

Guidance on the Use of AI Assistant for Annual Report Self-Assessment Tool

This document guides you on how to use AI for assessing sustainability reports, with a sample prompt to help you evaluate reports effectively.

How to Use an AI Assistant for the Self-Assessment Process:

1. Copy the full list of 23 assessment questions and the 1 - 5 scoring scale into your AI prompt space.
2. Upload the report you want to evaluate.
3. Instruct the AI to:
 - Carefully analyze the content of the report.
 - Assign a score from 1 to 5 for each question, based on the scoring system provided.
 - For each question, briefly explain why the score was assigned, highlighting both strengths and areas for improvement.
 - Present the results using clear headings or in a simple table format.

Sample prompt for Self-Assessment of Annual/Sustainability Reports

"You are an expert in annual and sustainability reporting, corporate governance, and ESG disclosures. Carefully review the attached report and assess its quality and completeness based on good international practices and recognized standards (e.g., GRI, ISSB, ESRS, TCFD).

For each question below, assign a score from **1 to 5**, using this scale:

- **1 (Poor)** – No or minimal/superficial information is provided. Significant gaps in clarity and detail. Little to no alignment with standards. Disconnected elements.
- **2 (Fair)** – Some effort is made, but information is incomplete or unclear. Connections are weak. Room for significant improvement.
- **3 (Good)** – Adequate detail. Most aspects are covered. Generally aligned with good practices, but more clarity or integration would enhance understanding.
- **4 (Very Good)** – High-quality disclosure. Clear, structured, and detailed. Minor gaps only. Aligns well with global standards.
- **5 (Excellent)** – Best-practice level. Thorough, coherent, and fully integrated disclosure. All elements are clearly explained and interlinked.

Then, for **each question**, briefly explain the rationale behind your score by highlighting both strengths and areas for improvement. Use clear headings or table formatting.

Assessment Categories, Questions & Good Practices

1. Governance

1. **Mission, Vision, Purpose, and Core Values** *To what extent does the report clearly outline the company's commitment to sustainability through its mission, vision, and core values?* → Good Practice: Clearly articulate how sustainability is embedded in the company's purpose and core values.

2. **Board of Directors and Management** *How comprehensive is the overview of the board and management (diversity, sustainability expertise, independence)?* → Good Practice: Include detailed profiles, highlighting diverse backgrounds and ESG knowledge.
 3. **Board's and Management's Roles in ESG** *How well are the board's and management's roles in overseeing sustainability and ESG described?* → Good Practice: Clearly outline responsibilities and actions on ESG oversight.
 4. **Board Meeting Disclosures** *Are there disclosures on board meeting attendance and key sustainability-related decisions?* → Good Practice: Provide detailed records of attendance and summaries of ESG discussions or decisions.
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2. Strategy

5. **Long-Term Strategic Plan** *Does the report include a detailed plan addressing material sustainability-related risks and opportunities?* → Good Practice: Present short-, medium-, and long-term strategies linked to material ESG issues.
 6. **Integration of Sustainability Goals into Strategy** *How well are sustainability goals integrated into the overall corporate strategy?* → Good Practice: Demonstrate alignment between ESG goals and business objectives.
 7. **Material Sustainability-Related Risks and Opportunities** *Are key ESG risks and opportunities identified and explained?* → Good Practice: Provide a thorough risk and opportunity assessment tied to material topics.
 8. **Stakeholder Engagement** *How well is the stakeholder engagement process described, and how does it influence strategy?* → Good Practice: Clearly describe engagement methods and how stakeholder input shaped the strategy.
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3. Risk Management

9. **Risk Management Framework** *Is the risk management framework described, including sustainability-related risks?* → Good Practice: Show how ESG risks are embedded into enterprise risk management.
 10. **Climate-Related Risk Assessments** *Are there specific climate risk assessments and scenario analyses disclosed?* → Good Practice: Include TCFD-aligned climate scenario analysis and mitigation strategies.
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4. Performance Metrics & Targets

11. **Financial and ESG Performance Indicators** *Are both financial and sustainability performance indicators included?* → Good Practice: Provide a balanced view using both sets of indicators.
12. **Sustainability Metrics (GHG, DEI, etc.)** *Does the report include metrics such as Scope 1–3 emissions, water, waste, DEI, health, safety?* → Good Practice: Report comprehensive, material ESG metrics with clear definitions.
13. **Comparison of Performance Targets and Actual Results** *Are performance targets compared with actual results and analyzed?* → Good Practice: Show variance between targets and results with explanations.

5. Transparency & Compliance

14. **Governance Policies and Practices** *Are governance-related policies and practices disclosed?* → Good Practice: Fully disclose key policies on ethics, conduct, diversity, and ESG governance.
15. **Regulatory Compliance and Internal Controls** *Is there information on regulatory compliance and internal controls over ESG reporting?* → Good Practice: Describe compliance processes and control systems that ensure data accuracy and integrity.
16. **Remuneration Policies and ESG Alignment** *Are executive remuneration policies aligned with sustainability performance?* → Good Practice: Outline performance-linked incentives tied to ESG KPIs.

6. Financial Audit & Sustainability Assurance

17. **Independent Financial Audit** *Are the financial statements independently audited?* → Good Practice: Clearly name the auditor and confirm the audit's scope and opinion.
18. **Third-Party Assurance of Sustainability Disclosures** *Is there third-party assurance of ESG data?* → Good Practice: Specify whether limited or reasonable assurance was provided and under which standards (e.g., ISAE 3000, ISSA 5000).
19. **Financial Impacts of ESG Risks** *Are the financial impacts of ESG risks and opportunities discussed?* → Good Practice: Explain how ESG factors affect financial performance, position, and cash flows.

7. Reporting Standards

20. **Use of Reporting Standards and Frameworks** *Does the report follow standards such as GRI, ISSB, TCFD, ESRS, CDP, or local frameworks?* → Good Practice: Demonstrate alignment with recognized standards and frameworks.

8. Stakeholder Engagement

21. **Addressing Stakeholder Concerns** *Are specific stakeholder concerns identified and addressed?* → Good Practice: Provide concrete examples of concerns raised and responses taken.
22. **Integration of Stakeholder Feedback into Reporting** *How is stakeholder feedback reflected in the report itself?* → Good Practice: Show how feedback loops are closed and reflected in materiality or KPIs.

9. Innovation

23. **Discussion of Innovation Initiatives** *Does the report highlight innovation and forward-looking initiatives?* → Good Practice: Include innovation in products, processes, partnerships, or business models tied to ESG themes.

Goal: Go beyond box-ticking. Evaluate whether the report shows real integration of ESG into strategy, governance, and operations—and whether it communicates this clearly, credibly, and consistently to stakeholders.”