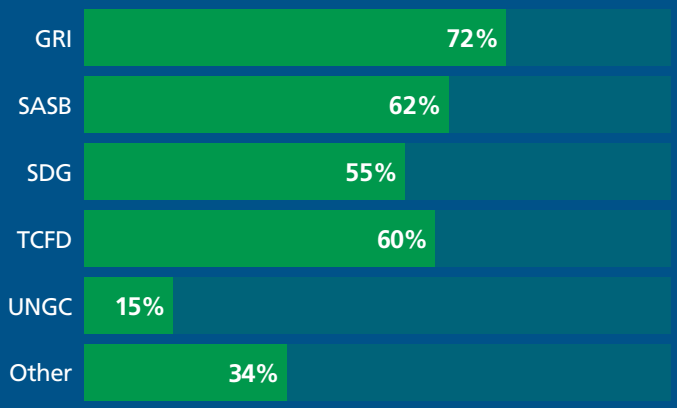






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

94% (47) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 47 companies that provided ESG Disclosures, 45% (21) received assurance as follows:

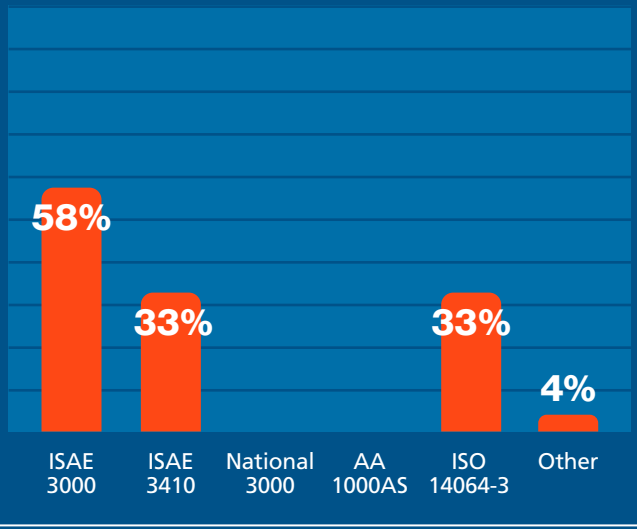
%	92	8	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 24 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	75	0	25
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

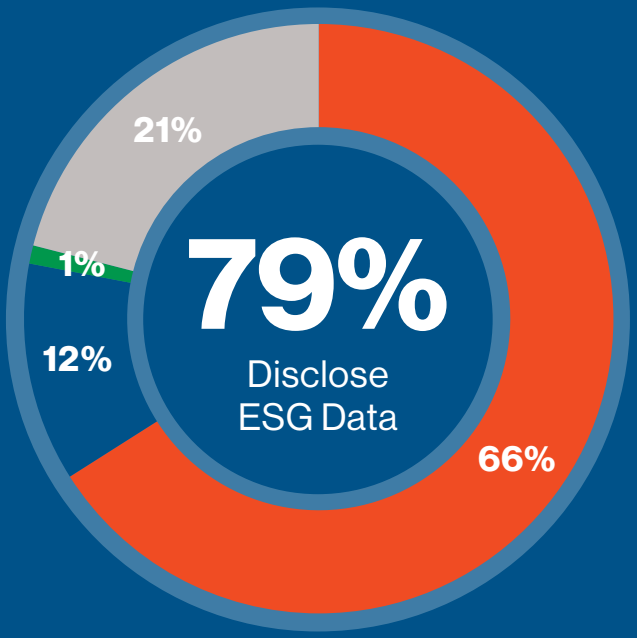


CHINA (Mainland)

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

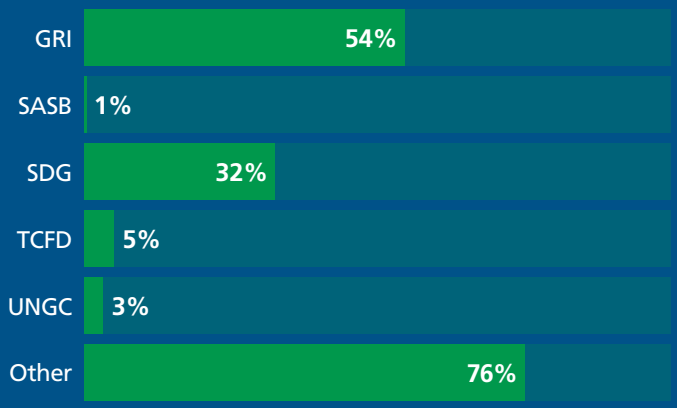






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

79% (79) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 79 companies that provided ESG Disclosures, 28% (22) received assurance as follows:

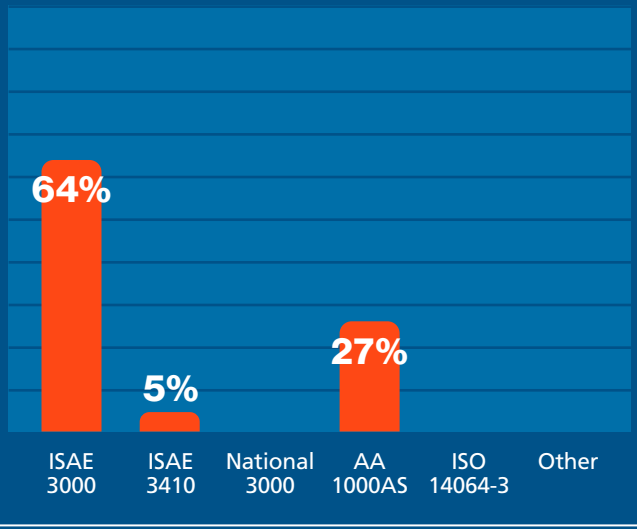
%	73	9	18	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 22 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	59	0	41
	Audit Firm	Affiliated Firm	Other Service Provider

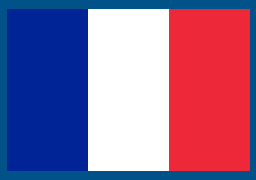
ASSURANCE STANDARD



FRANCE

METHOD OF ESG DISCLOSURE

Region: EUROPEAN UNION

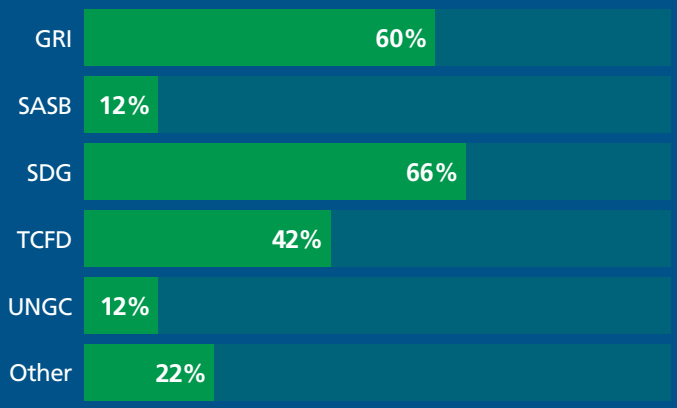


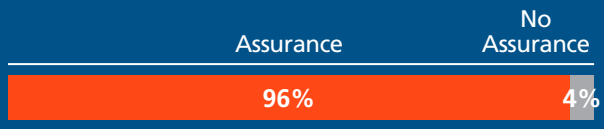




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

100% (50) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 50 companies that provided ESG Disclosures, 96% (48) received assurance as follows:

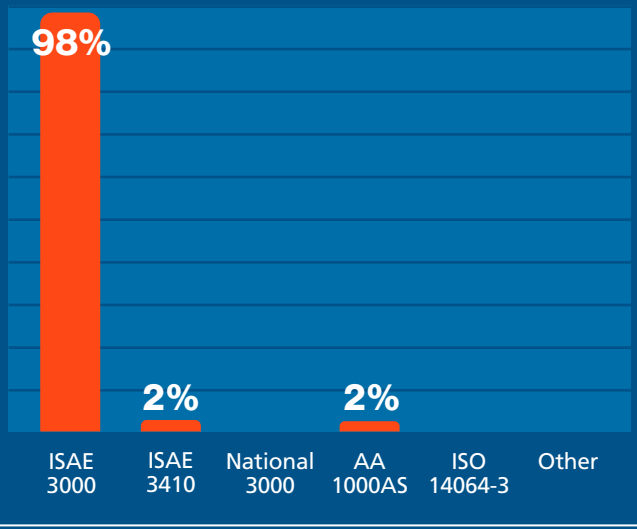
%	90	10	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 52 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	98	0	2
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

