

## **MORE CONFIDENCE OF THE FINANCIAL AND NON-FINANCIAL INFORMATION WITH THE ASSURANCE OF SUSTAINABILITY REPORTING**

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**Abstract:** *The responsibility of auditors is a controversial topic that has brought much debate amongst academics and experts alike, in recent years. Taking into consideration the global economic shifts, the risks to which auditors are subjected to have also increased and diversified considerably. The public perception and confidence in the assurance that auditors provide for their services have diminished, which entails negative ramifications. This research aim is to set the framework in which assurance of the audit reporting and sustainability reporting exists for more credibility of the financial and non-financial statement of a company. By using a general to specific deductive approach, we discuss the importance of corporate reporting, audit reporting and sustainability reporting of FTSE 100. Our paper confirms the connection between the financial auditor and assurer of sustainability reporting provider in an international setting: the choice of a Big4 as a financial auditor is a driver for the selection of a Big4 as an assurer provider, suggesting a potential competitive advantage.*

**Keywords:** *sustainability report, audit report, corporate reporting, corporate governance, assurance*

**JEL classification:** M42

### **Introduction**

Sustainable reporting has been an important topic for more than two decades. The information proves that they have grown together with the public's awareness of these issues. At the same time, more and more government organizations, industry groups and corporations are voluntarily preparing sustainability reports to project a responsible social image. Sustainability reporting has become so important to stakeholders that it has evolved into a marketing tool, as some companies advertise green initiatives to gain public acceptance, even if their day-to-day activities do not reflect those practices (Romero, 2014).

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The consistency of information focuses on the emerging trend and importance of sustainability reporting and also proposes that stakeholder involvement helps to understand this growing trend in order to better understand stakeholder concerns. The pressure for sustainable business practices continues to increase (Amran, 2014). Furthermore, in recent years, sustainable development has become one of the major problems facing all global organizations. The Global Reporting Initiative, based in the Netherlands and considered the world's leading authority, has developed what is now considered the "common framework for sustainability reporting". Thus, the reporting guide contains detailed instructions and standards on how to prepare sustainability reports. By using it, corporations show a strong commitment towards continuously improve their sustainability reporting practices. Therefore, empirical studies focus their efforts on whether better performing and / or governed corporations are preparing their sustainability reports in accordance with the guidelines.

On the other hand, corporations with a higher long-term growth rate are less likely to produce sustainability reports. Corporations with the characteristics to be located in Europe or to be active in the energy or manufacturing sector and with a higher profit margin produce more high quality sustainability reports. In the same vein, some corporations voluntarily provide information in the field of CSR in the form of quality sustainability reports and about the importance of developing globally accepted sustainability reporting standards (Dilling, 2010).

### **Research methodology**

In this part, we discuss our research philosophy, approach, choice of method, strategy and time horizon as well as the reason behind our choices will be discussed. Our selection of philosophy is *critical realism* (Bryman and Bell, 2013; Saunders et al., 2012). We consider that there exists a reality out there independent of our perception of it, but when it comes to our research question, we are also convinced that the data gathered can be misinterpreted depending on how we as individuals perceive it. The data collected will thus be analysed in the context of how, when and where it was received. Also, since we believe that we are value-laden individuals, the reasons for our choices throughout the research will be described to, according to Saunders et al. (2012), give more credibility to this research project.

For the quantitative part, we use a longitudinal retrospective analysis to provide insight into audit reporting and sustainability reporting for our sector. The sample comprises the audit reports for the period 2015-2018 for the selected companies and the sustainability report for the year 2018.

### **The challenges of the sustainability reporting**

According to the principle of adapting to new business trends, in order for a company to be guided by a substantial methodological growth, it must also have a considerable package of knowledge of sustainability in order to obtain the key to progress on the scale of evolution. Therefore, in the literature, the term sustainable reporting has gone viral, providing a framework for expressing a non-financial report that develops a different approach to reporting. Thus, the GRI (Global Reporting Initiative) initiative becomes common, proposing several challenges, including adapting to a wide variety of disclosures of key elements in building a company, but outlining around the Dow Jones Sustainability Group Index, the Jantzi social Index and the analytical platform Innovest EcoValue'21 (Willis, 2003).

It is also worth mentioning that the sustainability report is a new approach to corporate reporting. Of course, this outlines a perspective that actually supports the inclusion in published reports to the extent to which sustainability reporting can contribute to the value of shareholders by assessing their usefulness to shareholders. Therefore, the consistency of the structure of the sustainability report must practically highlight the information so that it is as relevant as possible for shareholders, to provide truthfulness and quality of the report, but also complexity in exemplifying

the figures obtained from the company's sustainable development activity. (Initiative, Global Reporting, 2012).

