

Stakeholder Forum on AA1000 Standards and Research

February 2011

Presented by:

Kurt Ramin, Director of Standards

Liv A. Watson, Director of Research & Development



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About Your Hosts

Directors of Standards / Research & Development



Kurt Ramin
Director

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Kurt is a Director at AccountAbility and Global Head of Standards.

Kurt is a pioneer in global reporting languages and standards, having previously been a director and advisor to the International Financial Reporting Standards (IFRS) Foundation at the International Accounting Standards Board (IASB) in London for over 10 years. His work on behalf of the IASB involved introducing XBRL and IFRS to more than 70 countries. During his tenure with the IASB he served as the Global Chairman of XBRL and was a member of the EU Commission High Level Expert Group and the Brookings Institution Task Force on Intangibles.

Prior to joining the IFRS Foundation and its predecessor the International Accounting Standards Committee (IASC), Kurt was a Global Capital Markets Group Partner at PricewaterhouseCoopers in New York. He holds MBA, CPA, and CEBS degrees and is a board member of several international organisations. He is a member of the American Institute of Certified Public Accountants (AICPA), Financial Executives International and other professional associations.

An accomplished writer and public speaker, Kurt has authored numerous articles on international financial reporting, XBRL and capital markets and chaired global business conferences and summits. He has also lectured at Columbia University, and was a professor at the College of Insurance in New York.

Kurt currently serves as Treasurer on the Council of the International Union for Conservation of Nature (IUCN), the world's largest association of conservation agencies, headquartered in Switzerland.

Outside of work, Kurt likes biking, skiing and engaging with friends around the globe. In 2009 he bicycled on a 4000 km goodwill tour from Rome to Mecca.

He is fluent in German and English.



Liv Watson
Director

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Liv is a Director and leads the Research and Development function at AccountAbility.

Liv is widely-recognised around the world as an expert in corporate governance, financial reporting, and XBRL -- the global standard for financial information used in business reporting. In fact, she was one of the original developers of the XBRL standard, as well as a founder of the XBRL International consortium. Working with leading market regulators, accounting associations and institutions, she has visited more than 80 countries as an ambassador for XBRL and IFRS and speaks regularly at international events on corporate governance and standards. Liv has also served in several leadership positions related to the XBRL standard, including as a member of the International Accounting Standards Committee Foundation (IASCF) Advisory Committee and the XBRL International Steering Committee.

She is also an accomplished writer and commentator, having been a co-author and contributing author on several books among them, *XBRL for Dummies*, and the *Governance, Risk and Compliance Handbook*. Her articles and commentary have been published in leading business journals, including the *Harvard Business Review* and *Strategic Finance*. In 2007, one of her articles received the Lybrand Silver Medal, and was selected for inclusion in the International Federation of Accountants (IFAC) 2007 Articles of Merit. In addition, she developed one of the Institute for Management Accountants' most successful CPE courses, "Accounting System Technology for the 21st Century."

Prior to joining AccountAbility in January 2011, Liv was an Executive Advisor to WebFilings, a privately-held US company that offers web-based software for SEC financial reporting.

Liv is possibly the only corporate governance and financial reporting expert who can also say she was a skateboard champion and music video producer earlier in her career. In 1978 she was the EU Skateboarding Champion representing Sweden's Hobie team. After her skateboarding days, Liv went on to produce MTV award-winning videos for The Cars and Tom Petty. Today, she just listens to music.

