

Progress in Sustainability and Integrated Reporting

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06 November 2023

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Developments in Corporate Reporting



Why Integrated Reporting?



Future of Corporate Reporting

Towards a Single Report

Expectations from IFRS

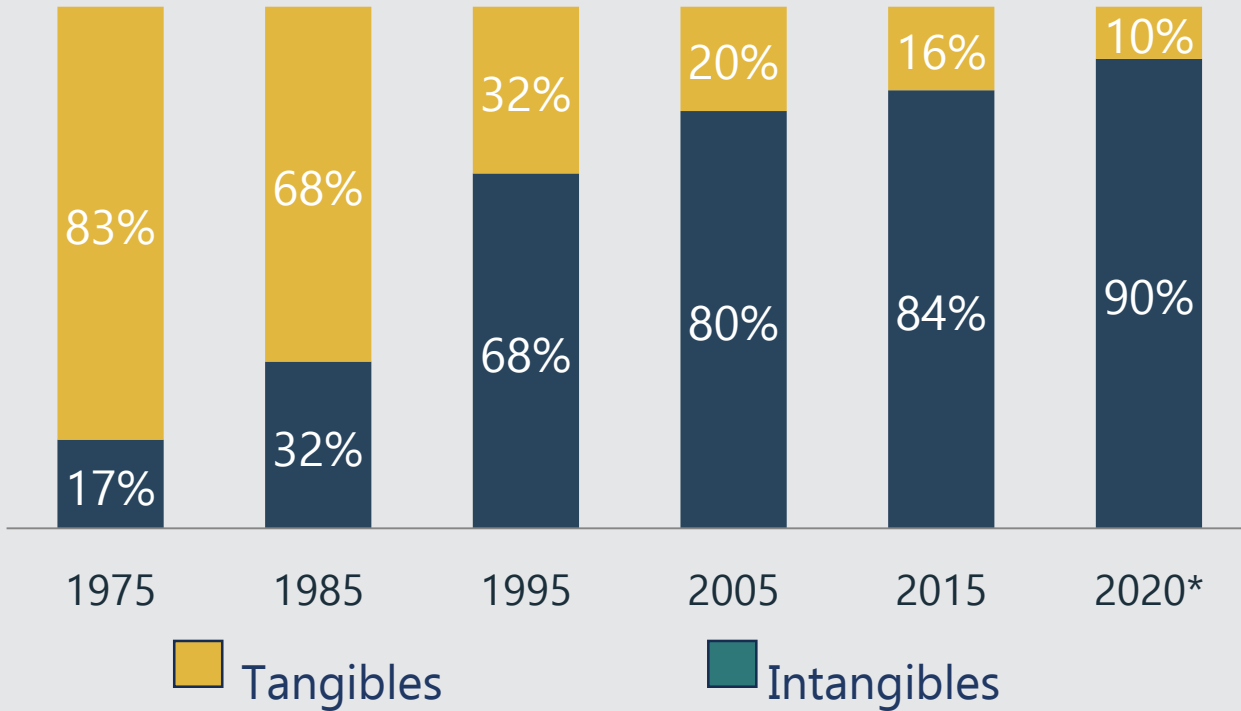
