

Panel of experts: Identifying key reporting trends for CCR members

The first CCR panel of experts took place in September 2022. The aim of the event is to capture and assess the relevant top trends and developments in the field of corporate reporting on an annual basis in order to provide CCR members with knowledge and practical insights on these topics. Five experts from different disciplines and CCR colleagues participated in the panel. The experts provided inspiring input for the condensation of trends, guidance for CCR members and CCR topics setting. You can find an event summary below – and look out for the CCR trend report, which will be published soon.

By Michael Düringer



DR. MICHAEL DÜRINGER is Managing Director of punkt communications, a consulting firm specializing in sustainability management and communications. As a member of the CCR expert network, he supports the CCR team in various consulting projects with corporate members.

The roundtable started with a presentation by Prof. Monika Kovarova-Simecek, Academic Director at the St. Pölten University of Applied Sciences, on the use of XBRL providing a status report and an outlook. Is XBRL a game changer in the digital transformation of reporting? We witnessed the mandatory implementation of XBRL in the EU in 2020. Today we still observe a largely unrealized potential of XBRL in practice, which we can interpret as an indicator for digital (mis)understand within companies – there is no chance for digitization within machine readable data. However, we also see that companies increasingly perceive the benefits (faster error identification) and expand the use of XBRL, e.g. for business reporting. Likewise, they are also thinking about using the repository of currently 4,030 tagged reports which are available as open access - undoubtedly a benefit of the compulsory implementation. And there is no doubt that the CSRD will continue to reinforce this trend.

Communications, taxonomy and machine-readable formats

The seventh survey by the online reporting perspectives study of the 50 largest listed companies in Germany and Switzerland, ORP '22, reveals a current focus by annual report editors on ESG, taxonomy and machine-readable formats – at the expense of other formats, user experience and communications. PDF remains the central reporting format. The overall number of true online reports (at a minimum, an HTML-programmed landing page with teasers to the individual chapters) is declining slightly in both Germany and Switzerland, and full HTML reports continue to be the exception. In terms of content, reports focus on strategy, roadmaps, products

and innovation, according to Dr. Joëlle Loos-Neidhart, co-initiator of the study. An ongoing stakeholder-oriented communication of the annual report content beyond the release of the report continues to be a concern: some of the reports are difficult to find on the website and are neglected in press releases and on social media channels.

Dynamic regulatory ESG landscape

Olivier Jaeggi, Managing Director of ECOFACT, a center of excellence for managing ESG risks and regulations, confirmed that in the last five years, the number of regulatory frameworks related to sustainability practices has more than doubled. This trend is set to continue as calls for the harmonization of the various standards grow louder. The new Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), which are currently being drafted in the EU, will have a significant influence on internationally active Swiss companies, too.

Dr. Mark Veser, Partner at EY, added that there is a disconnect between the growing corporate focus on ESG topics and the availability and efficiency of comparable, standardized sustainability reporting. Consolidation of SASB, the <IR> Framework and TCFD into the upcoming ISSB standards is underway, with a clear shareholder focus (value to business). By contrast, GRI, UNGC and the SDGs attach significant weight to the impact on society and the environment (value to society). European regulation (CSRD/ESRS) opts for the double-materiality approach. In any case, the basis for the application of each standard is a clearly defined strategy and roadmap with company-wide aligned data, processes, tools and governance systems.

Ratings remain important

While the market for ESG ratings is continuing to grow massively, criticism of ratings remains and underlines the call for regulation. Major issues are the quality and transparency of the rating processes, but also the various different methodologies and performance indicators used by agencies. In some cases, they lead to very different evaluations and to a high workload for corporations. Although investors are increasingly using raw data to complement or replace the ratings with their own assessments, rating agencies will remain important due to the high complexity of data interpretation, says Steffen Rufenach, CEO of R.A.T.E. GmbH. Steffen Rufenach's recommendation to corporations is to prioritize ratings and implement an active approach to ratings management, including developing scorecards to assess each index provider.

DEEP-DIVE REPORT ON TOP TRENDS COMING SOON

The CCR is currently consolidating and prioritizing the top themes and trends discussed, and will release a deep-dive report with a focus on recommendations and guidance for corporate practice for CCR members. If you are interested in receiving a copy of the report, or in a discussion of the reporting trends and what they mean for you, please get in touch with the CCR at info@corporate-reporting.com!

PARTICIPANTS OF THE FIRST CCR PANEL OF EXPERTS

Name	Role	Topic
Prof. Monika Kovarova-Simecek	Academic Director of the master program "Digital Business Communications" at UAS St. Pölten; member of the UAS Board	Digitalization and the XBRL standard
Dr. Joëlle Loos-Neidhart	Member of the Board of Directors of the Neidhart+Schön Group; study co-initiator for "Online Report Perspektiven"	"Online report perspectives 2022" – insights from the study
Olivier Jaeggi	Managing Director of ECOFACT AG	Policy and regulation of non-financial disclosures
Dr. Mark Veser	Partner at EY, Head of Climate Change and Sustainability Services Switzerland	Sustainability reporting standards and frameworks
Steffen Rufenach	CEO of R.A.T.E. GmbH, Frankfurt am Main	ESG ratings – trends and developments
Thomas Scheiwiller	Advisor and Board member; Chairman of the CCR Advisory Board	Moderation of event
Dr. Irene Perrin	Senior Consultant at the CCR	Facilitation of event
Reto Schneider	Founder CCR, initiator of the annual Geschäftsberichte-Symposium, and CEO of Neidhart + Schön Group	Host of event