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Today's Agenda

1. Welcoming Remarks
2. About AccountAbility
3. AA Recent Developments
4. Initial Observations
5. Moving Forward
6. Next Steps
7. Discussion



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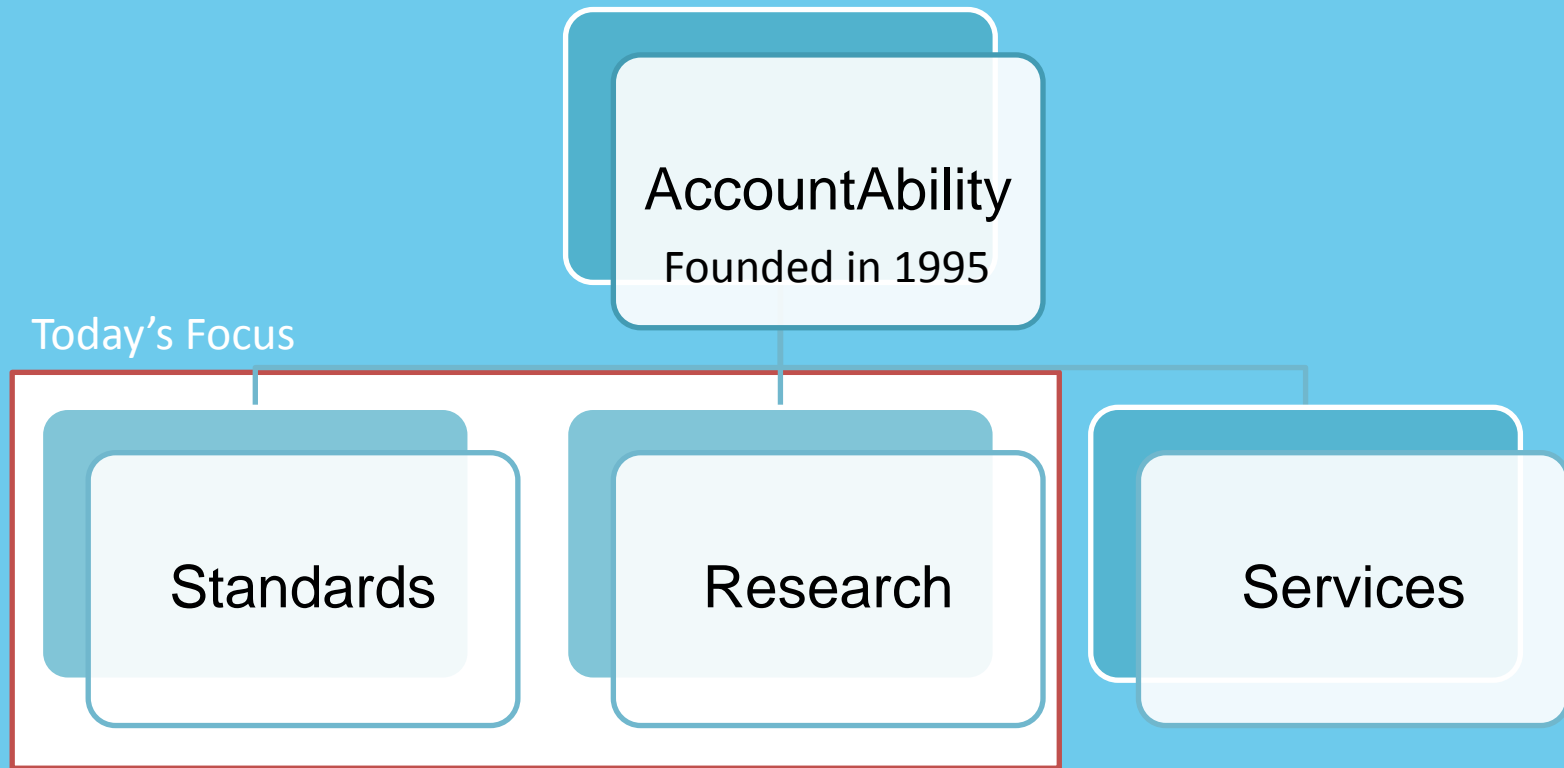
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AccountAbility: Who we are

Global Think Tank and Consultancy Dedicated to Corporate Responsibility



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AA Recent Developments



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AA Recent Developments

1. Nov 2010: AA Advisory Council resigns
2. Dec 2010: Standards director resigns
3. Jan 2011: AA1000 Standards Board resigns
4. Jan 2011: AA hires two new directors for standards and research & development
5. Feb 2011: Two members of the technical committee resign
6. Feb 9 & 10 2011: First stakeholder outreach-forum
7. Feb 2011: Release of the Revised Stakeholder Engagement Standard

