

**Intergovernmental Working Group of Experts on International  
Standards of Accounting and Reporting  
(ISAR)**

**UNCTAD-ISAR – WBCSD Webinar  
Assurance on sustainability reports: current practices and  
challenges**

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Presented by

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# Assurance on sustainability reports: current practices and challenges

Hilary Eastman, CFA, PwC Head of Global Investor Engagement



# There are numerous reporting standards and frameworks

Are companies and investors spoiled for choice?



Corporate Reporting Dialogue

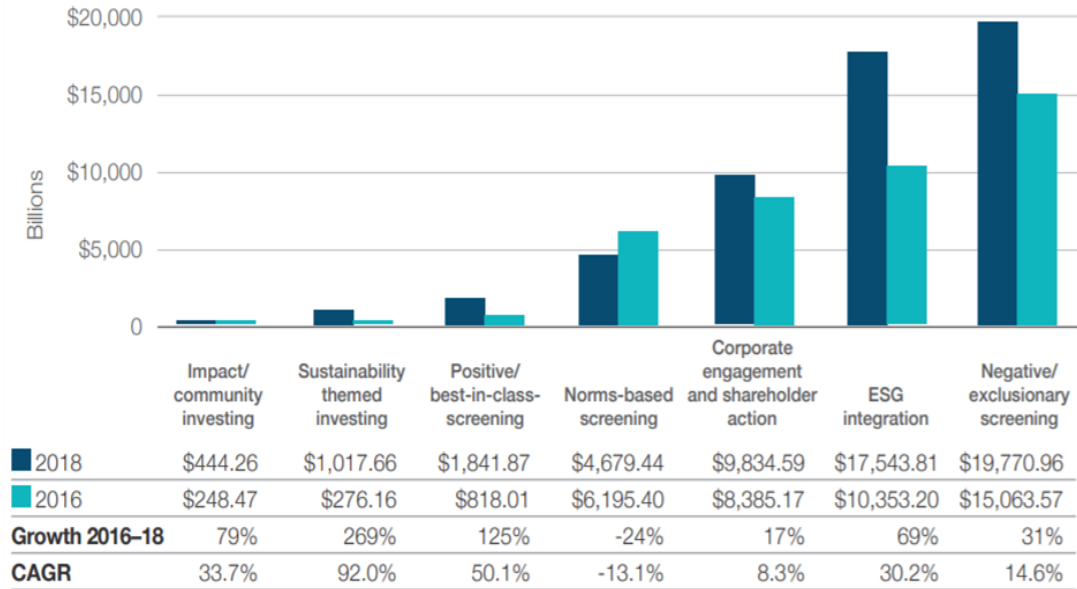
INTEGRATED REPORTING <IR>



...and many, many more...

# Integration is increasing, but disclosure quality is not

Global growth of sustainable investing strategies 2016-2018<sup>1</sup>



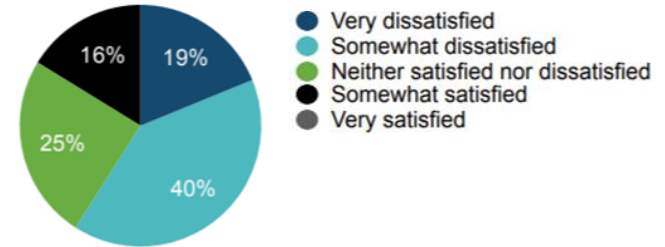
Note: Asset values are expressed in billions.

**Source**

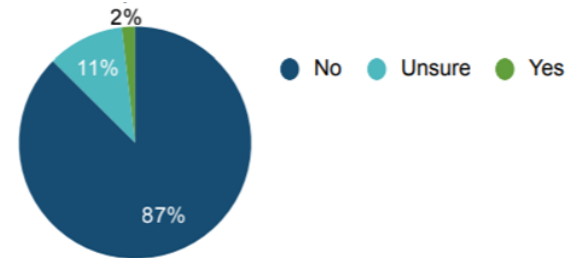
<sup>1</sup> Global Sustainable Investment Alliance, 2018 global sustainable investment review

<sup>2</sup> Global Sustainable Investment Alliance, Sustainable Investor Poll on TCFD Implementation December 2019

Overall, how satisfied are you with the climate-related disclosure of publicly-traded companies?<sup>2</sup>

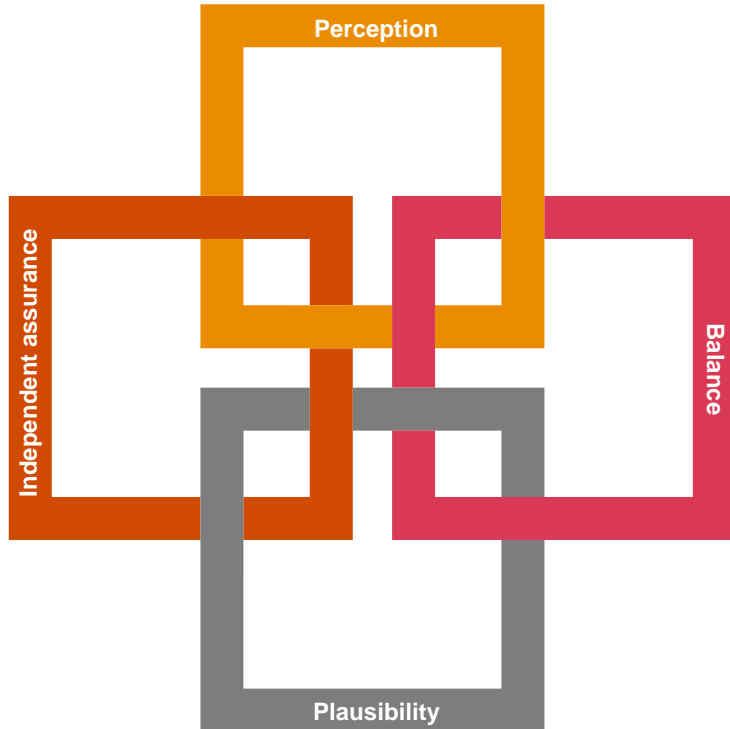


Do you believe that markets are consistently and correctly pricing climate risks into company and sector valuations?<sup>2</sup>



# Investors' level of confidence depends on many factors

## Investor views from WBCSD-PwC round tables



### □ Perception of management and the board

- Through dialogue
- Transparency in reporting
- Competence demonstrated in presentations
- Governance structures

### □ Balance

- Narrative corroborates financial statements
- Both positive and negative elements are disclosed

### □ Plausibility

- Experience of company and sector
- Comparison with peers
- Consistency

### □ Independent assurance

- Third party verification
- Level of assurance

# Investors prioritise assurance on the information they use

## Investor views from WBCSD-PwC round tables

1

### Risks

Have all risks been identified and reported



2

### Policies

Appropriateness of policies and whether they have been applied conservatively or aggressively



3

### Internal controls and effectiveness of governance

Strengths and weaknesses



4

### Metrics and valuation methodologies and calculations

Appropriateness, relevance to business model and strategy and correct application



5

### Assumptions used for scenarios

Are scenarios and estimates reasonable and how sensitive are they to changing factors



6

### Peer comparison

Third-party insight into how a company compares with its peers



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