

Memorandum

Equivalence between sustainability reporting standards

11th Colloquium

The event recording, full presentation transcripts

and supporting materials are available [here](#)

“It is critical that companies everywhere set out plans to mitigate the impacts of climate change through tangible actions to reduce their carbon footprints and their endeavours to achieve net zero emissions over time.” **Alan Johnson, past President of the International Federation of Accountants and Chair of the Good Governance Academy**, welcomed participants to the 11th Colloquium of the Good Governance Academy and recognized the work of Professor Mervyn King in stating: “With his strong links with international institutions, with the universities, with business schools and professional bodies, and indeed many others, Professor Mervyn King has certainly got the attention of governments, of politicians, of business leaders and professions to drive higher standards of governance.”

The 11th Colloquium brought together key institutions to discuss and address the future of sustainability reporting and standards convergence. This Colloquium noted the importance of discussions surrounding climate change and sustainability, and the critical need for companies everywhere to plan for the future.

“We continue today by taking what I believe is a critical issue, the application of the doctrine of equivalence to sustainability reporting. It will aid comparability and be another step towards a global comprehensive corporate reporting system.” noted **Professor Mervyn King**. In his opening address, Professor King highlighted that: “We try to arrive at what I describe as the end game, to have a global comprehensive corporate reporting system.”

Neil Stephenson, Director at Deloitte UK, presented a vision for a comprehensive corporate reporting system, emphasising global alignment. He reflected on the International Sustainability Standards Board's work and progress towards a global baseline of consistent and comparable information. Neil also considered whether mandatory sustainability reporting requirements around the world are leading towards an aligned approach or a fragmented system. In this, he outlined the potential tools to support an aligned system such as applying the doctrine of equivalence to sustainability reporting.

Neil emphasized that the objective of reporting is to equip the decision-makers in their endeavours to address the urgent global crises and noted the importance of the need for a reporting system that promotes trust and transparency. Neil also discussed interoperability, referring to the ability of companies to meet different reporting requirements efficiently and with less duplication of effort. He expanded on interoperability and how it can be helpful and may lead to a complex world of reconciliations between different sets of standards and requirements. He said that equivalence may help achieve greater global comparability and limit the amount of time and resources that companies invest in compliance activities.

Neil discussed and emphasized advocating for a coherent reporting system that addresses the big issues of our time, including the climate crisis, and highlighted the need for companies to enhance their integrated thinking and bring consideration of people, the planet, and prosperity for society into the core of their business to achieve high-quality sustainability reporting.

Hilde Blomme, Deputy CEO of Accountancy Europe, and Dr Iheanyi Adehara, Director of the Nigerian Financial Reporting Council, discussed the progress of companies adopting new reporting standards. Hilde noted: “There is a level of preparation that was already in place, but the requirements now are much more urgent and more demanding. It is a journey and companies are doing what they can. Setting up data points takes resources and time.”

Dr Iheanyi spoke from an African perspective, noting the challenges faced:

1. The first challenge we have is one of mindset and this is because we are approaching sustainability from a perspective of changing corporate behavioural practices.
2. Another major problem is cost. Entities are looking at the cost implication of building new infrastructures, both for reporting but also to address a company’s needs.
3. The third issue we have is technical capacity. There is a very limited availability of expertise.

In discussing the European Union’s introduction of [Cross-Border Adjustment Mechanisms](#) Hilde noted: “There is the need to establish a comprehensive reporting mechanism to support CBAM’s milestone in 2025, if companies want to continue to import and trade with Europe. As from 2026, the aim is that if they have not lowered their greenhouse gas emissions to an acceptable level, then they will have to pay so that there is some offset that can take place.”

Dr Iheanyi addressed Nigeria’s approach to the issue of assurance of sustainability reports: “Assurance is a critical part of the sustainability reporting journey. We will look to the international assurance standard and follow the ethics guidance provided by the International Ethics Standards Board for Accountants. We believe that when these two aspects are strictly compliant, we will have a good foundation for fairly presenting sustainability reports. We have built the need for assurance into our transition process.”

Josephine Jackson, Vice Chair of the International Audit and Assurance Standards Board, emphasised the importance of assurance in contributing to the reliability and trustworthiness of sustainability reporting and highlighted the development of the current IAAS 5000 Exposure Draft as a starting point. She described the standard as a principles-based overarching standard applicable to all sustainability information and reporting and noted: “As many countries are

announcing their moves to a mandatory assurance regime, we believe that the starting point is limited assurance. We made sure that the standard addressed limited assurance and then also reasonable assurance because that's the journey, that's the transition.”

Josephine discussed the call for more guidance on relevant ethical requirements, quality management standards, and materiality from both preparer and practitioner perspectives. She emphasised the importance of these standards in shaping the future of the global economy and external reporting, and emphasized the commitment to quality, rigour, and ongoing engagement with stakeholders to ensure that the standards serve the public interest.

This 11th Colloquium highlighted the future of sustainability reporting, standards convergence and assurance. The recording is available on the Good Governance Academy's [website](#) and YouTube [channel](#).



Professor Mervyn King

Patron



Carolynn Chalmers

Chief Executive Officer