

Frequently Asked Questions

ESG Metrics and Disclosures Consultation Process

Background

In August 2019 the World Economic Forum's business community, represented by the International Business Council (IBC), had a robust discussion on the environmental, social and governance (ESG) aspects of business performance and risks. They discussed the challenges that corporations face in demonstrating long-term value creation for all stakeholders on an internationally consistent basis across industries. The IBC, under the Chairmanship of Brian Moynihan, launched an initiative for collective action to identify a core set of ESG metrics and disclosures that could be reflected in the mainstream annual reports of companies on a consistent basis and/or core communications to investors across industry sectors and countries.

At the 2020 Annual Meeting in Davos-Klosters, the World Economic Forum released a consultation paper titled [Toward Common Metrics and Consistent Reporting of Sustainable Value Creation](#). The paper, developed in collaboration with Deloitte, EY, KPMG and PwC, proposes two related sets of metrics. They are drawn wherever possible from existing standards and disclosures (such as the Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-related Disclosures etc.):

- Core Metrics: A set of 22 well-established metrics and reporting requirements. These are primarily quantitative metrics for which information is already being reported by many firms (albeit often in different formats) or can be obtained with reasonable effort. They focus primarily on activities within an organization's own boundaries.
- Expanded metrics: A set of 34 metrics that are less well established in existing practice and standards and have a wider value chain scope or convey impact in a more sophisticated or tangible way, such as in monetary terms. They represent a more advanced way of measuring and communicating sustainable value creation, and companies are encouraged to report against them as well, when material and appropriate.

Frequently Asked Questions

1. Who is currently involved in the initiative?

The initiative consists of a cross-section of the World Economic Forum's members and partners across industries and regions. It is led by Bank of America, Deloitte, EY, KPMG and PwC.

2. What is the governance structure of this initiative?

The work is being led by the World Economic Forum, in collaboration with Bank of America, Deloitte, EY, KPMG, and PwC. The project team is actively consulting with other key stakeholders in this process, including but not limited to standard setters and investors.

3. What are the activities and anticipated timeline?

- The formal consultation phase will take place from March through 1 May 2020
- Modifications to the proposed metrics will be made based on feedback from the consultation process
- A group of World Economic Forum partners will conduct a gap analysis to assess ease and feasibility of implementation
- A final set of metrics will be published in late August 2020
- The expectation is to ask partners of the World Economic Forum and other interested companies to include the recommended metrics and disclosures in their 2020 annual reports and/or core communications to investors.

4. What is the end goal of the initiative?

The initiative seeks to foster improved transparency, consistency and comparability by proposing a core set of ESG metrics and disclosures for companies to include in their mainstream annual reports and/or core communications to investors. It also seeks to encourage greater cooperation between standard setters and alignment among existing standards. Finally, it aims to catalyze progress towards an international systemic solution for generally accepted ESG information.

5. Who from my organization should I involve in the consultation phase?

This survey may require input from multiple functions within your organization. We seek input from the senior most leaders who are responsible for: ESG, sustainability, governance, stewardship, investor relations, finance/accounting/reporting, strategy, and internal audit. We would like one survey completed per organization, with input from all relevant leaders and departments, potentially beyond the list provided above.

6. What type of organisations are you including in this process?

We seek input and feedback from all interested corporations, investors and other stakeholders in the corporate reporting ecosystem - large and small; public and private; national, regional and international.

7. How do I provide feedback on behalf of my organization?

To complete the survey on-line, [please click here](#).

If you would like to provide additional feedback, please contact us at ESGMetrics@weforum.org.

Please note that all data collected in the survey and email form will be anonymized and aggregated.

8. How can I engage in the adoption phase after the consultation process concludes?

Please contact us at ESGMetrics@weforum.org for further information.