wbcsd

The Reporting Exchange

Insights from the Reporting Exchange: **National, regional and international developments**

CDSB Climate Disclosure Standards Board


GERMANY
NAMIBIA
한국
CUBA
KENYA
POLAND
CHILE
PERU
TOGO
GHANA
DENMARK

Introduction: the Reporting Exchange

In 2017, the World Business Council for Sustainable Development (WBCSD), in partnership with the Climate Disclosure Standards Board (CDSB) and Ecodesk, launched the Reporting Exchange. This free online platform was designed to help business navigate the often-confusing world of corporate reporting.

Compared to the development of financial reporting, the evolution of non-financial reporting has been rapid and fragmented. There are many regulations, reporting frameworks, guidance and tools which influence the corporate reporting process on environmental, social and governance issues (ESG). The resulting reporting landscape has been described in recent reports by the Business and Sustainable Development Commission[1] and ACCA[2], as complex, overwhelming and there have been calls for more harmonization and alignment.

What are the objectives of the Reporting Exchange?

The primary objective of the Reporting Exchange is to provide much-needed clarity to people who write corporate reports. The Reporting Exchange helps them understand what, where and how to report on sustainability issues while supporting clearer, more concise and better-informed sustainability reporting.

The Reporting Exchange summarizes and connects ESG reporting requirements and resources from across 60 countries and 70 sectors. Better quality reporting practices can support better internal and external decision-making on sustainability-related risks and opportunities which, in turn, can influence capital allocations by investors – making more sustainable businesses more successful.

The Reporting Exchange also provides the evidence base to help drive action towards a more harmonized, aligned and effective corporate reporting environment. The platform maps the reporting provisions on sustainability across the world's largest economies, showing how and where they link and align. The Reporting Exchange has also been designed as an open and collaborative space for the many people and organizations active in corporate reporting. It allows the latest developments, insights and good practices to be easily shared across geographic borders and sectoral boundaries. This will help accelerate harmonization and alignment of corporate ESG at a global scale.

In this paper, we consider how national ambitions, challenges and characteristics shape corporate reporting. By looking at a range of countries collated on the Reporting Exchange, we try to understand how economic factors may or may not bring international alignment, with a specific focus on regional harmonization of the European Union (EU) in corporate reporting.

National perspectives

The Reporting Exchange was built by researching corporate sustainability reporting practices across the world. In some jurisdictions, sustainability is well-embedded in corporate reporting, national strategies and action plans. For many others, disclosing environmental, social and governance information is still an emerging concept and practice. Countries and regions have differing conceptions of sustainability, and their economies and ecologies lead to differing focus points for regulation and reporting. It's therefore important to look into the national contexts that are influencing sustainability reporting.

Costa Rica

In recent years, Costa Rica has diversified its economy and achieved an average of 4.5% growth in GDP per capita while simultaneously ensuring environmental protection[3]. The country has taken leading steps towards decarbonization by producing 98% of its electricity from renewable sources[4]. It has also reversed deforestation and increased average life expectancy to surpass that of the United States[3,5].

These steps have helped Costa Rica top the Happy Planet Index three times[6].

In Costa Rica, corporate reporting and guidance has been used to help tackle various ESG issues, including public health, greenhouse gas and other emissions, sexual harassment, and gender pay and opportunity gaps. This has resulted in a reporting landscape with provisions distributed across ESG topics, and across all of the 17 Sustainable Development Goals (SDGs).

Corporate sustainability reporting is, however, still developing in Costa Rica. For instance, at present, there is only one requirement mandating disclosure of sustainability information through companies' mainstream reports. Instead, most reporting practices are aimed at national authorities, which means sustainability risks and opportunities are not entering investment decisions.

Costa Rica's new Social Responsibility Policy (2017-2030) aims to tackle this issue. The policy focuses on transparency and good governance, with great emphasis on corporate reporting by the largest public and private companies. Integration of the SDGs into business practice is also an ambition, as part of the country's overall aim to bring sustainability information and metrics into the considerations of wider capital allocations.

Figure 1: the key subject areas of sustainability reporting for Costa Rica

South Africa

The South African [King Code] was introduced in 1994. It proposed a more inclusive form of corporate governance, one that recognized the importance of all stakeholders. The Code has since been updated on three occasions, with each iteration building on these principles.