Initial Observations



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Initial Observations

1. The Standards:
 - AA Standards need to be reviewed in light of integrated reporting and technology trends.
2. Finances:
 - The standard is not self funded today and no proactive program is in place for a sustainable infrastructure.
3. Strategy:
 - AA Standards has no sustainable strategic plan in place.
4. Transparency:
 - There are no public minutes from meetings nor agendas posted on the website.
5. Market Acceptance:
 - The market adoption of the standard is low.

Initial Observations

6. Quality:
 - The quality and consistency of applying the AA assurance is questionable.
7. Governance:
 - No independent governance structure exists except for two technical committees.
8. Brand Reputation:
 - Market concern about recent events has put the reputation at risk.
9. Research:
 - No major research has been published recently.
- 10. Good News**
 - Stakeholders are passionate about the standards
 - The directors and staff at AA are equally passionate about keeping the standards publicly available, credible, engaging with stakeholders, taking a proactive role in governance, and ensuring the long term sustainability of the standards.

Moving Forward



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Keep Technical Committees

AA1000APS & AS Technical Committee



AA1000SES Technical Committee



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Develop a Strategic Plan

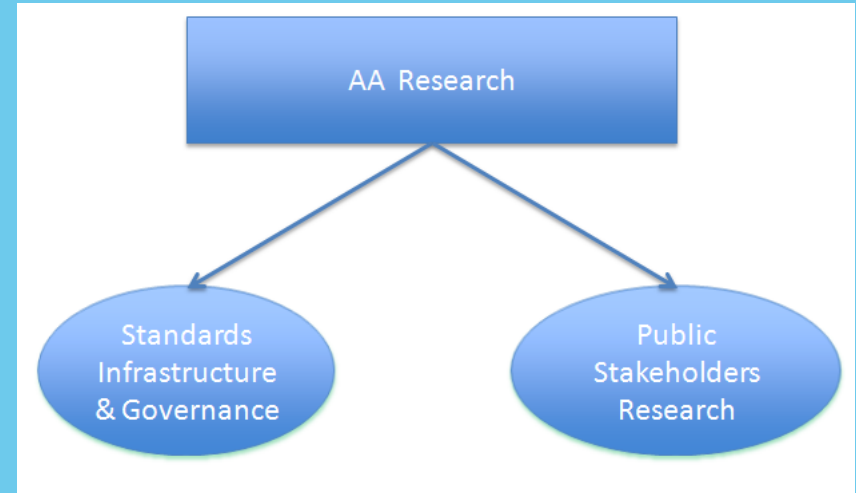
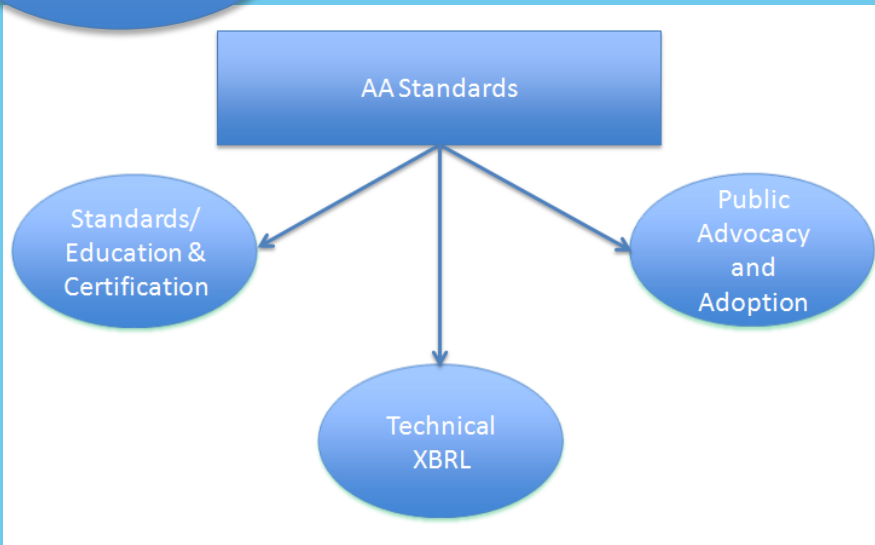
Nomination Committee
8 Members – 4 AA + 4 Independent Members

