Agenda item 3. Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies

Presented by

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Company Reporting Framework in the UK – The Future

ISAR 36, 31st October 2019

Seema Jamil-O’Neill
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Agenda

- The UK Company Reporting Framework
- Post-Implementation Review
- Future Policy Challenges
- Non-financial reporting journey
The UK company reporting framework

• Yesterday – background on UK company reporting and developments over the years

• Today you heard from

  ➢ DS Smith Plc – Company experience of reporting under the UK framework and against SDGs
  ➢ Ernst & Young – The auditor perspective
  ➢ Aviva – use of non-financial and SDG information in investment decisions
  ➢ PwC – summary of research on behalf of UK Government on UK stakeholder perceptions of non-financial reporting

Clear message: Non-financial reporting is becoming an increasingly vital to company reporting and to investors’ decision-making
Review of UK non-financial reporting regime

• A post-implementation review on non-financial reporting is due out in 2020. The PWC study informs this and now published.  

Headline results:

• Legislation more than doubled the number of companies that publish non-financial reporting information

• A majority of companies have seen benefits to their organisation overall
  ➢ Substantial number use it to manage risk and set strategy
  ➢ Makes them more attractive to investors
  ➢ Used by a suite of stakeholders
Future Policy Challenges

• However, research for the PIR has also outlined future challenges:
  ➢ Consistency and comparability of information
  ➢ Too many frameworks
  ➢ Lack of common metrics
  ➢ Application of materiality
  ➢ How to link with SDGs

• BEIS has commissioned further research to understand:
  ➢ Stakeholder preferences around frameworks for standards for non-financial reporting frameworks, including perceptions on preferred metrics
  ➢ Due out in 2020

• Potential for future research into:
  ➢ Determining ‘materiality’ in non-financial reporting
  ➢ How to align with SDG reporting
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UK Non-Financial Reporting - Future

Purpose and audience

Framework

Use by stakeholders

Metrics & Data

Reporting
Conclusion

• UK history of reporting in this area
• Full policy cycle of reporting experience on a number of areas already
• UK remains committed to corporate transparency.

Possible future developments:

➤ Standard setting? National or global?
➤ What is materiality for NFR?
➤ Should this be included in the annual report?
➤ More direct links with SDG reporting and core indicators?
Questions