In 2002, the second King Code emphasized the importance of risk management and included sustainability in its principles and practices. King III and King IV have further embedded sustainability into corporate governance and paved the way for development of integrated reporting. This has been important progress because integrated reporting creates a connected, cohesive narrative of value creation that transcends the traditional focus on financial capital[7].

A number of publications on the Reporting Exchange's Insights section reference the South African principles of integrated reporting as good practice influenced by the King Code.

There has also been significant attention on social topics of sustainability reporting through provisions such as the Broad-Based Black Economic Empowerment Act, the Employment Equity Act and the DMR 164 requirement. The Broad-Based Black Economic Empowerment Act and the Employment Equity Act deal with economic advancement and aim to enhance the participation of disadvantaged communities.

These provisions work towards greater equality and show similarities with the Workplace Gender Equality Act of Australia and the Mandatory Gender Pay Gap Reporting regulation in the UK, both of which use corporate reporting to achieve greater economic parity between genders.

On the other hand, the DMR 164 disclosure, a requirement from the Department of Mineral Resources, concerns reporting on the prevalence of HIV and TB among workers in the mining sector, which is especially prevalent in the industry, and the actions employers take to counter and treat HIV and TB. The most recent data shows that 663 mines employing over 450,000 employees reported that the availability of policies, screening and counselling has improved over recent years[11].

> *"These examples show that disclosures can be used to address specific issues and to reflect and respond to the socio-economic realities of a particular country."*

Figure 2: the key subject areas of sustainability reporting for South Africa

China

Corporate sustainability reporting in China has grown rapidly in recent years. Analysis shows that 57% of Chinese requirements and resources available on the Reporting Exchange have been issued since 2010. China has the second largest number of sustainability reporting provisions on the Reporting Exchange, which shows the importance of corporate reporting to sustainable development in the country.

> *"Our research found that emissions and pollution were present in 80% of the provisions reporting environmental information in China."*

Research found that 75% of provisions refer to environmental issues, with a particular focus on emissions and pollution, which were included in 80% of China's environmental reporting provisions. These findings highlight the importance of these issues for national authorities in China.

As the number of ESG reporting requirements and resources have grown in China, so has the number of Chinese businesses engaging with sustainability in their reporting practices. Research by the China Business Council for Sustainable Development found that the number of companies producing sustainability reports has increased from 19 in 2006 to over 3,000 in 2016[12]. Similarly, the CSR consultancy GoldenBee notes that companies in China are producing higher-quality disclosures and increasingly value information around corporate social responsibility[13].

These findings point to the Chinese government's proactive stance on sustainability and reporting, one which is equaled by the response and actions of Chinese business. As outlined in the country's recently released National Plans and Reports, China will be working towards further embedding and developing sustainability across their national actions and practices.

In doing so, China will focus on green and inclusive growth across the state and across business - reporting is central to this[14,15].

Figure 3: the key subject areas of sustainability reporting for China

How do reporting practices differ between mature and emerging economies?

During development of the Reporting Exchange, it became evident that were differences in the maturity, complexity and coverage of corporate reporting provisions across different countries. In this section, we explore how the features of sustainability reporting differed depending on the level of economic development. We looked at the reporting provisions from the five highest (H-5) and lowest (L-5) ranked[16] of the 60 countries in the dataset according to the latest UN's Human Development Index (HDI), as detailed in Table 1.

Table 1: Countries included in H-5 and L-5 groups.

	Countries (HDI rank)	Number of reporting provisions	Number of reporting requirements
H-5	Norway (1), Australia (2), Switzerland (3), Germany (4), Denmark (5)	110	75
L-5	El Salvador (117), Bolivia (118), South Africa (119), Guatemala (125), Honduras (130)	106	77

There is a significant focus (>90%) on mandatory reporting requirements, which include regulations issued by national authorities and listing rules for stock exchanges, in both the H-5 and L-5. The two groups also follow the broad patterns of ESG reporting identified in the global and regional analysis, with environmental topics being the most common and governance topics the least.

There is, however, a greater focus on environmental topics in the L-5 group (78% versus 64%), while governance appears more significant for the H-5 group (33% versus 21%), as shown in Figure 4.

Another point of divergence for the H-5 and L-5 is in the channel by which companies are asked to report ESG information, as illustrated in Figure 5. We found that in the more economically developed countries, the number of requirements that mandate disclosures through mainstream reports was significantly higher (27%). In the L-5 group, only 4% of reporting requirements – all issued in South Africa – mandate disclosure in mainstream reports. In this group, over 90% of reporting requirements mandated disclosure through specialist systems of national authorities.