Therefore, socially responsible investments (SRIs) take into account financial profitability as well as environmental, social and governance issues. Although SRI is becoming popular, there is controversy among investors regarding its performance compared to conventional investments. At the same time, the reputation of an organization is a strategic asset. Reputable companies are able to differentiate and attract investment, retain customers, employees and, at the same time, achieve higher levels of satisfaction and loyalty to their products and brands. Currently, the corporate reputation is one of the two non-financial indicators, the most popular in the business world, in public and private organizations as well. Thus, in his book (Carreras, 2013) presents an in-depth analysis of the psychosocial phenomenon of corporate reputation.

Moreover, according to (Sarstedt, 2013), the corporate reputation has become one of the most important intangible assets to maintain and improve the competitiveness of companies in the global market. Researchers have shown considerable interest in measuring corporate reputation building, which has led to a lack of consensus on valid measurement approaches. In this context, we discuss commonly used reputational measures from both a conceptual and theoretical perspective and compare them empirically in terms of convergent validity and validity of criteria. By examining the psychometric properties of the measures, both theoretically and empirically, this study provides guidance for their reasonable application in research and business practices.

Forcadell (2020) also analyzes the implications for international banks of two contemporary megatrends: corporate sustainability (CS) and digitalization. The digital environment and the availability of massive customer data generate asymmetric information for banks to the detriment of customers, who have individual vulnerabilities, such as privacy rights. This can prevent the positive influence of digitalization on banks' performance, with relevant managerial and political implications. In this context, the reputation generated by CS strategies can be a factor of belief that reduces clients' fears of opportunistic behavior and information asymmetries. Thus, it tests and finds support for the proposed hypothesis, accessing the members of a data group of major international banks in developed countries. The findings shed light on the mutual strengthening of CS and digitization strategies to improve the performance and efficiency of the banks' market.

Therefore, for the information presented in the Sustainability Report (SR) and in the processes of ensuring compliance with this aspect in the SR, an empirical study is practically needed to strengthen and test the characteristics of any stakeholder assurance party, implemented through their statements in the companies listed in this type of reporting. (Manetti, 2012)

Sustainability reports and sustainability reporting have been used by organizations in an attempt to hold stakeholders accountable. A better understanding of current practices is important to provide a basis for benchmarking and trend analysis. Therefore, all elements and studies are intended to provide information on sustainability reporting and types of assurance providers (Junior, 2014).

At the same time, the percentage of organizations issuing a sustainability report has increased in recent years. However, the percentage of organizations that assure their sustainability report has stagnated. Types of assurance commitments include those made by accountants and non-accountants and new practices have emerged, namely "mixed approach" and "stakeholder or specialist review". The analysis also shows that the practices of issuing sustainability reports and ensuring them have become a global phenomenon, occurring in developed and developing economies around the world (Junior, 2014).

### **Results of the study**

As such, the companies that fall under the study in this paper are outlined towards a single idea, namely the fact that they are listed on the London Stock Exchange. The fields of activity wanted to outline a variety of distinct fields of activity that appear either the same or different from

firm to firm or from field to field. For example, the patterns in the oil field are the same, namely the fact that all the companies studied develop the same behavior and use the G4 structure. Also, large law firms are less close to this field, precisely in view of the fact that they cannot directly support an ecological character, with great implications on nature in their development.

At the same time, the companies involved in this project were chosen to study whether there are implications both on the basis of their direct information on new types of reporting, and on the prevention measures that ultimately ensure sustainable development of the entity.

For the study, 97 companies were chosen that provide consistency to the market and that are revealed by prolific activity in the field they address. These are important companies operating in several countries and many of them adapt to the new order informally imposed by sustainable reporting, the analysis period includes sustainable reports published by them during the years 2015-2018 inclusive.

Therefore, the main way of working materialized by extracting the necessary information from the published sustainable reports, respectively the annual reports. The main problem was the considerable lack of substance in the reports of the first years studied, but also the joy of the evolution of their structure in terms of adopting a sustainable plan for presenting the financial statements for the coming years. Moreover, the elements necessary for the study did not focus only on verifying the model of sustainable reporting, namely assurance for AA1000, ISAE3000, GRI G4, but also on identifying the existence or lack of an audit opinion of the company to create an overview about the relevance and the veracity of the information.

