

Corporate Reporting Dialogue: Better Alignment Project

Leading corporate reporting bodies launch two-year project for better alignment

Major international corporate reporting standard setters and framework providers have announced a ground-breaking new two-year project focused on driving better alignment in the corporate reporting landscape, to make it easier for companies to prepare effective and coherent disclosures that meet the information needs of capital markets and society.

Launched simultaneously at the Bloomberg Sustainable Business Summit in London and in Sydney, during the World Congress of Accountants 2018, Corporate Reporting Dialogue participants committed to driving better alignment of sustainability reporting frameworks, as well as with frameworks that promote further integration between non-financial and financial reporting.

The Corporate Reporting Dialogue was launched four years ago as the principal working mechanism globally to achieve dialogue and alignment between the key standard setters and framework developers which have a significant international influence on the corporate reporting landscape. It comprises CDP, the Climate Disclosure Standards Board, the Financial Accounting Standards Board*, the Global Reporting Initiative, the International Accounting Standards Board, the International Organisation for Standardisation, the Sustainability Accounting Standards Board, and is convened by the International Integrated Reporting Council.

Corporate Reporting Dialogue participants have regular meetings to align their views and to promote further co-operation. Participants have already adopted a Statement of Common Principles of Materiality, developed a common map of the reporting landscape, and took a common position in support of the recommendations of the Financial Stability Board Task Force on Climate-related Financial Disclosure (TCFD). This collaborative project will work on aligning standards with the recommendations published by the TCFD, which were published in June 2017.

Through this new project, participants will map their respective sustainability standards and frameworks to identify the commonalities and differences between them, jointly refining and continuously improving overlapping disclosures and data points to achieve better alignment, taking into account the different focuses, audiences and governance procedures. Participants will identify how non-financial metrics relate to financial outcomes and how this can be integrated in mainstream reports.

An important aspect of conducting this project in the context of the Corporate Reporting Dialogue is to undertake this work with the overview of financial standard-setters, consistent with the ultimate aim of integrating financial and non-financial reporting.

In undertaking this project, participants of the Corporate Reporting Dialogue are focused on bringing about visible improvement in the coherence, consistency and comparability of corporate reporting by business. This will lead to improvements in reporting from a multi-capital perspective, that will be essential for the long-term efficient allocation of capital given the changing nature of risks and opportunities.

Speaking in Sydney, Ian Mackintosh, Chair, Corporate Reporting Dialogue said: “The different elements of the corporate reporting system are not working as harmoniously as possible, with the result being that corporate reporting can be seen to pursue conflicting objectives, under disjointed definitions with unclear aims.

“There is a renewed urgency to drive better alignment that can combat reporting fatigue, reduce burden and enable more effective corporate reporting. Today, the participants of the Corporate Reporting Dialogue have made clear their commitment to delivering this.”

Curtis Ravenel, Global Head of Sustainable Business and Finance, Bloomberg said: “Transparent disclosure brings many benefits to global markets. Advancements in corporate reporting over recent years have led to a better understanding of how businesses operate across their value chains. However, as efforts to improve disclosures have emerged, so has a range of varying guidance, frameworks and standards in the field. At Bloomberg, we are committed to helping organizations communicate clearly, succinctly and effectively with the market. That is why we are delighted to support this project, which will lead to better alignment in the corporate reporting landscape.”

Bloomberg Philanthropies will be providing funding for this project.

*The Financial Accounting Standards Board participates in the Corporate Reporting Dialogue as an observer.

Notes to editors

The Corporate Reporting Dialogue is an initiative, convened in June 2014 by the International Integrated Reporting Council, designed to respond to market calls for greater coherence, consistency and comparability between corporate reporting frameworks, standards and related requirements.

SASB, GRI and CDP will work to map their frameworks against the TCFD recommendations, working to better align their metrics where possible across all their reporting frameworks, taking into account the different focuses and audiences. The project will also consider how frameworks such as the IIRC’s and CDSB’s can be used to promote further integration between non-financial and financial reporting.

Further information about the project can be [found on the Corporate Reporting Dialogue website](#).

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About the participants:

CDP is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Visit www.cdp.net or follow @CDP to find out more.

Climate Disclosure Standards Board (CDSB) is an international consortium of business and environmental NGOs, committed to advancing and aligning the global mainstream corporate reporting

model to equate natural capital with financial capital. Visit www.cdsb.net or follow @CDSBglobal for more information.

Financial Accounting Standards Board (FASB) (FASB participates as an observer) is the independent, private-sector, not-for-profit organization that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP).

Global Reporting Initiative (GRI) is an international independent organization that has pioneered corporate sustainability reporting since 1997. GRI helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.

International Accounting Standards Board (IASB) The IFRS Foundation is a not-for-profit international organisation responsible for developing a single set of high-quality, global accounting standards, known as IFRS Standards. IFRS Standards are now required in over 140 jurisdictions, with many others permitting their use.

International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting. Visit www.integratedreporting.org or follow @theiirc

International Organization for Standardization (ISO) is an independent, non-governmental international organization with a membership of 163 national standards bodies each of which represent the stakeholders in their countries. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market-relevant International Standards that support innovation and provide solutions to global challenges.

Sustainability Accounting Standards Board (SASB) is an independent standard-setting organization that develops and maintains robust reporting standards that enable businesses around the world to identify, manage and communicate financially material sustainability information to their investors. SASB standards are evidence based, developed with broad market participation, and are designed to be cost-effective for companies and decision-useful for investors. To download any SASB industry-specific standards, or learn more about SASB, please visit www.SASB.org.