Professional Advisors:



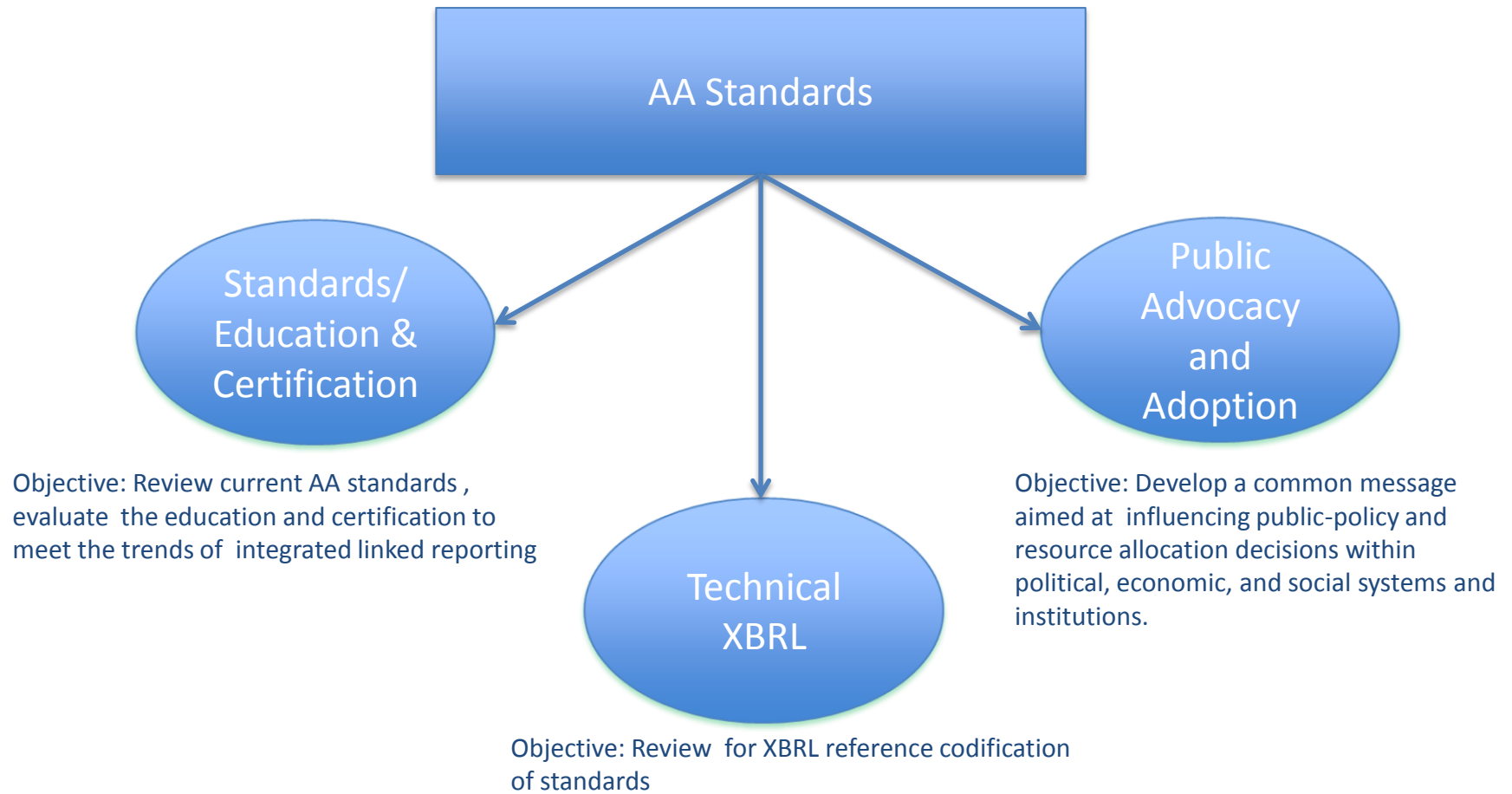
Oversight Committee / Deliver a Standards Strategic Plan
Chair(s) and Vice Chair(s) from each temporary working