Regarding the GRI (Global Reporting Initiative), in the table below you can also see the companies in the study, which publish their reports according to this reporting standard. Therefore, based on the data extracted, among the fields in which this model appears are: banks, chemicals, constructions, pharmaceuticals, forestry, general industry, etc.

**Table 1.**

Classification of the companies using GRI based on their field of activity

<b>Company Name</b>	<b>Field of Activity</b>
<b>COCACOLA HBC AG</b>	Beverage
<b>DIAGEO</b>	Beverage
<b>BARCLAYS</b>	Banking
<b>STAND.CHART.</b>	Banking
<b>CRODA INTL.</b>	Chemicals
<b>JOHNSON MATTHEY</b>	Chemicals
<b>CRH</b>	Construction
<b>GLAXOSMITHKLINE</b>	Pharmaceutical
<b>SSE</b>	Energy
<b>EVRAZ</b>	Metal industry
<b>LON.STK.EXCH</b>	Financial Services
<b>BR.LAND</b>	Real Estate Investment Trusts
<b>LAND SECS.</b>	Real Estate Investment Trusts
<b>SMITH&amp;NEPHEW</b>	Healthcare
<b>MONDI</b>	Forestry&Paper
<b>UNILEVER</b>	Consumer Goods
<b>BR.AMER.TOB.</b>	Tobacco
<b>IMP.BRANDS</b>	Tobacco
<b>SMITH(DS)</b>	General Industries
<b>SMURFIT KAP.</b>	General Industries
<b>KINGFISHER</b>	General Suppliers
<b>RECKITT BEN. GP</b>	Household Products
<b>PEARSON</b>	Media
<b>RELX</b>	Media
<b>WPP</b>	Media
<b>ANGLO AMERICAN</b>	Mining

<b>ANTOFAGASTA</b>	Mining
<b>BHP GROUP</b>	Mining
<b>GLENCORE</b>	Mining
<b>RIO TINTO</b>	Mining
<b>LEGAL&amp;GEN.</b>	Life Insurance
<b>RDS 'A'</b>	Oil&Gas
<b>INTERTEK GROUP</b>	Support Services
<b>CARNIVAL</b>	Travel&Leisure
<b>COMPASS GROUP</b>	Travel&Leisure
<b>WHITBREAD</b>	Travel&Leisure

Source: Author's Own

Therefore, according to the information presented in the table above, the new global reporting trend using the GRI principle is becoming increasingly popular among listed companies, but also belonging to different fields of activity. Thus, according to the initiative (Cubilla - Montilla, 2020) we will seek to identify the information contained in the corporate social responsibility reports (CSR) which are a controversial issue and have generated an important debate in companies with an upward trend in business on who own it. In the same line of thought, environmental issues are relevant, given their impact on sustainable development.

According to the information extracted from the published reports for the selected companies, in the following tables two classifications can be identified that will determine the future conclusions of the study. Annex 1 contains information that reveals the company providing certification for the standard that is used in sustainable reporting by the company, as well as the guidance adopted by entities that have not contracted an internal partner to perform this service, but perform it through a commission of independent partners. In other words, the aim was to discover the way in which companies are guided in the elaboration of the sustainability report according to one of the non-financial reporting models (GRI G4, ISAE3000, AA1000AS).

Therefore, according to Annex 2, it is observed that a general rule is established by which companies retain their audit firm over several years, which ensures stability in terms of deep understanding by the audit team of the things that develop behind the field of activity, and thus the best possible exposure of the elements that shape the image of companies. At the same time, also as a general rule, the companies that offer assurance differ from the audit ones, which leads to an objective hypothesis of the certification of the structural elements of the reports and at the same time of observance of a norm imposed in the end by GRI. They conclude that it is strictly recommended to use a different audit firm to certify non-financial reporting precisely because the risk of violating the independence of the audit team is higher in this case. In other words, if the external audit firms differ from the one that offers the assurance of using the sustainable reporting standard, then the probability of objectivity is much higher.

As such, if we were to take the discussion in a little more detail, in the field of aerospace and defense, which includes BAE Systems and Rolls-Royce HLG, we can see that they use different companies for financial and non-financial reporting. More specifically, I discovered a detail, namely BAE Systems has a partnership for external audit with KPMG for the period 2015-2017 and with assurance provided by Deloitte, but in 2018 things become less transparent precisely by the fact that Deloitte becomes the external auditor, and for assurance purposes all the study carried out by them is used, even if it is not officially stated "black on white". Within Rolls-Royce HLG, things are going very well, they have KPMG as an external audit partner and oscillate in 2018 towards PWC.

