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## COSO and WBCSD Sign Memorandum of Understanding

*Working together to align sustainability and enterprise risk management*

LAKE MARY, Fla. April 7, 2017 – Recognizing the benefits of mutual cooperation to their respective members and for business in general, The Committee of Sponsoring Organizations of the Treadway Commission ([COSO](#)) and the World Business Council for Sustainable Development ([WBCSD](#)) recently completed a Memorandum of Understanding (MoU) aimed at working together to help businesses identify and prioritize issues related to sustainability and enterprise risk management.

COSO will work with WBCSD to develop interpretive guidance on how to embed sustainable development issues into [COSO's Enterprise Risk Management Framework](#) as a foundation to bridge the gap between the way companies consider sustainability issues in their risk management processes and how they disclose these risks to investors, facilitating effective decision making within and out with the company.

A recent WBCSD study, launched at the World Economic Forum meeting in Davos 2017, "[Sustainability and Enterprise Risk Management](#)," found a clear disconnect between enterprise risk management and sustainability practices in most of the businesses studied. This provides a critical starting point for COSO and WBCSD to collaborate in helping businesses navigate and prioritize sustainability risks.

COSO's work with WBCSD is part of a collaboration between the Gordon and Betty Moore Foundation, WBCSD, Ceres and WWF, launched to inform the Moore Foundation's [Conservation and Financial Markets Initiative](#), a five-year effort aimed at leveraging the power of mainstream financial markets in driving the food sector away from practices that degrade natural ecosystems.

"We are very happy to be working with the WBCSD, an organization that fully supports the principle that accurate disclosure and reporting will pave the way to a society that evaluates businesses according to their true cost, profits and value," said Robert B. Hirth Jr., COSO Chair. "Our work with WBCSD helps publicly held companies disclose important information to investors and foster sustainability-conscious enterprise risk management."

In recent years, risk frameworks have evolved to capture more strategic risks. The most recent proposed update to the Risk Management Framework, as set out in COSO's Enterprise Risk Management: Aligning Risk and Strategy with Performance exposure draft report, endeavors to address many of the challenges companies face when it comes to emerging, complex risk.

"Risk management – if executed properly – can be an essential management tool in driving innovation and value creation and support meaningful disclosure. WBCSD is committed to helping companies move toward

using, understanding and disclosing their sustainability risks and mitigation plans and seizing opportunities,” said Peter Bakker, President and CEO of WBCSD. “A robust and holistic risk management program is necessary to identify and plan for unforeseen events that can cause disruptions in even the most resilient operations.”

#### **About COSO**

Originally formed in 1985, COSO is a voluntary private sector organization dedicated to improving organizational performance and governance through effective internal control, enterprise risk management and fraud deterrence. COSO is jointly sponsored by the American Accounting Association (AAA), the American Institute of CPAs (AICPA), Financial Executives International (FEI), the Institute of Management Accountants (IMA), and The Institute of Internal Auditors (IIA). For more information, visit [www.COSO.org](http://www.COSO.org).

#### **About WBCSD**

WBCSD is a global, CEO-led organization of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies. Our member companies come from all business sectors and all major economies, representing a combined revenue of more than \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. WBCSD is uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues. Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050. [www.wbcsd.org](http://www.wbcsd.org)

#### **About the Gordon and Betty Moore Foundation**

The Gordon and Betty Moore Foundation fosters path-breaking scientific discovery, environmental conservation, patient care improvements and preservation of the special character of the Bay Area. Visit [www.moore.org](http://www.moore.org) or follow @MooreFound.