

Gather around

We provide you with the latest developments and practical recommendations on corporate reporting, digital initiatives and sustainability.



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Hello,

December brings both festive cheer and our final insights of the year.

This month, we examine how corporate communications are evolving in response to a rapidly changing landscape. In 2025, the UK's non-financial reporting regime experienced a significant transformation, while three communication trends emerged as essential. Companies must proceed cautiously: addressing these factors can build trust; however, doing so poorly can foster skepticism.

Our Reporting Intelligence rubric covers major regulatory shifts, including scaled-back EU CSRD/ CSDDD, FRC guidance, and FCA's proposed ESG ratings framework.

Finally, that's a wrap on another award-winning year at Gather. We're proud of what we've achieved and grateful to our clients and team for making it happen.

Merry Christmas, everyone!

Richard Costa



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This month, we explore major regulatory shifts including the EU Parliament's scaling back of CSRD and CSDDD, the FRC's guidance for smaller listed companies, and the FCA's proposed ESG ratings framework.



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That's a wrap on 2025 – as we reflect on another award-winning year at Gather London, we want to thank our clients and team. Here's to setting the bar even higher in 2026.

Hiding to nothing: the risks of the new non-financial reporting regime

Non-financial reporting in the UK is currently undergoing a significant transformation. Evolving regulations and stakeholder expectations are driving efforts to streamline and make it more relevant. This requires companies to proceed with caution.

1. Drivers of non-financial reporting

The modernisation of non-financial reporting is driven by a desire to streamline a framework that has become cluttered with lengthy, complex requirements. The primary aim is to focus solely on decision-useful information.

Regulatory changes

The UK government is working to update and rationalise existing non-financial reporting requirements. This includes initiatives such as the "Non-Financial Reporting review," which aims to update and simplify the annual report's structure to incorporate sustainability-related requirements. Secondary legislation has already increased company size thresholds and removed several low-value, obsolete, or overlapping disclosure requirements from the directors' report, such as information on financial instruments and R&D activities.



By **Richard Costa**
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Hiding to nothing: the risks of the new non-financial reporting regime continued

A key direction is to establish an improved, acronym-rich regime for sustainability-related financial disclosures to provide rigorous, comparable information for investors. This involves developing the UK Sustainability Reporting Standards (UK SRS), which are based on IFRS Standards 1 and 2 issued by the International Sustainability Standards Board. The Financial Conduct Authority is expected to consult on transitioning listed companies from the current TCFD framework to UK SRS 2 and to introduce UK SRS.

Investor and stakeholder expectations

Investors and customers are exerting pressure for sustainability to be genuinely ‘built-in’ to businesses, rather than ‘bolted on’. Sustainability reporting adopts an ‘inside-out’ view, emphasising a company’s impact on society and the environment (people, planet, profit). According to a recent EY survey*, 88% of investors have increased their use of ESG information, and 92% agree that short-term performance risks outweigh the long-term benefits of many ESG initiatives. Consequently, high-quality, integrated reporting is crucial to address this investor outlook.

* Setting the stage, September 2025
<https://www.ey.com/content/dam/ey-unified-site/ey-com/en-uk/insights/assurance/documents/ey-setting-the-stage-in-anticipation-of-new-non-financial-reporting.pdf>

2. Impact on narrative development

The move towards integrated non-financial reporting encourages companies to link their internal identity with their external narrative, essentially urging them to articulate what makes them unique.

Unifying proposition and identity

We believe every company has a difference, ‘the thing that makes you, you’, which is vital for competitiveness. Design, narrative, and connected business communications are practical tools to express this difference.

Integration and strategic alignment

Non-financial reporting requires that information be connected, even if it appears disparate. Draft UK SRS 1 demands information that helps users understand the linkages between disclosed technical items and other parts of the annual report, such as the business model and its outcomes. For a commitment to sustainability to be credible, it must be integrated into the overall strategy and principal risk disclosures. This unified approach compels companies to demonstrate a sustainable value proposition aligned with their core strategy and culture.