Adaptation of developing countries



Developments in Corporate Reporting

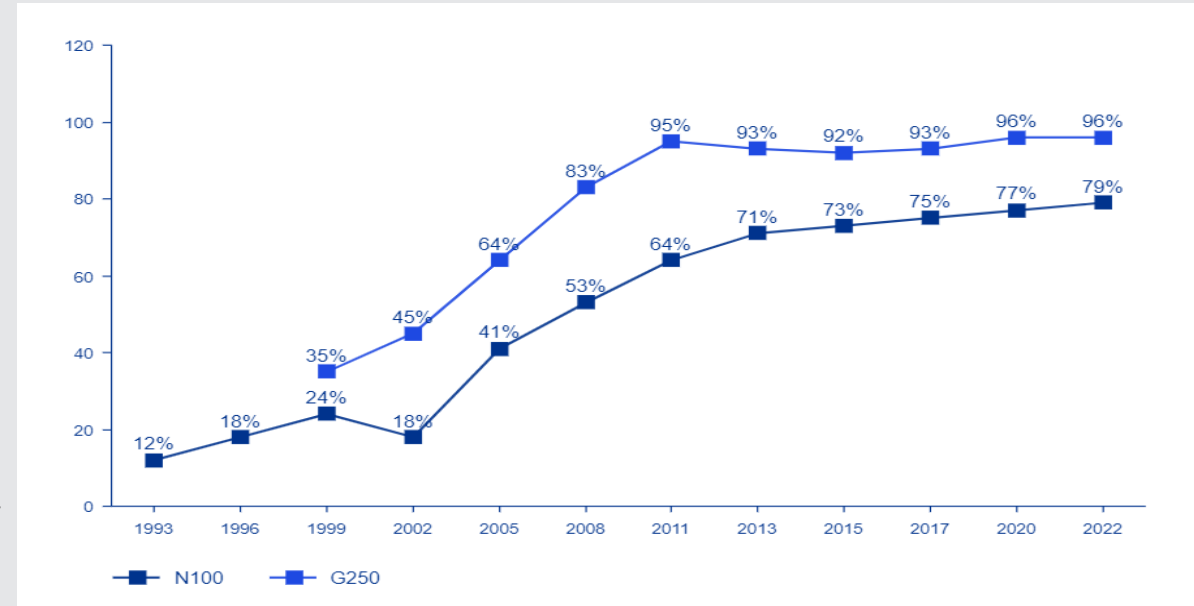
Global Trends in Corporate Reporting

S&P 500 Market Value Components



Source: Ocean Tomo, Intangible Asset Market Value Study, 2020.

Global sustainability reporting rates (1993–2022)



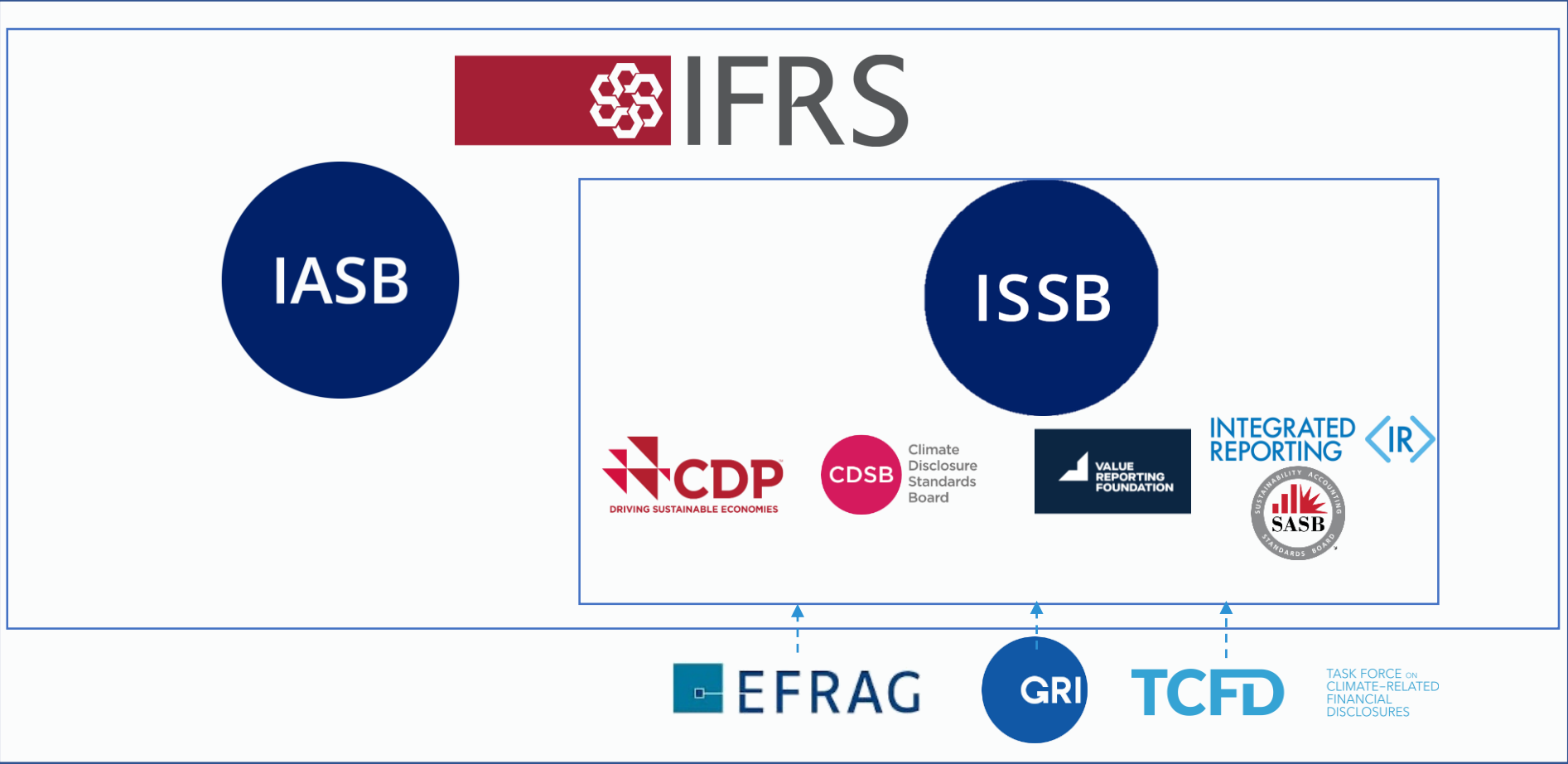
Base: 5,800 N100 companies and 250 G250 companies