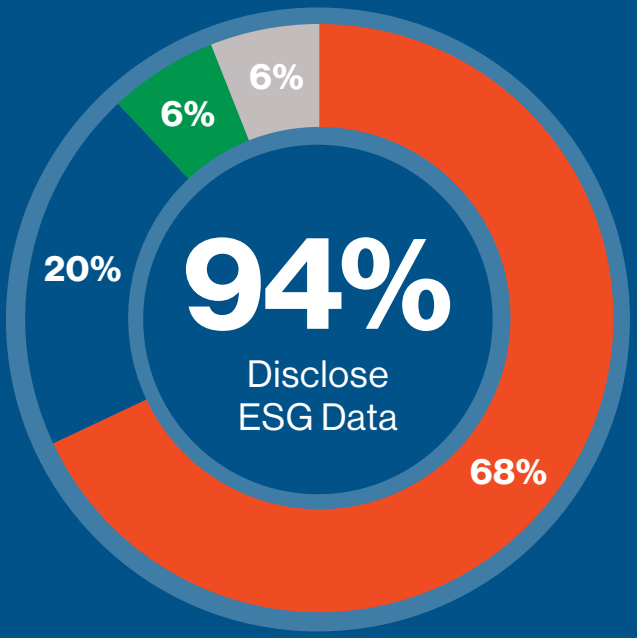


GERMANY

METHOD OF ESG DISCLOSURE

Region: EUROPEAN UNION

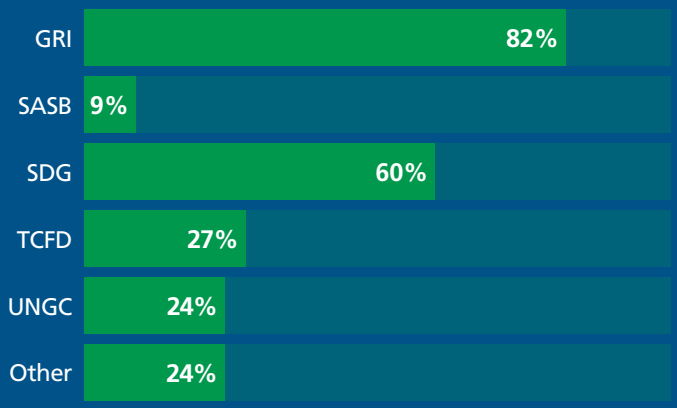






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

94% (94) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 94 companies that provided ESG Disclosures, 63% (59) received assurance as follows:

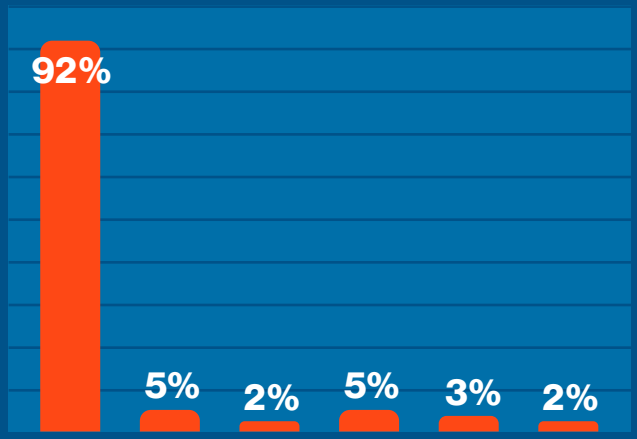
%	94	3	0	3
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 64 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	94	0	6
	Audit Firm	Affiliated Firm	Other Service Provider

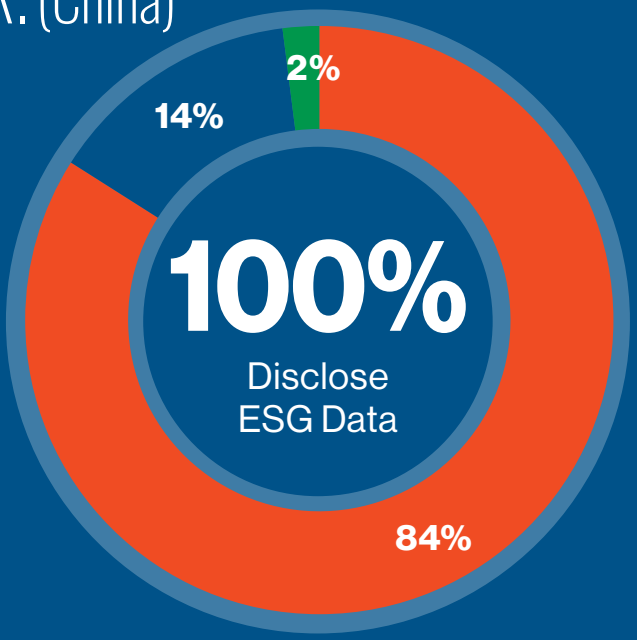
ASSURANCE STANDARD



HONG KONG S.A.R. (China)

METHOD OF ESG DISCLOSURE

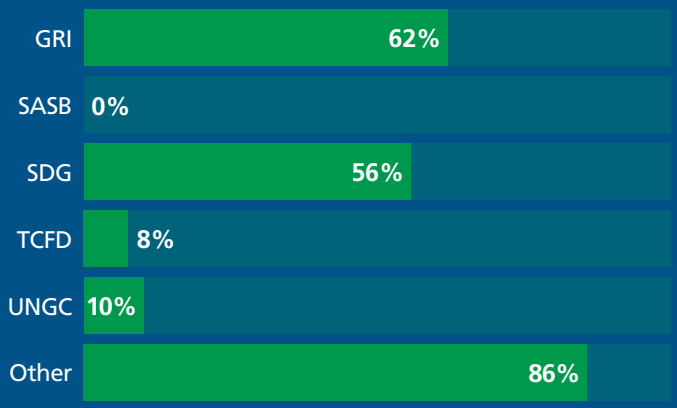
Region: ASIA-PACIFIC





- Sustainability Report
- Annual Report
- Integrated Report
- No Report

100% (50) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 50 companies that provided ESG Disclosures, 26% (13) received assurance as follows:

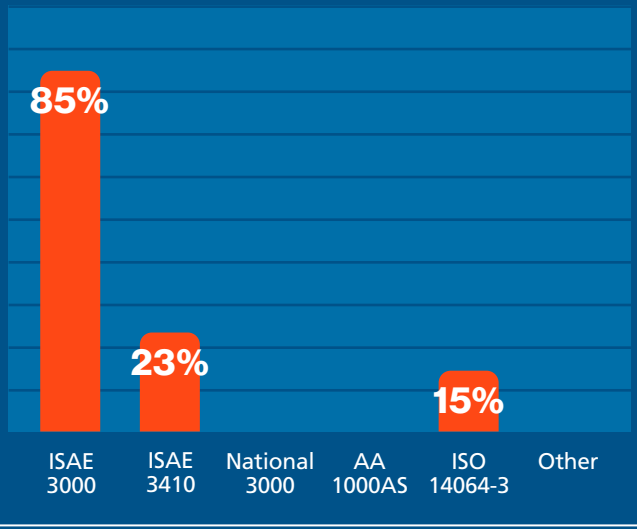
%	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed
	38	46	16	0

Assurance was provided through 13 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	Audit Firm	Affiliated Firm	Other Service Provider
	23	0	77

ASSURANCE STANDARD

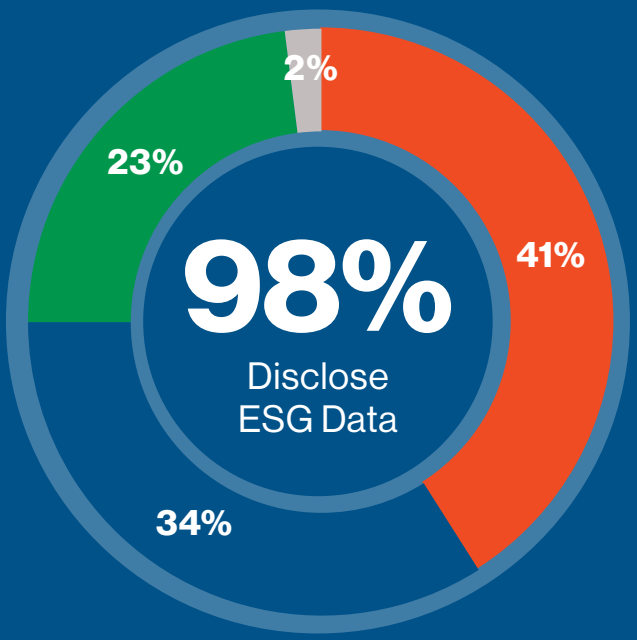


INDIA

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

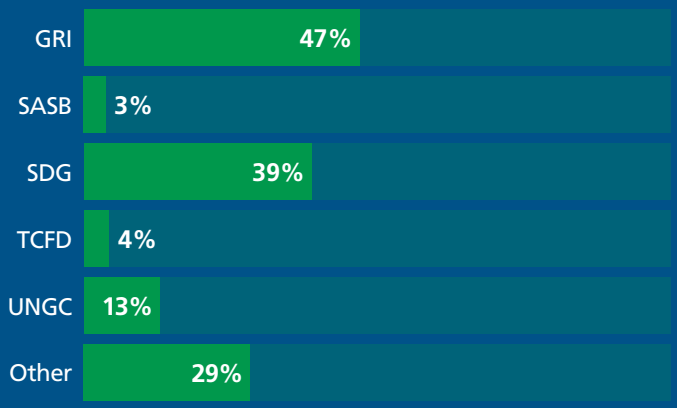






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

98% (98) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 98 companies that provided ESG Disclosures, 38% (37) received assurance as follows:

