

**100** THAT  
years COUNTS  
1913-2013

# CSR Driving Innovation

Is Good Business Sustainable?

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*Acumen. Agility. Answers.*

# AUDITS AND VERIFICATION

## HOW DOES THIS PERTAIN TO CSR REPORTS?

- CPA firms can issue audits, attestation or review reports which verify the key performance indicators and data within CSR reports
- Wide variety of verification subjects and methodologies
  - Integrated report
  - All or portions of the published CSR report
  - Code of conduct or other supply chain procedures
  - Product certifications

# SUBJECT MATTER OF REPORTS

- Company selected key performance indicators
  - Ingredients
  - Supplies
  - Human Resources/Personnel/Social factors
  - Economic Performance
  - Greenhouse Gas Emissions
- Compliance with *California Transparency in Supply Chains Act* disclosures
- Dodd Frank Act – Section 1502 Conflict Mineral Rules

# STANDARDS AND CRITERIA

There is currently no globally accepted framework for CSR or sustainability reports

Current frameworks and standards in use:

- U.S. Generally Accepted Auditing Standards (GAAS)
- International Auditing and Assurance Standards Board
- The Global Reporting Initiative (GRI)
  - International Integrated Reporting Committee (IIRC)
- Country specific standards (Australia, Japan, Netherlands, UK)
- Carbon Disclosure Project (for greenhouse gas emissions)
- Company Criteria (Internal & External)

## WHAT IS THE VALUE?

- External assurance to stakeholders
  - Increases accountability
  - Measures how well the company is living up to its values
  - This is not the same as an ‘expert panel’
- Assistance to company management to improve the internal controls over the data collection and reporting processes
  - Provided in the form of ‘management letter of recommendations’
  - Can be provided as a separate project to provide oversight to supply chain or remote locations

## EXAMPLES OF INTERNAL CONTROL OPPORTUNITIES

- Finance or Accounting Department frequently does not even know the company is “reporting”
- No formal data collection system in place
- No controls over accuracy, selective reporting or ‘puffery’
- Misreporting within the supply chain can cause compliance deficiencies or “probation” within supply chain, expensive corrective actions and even loss of customer relationships
- ‘Greenwashing’ - looking green is a business advantage

“Saving the world is a nerdy  
business – everything has to be  
measured and verified”

----Jostein Solheim, CEO of Ben & Jerry's Homemade Inc.

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