Source: KPMG Survey of Sustainability Reporting 2022, KPMG International, September 2022

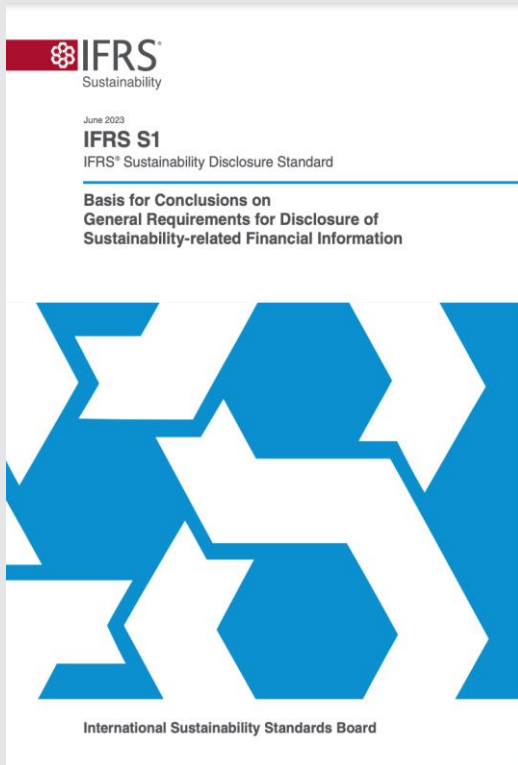
Driving Forces Behind the Reporting Standards



Global Corporate Reporting Ecosystem



Global Sustainability Standards: IFRS S1 & S2



On June 26, 2023, the ISSB published the final version of IFRS S1 and S2 standards.

The standards will help to increase trust in companies' sustainability-related disclosures and transparency in reporting in order to accurately inform investors. The standards create a common language to explain the impact of climate-related risks and opportunities on a company's prospects.

ISSB Standards are designed to enable companies to present sustainability-related information in the same reporting format along with financial statements. The standards have been developed to be used in conjunction with all accounting requirements.

Corporate Reporting in Türkiye – *Key Milestones*

2004

- CMB/SPK obliges companies to prepare a “Corporate Governance Principles Compliance Report” in addition to their annual reports.

2007

- The ISE (new BIST) has created the Corporate Governance Index, which will include companies that implement the Corporate Governance Principles.

2014

- The ISE (new BIST) has created the Corporate Sustainability Index.

2020

- The CMB issued new regulations requiring publicly traded companies to disclose their environmental, social, and governance (ESG) practices in their annual reports.