A Public Review Process
before issuing any
communication to the
market



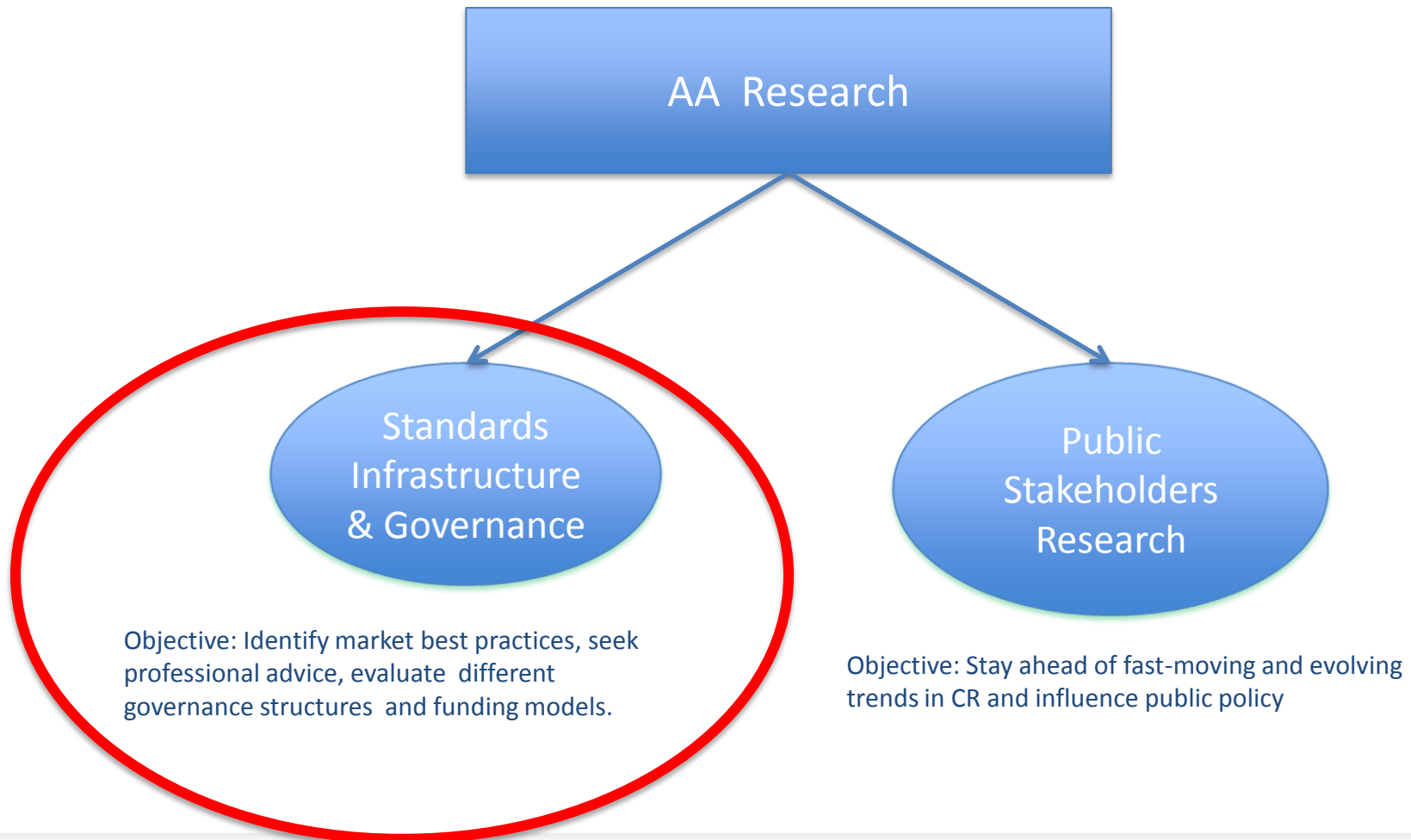
Establish 3 Interim Working Groups - Standards

