



## Why **CORE & MORE?**

People require diverse information about how companies operate. **Corporate reporting** addresses their needs by providing stakeholders with company information for decision-making. This used to be primarily financial information to communicate with investors. Now, more diverse stakeholders look at corporate information, for example to decide if they will buy products or sign an employment contract. Companies started to acknowledge that communicating non-financial information (NFI), such as on environmental, social and governance (ESG) matters, is essential. **NFI reporting** provides a clearer picture of a company’s performance than only financial information can.

This shift questions which direction corporate reporting should take. To start looking for answers, we initiated a Europe-wide debate on the future of corporate reporting, including NFI reporting, and independent **NFI assurance** to accommodate stakeholder needs for trusting what NFI is reported. (See an overview of our work on the Future of Corporate Reporting.) Our 2015 discussion paper *The Future of Corporate Reporting* introduced the **CORE & MORE** concept as a new approach to presenting corporate reports.

“**CORE & MORE** is our answer to ‘what is the future of corporate reporting?’”

## Explaining **CORE & MORE**

Our **CORE & MORE** concept presents corporate reports in a more connected and structured way; linking financial and non-financial information to accommodate diverse stakeholder needs. The **CORE** report summarises the company’s most essential information, relevant for all stakeholders. From there, different stakeholders can dive into the **MORE** reports that provide more specific details according to their needs. This aims to replace today’s practice where different standalone reports lack an overarching summary and structure. **CORE & MORE** gathers all relevant corporate information in one hub, enabled by technology and in a reader-friendly way.

**CORE & MORE** is a presentation concept and does not determine the reports content. It is up to the company to assess stakeholder information needs, based on materiality and relevance. Presenting corporate reports according to **CORE & MORE** is thus consistent with applying Integrated Reporting <IR> which guides their content. **CORE & MORE** and <IR> can be considered constructive partners, focusing reporting on how the organisation creates value and beyond financial performance towards businesses’ longer-term sustainability.



“**CORE & MORE** and <IR> focus on value creation and long-term sustainability.”

# Interconnected assurance on **CORE & MORE**

Traditionally, companies had their financial reports audited, but did not ask their auditors to provide assurance on their NFI (either in **MORE** reports, <IR>, or summarised in the **CORE** report). This is changing now. Stakeholders need to be able to rely on this key corporate information as a basis for their decisions. Providing assurance over **CORE & MORE** corporate reports opens new perspectives for auditors to address stakeholder needs.

More companies will seek to obtain assurance over their NFI reporting, providing an opportunity for auditors to leverage the value they bring to companies' growing range of stakeholders. Assurance on corporate reporting should interconnect financial and NFI included in the **CORE & MORE** reports. The testimonials below show companies that have already adopted innovative approaches to get such interconnected assurance on **CORE & MORE** reports.

## Testimonials: applying **CORE & MORE**

Companies have gotten inspired to use the **CORE & MORE** concept for their annual reports. Two representatives tell us about their experience.

### Massimo Romano

Head of Group Integrated Reporting -  
Generali



#### WHAT ATTRACTED YOU TO THE **CORE & MORE** CONCEPT?

MR: **CORE & MORE** fits in our aim for simpler, faster, and smarter corporate reporting: easier to manage, more effective in delivering and applying integrated thinking. It is really powerful to focus on the value creation story and the strategic information to connect the dots between reports, disclosing specific detailed information and break down siloes.

#### HOW HAS THIS PROVEN USEFUL IN PRACTICE?

MR: We have been able to leverage management commentary as our **CORE** report and connect it to more detailed information in **MORE** reports. Applying **CORE & MORE** came as a natural step in our corporate reporting evolution.

“  
**CORE & MORE** inspires us to rethink the way we manage corporate reporting and be more effective and efficient in the way we report.  
”

**HOW DO YOU SEE ACCOUNTANCY EUROPE'S ROLE IN PUSHING THE DEBATE ON THE FUTURE OF CORPORATE REPORTING FORWARD?**

MR: I think Accountancy Europe can help drive change by:

- Spreading the gospel and keeping momentum by sharing practical examples and explaining how companies can apply the **CORE & MORE** concept
- Connecting the **CORE & MORE** concept to other relevant initiatives such as aligning it with the IASB's work on a management commentary framework
- Focusing on the digital aspect of **CORE & MORE** to evolve corporate reporting. Companies should become more effective in dealing with their high volume of data and provide users with already public information that can be collected according to their needs
- Helping auditors evolve the current practice of providing assurance for the new NFI disclosure streams. For example, even if there is already a relevant business case, auditors are still 'cold' in providing assurance statements following the <IR> Framework. The auditor journey has just started



# Tjeerd Krumpelman

Head of advisory, reporting & engagement - ABN AMRO Bank



**WHAT ATTRACTED YOU TO THE CORE & MORE CONCEPT?**

TK: We saw 3 things increasing: the number of regulatory requirements we had to comply with, the interest level in NFI, or pre-financial indicators as I like to call them from different stakeholder groups beyond investors, which then lead to our integrated annual report's volume to rise to over 450 pages.

We needed a targeted approach to more concisely tell our story and address the interests from different stakeholder groups. We like **CORE & MORE** because it gives the freedom to tell our true story: who we are and how we create value for stakeholders. It also allows to do so in a concise, clear and understandable way and in less than 100 pages.

“**CORE & MORE** enables us to really think about our core message: what's the story of our company and how are we performing, focussing on strategy and long-term value creation.”

### HOW HAS THIS PROVEN USEFUL IN PRACTICE?

TK: **CORE & MORE** enables us to really think about and decide what our core message is, what the story of our company is and how we are performing, focussing on strategy and long-term value creation. That is why it worked so well to combine **CORE & MORE** with the <IR> framework. We could not tell our story and focus on all mandatory aspects of reporting at the same time. We use the **MORE** reports to meet different stakeholder information needs without this very specific information cluttering the overview that reporting aims to provide. For example, regulators that mandate certain disclosures can find those in a specific More report.

### HOW DO YOU SEE ACCOUNTANCY EUROPE'S ROLE IN PUSHING THE DEBATE ON THE FUTURE OF CORPORATE REPORTING FORWARD?

TK: I think Accountancy Europe can:

1. Share best practices on **CORE & MORE** and put them out there
2. Influence legislators and regulators to do better in providing guidelines for putting requirements into practice. For example, reporting on any item required under the NFI Directive goes against the **CORE & MORE** and <IR> principle to only report what is material and focus on the company's value creation drivers

3. Elaborate on the link between assurance and **CORE & MORE**. There is work to be done on how to combine the **CORE & MORE** approach with assurance. We have had great conversations with assurance providers on **CORE & MORE**. There are two trains of thought, namely:

- get assurance on as many **MORE** reports as possible and then the **CORE** report is free from requirements
- get assurance on complete **CORE** report and only assuring the **MORE** reports when mandatory

I believe that if **CORE** gathers all essential corporate information relevant for all stakeholders, assurance should be sought on the whole **CORE** report. For 2017 our **CORE** got limited assurance based on the <IR> framework principles. This was new, our auditors had never done that before. Now we want to move towards more reasonable assurance on parts of the **CORE** report, but we but feel there is some insecurity and reluctance towards this in the accountancy profession. NFI accountants enjoy this type of debate but their financial counterparts are less excited.

4. Bridge the gap between financial and non-financial accountants by targeting the more financial accountants that are not yet used to this innovative way of thinking. The accountancy profession seems behind on what is really happening in integrated reporting, Accountancy Europe could help accountants embrace new developments a lot more.



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