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**Sent:** 24 November 2019 21:09

**To:** ADAMS, CAROL A. <carol.adams@durham.ac.uk>

**Cc:** Russell Picot <russell.c.picot@gmail.com>; Paul Druckman <paul@druckman.co.uk>; Robert Eccles <robert.eccles@sbs.ox.ac.uk>

**Subject:** SDG disclosure consultation paper

Dear Carol, Russell and Paul,

I'm sorry to be beyond the deadline in responding to this!

These are comments in the order in which they arose in reading the paper.

- I don't think there is any mention of SASB, for example in the list of frameworks on page 6. It is not obvious why this is the case.
- There is no distinction in Table 1 between value creation for shareholders and impact on stakeholders. While this makes sense in the broad context of the SDGs, it also glosses over important differences between frameworks, in particular in the distinctive positioning of GRI.
- While Table 2 demonstrates the alignment of the Principles with IR, GRI and TCFD, it does not demonstrate whether it does anything more than duplicate the principles of those other frameworks. Given the clutter and confusion in this space, there presumably needs to be a distinctive claim here for the usefulness of the Principles?
- Presentationally, it would help if, on page 11, the headings used in subsequent sections are introduced. In particular, it would help to signal that the term 'management approach' includes both of the first two steps.
- The first of the recommended steps is very broad, albeit perhaps unavoidably so. It is hard to think of anything an organisation would do that does not, in some way, contribute to one or other SDG. It is also unrealistic to picture all SDGs as somehow relevant to all organisations. I wonder whether step one actually adds anything, and whether the real issue here is step two, materiality. Perhaps the management approach is one step, not two? This approach is implicitly taken later in the paper, where both steps are subsumed under the same heading.
- Both of the first two steps refer to 'value creation'. While this obviously aligns with a shareholder perspective, it is less obvious that it corresponds to the SDGs. While the achievement of SDGs might reasonably be understood as the purpose of government, it is not the purpose of the corporate sector, and it would help I think to address this tension at some point in the paper.
- I really like the sections on enhancing the credibility of disclosures, because these get to hands-on practicalities. My instinct is that this will be much more meaningful to practitioners than a discussion of principles. The lists of 'evidence' are particularly powerful in this regard. They are thought provoking because they suggest a range of different types of evidence, covering performance, organisational structure, decision-making, and so on.
- I didn't find the examples of reporting on the SDGs particularly helpful. More powerful, I think, would be an explicit illustration of the lists of evidence from the previous section. Fully developed, this could be analogous to a 'model set of

accounts', of the type that the Big 4 produce to illustrate IFRS disclosure. In a sense, the use of existing examples undermines the potential contribution of the paper, which offers a different way of doing things.

In response to the specific consultation questions:

1. Yes, the principles are appropriate, except that they seem to implicitly assume that meeting SDGs and corporate purpose are aligned. While this assumption may hold in many cases, it does not hold in general.
2. Yes, the recommended disclosures are appropriate, albeit that - when stated as principles - they are somewhat abstract, and therefore unlikely to have direct impact on management practice. In contrast, I would see the substantial contribution of the paper as being in the section on enhancing the credibility of disclosures.
3. Yes, I suspect that the issue of assurance could be brought out more strongly. It is striking that the text does not explicitly highlight this issue, even though the consultation questions do. It would probably be helpful within the section on enhancing credibility to make an explicit distinction between: information that can, and should, be audited, and perhaps by extension be required on a standardised basis across organisations; information on which entities might reasonably provide assurance; information on which assurance cannot credibly be given. I don't see any problem with the supply of assurance, so long as the underlying information lends itself to relatively objective verification.
4. On the question of alignment, see the point above on whether Table 2 can better position itself as not just being consistent with other frameworks but also with bringing incremental coherence. I would also add SASB, and perhaps CDP disclosures, for 'completeness'.
5. Ideally, examples would be added that draw from the analysis in the paper, rather than sampling existing best practice.

I hope that these comments might be helpful, and that they are not arriving too late!

Best wishes

Richard

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