



Press Release

Fédération des Experts
Comptables Européens

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NON-ASSURED REPORTING UNSUSTAINABLE

Calling time on sustainability reports that have not been independently assured, FEE stresses that assurance provision is essential to the future credibility of sustainability reporting.

Currently more than half of all sustainability reports are issued without independent assurance. This is an unacceptable fact. It limits stakeholder confidence and the potential impact of sustainability reporting.

Today FEE is launching a publication focused on the need for assurance provision. The publication ***Benefits of Sustainability Assurance*** explains what is meant by the term assurance and why an organisation should commission an assurance engagement.

FEE has long supported the development of sustainability reporting. The advantages are clear: it supports a prudent, long-term view; and facilitates a better understanding of non-financial risk. Sustainability reports address a broad range of issues (e.g. corporate governance, environmental and corporate social responsibility). It should be obvious to reporters and users that for sustainability reporting to become widely accepted and reliable its credibility must be of a sufficiently high level.

The voluntary nature of sustainability reporting means that sustainability reports can vary widely in scope and content. This situation can lead to misleading information. That is why FEE is calling on all companies issuing a sustainability report to also obtain independent assurance on the report.

Furthermore, there can be confusion regarding the level of assurance provided. Stakeholders must be adequately informed about the method used for the assurance engagement, in order to avoid creation of an expectation gap. If credible assurance is to be delivered, the independent assurance provider will usually need to work in a multi-disciplinary team, due to the broad nature of the assurance task.

Commenting on the paper, FEE President Mr. David Devlin said:

"The relevance of non-financial reporting continues to grow. Key stakeholders, such as fund managers increasingly use sustainability reports for their financial decision-making. It is essential, therefore, that reporting companies raise stakeholder confidence by demonstrating their desire to enhance the quality and credibility of their sustainability reporting with third party, independent assurance provision."

"The independent assurance provider must work with multi-disciplinary teams when providing assurance. Proven reporting expertise combined with expert technical knowledge will further the achievement of generally accepted, high quality sustainability reporting", he added.

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Key Messages:

- **New publication *Benefits of Sustainability Assurance* launched**
- **Reporting is a part of the process of rendering account by a company towards its stakeholder groups; for that reason it should be independently assured**
- **Non-assured reports lack credibility**

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Notes for Editors:

1. The FEE Publication **Benefits of Sustainability Assurance** can be downloaded free-of-charge from the FEE website www.fee.be or ordered from Sylvie Romancide (Fax: + 32 (2) 231 11 12, Email: Sylvie_Romancide@fee.be).
2. Assurance can be described as the provision of confidence or certainty by an independent assurance provider to a party or group of persons in relation to certain subject matters. The level of assurance expressed varies with the nature of the service provided. The scope and depth of an assurance service depends on the need for certainty of the interested parties on one hand and on the availability of proper evidence on the other hand.
3. FEE has been active in the areas of sustainability accounting, reporting and assurance since 1993, when it established its Sustainability Working Party. FEE's well-documented experience in this area has already gained global recognition. Visit www.fee.be to access the Sustainability Working Party's publications and reports.
4. Recognising the global nature of sustainability, FEE is actively involved with many international organisations (e.g. IASB, UNEP, ISO, GRI), contributing to multi-stakeholder debates on, sustainability accounting, reporting and assurance providing. Sustainability reporting has evolved through a process of innovation in corporate reporting. Today, such reports typically include environmental, social and economic information. The accountancy profession cooperates with experts and advisers from other disciplines in the sustainability field and encourages research and dissemination of its results to as wide an audience as possible.
5. The **Fédération des Experts Comptables Européens** (FEE) is the representative organisation for the accountancy profession in Europe. It groups together 41 professional bodies from 29 countries. FEE member bodies are present in all fifteen member states of the European Union, nine European Union candidate countries and three member countries of EFTA. Between them, these bodies have a combined membership of 500.000 individuals, of whom approximately 94% are from EU countries.