

Rising Expectations of Corporate Reporting: Navigating the Landscape of Non-Financial Disclosure

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Prior to joining UBC Sauder, Christie spent more than 15 years at socially responsible and impact investing firms Sustainalytics, NEI Investments (Ethical Funds), and Purpose Capital.

She currently a governance committee member at BlueShore Financial and serves on the boards of Canadian Business for Social Responsibility and the UBC Staff Pension Plan.

Agenda

- I. Environmental, Social and Governance Issues & Business
- II. Non-Financial Disclosure Reporting
- III. Voluntary ESG Reporting Frameworks
- IV. ESG Reporting in Practice
- V. Final Considerations for Accounting Educators

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Non-Financial Disclosure Terminology



Variety of terms related to non-financial disclosure including:

- Corporate Social Responsibility (CSR)
- Sustainability
- Environmental, Social and Governance (ESG)

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Non-financial (ESG) reporting trends

- Has significantly increased over past 20 years for both smaller and larger entities
- However, still more reporting at larger, public, companies
- North America still lags Europe



... Non-financial (ESG) reporting trends

- Interest in non-financial reporting by stakeholders, including investors
- Mix of mandatory and voluntary requirements
- Investors report being most interested in high impact companies (ex. extractives)
- Increasingly examples/support for small and medium sized enterprises reporters
- Increasing undertaken by non-public companies: for instance, cooperatives, crown corporation, and entities

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There are numerous
voluntary reporting
frameworks

Intended for difference
audiences

Varied thematic focuses

At difference stages of
development



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Most widely used non-financial reporting framework

Intended for multi-stakeholder audience

Covers comprehensive range of ESG issues

One of the first frameworks and at a stage of maturity



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Began as Carbon Disclosure
Project

Focused on environmental
issues

One of the early frameworks

Intended for variety of reporters
(not just companies)



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Focuses on material, decision-
useful information to investors

Sector-based disclosure

Relatively recent; still developing

Powerful backers - seems to have
momentum



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Integrated Reporting established by
International Integrated Reporting Council

Aims to represent value creation,
combining two annual financial and
sustainability/CSR reporting

Notion of six “capitals”: financial,
manufactured, human, social &
relationship, intellectual, and natural



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Task Force on Climate-Related
Financial Disclosures

Very focused thematically

Like SASB: evolving, powerful
backers and momentum



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Not a disclosure
framework; but
influencing disclosure
expectations and
opportunities



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Practical and ethical
implications for future
of accounting and
accounting educators



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