

World Economic Forum (WEF) A Global Tax Metric for Sustainability Reporting



What are the WEF ESG metrics?

Issued in September 2020, the Stakeholder Capitalism Metrics were designed to harmonise ESG reporting and provide a common core set of ESG metrics and disclosures on non-financial factors for investors and other stakeholders. The metrics were developed within the International Business Council (IBC) by CEOs from 120 of the world's largest companies. Over 70 companies now include the metrics within their reporting materials.

WEF reporting requirements

The metrics are broken down into four broad categories:

- Principles of governance
- Planet
- People
- Prosperity

WEF Metrics – Taxes Borne

Tax is included within these metrics under the prosperity category in the form of the taxes borne element of the Total Tax Contribution (TTC) methodology. There is an expanded metric including the options of disclosing the taxes collected element of TTC and/or geographical analysis of that data.

Making a disclosure is only the tip of the iceberg, to disclose with confidence companies need to invest in underlying tax reporting and tax governance control framework so that narrative statements and numbers confidently reflect the day-to-day reality.

How can we help?



Wherever you are on your transparency and governance journey, we can help.

As a starting point we can perform an independent alignment review to assess, in our view, whether your current voluntary disclosures meet the reporting requirements of WEF metrics. Further details on our wide range of services is outlined below:



Approach to tax:

- Develop, design and/or document your tax strategy.
- Manage tax as an integral part of your wider sustainability strategy and linking it to ESG and the United Nations Sustainable Development Goals (SDGs).

Tax governance, control and risk management framework:

- Review existing processes and risk management procedures, assess their effectiveness.
- Support developing and designing your Tax Control Framework.
- Identify (non-) financial risks and opportunities linked to SDGs.

Stakeholder engagement strategy:

- Design a relevant internal and external stakeholder communication strategy.
- Incorporate stakeholder expectations into the strategy.

Total Tax Contribution:

- Develop, design and/or document your tax strategy or tax contribution report.
- Prepare guidance documents and templates enabling you to identify and report on your TTC.
- Collect and analyse your TTC data.
- Conduct a reasonableness review of your TTC disclosure.

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