The Vision is to have every sustainability report follow the principles of the AA Standards



Establish 2 Interim Working Groups - Research

The Vision is to become a world class CR “Think Tank”



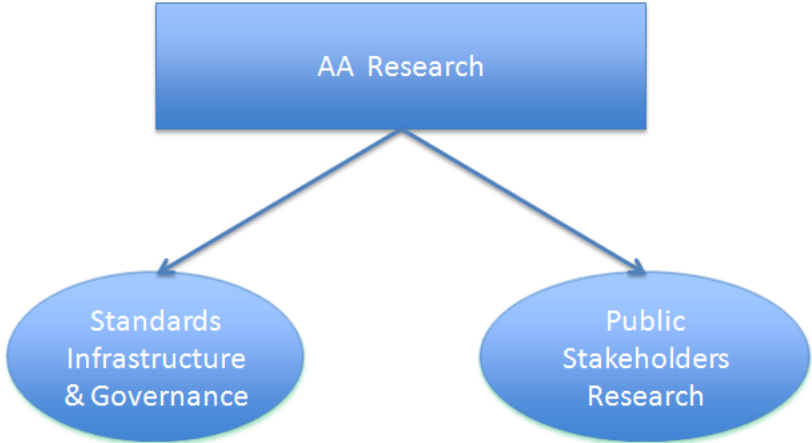
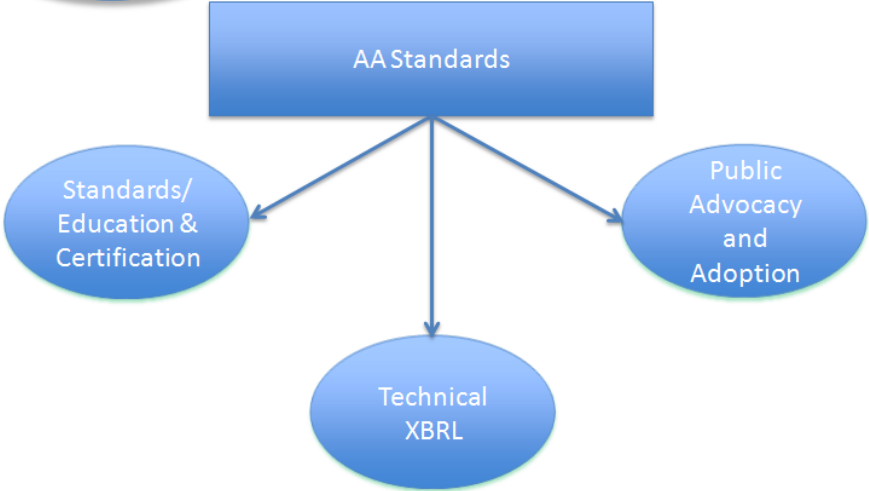
Develop a Strategic Plan

Nomination Committee
8 Members – 4 AA + 4 Independent Members

Professional Advisors:
Gesmer Updegrave LLP
Attorneys at Law Boston

Oversight Committee / Deliver a Standards Strategic Plan
Chair(s) and Vice Chair(s) from each temporary working

A Public Review Process
before issuing any
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market



Next Steps – 60 Action Plan

March:

- Populate the Nomination Committee
- Publish Interim Working Group Charters
- Call for Interim Working Group Nominees
- Announce Working Group Members

April:

- Host Initial Working Group ‘Kick-Off Meetings’

Discussion



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