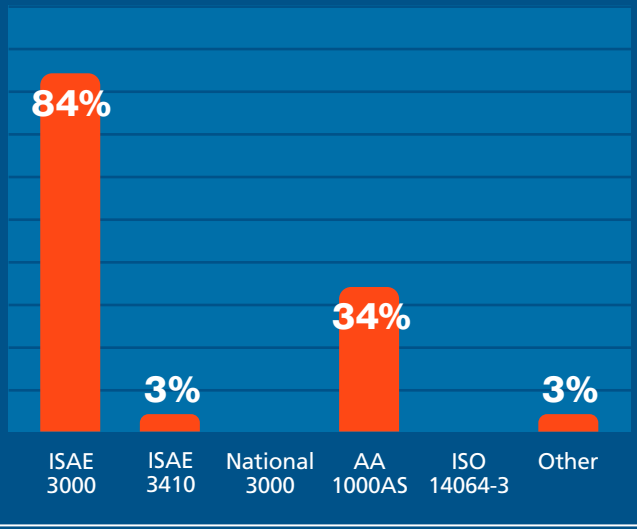
%	84	3	13	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 38 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	63	0	37
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

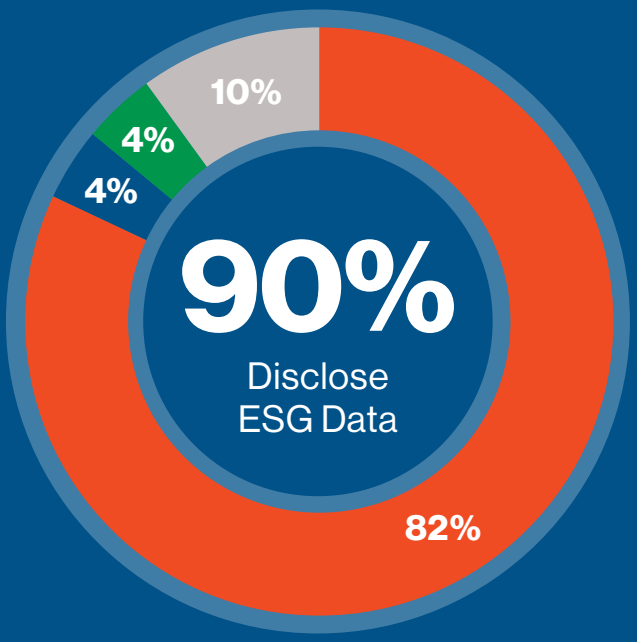


INDONESIA

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

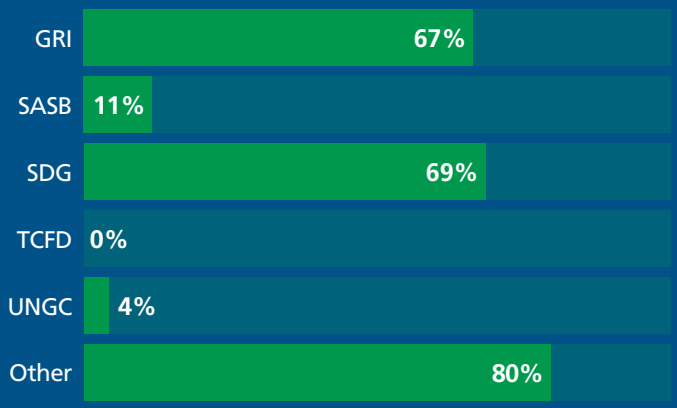


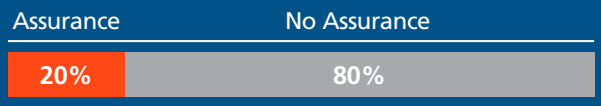




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

90% (45) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 45 companies that provided ESG Disclosures, 20% (9) received assurance as follows:

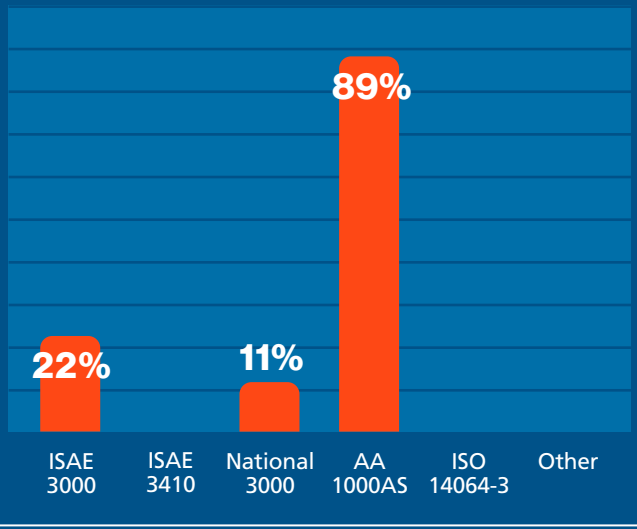
%	56	0	44	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 9 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	33	0	67
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

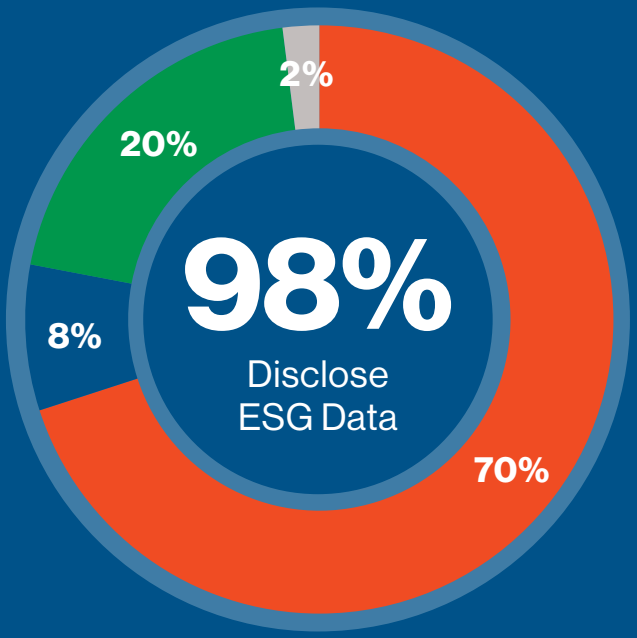


ITALY

METHOD OF ESG DISCLOSURE

Region: EUROPEAN UNION

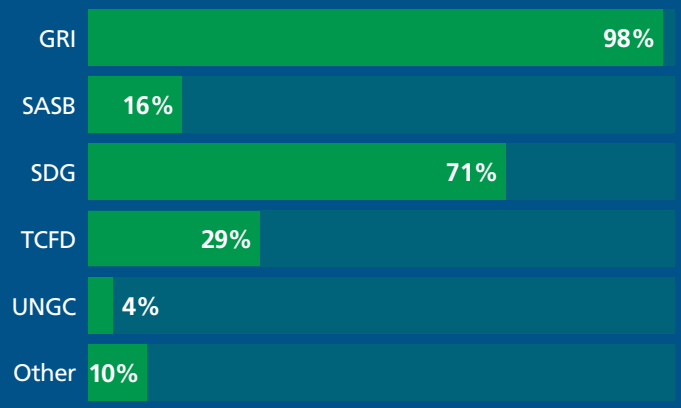






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

98% (49) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 49 companies that provided ESG Disclosures, 73% (36) received assurance as follows:

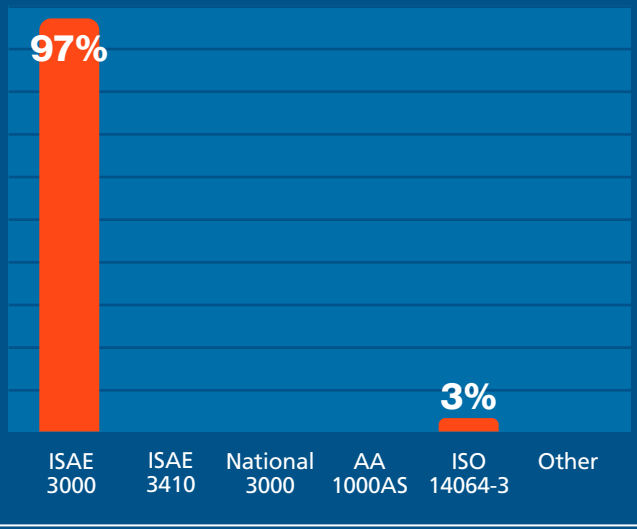
%	100	0	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 37 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	97	0	3
	Audit Firm	Affiliated Firm	Other Service Provider