Fostering trust

The public expects companies to have a societal purpose, a plan to deliver it, and proof they are on track. When a company is perceived as genuinely addressing all three, it fosters trust. By clearly stating its purpose and providing evidence that its performance aligns with it, a company uses narrative reporting to define and embrace its difference.

3. General reception

Public reception to detailed non-financial reporting will likely vary, depending primarily on how seriously companies utilise the opportunity the new approach provides. Reporting can build trust, but can also lead to scepticism.

Clarity builds trust

Public interest in companies revolves around clarity and authenticity. High-quality reports that offer a ‘fair, balanced and understandable assessment’ of a company’s position and prospects will be well received. The public wants to see compliance and positive impacts.

Disclosures that illustrate how the Board considered stakeholder input during decision-making and reveal high standards of business conduct will reinforce trust.

Information overload fosters scepticism.

Poor execution of non-financial reporting – particularly when sustainability sections are not integrated into the main strategic narrative and appear more like topical inserts – can lead to perceptions of greenwashing or lip service. Failing to report negative outcomes alongside positive impacts can harm credibility.

There is also a risk of overload. The influx of new data and metrics, particularly E&S metrics, can obscure material issues if reports lack focus. Stakeholders expect a clear, consistent story. If the narrative becomes too lengthy, complex, or repetitive, it may frustrate the audience and undermine the clarity the new regime aims to deliver.

Get in touch



If you would like help with your non-financial reporting, please get in touch with Richard Costa, Consultancy Director. richardc@gather.london

The triad of trust in corporate communications: authenticity, AI and integration

Communications in 2025 demanded authenticity and clarity. Three trends emerged as essential: embedding sustainability strategically, optimising content for AI consumption, and delivering consistent messaging across interconnected channels to build stakeholder trust.

The corporate communications landscape underwent a shift in 2025, driven by stakeholder demands for clarity, authenticity, and integrated thinking. Amid fierce competition for attention in uncertain times, audiences remained deeply sceptical of corporates. However, research consistently highlighted the public's belief that, whilst business may serve the interests of a select few, it is the only institution capable of effecting positive change.

Consequently, the most important trends emerging in 2025 were those that enabled corporates to convey who they truly are, their 'difference', coherently across all platforms. Three communication trends dominated: the integration of sustainability, the creation of AI-friendly content, and the adoption of super-connected channels.



By **Anna Meyler**
Analyst

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The triad of trust in corporate communications: authenticity, AI and integration continued

Sustainability integration

Sustainability integration represents the transformation of environmental, social, and governance (ESG) factors from compliance requirements into drivers of competitive advantage and growth. Companies that reframe sustainability as a source of strategic growth demonstrate how it fuels innovation, operational efficiency and market differentiation.

Stakeholders now expect companies to articulate how sustainability creates value, not just mitigates risk. Companies must showcase integration through tangible proof points: operational changes across the value chain, products designed for circularity, ethical supply chain management, and clear, measurable KPIs. As reporting matures, the focus is shifting towards embedding ESG into real business decisions and governance.

AI-friendly communication

In corporate communication, 2025 was pivotal for Artificial Intelligence (AI), which quickly transformed from an experimental tool into a strategic necessity. The public underwent a fundamental change in content consumption.

Users are increasingly consuming knowledge delivered as fully formed answers from AI summaries, meaning they might never visit the original corporate website. If a company wants people to understand its story, AI must understand it first.

“If a company wants people to understand its story, AI must understand it first.”

AI-friendly communication involves intelligently structuring content so that AI systems can reliably scan, understand, and cite a company’s story. This shift mandates optimising content through Answer Engine Optimisation (AEO) or Generative Engine Optimisation (GEO), prioritising clarity and authority over traditional search ranking metrics.