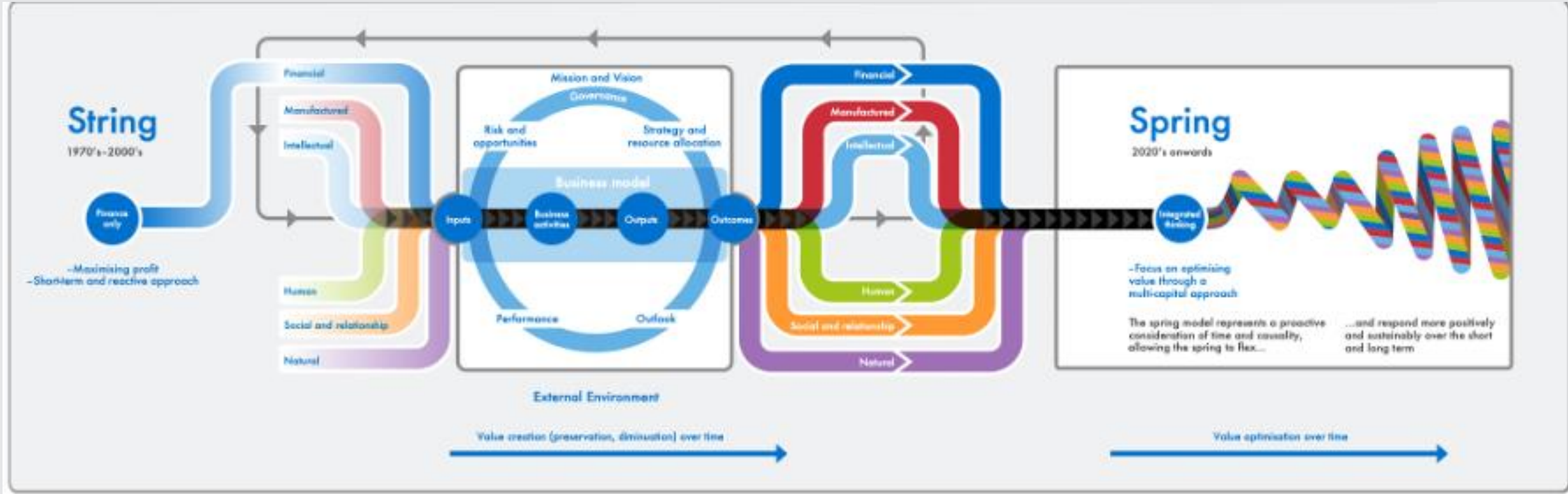
2022

- Public Oversight Accounting and Auditing Standards Authority empowered to determine Turkish Sustainability Reporting Standards



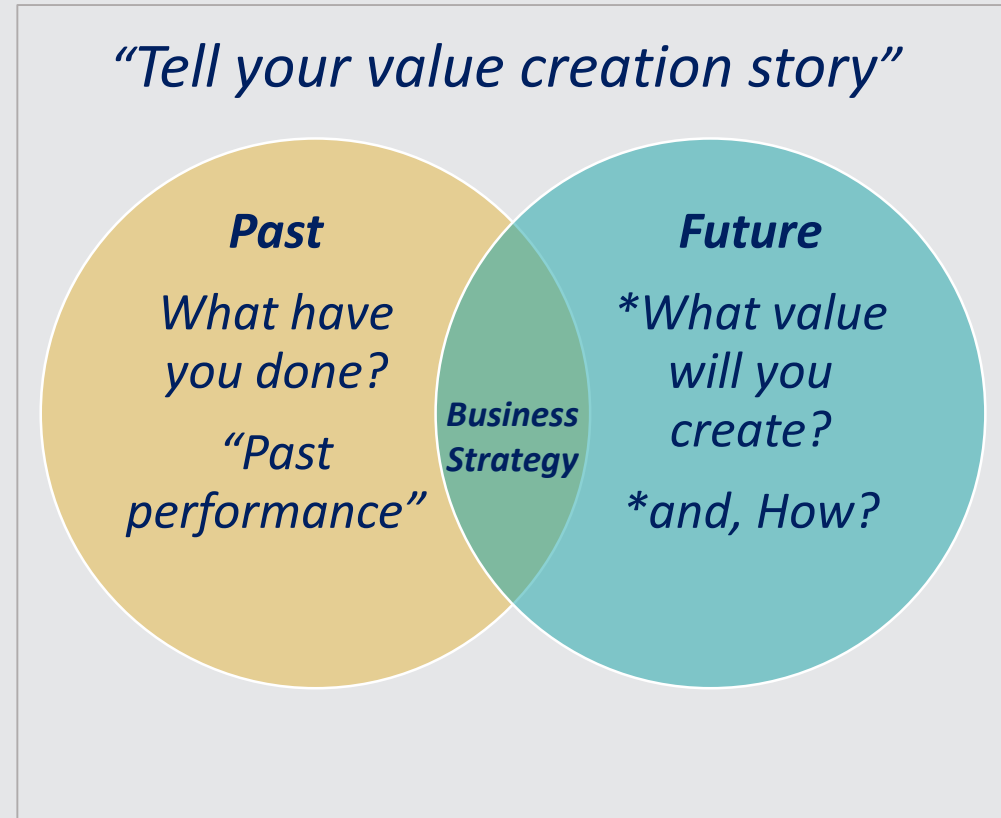
Why Integrated Reporting?