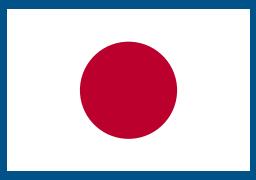
ASSURANCE STANDARD

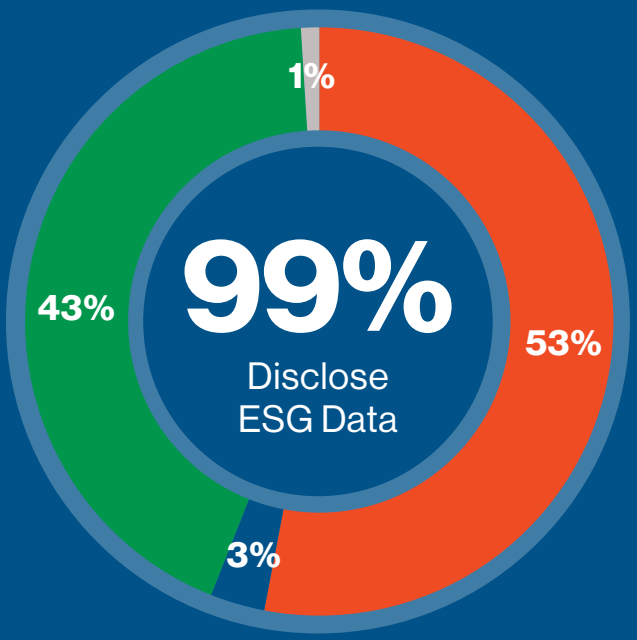


JAPAN

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

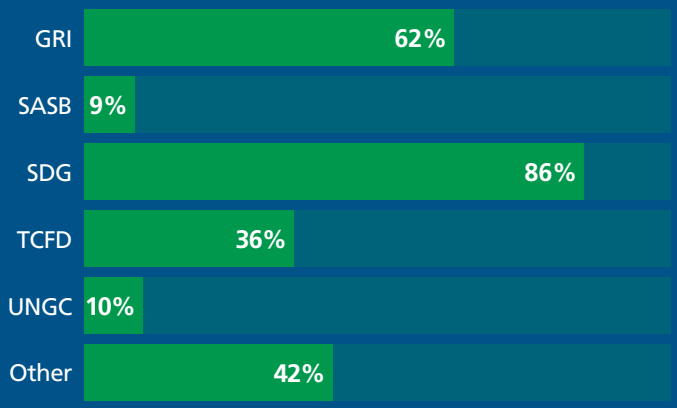






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

99% (99) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 99 companies that provided ESG Disclosures, 47% (47) received assurance as follows:

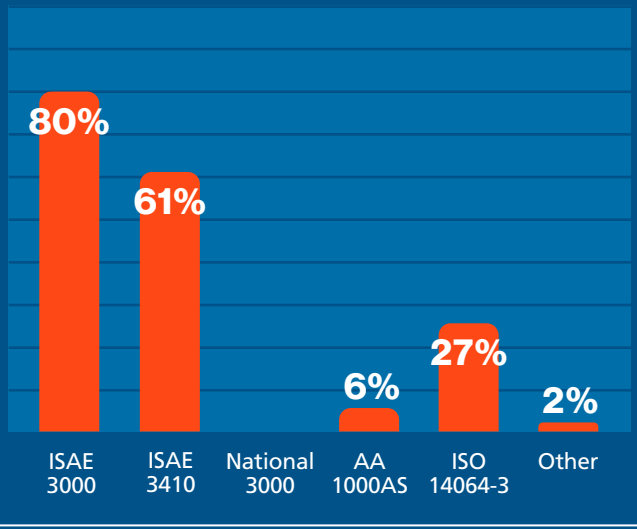
%	90	0	6	4
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 51 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	10	53	37
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

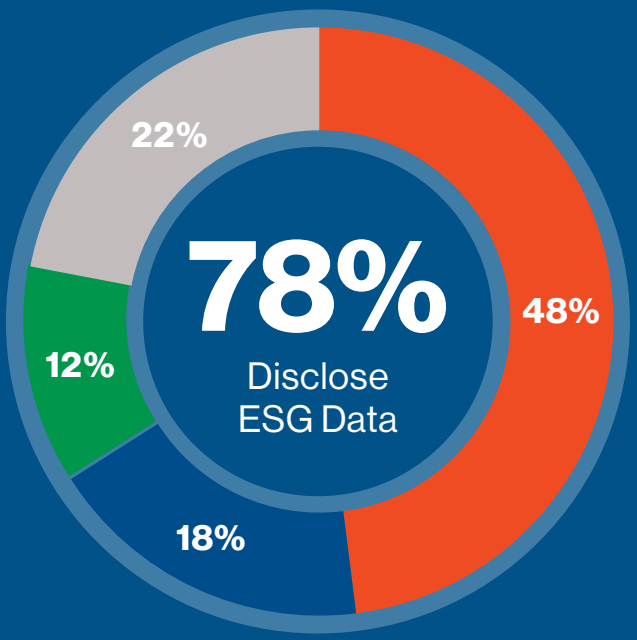


MEXICO

METHOD OF ESG DISCLOSURE

Region: AMERICAS

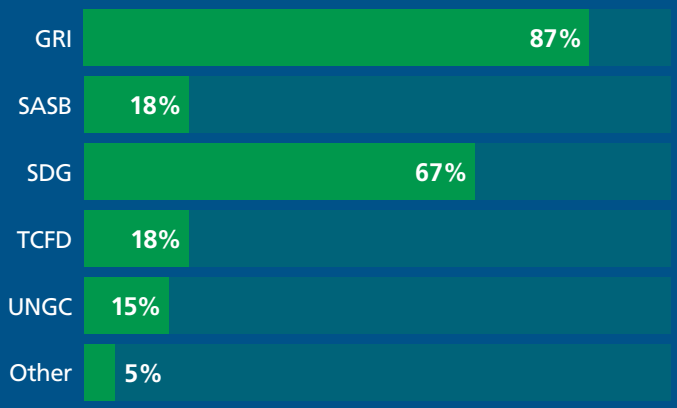






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

78% (39) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:



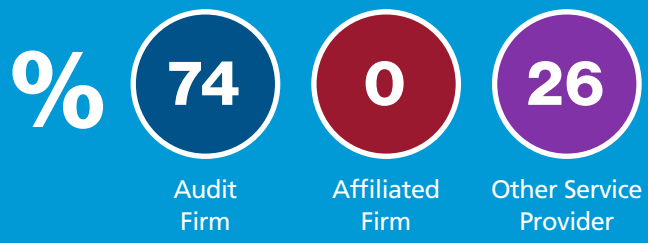


Of the 39 companies that provided ESG Disclosures, 49% (19) received assurance as follows:

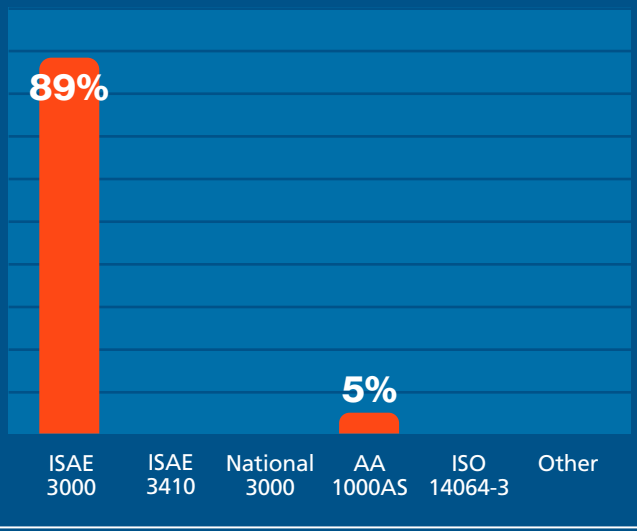


Assurance was provided through 19 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM



ASSURANCE STANDARD

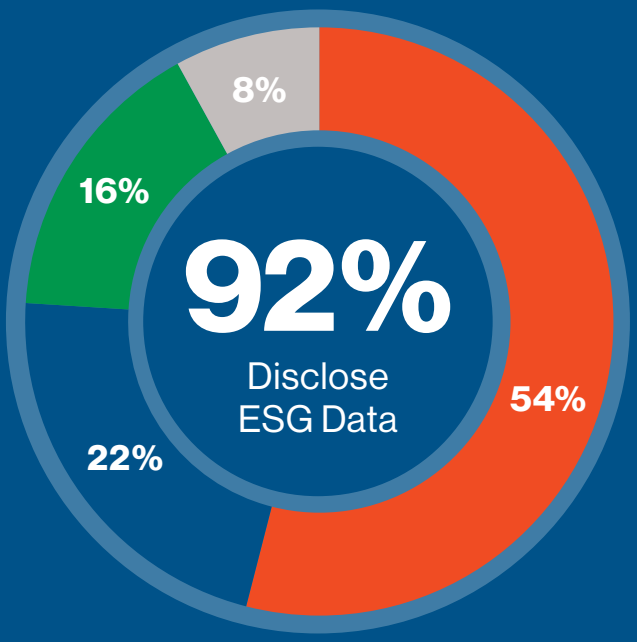


RUSSIA

METHOD OF ESG DISCLOSURE

Region: OTHER EMEA

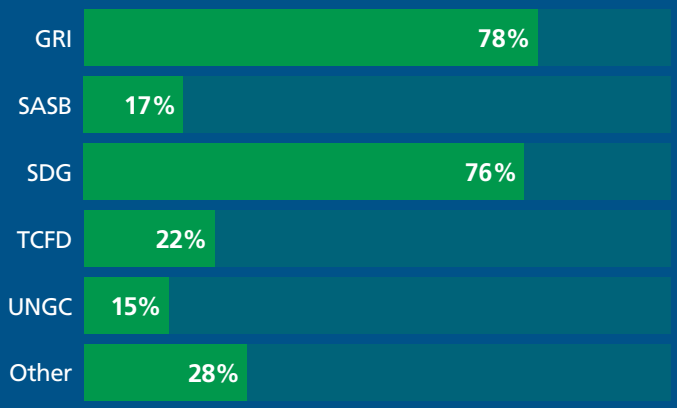


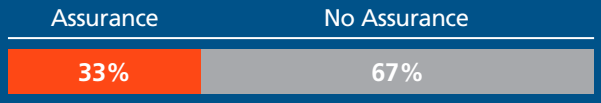




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

92% (46) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 46 companies that provided ESG Disclosures, 33% (15) received assurance as follows:

