



Have you heard of ESG? IFAC has and is acting on it.

ESG stands for Environmental, Social and corporate Governance. This acronym refers to the three main factors in measuring the sustainability and societal impact of an investment in a company which help to better determine the return and risks of companies as well as the ESG rating that shall further promote your business to investors.

The World Economic Forum (WEF) has issued a Consultation Draft: **Toward Common Metrics and Consistent Reporting of Sustainable Value Creation** for which the International Federation of Accountants (IFAC) has responded to earlier this month.

As a response to this IFAC, focuses on six learnings to keep the conversation moving forward:

- Rationalization efforts must work toward a global system.
- Timeliness is key.
- Take a modular approach.
- There is a role for both standards and frameworks.
- Assurance is needed to deliver confidence in corporate reporting.
- The accounting profession must remain engaged in the conversation.

IFAC also noted that the federation:

'stands ready, as a global voice and convener of the accountancy profession, to facilitate coordination, assimilation, and convergence in sustainable reporting approaches. IFAC supports the WEF consultation as a catalyst to challenge policy makers, regulators, and ESG metric providers to get the job done, now.'