Integrated Thinking



Source: IIRC (2020), *Integrated Thinking & Strategy: State of Play Report*.

Integrated Reporting





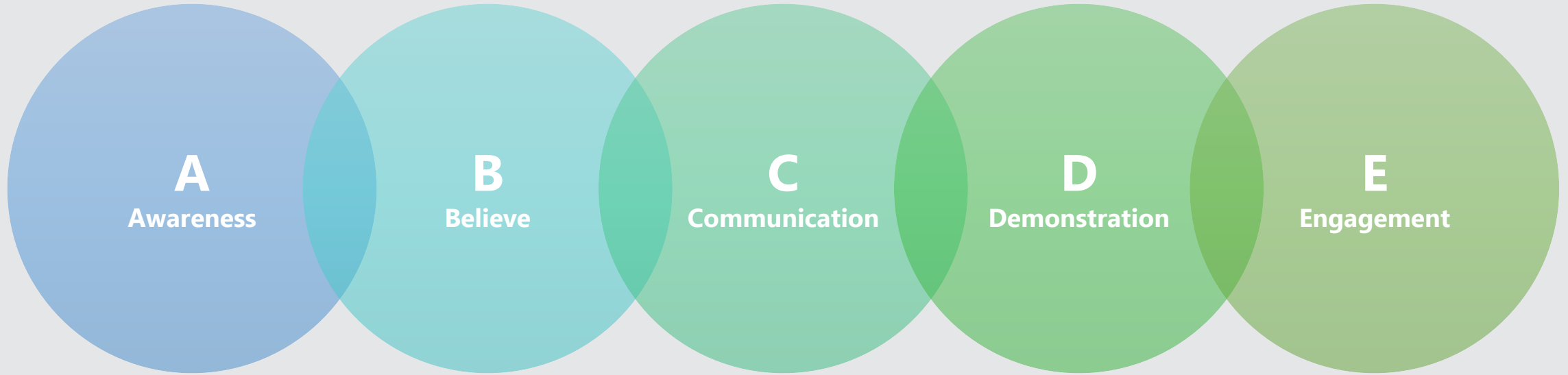
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Towards a Single Report – *Integrated Thinking*



- Raise Awareness
- Believe and tell
- Good Communication Between All Business Functions
- Demonstration of benefits and consequences of IR
- Broader Stakeholder Engagement

Expectations from IFRS



Materiality



Ensuring Flexibility



Avoiding regulatory fragmentation



Further Steps



Connectivity

Connectivity between the financial and non-financial information

Balanced reporting for Trust

Value creation, preservation and erosion (positive & negative impacts)

Collaboration

Collaboration between standard setters & framework providers

Harmonization

Harmonization of standards and frameworks

Thank you

www.entegreraporlamatr.org



Integrated Reporting Association Turkey (ERTA)



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