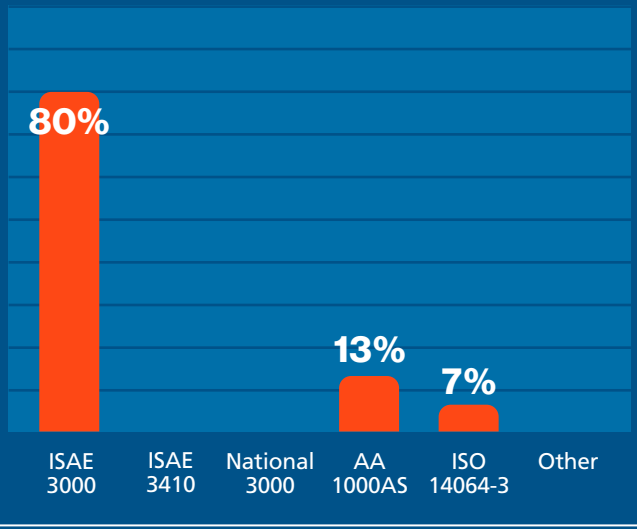
%	100	0	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 15 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	93	0	7
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

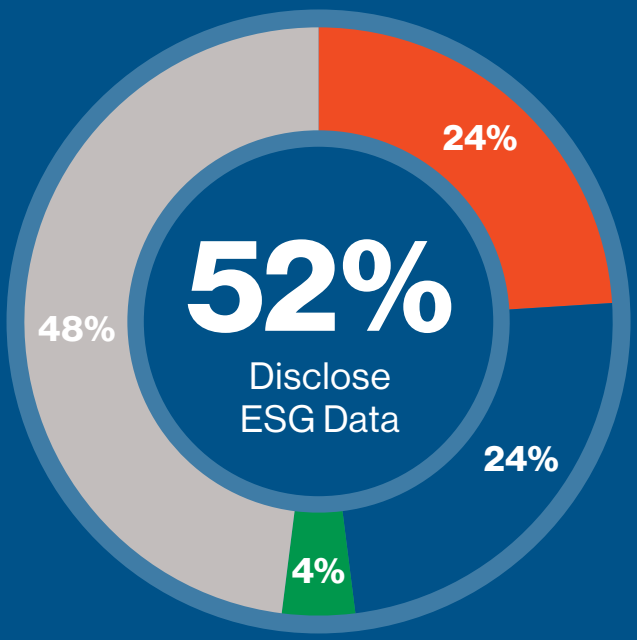


SAUDI ARABIA

METHOD OF ESG DISCLOSURE

Region: OTHER EMEA

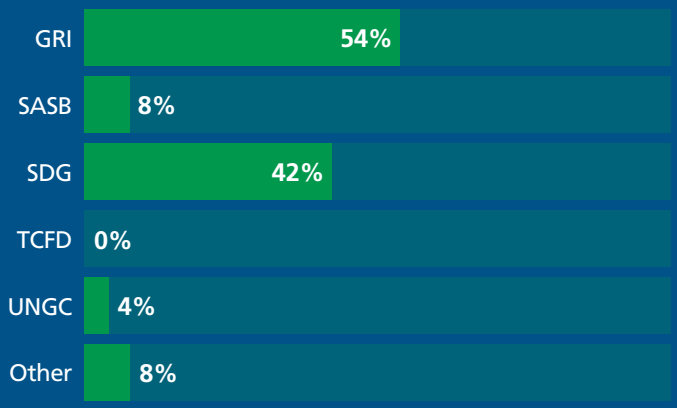


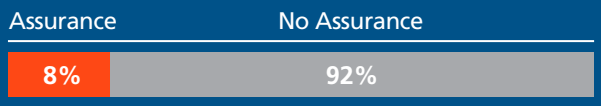




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

52% (26) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 26 companies that provided ESG Disclosures, 8% (2) received assurance as follows:

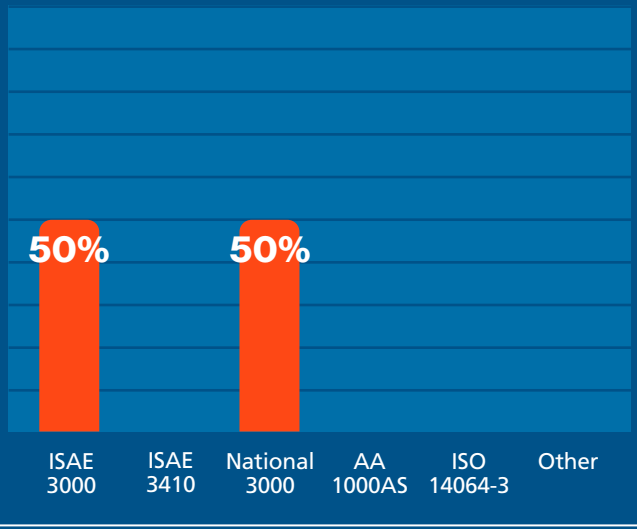
%	100	0	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 2 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	50	50	0
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

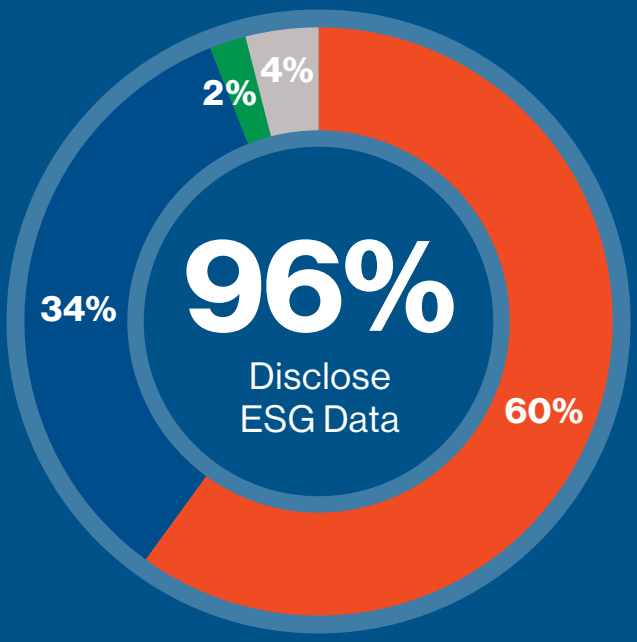


SINGAPORE

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

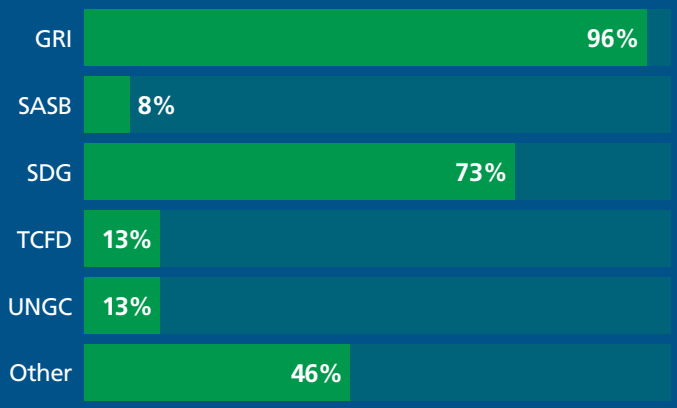






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

96% (48) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 48 companies that provided ESG Disclosures, 21% (10) received assurance as follows:

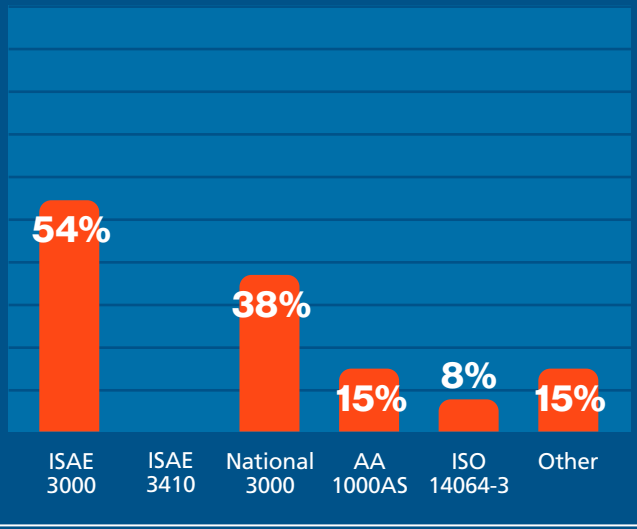
%	92	8	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 13 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	54	0	46
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