In a similar line of thought, if we were to follow the chosen companies active in the field of transport and beverage production, we can find that CocaCola HBC clearly maintains its independence by the fact that, for non-financial reporting, it practically uses a team from the company, the report being discussed during the management meetings, but with the specification of

still adhering to the guidance of GRI G4, AA1000. On the other hand, Diageo, another company, only uses the informed opinion of the same audit partner for both the financial part and the sustainable report. This is done very transparently, obviously with the close tracking of the ISAE3000, GRI G4, but which can also have influences on the independence of audit teams.

In the case of the studied banks, which include Barclays, HSBC Holdings, Lloyds GRP, Royal Bank of Scotland, Stand. Chart., we can note several aspects. For a start, Barclays Bank adopts a policy in their favor and I say this because in 2015-2016, the external auditor was PWC, and the assurance system for the application of the GRI G4 standard was provided by KPMG. Then, in the period 2017-2018, the new external auditor becomes KPMG, following that the policy already established in the bank will be ensured by the AGM (Annual General Meeting) according to the policy already pre-established by them. Basically, a rather expensive service provider has been eliminated from the payroll of this bank, and at the same time a much broader framework of KPMG's opinion is ensured. In the same vein, HSBC Holdings uses somewhat the same policy, namely the external opinion is given by the PWC team, and during 2017-2018 they become both external and internal, thus ensuring a policy of application and ISAE3000, given that in the period 2015-2016 there was no inclination towards sustainable reporting. Royal Bank of Scotland is also in the same position, using audit teams from the same E&Y company, for both financial and non-financial reporting using the ISAE3000 standard, this has not created an increase in market during this period, at least numerically, as can be seen in the figure below. Therefore, it is important that, as in other cases, the partners are different in order to create the most objective framework possible. In the case of construction, chemical and pharmaceutical companies we cannot talk about a tendency to have the same team in consolidating the information about the elaboration of the two reports, on the contrary they are used in principle by internal teams for non-financial reporting, but with the specification that apply the guidance of the standards discussed.

On the other hand, for the financial services, trusts and investments sector, the discussion is as simple as possible, namely the fact that the companies I chose for the study do not have the same partner for the two reports, on the contrary they are mostly used by the AGM, but apply sustainable reporting models. Thus, Scottish Mort, Hargreaves Lans and Schroders do not yet use any guidance on non-financial reporting strictly from documents published online, but British Land, Land Secs, Segro use ISAE3000, GRI G4, AA1000AS guidance certified by companies within the Big 4, which may be a factor in determining long-term growth, but it is not a certainty.

In the fields of electricity, telecommunications and industry, only the companies SSE, Evraz and Vodafone GRP are oriented to present non-financial information in the form of a sustainability report, where SSE is guided by GRI G4 and ISAE3000, Evraz only by GRI G4 and Vodafone GRP uses ISAE3000 and GRI G4 guidance.

Furthermore, the economic stability that will generate future positive effects is generally pursued by almost every business perspective. Whether we are talking about listed companies that are decades old, or about others with less tradition, the evolution is important no matter how it is structured. Thus, continuing the same plan, the areas of distribution and production of food, medicine and health services were included in our study. Whether we are talking about companies like Morrison, Sainsbury's or NMC Health that do not necessarily use sustainability guidelines, or rather are not guided by a specific standard chosen by us for the study, or about companies like Ocado, Tesco, Smith & Nephew that use these guidelines and develop, or rather structure guidelines for publishing this information, we are only talking about progress. The latter also use an informed opinion to assure these reports, with companies that differ from the external auditor. However, the company AB Food should be studied, where in 2015 the external auditor was KPMG, which together with E&Y offered assurance for standards ISAE3000, GRI, AA1000AS used in the report, the service provider E&Y becomes for the period 2016-2018 both external auditor and the one that offers assurance. According to the chart below, it can be seen that the best placed companies in this field, as well as the value of the shares, are those that follow the guidance of the requirements

proposed by these non-financial reporting standards, with the exception of NMC Health, whose advantage is the fact that the financial report is very well structured and contains truthful information that would lead to a type of Global Reporting.

