

PRESS RELEASE

Global sustainability and integrated reporting organisations launch prototype climate-related financial disclosure standard

LONDON, 18 December 2020 – Five leading organisations in sustainability and integrated reporting, who published a shared vision for a comprehensive corporate reporting system earlier this year, have taken a next practical step together. Today, coinciding with the fifth anniversary of the Paris Agreement on 12th December, the group published a paper that addresses one part of this system: standards for reporting on enterprise value, brought to life with a prototype climate-related financial disclosure standard.

[CDP](#), the [Climate Disclosure Standards Board \(CDSB\)](#), the [Global Reporting Initiative \(GRI\)](#), the [International Integrated Reporting Council \(IIRC\)](#) and the [Sustainability Accounting Standards Board \(SASB\)](#), have co-authored an illustration of how their current frameworks, standards and platforms, along with the elements set out by the Task Force on Climate-related Financial Disclosures (TCFD), can be used together to provide a running start for development of global standards that enable disclosure of how sustainability matters create or erode enterprise value.

The collaboration between these organisations comes at a pivotal moment when global stakeholders are recognising the need for transparent measurement and disclosure of information about sustainability performance, as a fundamental part of effective business management. Since the group published a [joint statement of intent](#) in September 2020, the group of five wrote an [open letter to Erik Thedéen](#), Chair of IOSCO's Sustainable Finance Task Force, to reiterate their shared commitment to contribute to the achievement of a globally accepted comprehensive corporate reporting system. The letter and response from Mr Thedéen also welcomed the consultation by the Trustees of the International Financial Reporting Standards (IFRS) Foundation about possible ways the Foundation might contribute to this development, by broadening its current remit beyond the development of financial reporting standards.

In light of these developments, the paper demonstrates that standard-setting for sustainability-related financial disclosure is a natural extension of the IFRS Foundation's current role, and provides insight into how such an ambition can be achieved by building on content that already exists. It also offers this content in the form of prototypes, so that it can serve as a running start for any standards development that the IFRS Foundation might choose to undertake.

In the paper, the group of five explain that enterprise value reporting – in other words, disclosure of how sustainability matters create or erode enterprise value – “is not therefore a replacement for sustainability reporting, which serves a broad range of stakeholders, can offer input to public policy design and reveals issues that may emerge as material for economic decision-making over time.” They believe, however, that consistent communication of how sustainability matters affect drivers of enterprise value can be a “complementary enabler of change, since it creates a financial incentive for companies and their investors to improve performance on some sustainability matters as much and as quickly as they can”.

Following the paper's launch, the five are co-hosting a webinar on 12 January 2021 at 10am EST / 3pm GMT / 4pm CET, where the CEOs of each organisation will come together to further outline the concepts and motivations behind the paper. The webinar is now open for registrations ([sign up here](#)).

[Click here](#) to view the joint paper.

About the collaborating organisations

CDP is a global non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with institutional investors with assets of over US\$106 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Over 9,600 companies with over 50% of global market capitalization disclosed environmental data through CDP in 2020. This is in addition to the hundreds of cities, states and regions who disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP is a founding member of the We Mean Business Coalition. Visit <https://cdp.net/en> or follow us @CDP to find out more.

The **Climate Disclosure Standards Board (CDSB)** was founded in 2007 and 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. It does so by offering companies a framework for reporting environmental and climate information with the same rigour as financial information. In turn, this helps them to provide investors with decision-useful environmental and climate information via the mainstream corporate report, enhancing the efficient allocation of capital. Regulators also benefit from compliance-ready materials. Collectively, we aim to contribute to more sustainable economic, social, and environmental system. CDSB also hosts the TCFD Knowledge Hub on behalf of the Task Force on Climate-related Financial Disclosures.

The **Global Reporting Initiative (GRI)** is the independent international organization that helps businesses, governments and other organizations understand and communicate their impacts. The GRI Standards are the world's most widely used for sustainability reporting.

The **International Integrated Reporting Council (IIRC)** is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting. The IIRC's vision is a world in which capital allocation and corporate behaviour are aligned to the wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking. www.integratedreporting.org

The **Sustainability Accounting Standards Board (SASB)** connects businesses and investors on the financial impacts of sustainability. SASB Standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to investors. SASB Standards are industry-specific and are designed to be decision-useful for investors and cost-effective for companies. They are developed using a process that is evidence based and market informed. To download any of the 77 industry-specific standards, or learn more about SASB, please visit SASB.org.

The conversations between these organisations have been facilitated by the **Impact Management Project (IMP)**, the **World Economic Forum** and **Deloitte**, who share a commitment to supporting progress towards a comprehensive corporate reporting system.

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