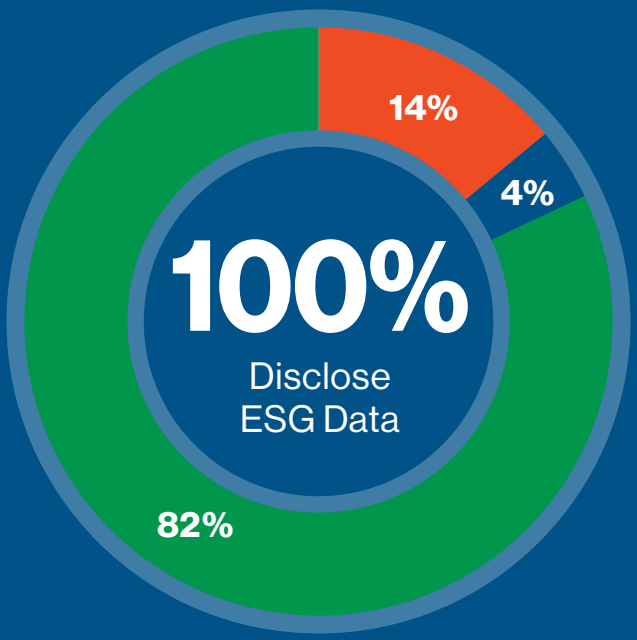


SOUTH AFRICA

METHOD OF ESG DISCLOSURE

Region: OTHER EMEA

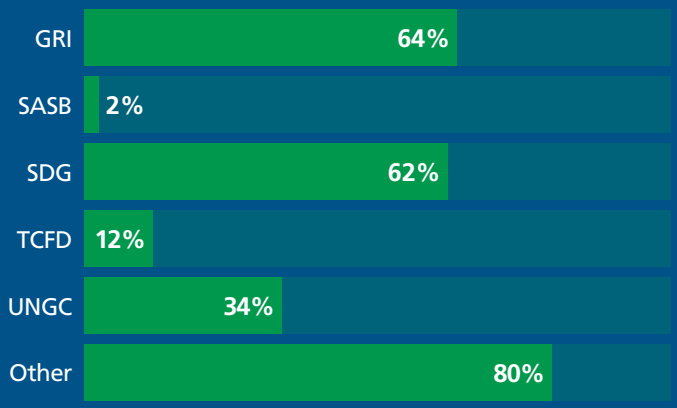






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

100% (50) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 50 companies that provided ESG Disclosures, 54% (27) received assurance as follows:

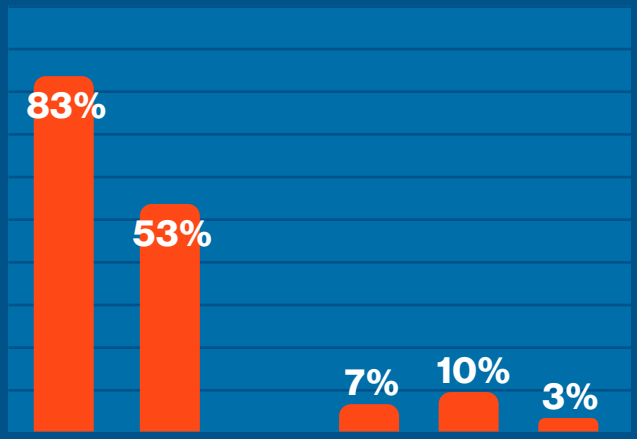
%	87	10	3	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 30 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	60	7	33
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

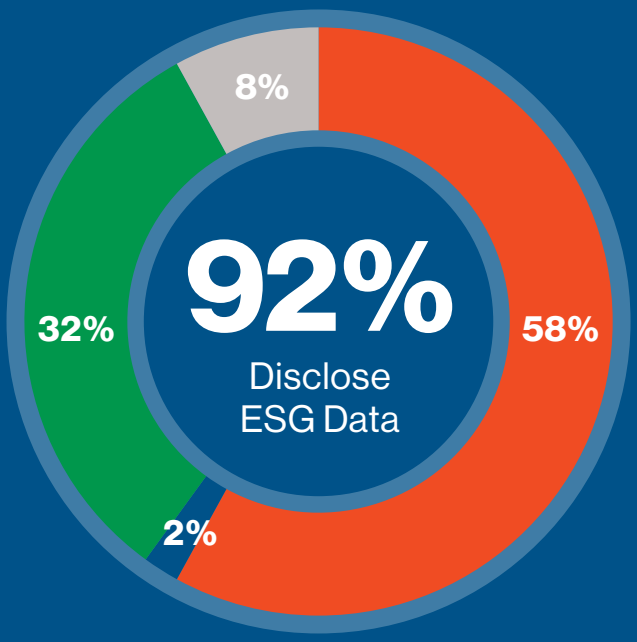


SOUTH KOREA

METHOD OF ESG DISCLOSURE

Region: ASIA-PACIFIC

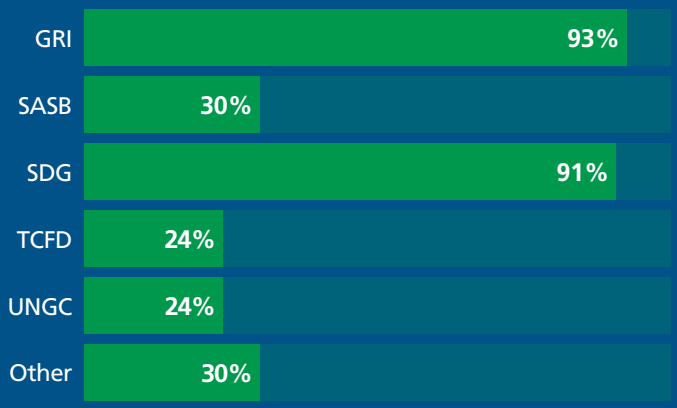


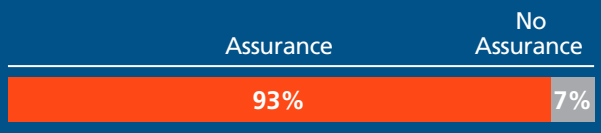




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

92% (46) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 46 companies that provided ESG Disclosures, 93% (43) received assurance as follows:

%	20	18	58	4
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

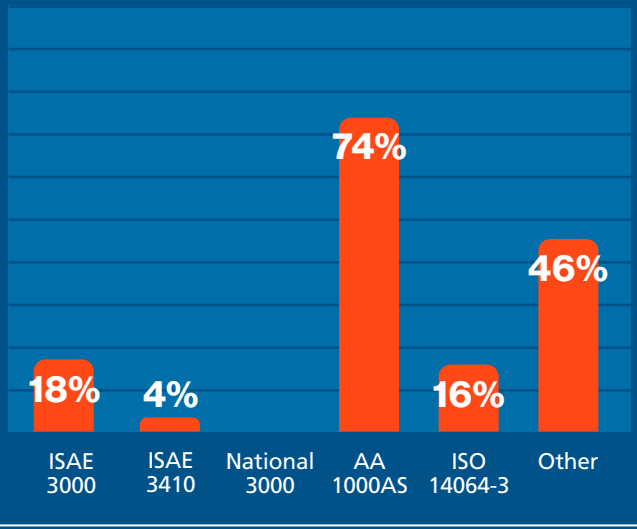
All instances of reasonable assurance in South Korea are related to greenhouse gas reports.

Assurance was provided through 57 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	5	0	95
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

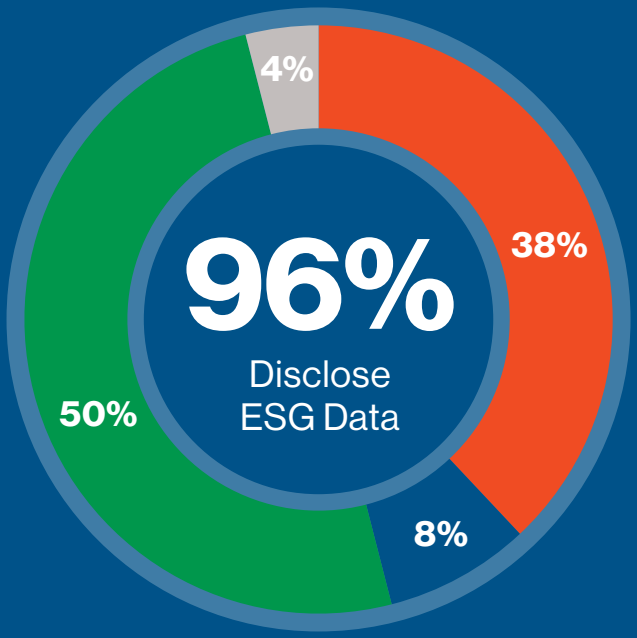


SPAIN

METHOD OF ESG DISCLOSURE

Region: EUROPEAN UNION

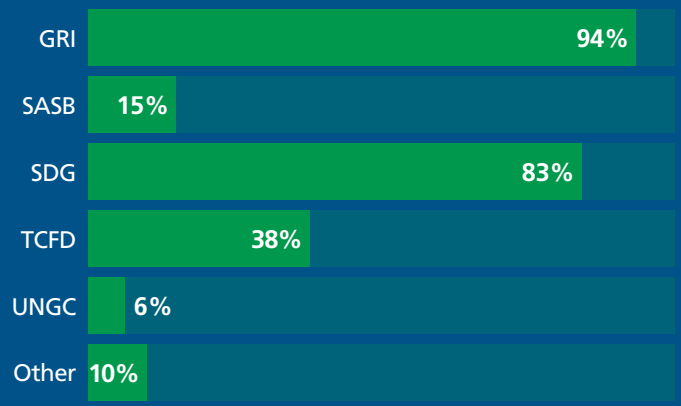


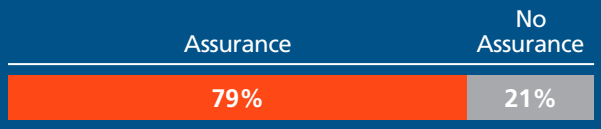




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

96% (48) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 48 companies that provided ESG Disclosures, 85% (41) received assurance as follows:

