

Press Release

IIRC and SASB announce intent to merge in major step towards simplifying the corporate reporting system

25 November 2020—The International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB) today announced their intention to merge into a unified organization, the Value Reporting Foundation, providing investors and corporates with a comprehensive corporate reporting framework across the full range of enterprise value drivers and standards to drive global sustainability performance.

In an era where the impacts of a global pandemic, climate change and growing inequality are intensifying, intangible value and the need for data-driven sustainability information have grown in importance. Capital markets demand evidence-based, market-informed, and transparent data in order to deliver long-term value to shareholders while also helping secure the future of our people and our planet—reporting is an important means to this end.

“Information is the lifeblood of good decision making. Capital markets are hungry for information linked to enterprise value creation, but they cannot easily digest what comes from a fragmented reporting landscape,” says Robert K. Steel, Chair, SASB Foundation Board of Directors. “This merger is an important step towards businesses and investors communicating with clarity and ease about the issues that matter most to financial performance.”

The Value Reporting Foundation will merge the SASB and IIRC into a credible, international organization that maintains the Integrated Reporting Framework, advocates integrated thinking, and sets sustainability disclosure standards for enterprise value creation. The merger directly responds to calls from global investors and corporates to simplify the corporate reporting landscape, providing the market with a clear solution for communicating about the drivers of enterprise value.

“The <IR> Framework and the SASB Standards are complementary. Integrated reporting describes all relevant value creation topics and the approach to integrating them in corporate thought and reporting. SASB provides the precise definitions of the data that should be reported for these topics in each industry. Organizations globally already use both to communicate effectively with investors about how sustainability issues are connected to long-term enterprise value, with these endeavors ultimately benefitting other key stakeholders. Under the Value Reporting Foundation, we will link the concepts between the <IR> Framework and SASB Standards even further,” says Barry Melancon, Chair, IIRC Board.

The merger will advance the work of CDP, CDSB, GRI, IIRC and SASB in the [Statement of Intent To Work Together Towards Comprehensive Corporate Reporting](#), which outlines a vision for a comprehensive corporate reporting system. By integrating the IIRC and SASB—two entities that enable enterprise value creation—this merger demonstrates momentum towards simplifying the corporate reporting landscape. The Value Reporting Foundation could eventually integrate other entities focused on enterprise value creation, and the Foundation and CDSB have jointly signalled interest in entering into exploratory discussions in the coming months.

“Sustainability disclosure is at the top of the agenda for many, creating incredible momentum towards simplifying the corporate reporting landscape. By merging two organizations focused

on enterprise value creation, we hope to clarify the field. We stand ready to engage with the efforts of the IFRS Foundation, IOSCO, EFRAG, and others working towards global alignment on a corporate reporting system,” says Janine Guillot, CEO of SASB. When formed by mid-2021, the Value Reporting Foundation will be led by CEO Janine Guillot.

“This merger is a significant advancement towards building a comprehensive system of corporate reporting, as we work to ensure integrated reporting and sustainability disclosure have the same level of rigor as financial accounting and disclosure. But reporting should never be for reporting’s sake. Our focus is on ensuring businesses have effective governance over enterprise value creation factors and that investors are able to fulfil their role as stewards. We will continue to advance integrated thinking to achieve this,” says Charles Tilley, CEO, IIRC, who will serve as Senior Advisor and will serve on the Value Reporting Foundation Board and chair the <IR> Framework Committee.

Commenting on the formation of the Value Reporting Foundation and its future partnership with the Global Reporting Initiative, GRI Chairman Eric Hespenheide said, “GRI looks forward to working closely with the Value Reporting Foundation to continue progress towards the vision of a single, coherent system of corporate disclosure.”

Notes to Editors:

- There is already a strong synergy between the <IR> Framework, that builds connectivity across financial, manufactured, human, social/relationship, intellectual and natural capital thinking and reporting, and SASB Standards, which add comparability to non-financial data across companies within the same industry.
- Whilst the International <IR> Framework and SASB Standards will remain complementary tools, the Value Reporting Foundation will facilitate the use of both together.
- The Value Reporting Foundation will support companies in embedding information across all value creation drivers into governance processes and strategy development and will enable investors in embedding sustainability considerations into investment and stewardship decisions.
- The Value Reporting Foundation will be headquartered in London and San Francisco, with staff around the world.
- Charles Tilley will serve as Senior Advisor through 2021, partnering with Janine Guillot (CEO of the Value Reporting Foundation) on the integration of SASB and the IIRC.
- Richard Sexton of the IIRC and Robert K. Steel of SASB will co-chair the Board of the Value Reporting Foundation. Mary Schapiro and Helen Brand will serve as Vice Chairs. Each brings significant experience from the fields of global capital markets and corporate governance, strategy and reporting.

About the IIRC

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting. For more information about the IIRC, or to download the International <IR> Framework, please visit <https://integratedreporting.org/>

About SASB

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. SASB Standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to investors. SASB Standards are industry-specific and are designed to be decision-useful for investors and cost-effective for companies. They are developed using a process that is evidence based and market informed. To download any of the 77 industry-specific standards, or learn more about SASB, please visit [SASB.org](https://www.sasb.org).

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