At the same time, according to the research carried out, the companies in the fields of forestry, tobacco and general product distribution do not record elements that lead to the use of the same audit firm both for the outsourced and for the assurance offered by the use of non-financial standards. At the same time, a greater involvement is seen in the company Smurfit Kap., which during the period 2015-2017 uses PWC for external audit and KPMG to provide certification of the use of ISAE3000, GRI G4 standards in CSR, and then in 2018, its AGM handles the guidance of CSR and KPMG works on the financial report. Furthermore, the rest of the companies studied in these fields focus on this trend of publishing RS, so Mondi, Unilever, Imperial Brands have contracts for the external audit report with companies in Big 4, the guidance of ISAE3000 and GRI G4 is provided to each of them by the AGM. Also Smith (DS), external Deloitte and internal KPMG using GRI G4, Kingfisher external Deloitte and internal AGM, but under ISAE3000 and GRI G4 respectively, and NEXT external E&Y and internal PWC under the confluence of ISAE3000.

According to the data collected, we have companies that operate in the field of household goods, from which only Barratt Developer stands out, which has Deloitte as its external provider and the internal report is handled by the AGM for the application of AA1000 and GRI G4. At the same time, Reckitt Ben., for the period 2015-2017 PWC was contracted as an external auditor, which later consolidated its work within the company becoming the assurance service provider for the application of ISAE3000, AA1000 and GRI G4 standards for the period 2017-2018, the external auditor changing for 2018 with the company KPMG.

In the following we will discuss the companies that are part of our study and that carry out their activity in the field of mining. Here it can be seen that several of our chosen companies use the same audit firm both for the financial audit report and the sustainability report. Thus, Antofagasta is one of the companies that has the same audit firm, namely PWC, which coordinates the testing and approval of both reports, the sustainable one being organized based on the guidance of Global Reporting. Also, BHP Group is in the same situation but we are talking here about the company KPMG, also a provider within Big 4, with the mention that here too a coordination is established according to the requirements of ISAE3000 and GRI. Similar to the previous examples are Glencore, in whose case we can talk about Deloitte having control about using the ISAE3000 and GRI G4 directives, and Rio Tinto, which collaborates with the PWC company under the GRI G4 directives. Therefore, according to Figure 8, the companies presented do not respect the idea of having different companies in the preparation of the two reports, in order to have an objective and independent opinion. However, this may, in fact, lead to a more advantageous presentation of the financial statements, which can determine stakeholders much faster and why not qualitatively in large numbers and in the shortest possible time, and this leads to an increase in the value of the entity on the market.

The study also includes legal entities in the category of general or life insurance, of which Admiral Group, Direct Line, Hiscox and Aviva do not publish RS. However, the others are coordinated in order to carry out RS in addition to the financial one, either with approved companies or through AGM. Thus, RSA INS publishes RS according to the ISAE3000 model certified by PWC, Legal & General publishes RS according to the GRI model approved by Deloitte and Prudential presents in the online environment RS according to the directives of the ISAE3000 standard also prepared by Deloitte.

One of the last sectors studied is the extraction of oil, natural gas, oil equipment and even their distribution, where BP PLC stands out as one of the important companies in this category that uses the same contractor to provide both financial and non-financial reports. That is, the Big 4 provider, PWC, consolidates the financial statements in an audit report and, at the same time,

provides assurance of the application of the ISAE3000 standard for RS. Of the other companies studied, only RDS 'A' and Centrica also publish a sustainability report, where, in case of the first one, the AGM ensures the direction of a report organized according to the GRI G4 directive. For the second company, there is a kind of unofficial "partnership", because in the period 2015-2016, the external auditor was PWC, and internally it was Deloitte which provided the company the use of ISAE3000, and in the period 2017-2018, the roles were inverted, external auditor becoming Deloitte, and PWC offers the assurance for the sustainability report based on ISAE3000 standard.

The penultimate sector in question provides some information revealed by our study, namely the companies that provide support services. Among the companies studied, Ferguson, Rentokil Intl., Experian and Ashted GRP do not publish sustainability reports, or at least do not provide information that reinforces a certain direction of the standards discussed above by us. In the same vein, these companies are audited, or publish assurance for non-financial information, but these assurances are not for ISAE3000, AA1000 or GRI G4. On the other hand, the DCC and Intertek Group, the first using the ISAE 3000 direction and assurance provided by PWC, and the second using GRI G4 consolidated by AGM. At the same time, the last company that was part of our analysis, Bunzl, uses the informed opinion of the same company, PWC, both for the audit report and for RS. Firms that follow sustainable reporting directions obviously lead to a higher propulsion of stock market values, because thorough checks have determined the necessary corrections to give the company veracity for future stakeholders who have invested in their assets, as can be seen in the chart below.