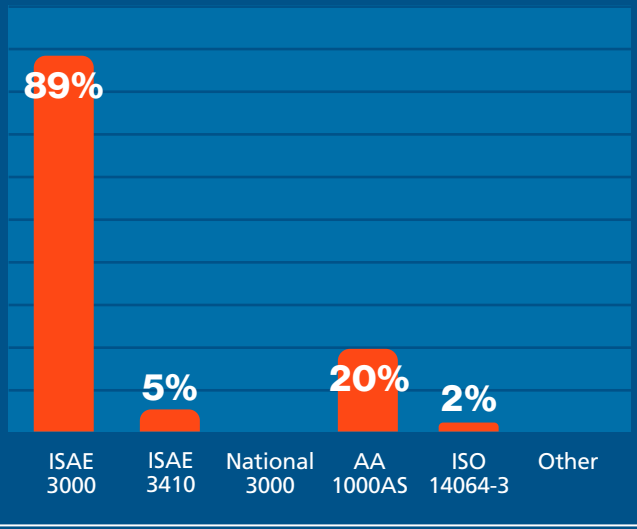
%	100	0	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 44 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	93	0	7
	Audit Firm	Affiliated Firm	Other Service Provider

ASSURANCE STANDARD

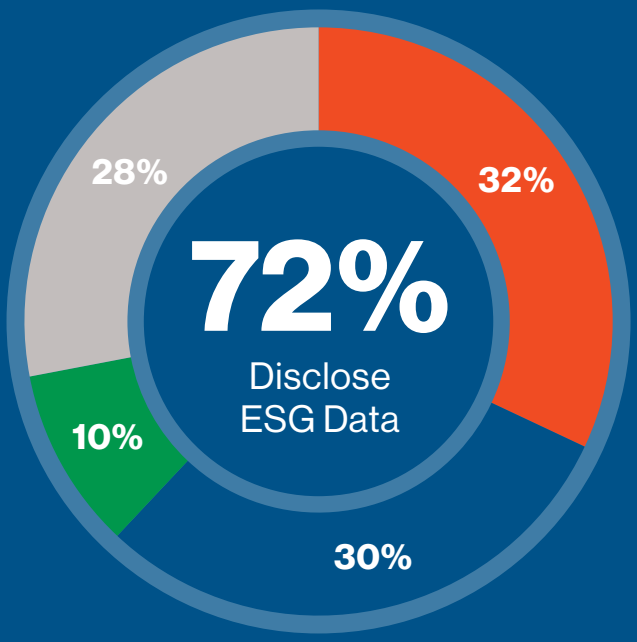


TURKEY

METHOD OF ESG DISCLOSURE

Region: OTHER EMEA

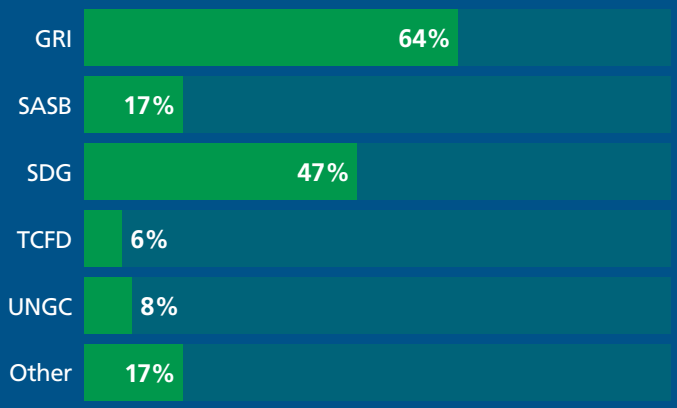


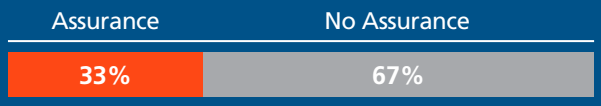




- Sustainability Report
- Annual Report
- Integrated Report
- No Report

72% (36) of the 50 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:



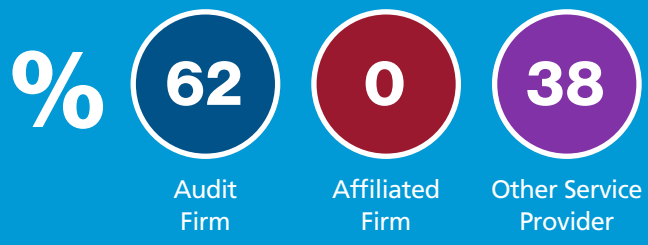


Of the 36 companies that provided ESG Disclosures, 33% (12) received assurance as follows:

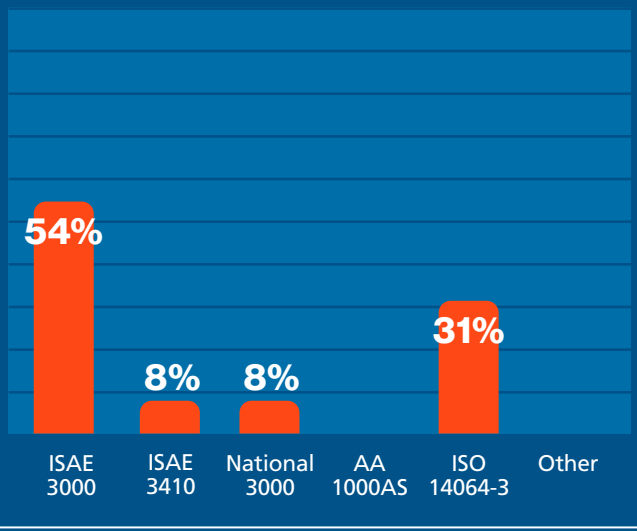


Assurance was provided through 13 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM



ASSURANCE STANDARD

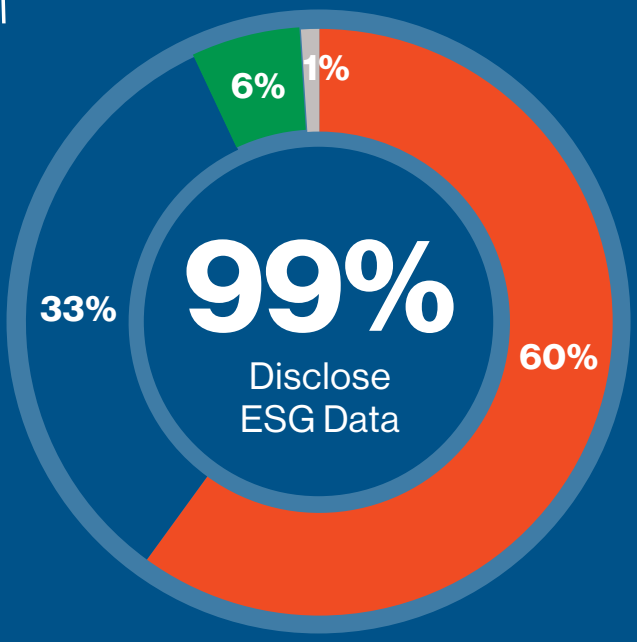


UNITED KINGDOM

METHOD OF ESG DISCLOSURE

Region: OTHER EMEA

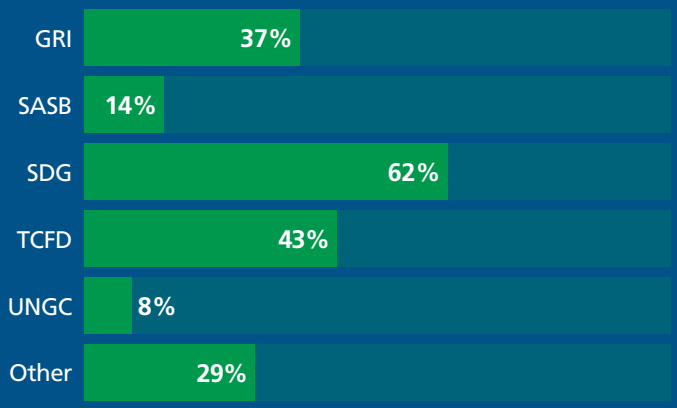






- Sustainability Report
- Annual Report
- Integrated Report
- No Report

99% (99) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 99 companies that provided ESG Disclosures, 55% (54) received assurance as follows:

