

UNEP FI / VfU Roundtable 2017 Sustainable Finance

Increasing relevance of nonfinancial reporting |
External reporting

Mark Veser (EY)

Frankfurt am Main | 29th November 2017

More reporting vs. more material reporting: Investors' view on ESG reporting

Investors see a **pivotal role** for nonfinancial information in **investment decisions**

92% agree that ESG issues have real and quantifiable impacts



68% say it frequently or occasionally affects investment decisions

Top three reasons to rule out an investment immediately

39% risk or history of poor governance

32% human rights risk from operations

20% limited verification of data and claims



But believe that companies have **neglected ESG risks and opportunities** for too long



82% agree that ESG issues offer risks and opportunities which have for too long not been considered core to business

12% believe that companies adequately disclose ESG risks

Investors expect increased **reporting on climate practices** and risk management strategies

85% expect moderately or even dramatically increased disclosures of companies' climate practices and related risk management strategies



Expectations on information quality are not met

42% believe that information is often inconsistent, unavailable or not verified

42% state that nonfinancial measurements are seldom comparable with other companies



Investors echo support for greater **CEO and board accountability**

92% agree that public companies CEOs should each year lay out an explicit long-term value creation strategy

76% consider mandatory board oversight for non-financial reporting as essential or very useful



Source: [http://www.ey.com/Publication/vwLUAssets/EY_-_Nonfinancial_performance_may_influence_investors/\\$FILE/ey-nonfinancial-performance-may-influence-investors.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Nonfinancial_performance_may_influence_investors/$FILE/ey-nonfinancial-performance-may-influence-investors.pdf)

More reporting vs. more material reporting: Trends & regulatory developments on ESG reporting



Let's talk:

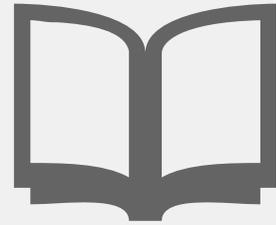
Questions and answers

- How do you handle the challenge of requests for more information without creating a risk of information overload?
- Do you customize the key messages for different stakeholder groups? And do you assess to what extent the disclosures match their expectations?
- How do you determine which sustainability topics are material to your investors?
- How do you integrate different reporting frameworks and regulatory requirements?
- Sustainable Development Goals: is there more to do than to map your reporting?
- To what extent do you integrate financial and nonfinancial information?
- How will you handle big data with regards to data flows and data automation in sustainability reporting?
- In your opinion: what's the value-add of assurance for sustainability reports and for whom?



Recent EY publications and contact information

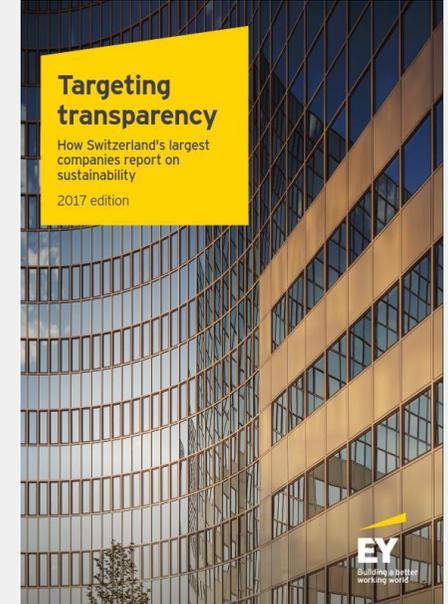
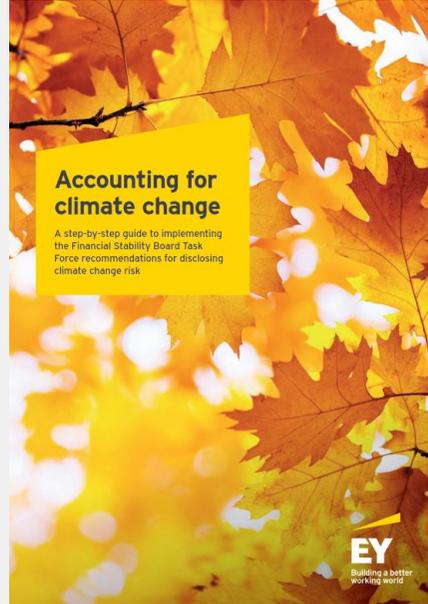
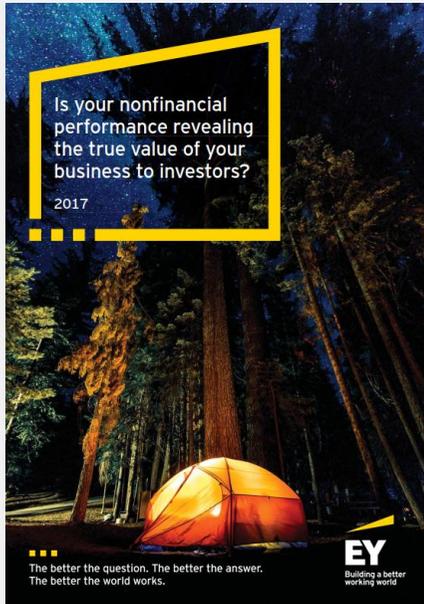
Recent publications



Dr. Mark Vesper
Senior Manager
Climate Change and Sustainability
Services
EY Zurich

Tel.: +41 58 286 36 79

E-Mail: mark.veser@ch.ey.com



About the global EY organization

The global EY organization is a leader in assurance, tax, transaction, legal and advisory services. We leverage our experience, knowledge and services to help build trust and confidence in the financial markets and in economies all over the world. We are ideally equipped for this task – with well trained employees, strong teams, excellent services and outstanding client relations. Our global mission is to drive progress and make a difference by building a better working world – for our people, for our clients and for our communities.

The global EY organization refers to all member firms of Ernst & Young Global Limited (EYG). Each EYG member firm is a separate legal entity and has no liability for another such entity's acts or omissions. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information, please visit www.ey.com.

EY's organization is represented in Switzerland by Ernst & Young Ltd, Basel, with ten offices across Switzerland, and in Liechtenstein by Ernst & Young AG, Vaduz. In this publication, «EY» and «we» refer to Ernst & Young Ltd, Basel, a member firm of Ernst & Young Global Limited.

All Rights Reserved.

www.ey.com/ch