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

**36th SESSION**

30 October – 1 November 2019  
Room XIX, Palais des Nations, Geneva

Thursday, 31 October 2019  
Morning Session

**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, 31<sup>st</sup> October 2019

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& Industrial Strategy



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# Agenda

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





# The UK company reporting framework

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- 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**

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# 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.  
<https://www.gov.uk/government/publications/non-financial-reporting-regime-stakeholder-perceptions>

## 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

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# 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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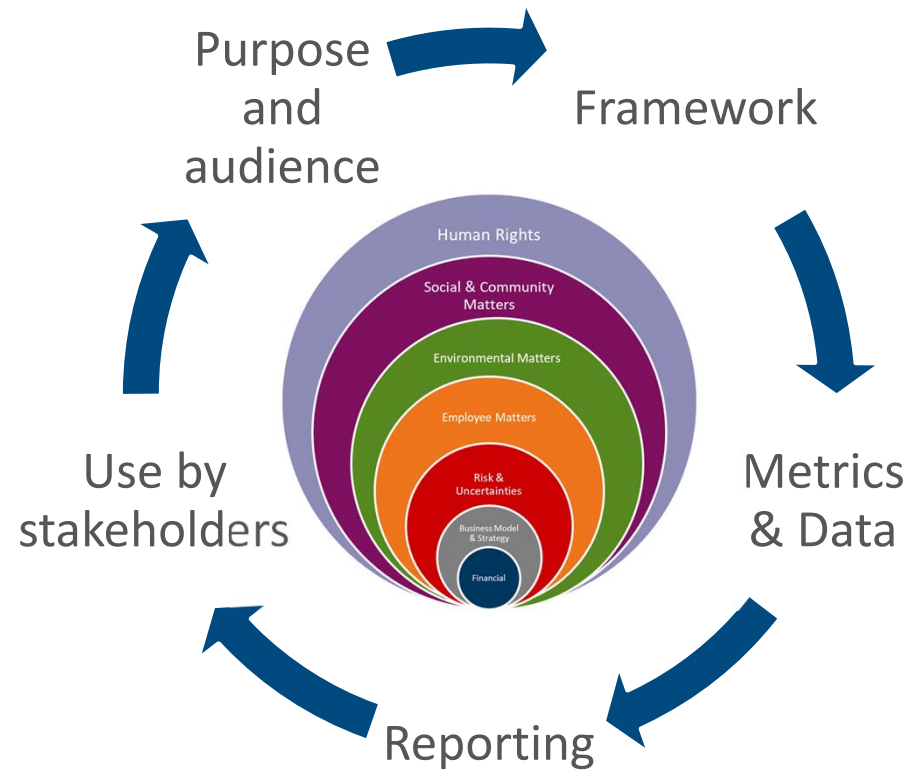


# Reporting Against SDGs

UK Reporting Requirements	SDGs
Business model & strategy	
Main trends & factors relevant to future development of company	
Principle risks & uncertainties	
Environmental matters	
Social & community issues	
Gender analysis of directors & senior managers	
Political donations and expenditure	
Employees	
Human rights	



# UK Non-Financial Reporting - Future



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# Conclusion

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- 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?

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# Questions

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