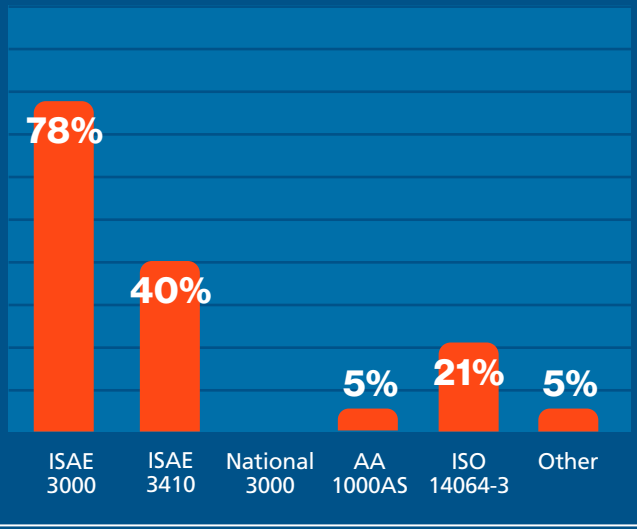
%	97	3	0	0
	Limited Assurance	Reasonable Assurance	Moderate Assurance	Not Disclosed

Assurance was provided through 58 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM

%	52	1	47
	Audit Firm	Affiliated Firm	Other Service Provider

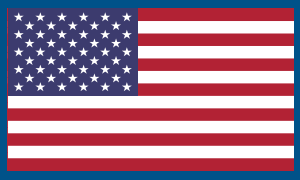
ASSURANCE STANDARD

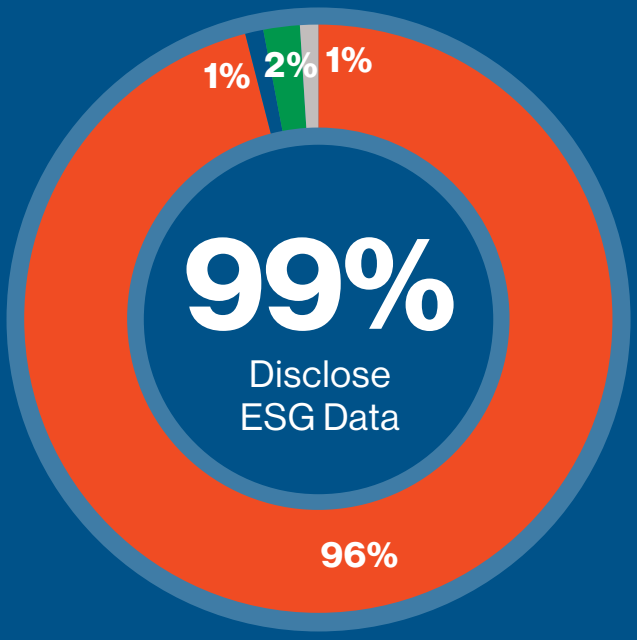


UNITED STATES

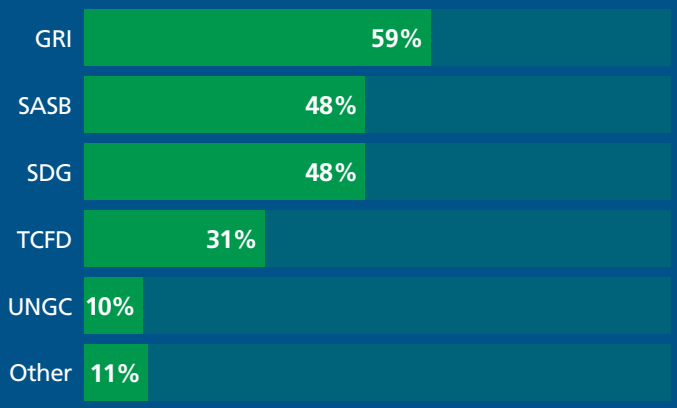
METHOD OF ESG DISCLOSURE

Region: AMERICAS





99% (99) of the 100 companies reviewed provided ESG Disclosures using the following ESG Reporting Framework/Standard:





Of the 99 companies that provided ESG Disclosures, 71% (70) received assurance as follows:



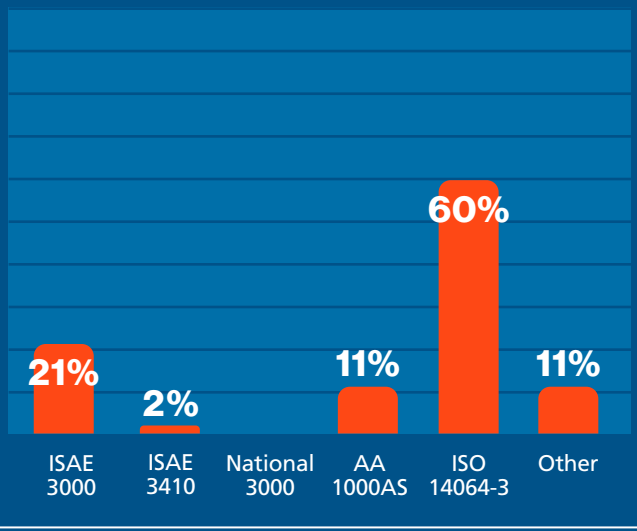
In the USA, "Other" refers to the AICPA Attestation Standards.

Assurance was provided through 81 unique assurance reports, assured as follows:

ASSURANCE PROVIDER – TYPE OF FIRM



ASSURANCE STANDARD





METHODOLOGY

METHODOLOGY

The purpose of this project was to understand environmental, social, and governance (ESG, or sustainability) assurance practices on a global basis. This was accomplished by reviewing reports containing ESG information in twenty-two (22) Jurisdictions. These countries included:

This study reviewed the largest companies in each jurisdiction by market capitalization as of approximately March 22, 2021, and attributed to jurisdictions based on the location of the company's headquarters. The largest 50 companies were reviewed in 16 jurisdictions, while the largest 100 companies were reviewed in the largest six economies (denoted with an asterisk).

Americas	Europe, Middle East, and Africa (EMEA)	Asia-Pacific
• Argentina	• France	• Australia
• Brazil	• Germany*	• China* (Mainland, ex-HK)
• Canada	• Italy	• Hong Kong S.A.R. (China)
• Mexico	• Russia	• India*
• United States of America*	• Saudi Arabia	• Indonesia
	• South Africa	• Japan*
	• Spain	• Singapore
	• Turkey	• South Korea
	• United Kingdom*	

DATA COLLECTION METHODOLOGY

REPORT COLLECTION



Reports were usually located in one of four locations on a company's website.

1. Dedicated sustainability web page for stakeholders
2. Sustainability web page under "About the Company" section
3. Annual reports or downloads section of Investor Relations web page
4. Sustainability section of Investor Relations web page

If a report could not be located on a company's website, the company name was searched with the term "2019 sustainability report." If a report was still not located, the company was searched in the GRI Database of sustainability reports. For Hong Kong Stock Exchange (HKEx) listed companies, the exchange website was used to collect reports if a report could not be found on a company's website. This only impacted companies located in China (Mainland) and Hong Kong S.A.R.

When available, reports that covered the year 2019 were collected. If the 2019 report was unavailable, the 2018 or 2020 report was collected. Nineteen (19) reports were collected covering 2018 and thirty (30) reports covering 2020. One thousand two hundred twenty (1,220) reports covering 2019 were collected. There was a total of one thousand two hundred sixty-nine (1,269) reports collected.

REPORT CLASSIFICATION



Reports were classified into three groups: sustainability reports, annual reports, and integrated reports. Sustainability reports were identified as those published for the sole or main purpose of informing stakeholders of environmental, social, or governance activities and performance. Annual reports were identified as those published for the main purpose of informing stakeholders of financial performance. Annual reports were only collected if they included sustainability or ESG reporting. Integrated reports were identified as those published pursuant to the <IR> framework issued by International Integrated Reporting Council.

For companies that issued more than one report, a hierarchy was used to determine which report to collect. If an Integrated Report was published, the company was counted as reporting in an Integrated Report, regardless of any other publications. If a company published both an ESG report and published this ESG information within the annual report, the company was counted as reporting in an annual report.

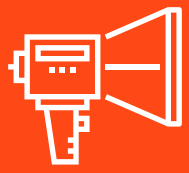
REPORTING STANDARDS



Reporting standards were collected from the "About this report" section. Both reporting standards and reporting frameworks were captured due to inconsistent disclosure regarding their use as standards or frameworks. Next, any standards or frameworks indexed in the appendix were collected. Finally, a text search for the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDG), United Nations Global Compact (UNGC), and Taskforce on Climate-related Financial Disclosures (TCFD) was used to find additional references within the body of the report.

Standards and frameworks must have been used to report primary information to stakeholders. For example, Climate Disclosure Project (CDP) was often disclosed in reference to a CDP score. Instances where a CDP score was provided, but no primary information (such as emissions) was disclosed, were not counted.

ASSURANCE



A company was determined to have assurance if an assurance report that covered ESG data was included within a report, on the company's website, or in the CDP database. References to assurance where the report was not available and verification statements were not counted.

If a report included more than one assurance report, each report was reviewed separately.







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