> *"It would be easy to assume that more economically developed countries present more mature corporate reporting practices, but, on initial inspection, the ESG-related reporting requirements appear to be similar."*

This is interesting because reporting on ESG information through an annual report brings ESG factors to the attention of shareholders and investors. In contrast, reporting through specialist systems directly to national authorities and regulators means that information isn't used by investors and other stakeholders in their decision-making processes. So, given the greater focus on mainstream disclosure, one could argue that corporate reporting is more mature in the H-5 group. By the same token, the H-5 countries have three times the number of provisions authored by stock exchanges than those in L-5.

These differing characteristics of reporting show how economic contexts can define sustainability reporting.

In more mature economies, we find a reporting landscape with a greater focus on issues of governance and mainstream reporting, which fits the service-focused market economies of these five countries.

Regardless of economic development, working towards bringing sustainability information, metrics, risks and opportunities into mainstream reporting is an important for all countries in transitioning to a sustainable finance system and future.

Figure 4: Percentage of total reporting requirements from H-5 and L-5 groupings that include ESG subjects.

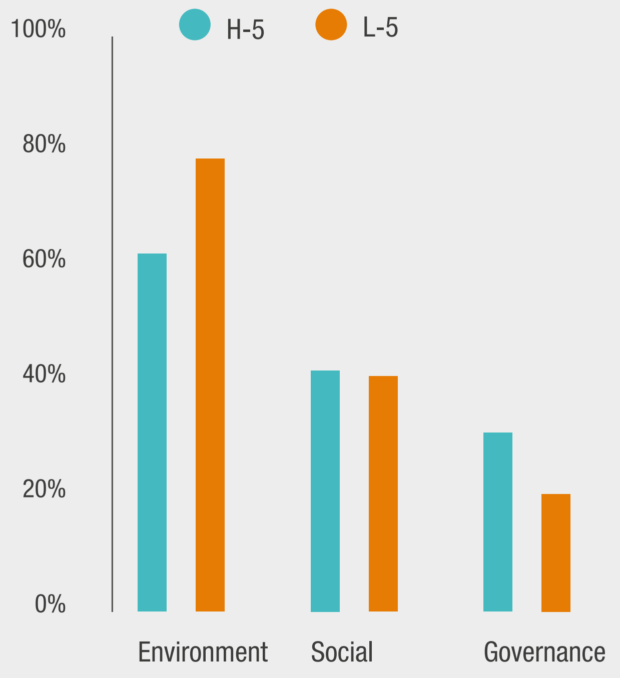
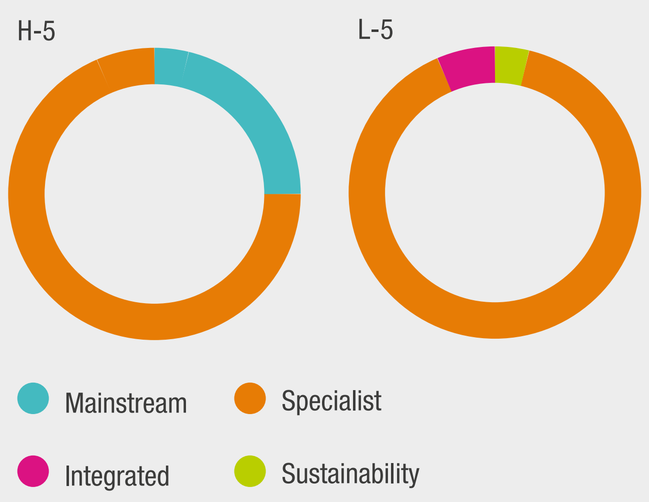


Figure 5: Channel of disclosure for reporting requirements in the H-5 and L-5 groupings.



Are important sectors represented and aligned in corporate reporting globally?

The Reporting Exchange categorization framework allows us to explore reporting provisions through the sectors they apply to as well the country they were issued in. The research zoomed in on agriculture and natural resources for two reasons:

1) They are part of the primary sector of the economy, so are intrinsic to the functioning of the whole economic system; and

2) They both have the potential to have social and environmental footprints, so are key to sustainability.

