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*The following submission was provided in a personal capacity and does not necessarily represent the views of the individual's organisation.*

### **General approach**

The approach outlined provides a useful starting point for how companies and assurance providers could assess alignment with the UN Guiding Principles. I was encouraged to see that you will be consulting widely with companies, civil society organizations etc., but I would urge you to remain cognisant of what is feasible from a report writer/producer's point of view. Throughout the Global Reporting Initiative (GRI) process to update its reporting guidelines, numerous expectations for what should be reported were put forward by stakeholders with no experience of the reporting challenges that exist for large organizations. Similarly, if you have not already considered it, I would also recommend piloting the standard. What looks realistic on paper, might be a lot harder to implement in practice and it often takes companies several years to establish and adapt their systems to produce robust data.

### **Lack of an integrated approach**

Taken as a standalone standard, the requirements outlined would be onerous for companies to report. There is little consideration given to how this standard could be integrated into existing reporting frameworks. The GRI is the global sustainability reporting framework currently used by over 5,000 organizations worldwide (almost 12,000 GRI reports are available online via GRI's website). The fact that it is not mentioned once in the discussion paper is an obvious gap. While the latest version of the framework (G4) only contains 12 human rights indicators, human rights considerations underpin many of the other indicators. The Mazars/Shift standard would likely gain much more traction if it was built around existing well-established and widely used frameworks. Companies need to understand how the reporting and assurance requirements outlined in the discussion paper align with the existing GRI requirement, or where additional reporting effort would be required.

### **Sustainability assurance vs. financial assurance**

There seems to be a lack of understanding throughout the standard of the differences between obtaining assurance around non-financial reported information versus obtaining financial assurance. For example, the assertion that, "The assurance review would be analogous to a financial auditor's assurance with respect to the effectiveness of the internal control systems that underlie a company's financial reporting" is misguided. I would encourage you to look at a number of assurance statements in organization's sustainability reports where limitations are outlined. One example, included in one of our member's reports notes, "Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for

determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements.” It would be more valuable to use existing sustainability assurance standards as your starting point (such as ISAE 3000 and AA1000 AS) as opposed to drawing comparisons to financial reporting. Sustainability reporting and assurance works differently to financial reporting/assurance.

### **Limited vs. reasonable assurance**

The expectation of reasonable assurance as a starting point is unrealistic. I would encourage you to look at the Interpretive Guide for ICMM’s Assurance Procedure which we developed in close consultation with a number of assurance providers (<http://www.icmm.com/page/54068/applying-the-icmm-assurance-procedure-an-interpretive-guide>). During discussions with assurance providers when this guide was being developed, it became clear that there was a significant amount of non-financial data where it would be very difficult to obtain a reasonable level of assurance. I believe this would be the case with much of the reporting requirements outlined in the proposed standard.

### **Materiality considerations**

The standard assumes that human rights will feature prominently in a reporter’s list of material issues which may not be the case for all companies in all jurisdictions. There needs to be some discussion of materiality in the discussion paper.