Towards the end, the study concludes with a discussion on 9 companies in the field of travel and travel agencies, of which Carnival is not audited, but offers a report organized in the form of GRI G4. In addition, Compass Group is a company that also publishes RS, assured by PWC under the sign of the GRI standard for the period 2015-2016, stating that in 2017-2018 there was no information to support a future collaboration. Withbread also publishes RS in accordance with ISAE3000 and GRI, after in 2015 it received a review from PWC. This generated a continuation on the same level, but without the approved collaboration with PWC.

## **Conclusions**

Concluding what this research has proposed, the implications that sustainable reporting has can only delight the global market for the simple fact that it adopts a structure that helps the harmonious development of industrial, commercial, trade activities, etc. A harmoniously developed thing is in fact an extraordinary relationship between the company and the environment, an aspect facilitated by a better business management.

Furthermore, the use of several approved companies to check the economic direction of a company involves the discovery of, improving the financial vision, as well as a better organization of society from several points of view. GRI proposes a non-financial reporting model, but with direct implications on the company's future economic consciousness.

Moreover, given that a change was needed, the real life evidence is the growing interest in this reporting model. The results did not take long to come, which is gratifying because this determines a goal of active performance of environmental concerns in relation to businesses that have become very successful companies.

At the same time, the information presented in the research brings with it an extremely good example for a business environment dominated by controversies, which has a huge impact in relation to the geographical environment, as well as the business because the oil barrel manages the market price very well. It comes with the battle for natural gas, but we can not forget the precious minerals that require a battlefield for a battle of enrichment, which spreads due to distribution services, which develops a comprehensive telecommunications system with health implications etc., and practically this cycle leads to the exemplification of all fields of activity in our study.



Therefore, the structure of this report should clearly contain official directives among which the most relevant are ISAE3000, GRI G4, AA1000. The development of a correct sustainability report must necessarily include one of the 3 types of assurance discussed. First, in the vicinity of 2012, the International Audit and Assurance Standards Committee (IAASB) was reviewing the International Standard on Assurance Engagements (ISAE) 3000. The purpose of this document is to review the implications of this review process to facilitate the provision of sustainability reports and identify research opportunities. Second, information on stakeholder involvement assessment tools, such as the AccountAbility AA1000 Stakeholder Involvement Standard (AA1000SES). Third, the Global Reporting Initiative (GRI) in terms of assurance, assesses the extent to which current assurance practice improves transparency and accountability for organizational stakeholders.

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Annex 1

Company	Assurance company	Standard
BAE SYSTEMS	DELOITTE	GRI, ISAE3000
ROLLS-ROYCE HLG	DELOITTE	ISAE3000
COCACOLA HBC AG	AGM	GRI, AA1000AS, ISAE3000
DIAGEO	PWC	GRI G4, ISAE3000
BARCLAYS	KPMG/AGM	GRI G4
HSBC HLDGS.UK	AGM/PWC	ISAE3000
LLOYDS GRP.	DELOITTE	ISAE3000
ROYAL BANK SCOT	E&Y	ISAE3000, AA1000
STAND.CHART.	DELOITTE	GRI G4
CRODA INTL.	KPMG	GRI
JOHNSON MATTHEY CRH	AGM	GRI, ISAE3000, AA1000
MELROSE IND	-	-
ASTRAZENECA	AGM/BUREAU VERITAS	ISAE3000
GLAXOSMITHKLINE	AGM	GRI
HIKMA	E&Y	-
SSE	PWC	GRI G4, ISAE3000
SPIRAX-SARCO	BDO	-
EVRAZ	AGM	GRI G4
HALMA	-	-
BT GROUP	AGM	-
VODAFONE GRP.	AGM	GRI G4, ISAE3000
MICRO FOCUS	KPMG	-
SAGE GRP.	-	-
SCOTTISH MORT	-	-
3I GRP.	AGM	GRI G4
HARGREAVES LANS	-	-
LON.STK.EXCH	AGM	GRI G4
SCHRODERS	AGM	-
STD LIFE ABER	KPMG/PWC	ISAE3000
BR.LAND	KPMG/E&Y	ISAE3000, GRI G4
LAND SECS.	AGM	GRI, ISAE3000, AA1000AS
SEGRO	KPMG	GRI, ISAE3000
MORRISON (WM)	AGM/KPMG	ISAE3000