To explore these sectors, the study includes reporting provisions of the ten countries with the largest percentage of total GDP from the agriculture sector[17] (A-10) and ten countries with the largest percentage of total GDP from natural resource sectors[18] (NR-10) (see Tables 2 and 3).

Agriculture and resource extraction are especially critical for these economies, so it is interesting to note that only a small percentage of reporting provisions published in these two groupings are specific to these sectors, as shown in Tables 2 and 3.

Table 2: Top ten agriculture-based economies by % GDP (A-10)

Country	% of GDP from agriculture sector	Reporting provisions	Relevant sectored reporting provisions
Nigeria	21.2	10	-
Vietnam	18.1	32	-
India	17.4	31	-
Ukraine	13.7	7	-
Bolivia	13.7	29	-
Honduras	13.5	26	-
Indonesia	13.5	47	6
El Salvador	11	17	-
Guatemala	10.7	10	-
Ecuador	10.4	17	1

Table 3: Top ten natural resources-based economies by % GDP (NR-10)

Country	% of GDP from natural resources sector	Reporting provisions	Relevant sectored reporting provisions
Chile	12.2	43	1
Russia	10.3	8	-
Kazakhstan	9.2	19	-
Bolivia	7.9	29	3
Peru	6.3	19	1
Norway	5.4	15	1
Malaysia	4.8	35	-
Australia	4.8	22	1
Nigeria	4.7	10	3
South Africa	4.2	24	2

Our research identified sector-specific reporting provisions in seven of the ten countries with significant natural resource extraction activities. Analysis shows that 70% of these reporting requirements ask companies for disclosure on environmental topics and 50% require disclosure on social topics.

These reporting requirements are similar in their methods and aims. For example, in Australia and Chile, both national trade bodies have produced management resources to assist the mining sector towards greater integration of sustainability into their strategy, ambitions and targets. The Australian Minerals Industry Framework for Sustainable Development and the Chilean Manual of Environmental Practices produce recommendations on a range of environmental issues, employment conditions and wider social engagement. They also provide recommendations on governance for companies to follow and work towards.

Although the extractive industries differ in each country studied (e.g. oil and gas in Nigeria, ores in Peru), the overlap in provisions of the seven of the NR-10 countries shows a mutual understanding of potential impacts from the extraction industry, which could include air and water pollution, land degradation or biodiversity loss.

In contrast, research identified that there are only two A-10 countries that have adopted agriculture-specific reporting provisions. For instance, in Ecuador, the management resource Agreement MDT-2015-0233 details governing rules regarding seasonal and discontinuous contracts for laborers in the agricultural sector. The remaining provisions, which focus on greenhouse gas emissions, waste and ecosystems, are from Indonesia and apply to several sectors in addition to agriculture.

As such, it appears that there is less coherence between corporate reporting for agriculture than in the natural resources sector. It may be that greater potential for social and environmental impacts, coupled with the size of operations, means that extractive activities are more clearly associated with corporate reporting than agriculture, a sector which is still dominated by smallholders across large areas of the globe[19].

In many countries where the agriculture sector makes up a smaller percentage of GDP, the way the industry operates is different. In the A-10 group, the sector is characterized by large numbers of smallholder farmers, compared to large-scale mechanized farms in much of the EU, United States and South America. However, we identified only 35 provisions which apply to agriculture, 13 being specifically at the sector-level across the 60 countries covered by the Reporting Exchange database. These results suggest that disclosure of relevant sustainability, risk and metrics across the whole agricultural sector, remain somewhat limited.

New directions for reporting

Two recent provisions from the United States (discussed below) show how reporting can be tailored to specific sectors and their emerging sustainability requirements. As we have previously explored with corporate governance, effective reporting provisions have the potential to influence other reporting landscapes.

A recent study from Accenture found that the financial consequences of cyber-attacks has risen by over 60% in the last five years with a jump of 23% between 2016 and 2017 alone[20]. The report also found that companies in the US experienced the greatest cost of those studied. In response to these trends, the Securities and Exchange Commission issued the Corporate Financial Disclosure Guidance on Cybersecurity. The reporting guide was authored to help companies disclose their cybersecurity risks and any cyber incidents, placing special focuses on ensuring risk reduction and transparency in relation to digital technologies.