To ensure AI responses embrace the company’s difference, corporate content must be clear and consistent within and across channels. Corporate communication must focus on a single idea that is easily understood, using clear language and ensuring a ‘golden thread’ of consistent messaging across the entire corporate communication ecosystem. Humans remain essential in curating AI output to ensure the final content is high quality, authentic, and reflects the company’s unique style and tone.

Super-connected channels

Super-connected communication moves beyond periodic reporting to continuous, targeted, and personalised engagement across multiple channels. The essence of ‘super-connecting’ is reaching stakeholders where they are, providing frictionless access to information, and demonstrating empathy. This involves positioning the corporate website at the centre of an integrated ecosystem extending to investor communication and sustainability reporting.

The public expects content to embrace the company’s difference through super-connected channels because, in a competitive market, they demand a single, clear story, consistently delivered. To build loyalty and trust, companies must convey what makes them different, what they stand for, what they do, and how it is working through an authentic purpose, a strategic plan, and transparent performance. By ensuring every channel consistently conveys a straight line from purpose to plan

to performance, companies help audiences understand their strategic vision and commitments.

“Companies that integrate sustainability authentically, communicate clearly to both human and AI audiences, and maintain consistency across all channels will build the trust necessary to thrive.”

These three trends represent more than tactical adjustments; they signal a fundamental recalibration of corporate communication. Companies that integrate sustainability authentically, communicate clearly to both human and AI audiences, and maintain consistency across all channels will build the trust necessary to thrive. Those that don’t risk irrelevance in an increasingly discerning stakeholder landscape.

Get in touch



**If you would like help navigating these corporate communications trends in 2026, please get in touch with Anna Meyler, Analyst.
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Reporting intelligence

EU Parliament drastically scales back Corporate Sustainability Reporting and Due Diligence requirements



The European Parliament has voted to significantly cut the scope of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), following the defeat of an earlier compromise deal.

The move, part of the European Commission's competitiveness agenda, dramatically reduces the number of companies covered. The CSRD now applies to firms with 1,750 employees and €450 million in revenue, while the CSDDD threshold is 5,000 employees and €1.5 billion in revenue. Crucially, the obligation for companies to prepare climate transition plans has been eliminated.

Additionally, due diligence requirements are weakened, protecting smaller firms from excessive information requests. Critics argue this decision severely undermines Europe's wider sustainability goals.

EFRAG submits simplified sustainability reporting standards to the European Commission



EFRAG has submitted technical advice to the European Commission on draft simplified European Sustainability Reporting Standards (ESRS), marking a crucial milestone in reducing regulatory burden whilst maintaining the Green Deal's sustainability objectives. Drawing on extensive consultation with over 700 respondents and lessons from 2024 reporters, the simplified standards introduce substantial flexibility and reduce mandatory datapoints by 61%.

Key improvements include streamlined materiality assessments, elimination of direct data preferences for value chain reporting, principles-based narrative disclosures, and enhanced interoperability with ISSB Standards. The European Commission will now prepare the Delegated Act revising ESRS. EFRAG's ESRS Knowledge Hub launches on 4 December 2025.

Reporting intelligence continued

FRC publishes practical insights to help smaller listed companies improve corporate reporting quality



The Financial Reporting Council (FRC) has issued practical insights to assist smaller listed companies in enhancing the quality of their corporate reporting.

The review of annual reports from companies outside the FTSE 350 highlighted four critical areas for improvement: revenue recognition, cash flow statements, impairment of non-financial assets, and financial instruments.

The FRC urges companies to adopt 'good communication', prioritising clear, connected, and consistent financial disclosure, rather than mere technical compliance.

The guidance provides illustrative examples, helping companies better understand reporting requirements and common triggers for FRC enquiries. Auditors, audit committees, and investors are also encouraged to use the findings to promote and challenge for better quality reporting.