<b>OCADO</b>	AGM	ISAE3000
<b>SAINSBURY(J)</b>	AGM	-
<b>TESCO</b>	KPMG	ISAE3000
<b>A.B.FOOD</b>	E&Y	ISAE3000, AA1000AS
<b>NMC HEALTH</b>	AGM	-
<b>SMITH&amp;NEPHEW</b>	AGM	GRI G4, ISAE3000, AA1000
<b>MONDI</b>	AGM	GRI G4, ISAE3000
<b>BURBERRY GRP</b>	-	-
<b>UNILEVER</b>	AGM/PWC	GRI G4, ISAE3000
<b>BR.AMER.TOB.</b>	AGM	GRI
<b>IMP.BRANDS</b>	AGM	GRI G4, ISAE3000
<b>SMITH(DS)</b>	KPMG	GRI G4
<b>SMITHS GROUP</b>	-	-
<b>SMURFIT KAP.</b>	AGM/KPMG	GRI G4, ISAE3000
<b>KINGFISHER</b>	AGM	GRI G4, ISAE3000
<b>MARKS &amp; SP.</b>	-	-
<b>NEXT</b>	PWC	ISAE3000
<b>BARRATT DEVEL.</b>	AGM	GRI G4, AA1000
<b>BERKELEY GP.HLD</b>	-	-
<b>PERSIMMON</b>	AGM	-
<b>RECKITT BEN. GP</b>	AGM/PWC	GRI G4, ISAE3000, AA1000AS
<b>TAYLOR WIMPEY</b>	AGM	-
<b>AUTO TRAD</b>	-	-
<b>INFORMA</b>	KPMG	-
<b>ITV</b>	DELOITTE	-
<b>PEARSON</b>	AGM	GRI G4
<b>RELX</b>	AGM	GRI G4, ISAE3000
<b>RIGHTMOVE</b>	PWC	-
<b>WPP</b>	AGM	GRI G4, ISAE3000, AA1000AS
<b>ANGLO AMERICAN</b>	PWC	GRI
<b>ANTOFAGASTA</b>	PWC	GRI, ISAE3000
<b>BHP GROUP</b>	KPMG	GRI, ISAE3000
<b>FRESNILLO</b>	PWC	-
<b>GLENCORE</b>	DELOITTE	GRI G4, ISAE3000
<b>RIO TINTO</b>	PWC	GRI G4
<b>ADMIRAL GRP</b>	-	-
<b>DIRECT LINE</b>	-	-
<b>HISCOX</b>	-	-
<b>RSA INS.</b>	PWC	ISAE3000
<b>AVIVA</b>	-	-
<b>LEGAL&amp;GEN.</b>	DELOITTE	GRI
<b>PRUDENTIAL</b>	DELOITTE	ISAE3000
<b>ST.JAMES'S PLAC</b>	DELOITTE	-
<b>BP</b>	E&Y/DELOITTE	ISAE3000
<b>RDS 'A'</b>	AGM	GRI G4
<b>WOOD GRP(J)</b>	AGM	-

CENTRICA	DELOITTE	ISAE3000
NATIONAL GRID	-	-
SEVERN TRENT	PWC	-
UTD. UTILITIES	PWC	-
ASHTEAD GRP.	PWC	-
BUNZL	PWC	ISAE3000
DCC	AGM	ISAE3000
EXPERIAN	PWC	-
FERGUSON	-	-
INTERTEK GROUP	AGM	GRI G4
RENTOKIL INTL.	AGM	-
CARNIVAL	AGM	GRI G4
COMPASS GROUP	PWC/AGM	GRI
EASYJET	AGM	-
GVC HLDGS	AGM	-
INTERCON. HOTEL	AGM	-
INTL CONSOL AIR	AGM	-
PADDY PWR BET	AGM	-
TUI AG	AGM/PWC	-
WHITBREAD	AGM	GRI, ISAE3000

Annex 2

	2015		2016		2017		2018	
BAE SYSTEMS	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	DELOITTE	unqualified
ROLLS-ROYCE HLG	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
COCACOLA HBC AG	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
DIAGEO	KPMG	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
BARCLAYS	PWC	unqualified	PWC	unqualified	KPMG	unqualified	KPMG	unqualified
HSBC HLDGS.UK	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
LLOYDS GRP.	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
ROYAL BANK SCOT	DELOITTE	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
STAND.CHART.	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
CRODA INTL.	PWC	unqualified	PWC	unqualified	PWC	unqualified	KPMG	unqualified
JOHNSON MATHEY	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
CRH	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
MELROSE IND	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
ASTRAZENECA	KPMG	unqualified	KPMG	unqualified	PWC	unqualified	PWC	unqualified
GLAXOSMITHK LINE	PWC	unqualified	PWC	unqualified	PWC	unqualified	DELOITTE	unqualified
HIKMA	DELOITTE	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
SSE	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
SPIRAX-SARCO	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
EVRAZ	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified

<b>HALMA</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	PWC	unqualified
<b>BT GROUP</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>VODAFONE GRP.</b>	E&Y	unqualified	E&Y	unqualified	KPMG	unqualified	KPMG	unqualified
<b>MICRO FOCUS</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	KPMG	unqualified
<b>SAGE GRP.</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>SCOTTISH MORT</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>3I GRP.</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>HARGREAVES LANS</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>LON.STK.EXCH</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>SCHRODERS</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	E&Y	unqualified
<b>STD LIFE ABER</b>	PWC	unqualified	PWC	unqualified	KPMG	unqualified	KPMG	unqualified
<b>BR.LAND</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>LAND SECS.</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>SEGRO</b>	DELOITTE	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>MORRISON (WM)</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>OCADO</b>	PWC	unqualified	PWC	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>SAINSBURY(J)</b>	PWC	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>TESCO</b>	PWC	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>A.B.FOOD</b>	KPMG	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>NMC HEALTH</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>SMITH&amp;NEPHEW</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>MONDI</b>	DELOITTE	unqualified	DELOITTE	unqualified	PWC	unqualified	PWC	unqualified
<b>BURBERRY GRP</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>UNILEVER</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>BR.AMER.TOB.</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>IMP.BRANDS</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>SMITH(DS)</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>SMITHS GROUP</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>SMURFIT KAP.</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>KINGFISHER</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>MARKS &amp; SP.</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>NEXT</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>BARRATT DEVEL.</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>BERKELEY GP.HLD</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>PERSIMMON</b>	KPMG	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>RECKITT BEN. GP</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	KPMG	unqualified
<b>TAYLOR WIMPEY</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>AUTO TRAD</b>	PWC	unqualified	PWC	unqualified	KPMG	unqualified	KPMG	unqualified
<b>INFORMA</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>ITV</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>PEARSON</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>RELX</b>	DELOITTE	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified

<b>RIGHTMOVE</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>WPP</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>ANGLO AMERICAN</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>ANTOFAGASTA</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>BHP GROUP</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>FRESNILLO</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>GLENCORE</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>RIO TINTO</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>ADMIRAL GRP</b>	KPMG	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>DIRECT LINE</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>HISCOX</b>	KPMG	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>RSA INS.</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>AVIVA</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>LEGAL&amp;GEN.</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	KPMG	unqualified
<b>PRUDENTIAL</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>ST.JAMES'S PLAC</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>BP</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	DELOITTE	unqualified
<b>RDS 'A'</b>	PWC	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>WOOD GRP(J)</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	KPMG	unqualified
<b>CENTRICA</b>	PWC	unqualified	PWC	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>NATIONAL GRID</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	DELOITTE	unqualified
<b>SEVERN TRENT</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>UTD. UTILITIES</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>ASHTAD GRP.</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>BUNZL</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>DCC</b>	PWC	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>EXPERIAN</b>	PWC	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>FERGUSON</b>	PWC	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>INTERTEK GROUP</b>	KPMG	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>RENTOKIL INITL.</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>CARNIVAL</b>	UNAUDITED	unqualified	UNAUDITED	unqualified	UNAUDITED	unqualified	UNAUDITED	unqualified
<b>COMPASS GROUP</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>EASYJET</b>	PWC	unqualified	PWC	unqualified	PWC	unqualified	PWC	unqualified
<b>GVC HLDGS</b>	GRANT/THORTON	unqualified	GRANT/THORTON	unqualified	GRANT/THORTON	unqualified	KPMG	unqualified
<b>INTERCON. HOTEL</b>	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>INTL CONSOL AIR</b>	PWC	unqualified	E&Y	unqualified	E&Y	unqualified	E&Y	unqualified
<b>PADDY PWR BET</b>	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified	KPMG	unqualified
<b>TUI AG</b>	PWC	unqualified	PWC	unqualified	DELOITTE	unqualified	DELOITTE	unqualified
<b>WHITBREAD</b>	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified	DELOITTE	unqualified