A second example is Section 1502 of the Dodd-Frank Act on conflict minerals. The Act requires public companies to disclose information about the use of conflict minerals – tantalum, tin, tungsten and gold – and whether any originated from the Democratic Republic of Congo (DRC) or surrounding states. It also requires disclosure on policies related to these minerals. These minerals are especially important for high-tech industries.

Research conducted by Enough in 2015 and 2016 found notable advances, including increased security for civilians in mining areas and a significant reduction in armed groups controlling mines in eastern DRC, corresponding to the increased ambitions of corporate reporting requirements[21]. The successes of Section 1502 have influenced the EU in developing its own legislation on supply chain due diligence and conflict minerals. This law was passed by the EU in 2017 and expands the scope from DRC to encompass other conflict and high-risk areas.

These two provisions are well-designed and responsive to change – attributes that corporate reporting should emulate to achieve a more effective and efficient reporting landscape across sectors. The Reporting Exchange data suggests that such well-thought reporting provisions are especially important for the agricultural sector. According to the UN Convention to Combat Desertification, tackling the vulnerability of agriculture and land are intrinsic to a sustainable future[22].

> *"There is a need for more effective and sustainable practices in agriculture. Reporting can be an important component of this."*

Opportunities for regional harmonization

The Reporting Exchange includes information from 21 of the 28 EU Member States. These countries provide clear examples of where the regional connection has been able to guide national approaches to corporate reporting and support the harmonization of reporting provisions through the EU-specific processes of legislative acts and directives. Some of the most relevant examples related to ESG reporting are the EU directives that concern the audit of annual reports (2014/56/EU), industrial emissions (2010/75/EU) and payments to governments (2013/34/EU).

The most significant recent development has been the Non-Financial Reporting Directive (2014/95/EU), which requires large and public interest companies to disclose information about how they incorporate and manage certain social and environmental issues within their business model and strategy. This directive builds on the alignment that the Accounts Modernization Directive (2003/51/EC) brought to reporting in 2003.

The directive has been transposed into national law for all EU Member States included on the Reporting Exchange. As a result of this national transposition of the Directive approximately 6,000 companies across the EU are now required to publicly disclose information on environmental protection, diversity and human rights, creating a regional alignment of sustainability information in mainstream reports[23].

> *"6,000 companies across the EU are now required to publicly disclose information on environmental protection, diversity and human rights, creating a regional alignment of sustainability information in mainstream reports."*

However, we have seen how adoption of this Directive has been different across the EU. For instance, there are differences in the applicability of the law, with each country defining the thresholds and meaning of large and public interest companies.

- In Sweden, the reporting requirement is applicable to all companies that fulfill two of the three set thresholds, so does not limit reporting to companies defined as public interest entities.
- Alternatively, Greece has included extractive industries in their definition of a public interest company and so require these companies to disclose alongside listed and financial entities.

Differences are also obvious in how compliance is enforced. For example, some jurisdictions include specific fines for non-compliance (e.g. Germany), others rely on broader accounting or company law for punishment (e.g. Finland). Other countries leave the matter undefined (e.g. the Netherlands). Several countries have decided to go beyond the requirements of the Directive. The Danish transposition, for instance, includes a clause that mandates companies to not only disclose the results achieved in each of the non-financial policy areas but to also assess and comment on these results in their report.

These examples from across the EU show how the framework provided by the Non-Financial Reporting Directive has been implemented to create unity in reporting across EU Member States, maintaining the original goals of the Directive despite amendment to national circumstances.

Conclusion: reporting is moving in the right direction

This paper shows how the Reporting Exchange provides a unique framework that allows us to explore the corporate reporting practices of individual countries and regions, as well as different sectors and industries.

This analysis provides insight into some of the underlying issues that have contributed to the complexity of sustainability reporting.

There are four key points that have emerged from our research:

- The approaches to corporate reporting and sustainability in Costa Rica, South Africa, and China show the importance of the national context in shaping sustainability reporting as it increasingly becomes the new normal;
- Comparing the reporting environments of developed and maturing economies shows both alignment and divergence, and emphasizes the importance of continuing efforts to further integrate sustainability information and metrics into mainstream reporting practices, especially in emerging economies;
- Using the analysis of two important sectors – agriculture and natural resources – the importance of tailoring reporting to specific sectors is clear. It's also clear that further work is required to ensure the effectiveness of well adapted regulation; and
- The reporting practices of EU Member States show how the political and economic consistency has been crucial in bringing alignment to corporate sustainability reporting in the 28 EU countries.

