



**PLENARY SESSION:**

# ***The changing nature of accountability***

**ACTION: CFOs have a vital role to play in helping businesses prepare for the regulatory developments in sustainability reporting**

## **SESSION OVERVIEW**

This plenary explored the role of accountability, investor demands, regulatory requirements, changing consumer attitudes and the rise of ESG-related litigation in accelerating the sustainable transformation of all businesses.

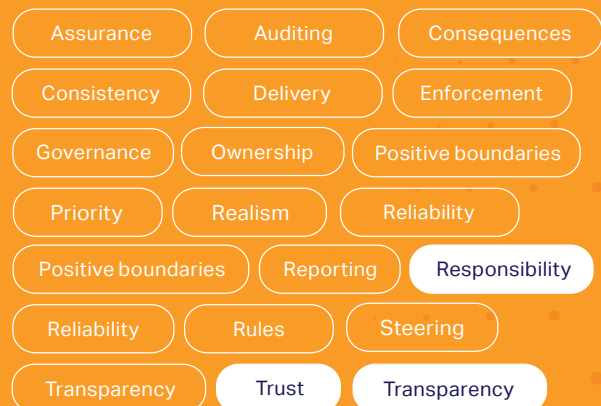
Participants heard from the Mardi McBrien (IFRS Foundation) and Chiara Del Prete (European Financial Reporting Advisory Group) in the development of global and regional mandatory ESG reporting standards. Albert de Larrazabel (Ayala) and Wendy Cromwell (Wellington Management Company) joined the conversation around the vital role of the CFO in ESG management and reporting.

## **KEY TAKEAWAYS**

- The IFRS Foundation, through the International Sustainability Standards Board (ISSB) recently published exposure drafts of new General Requirements and Climate Disclosure Standards. The ISSB consolidates voluntary reporting standard setters, CDSB, SASB and the Value Reporting Foundation. Members are invited to contribute to the consultative process which is available for the next 100 days.
- The European Financial Reporting Advisory Group has a mandate from the European Commission to develop sustainability reporting standards under the EU Corporate Sustainability Reporting Directive. The standards will be released in October 2022, with reporting expected by 2024.
- CFOs have a vital role in shaping and preparing for these regulatory developments given the rigour and discipline needed to prepare decision-useful ESG information for investors and creditors. Companies should acting urgently to establish appropriate Board governance, internal controls and other processes necessary to meet forthcoming requirements.

- To strengthen corporate-investor relations on sustainability, it would be advisable for companies not just to focus on disclosure but on communicating how sustainability is a core part of business strategy, to progress towards integrated reporting and to engage with investors to ensure they understand the impact of your corporate strategy.

**When asked for the one word for accountability in the context of business and sustainability, some of you said...**



## **GET IN TOUCH**

To learn more about the CFO Network, please contact: [Juliet Taylor](#), Manager, Redefining Value, WBCSD