FRC publishes Sustainability Assurance Standard



The Financial Reporting Council (FRC), the UK's regulatory body, has released International Standard on Sustainability Assurance (UK) 5000. This new standard establishes a consistent, high-quality framework for practitioners conducting assurance engagements on sustainability reporting.

The standard is the UK version of the global benchmark set by the International Auditing and Assurance Standards Board (IAASB) and is designed to work with various global sustainability reporting frameworks.

The FRC intends for the standard to be used voluntarily, assuring the credibility of UK sustainability reporting and supporting more informed investment decisions. This move comes as the UK government considers mandatory reporting rules and follows consultations on new UK Sustainability Reporting Standards (UK SRS) and a voluntary assurance registration regime. The FRC states the standard reinforces the UK's commitment to internationally aligned standards and its role as a leader in sustainable finance.

Reporting intelligence continued

FCA releases new proposed rules to regulate ESG ratings providers



The Financial Conduct Authority has published proposed rules to regulate ESG ratings providers in the UK, targeting both domestic and foreign firms. The regulations aim to enhance transparency, governance and conflict of interest management, addressing concerns that 48% of users raised about unclear methodologies and data sources.

Based on IOSCO recommendations, the proposals require minimum disclosure standards, robust governance frameworks, conflict identification systems, and stakeholder engagement procedures. Providers must disclose rating objectives, assessment factors and methodology applications whilst maintaining quality controls and UK presence. Following consultation until March 2026, final rules will be implemented in June 2028 to strengthen trust in ESG ratings and reinforce Britain's sustainable finance credentials.

FRC publishes first Wates Principles reporting insights, highlighting governance flexibility



The Financial Reporting Council (FRC) has published its first reporting insights on the Wates Corporate Governance Principles for Large Private Companies since assuming oversight in 2025. Drawing on stakeholder feedback and examples from diverse company structures, the review demonstrates the framework's flexibility whilst identifying opportunities for stronger reporting.

Companies showed generally strong risk management and stakeholder engagement disclosures, with improvement areas identified in purpose, board composition and remuneration reporting. The FRC emphasises the 'Apply and Explain' approach's flexibility as the framework's greatest strength, encouraging companies to focus on outcomes-based disclosures and reduced duplication to build stakeholder trust through clearer governance reporting.

2025 wrapped

Dunelm Group Sustainability report 2025



That's a wrap on 2025 – another award-winning year at Gather London.

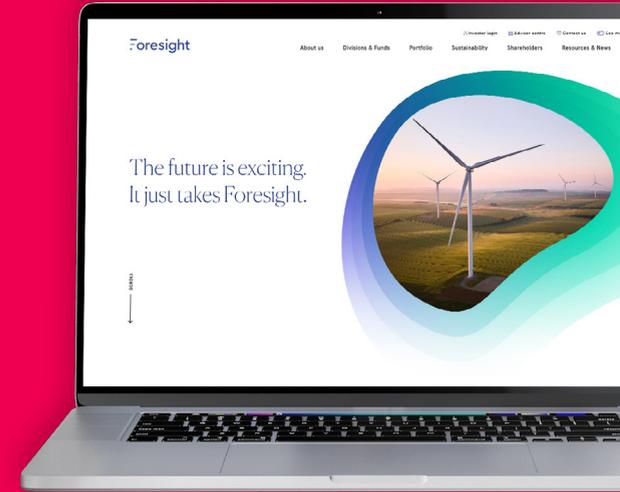
From exciting projects and fantastic new partnerships to celebrating some incredible award wins, we're so proud of what we've achieved – and we've had a lot of fun along the way!

A huge thank you to our clients and team. Here's to setting the bar even higher in 2026.

Get in touch to discuss your New Year projects: hello@gather.london



Hammerson PLC Corporate Identity



Foresight Group Corporate website



Spectris PLC Annual Report 2024



Workspace Group PLC Annual Report 2025

Look out for our 2025 showreel

Contact

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