In short, national contexts and economic factors must be always taken into account when crafting effective reporting requirements.

The Reporting Exchange can show where, geographically, corporate reporting will be the most challenging. The platform can also assist in bringing sustainability information into the mainstream by sharing with policy developers and standard-setters previous examples and providing a space for the learning and feedback that is essential for effective and efficient reporting development.

> *"The issues and examples explored in this research share an important lesson: the world is moving in the right direction, but the pace of change needs to accelerate to ensure a prosperous and sustainable future."*

Learn more at www.reportingexchange.com

Appendix

The Reporting Exchange country coverage

Argentina
Australia
Austria
Belgium
Bolivia
Brazil
Canada
Chile
China
Colombia
Costa Rica
Croatia
Czech Republic
Denmark
Ecuador
El Salvador
Finland
France
Germany
Greece
Guatemala
Honduras
Hong Kong
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Kazakhstan
Luxembourg
Malaysia
Mexico
Netherlands
New Zealand
Nigeria
Norway
Panama
Peru
Philippines
Poland
Portugal
Romania
Russia
Singapore
Slovakia
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
Ukraine
United Kingdom
United States
Uruguay
Vietnam

References

[1] The Business Connection (2016), Better Business, Better World. http://report.businesscommission.org/report

[2] ACCA and CDSB (2016), Mapping the sustainability reporting landscape: Lost in the right direction. http://www.accaglobal.com/uk/en/technical-activities/technical-resources-search/2016/may/mapping-sustainability-reporting-landscape.html

[3] The World Bank (2017), The World Bank In Costa Rica: Overview. www.worldbank.org/en/country/costarica/overview

[4] McKenna, J. (2017), Costa Rica ran entirely on renewable energy for more than 250 days last year. https://www.weforum.org/agenda/2017/04/costa-rica-ran-entirely-on-renewable-energy-for-more-than-250-days-last-year/

[5] The World Bank (2015), Life expectancy at birth, total (years). https://data.worldbank.org/indicator/SP.DYN.LE00.IN

[6] New Economics Foundation (2016), The Happy Planet Index. http://happyplanetindex.org

[7] King, M. E. (2015), South Africa: A Leader in Corporate Governance. https://cornerstonecapinc.com/2015/06/south-africa-a-leader-in-corporate-governance/

[8] ACCA (2016), Meeting users' information needs: The use and usefulness of Integrated Reporting. http://www.accaglobal.com/content/dam/ACCA_Global/Technical/integrate/pi-use-usefulness-ir.pdf

[9] Deloitte (2016), Integrated Reporting moving towards maturity: Are we truly maximizing the benefits of Integrated Reporting? https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/risk/deloitte-nl-risk-integrated-reporting-2016-def.pdf

[10] EY (2017), Integrated reporting: Linking strategy, purpose and value. http://www.ey.com/Publication/vwLUAssets/EY-integrated-reporting-linking-strategy-purpose-and-value/$FILE/EY-integrated-reporting-linking-strategy-purpose-and-value.pdf

[11] Department of Mineral Resources (2018), TB and HIV in South African Mining Industry. http://www.dmr.gov.za/mine-health-and-safety/hiv-aids-tb-in-sa-mines

[12] China Business Council for Sustainable Development (2017), Research Report of China Enterprises Sustainability Index. http://www.wbcsd.org/Overview/Global-Network/News/China-Enterprises-Sustainability-Index-Research-Report-released

[13] China WTO Tribune and GoldenBee China (2017), China CSR Index Report 2016. http://csr2.mofcom.gov.cn/article/ckts/sr/201707/20170702611381.shtml

[14] Communist Party of China Central Committee (2016), China's National Plan on Implementation of the 2030 Agenda for Sustainable Development. http://www.fmprc.gov.cn/web/zyxw/W020161012709956373709.pdf

[15] Xi, J. 2017), Resolution of the 19th National Congress of the Communist Part of China on the Report of the 18th Central Committee on 24th October 2017. http://news.xinhuanet.com/english/2017-10/24/c_136702625.htm

[16] UN Development Programme (2016), Human Development Index (HDI). http://hdr.undp.org/en/content/human-development-index-hdi

[17] The World Bank (2016), Agriculture, value added (% of GDP). https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS

[18] The World Bank (2015), Total natural resources rents (% of GDP). https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS

[19] Food and Agriculture Organization of the United Nations (2012), Smallholders and Family Farmers: Factsheet. http://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf

[20] Accenture (2017), 2017 Cost of Cyber Crime Study. https://www.accenture.com/t20170926T072837Z__w__/us-en/_acnmedia/PDF-61/Accenture-2017-CostCyberCrimeStudy.pdf

[21] The Enough Project (2016), Point of Origin: Status Report on the Impact of Dodd-Frank 1502 in Congo. https://enoughproject.org/files/DRC_PointofOrigin_022016.pdf

[22] UN Convention to Combat Desertification (2017), Global Land Outlook. https://static1.squarespace.com/static/5694c48bd82d5e9597570999/t/59e9f992a9db090e9f51bdaa/1508506042149/GLO_Full_Report_low_res_English.pdf

[23] European Commission (2017), Non-financial reporting. https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en

Glossary

Conditions: Conditions that influence the applicability, relevance and obligation of provisions.

Channel: Channel refers to the route of disclosure and the communication of published information.

- Mainstream report: Annual reporting packages which organizations are required to deliver under the corporate, compliance or securities laws of the country in which they operate, providing information to existing and prospective investors about the financial position and performance of the organization.
- Integrated report: An integrated report explains to providers of financial capital how an organization creates value over time. An integrated report aims to provide insight about the resources and relationships used and affected by an organization – these are collectively referred to as "the capitals."
- Sustainability report: A report published by a company or organization about the environmental and social impacts caused by its everyday activities, communicating sustainability performance and impacts.
- Specialist system: Allow companies to disclose information through online response systems, questionnaires, forms often directly to a given organization or authority.

Content: Content refers to the type of information requested in reporting requirements. Clear content elements set out what a reporting organization should report.

Characteristics: Characteristics identify some of different ways reporting provisions introduce and describe disclosure requirements. Some provide high level thematic requirements to disclose, while others introduce and define specific indicators and accounting metrics, with descriptions, providing further clarity on definitions, scope, accounting, compilation and presentation

Obligation:

- Mandatory: A mandatory provision imposes an obligation on the organizations within its scope to report or respond.
- Comply or Explain: Comply or Explain requires companies to comply with requirements or explain why they have not done so.
- Voluntary: Voluntary provisions have no defined obligation but are often more detailed, providing opportunities for innovation.

Provision type and sub-type: Provision types include requirements, reporting resources and management resources. Sub-types include regulation, standards, codes, principles, tools and guidance that set out what an organization should prepare, present and report information or manage sustainability matters.

Reporting landscape: The landscape is made up of individual organizations and infrastructure in the form of legislation, standards, frameworks, codes, principles, guidance, tools and methodologies, as reporting provisions that introduce requirements or support the disclosure of sustainability and non-financial information.

Reporting provisions: Requirements or resources that directly or indirectly influence the reporting of sustainability/non-financial information. Provisions are included on the Reporting Exchange to the extent that they are introduced, interpreted or developed to include or support sustainability reporting and non-financial disclosure requirements.

Disclaimer

We recognize that the coverage of the Reporting Exchange, though comprehensive, is incomplete. Our research has categorized reporting provisions from 60 countries listed in Appendix 1 that represent over 90% of global GDP but we acknowledge our geographical gaps, most notably in Africa and the Middle East. We also recognize our limited coverage in states where the problems of translation and accessibility are apparent, and that corporate reporting is a constantly evolving field.

About the World Business Council for Sustainable Development (WBCSD)

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Our member companies come from all business sectors and all major economies, a combined revenue $8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe.

WBCSD is uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050.
www.wbcsd.org

For more information contact
Johanna Tähtinen
tahtinen@wbcsd.org

About the Climate Disclosure Standards Board (CDSB)

The Climate Disclosure Standards Board (CDSB) 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. Recognizing that information about natural capital and financial capital is equally essential for an understanding of corporate performance, our work builds trust and transparency needed to foster resilient capital markets.

For more information contact
Gemma Clements
gemma.clements@cdsb.net

Find out more at **www.reportingexchange.com**

If you would like to contribute, join our moderator community, or just ask a question, send us an email to **hello@reportingexchange.com**

GORDON AND BETTY MOORE FOUNDATION

The Reporting Exchange is funded by the **Gordon and Betty Moore Foundation**