

# An opportunity to rethink reporting in the age of AI

With the backdrop of an ever-more-complicated annual report, Claire Bodanis suggests how generative AI could be deployed – and what must still be done by humans.

Like many who work in reporting, in the last year I seem to have spent as much time talking and writing about it as I have actually doing it. There was the UK Financial Reporting Council’s digital reporting consultation in November; the EU’s Omnibus in February; and the UK government’s resurrected *Non-Financial Reporting Review* in May (with the consultation on adopting the International Financial Reporting Standards Foundation (IFRS) standards S1 and S2 being announced on 25 June). Then in late May I took part in a discussion with the Integrated Reporting and Connectivity Council of the IFRS on the possible impact of technology on reporting. This was prompted by the launch, with tech company Insig AI, of *Your Precocious Intern – How to use generative AI responsibly in corporate reporting*, our report based on research with industry professionals, including IR leads from FTSE companies and buy-side investors.

## A lengthy mess of misguided intent

On the one hand, I’m delighted that all these bodies involved in determining how companies should report are alive to its challenges, and seem disposed to address them. On the other, the fact that they’re all coming from different angles at the same time points to the real problem at the heart of it all: that reporting requirements do not derive from one place, and no single body owns or governs them. Reporting has got into the lengthy mess it has because so many are involved, piling requirements onto companies often with good intent but misguidedly, because they start by asking ‘what do we want companies to do?’ instead of ‘how does this serve the purpose of reporting?’

This problem is not new. But it’s become critical because the sheer



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volume of information companies must report – on so many subjects – threatens to render the exercise meaningless. It risks swamping the truthful (we hope) story being told by management and the board that’s at the heart of reporting. It is therefore no surprise that, as our research showed, many are hoping that generative AI will come to the rescue – assuming we can mitigate its considerable risks.

And perhaps it can. But only if reporting itself is rethought first, starting from its purpose; and only if generative AI is introduced carefully, with proper training and guidelines in support of that purpose.

## A way forward

Here’s my view on what that rethinking of reporting might look like – although first, a caveat. It assumes a world in which humans still run companies, and are answerable to other human stakeholders.

Let’s start with the purpose of reporting. Many will say it is ‘to meet regulatory requirements’, and yes, it must. But the more important questions to ask are: what is the purpose of those requirements?; and why are companies required to report at all?

My definition, which seems to resonate with everyone I discuss this with, is: to build a relationship of trust with investors and other stakeholders through truthful, accurate and clear reporting that people believe because it tells an honest, engaging story.

Reporting serves this purpose by providing two types of information:

*Accurate data and disclosures* – in accordance with reporting requirements.

*A truthful story; namely, the opinion of management and the board* as to the meaning of those disclosures for the company and its future prospects.

## Distinguishing opinion from disclosure

When I started in reporting nearly 25 years ago, reports were so much shorter that when it came to writing them, this distinction didn’t really matter. The ‘front half’ – everything except the financial statements – could be written pretty much as a single story that incorporated all the disclosures, without clarity or meaning being obscured.

Now that reports are so long, this has become impossible. A single narrative cannot contain everything currently required without being bent unreadably out of shape. So we must make the

distinction much clearer – not just between financial disclosures and the story, but between all disclosures and the story.

A growing number of companies, particularly FTSE 100s, are already doing their best by creating a ‘disclosure statements’ section at the end of the strategic report, or an ‘additional information’ section right at the back.

### Opinion must be ‘human’

And what of generative AI? Its biggest benefit is in the heavy lifting of reams of information; while its biggest risk, highlighted by investors in our research, is that companies start using Copilot or chatbots (the types most likely to be used in report writing) to produce opinion. If used in this way, reporting would no longer give real insight into the minds of management and the board. Signing off an opinion written by AI would not make it their own, even though it would make them accountable for it.

My proposal for rethinking reporting for the age of AI, which I’ve been discussing with the relevant parties, is simple. Those responsible for setting reporting requirements should get

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together and, having codified the purpose of reporting, overhaul it in its entirety by mandating two things:

### *A set of disclosures covering everything that is material to the business\**

This should be provided in a single statement, subdivided by type (financial, governance, environmental, and so on). Let generative AI do its best with that, as long as the resulting statement is checked and signed by humans.

### *A fair, balanced and understandable narrative, authored by management and the board*

This should give their truthful opinion of what those disclosures mean for the company and its prospects. Companies

must be allowed to produce this however they think best, assuming a basis in written form that can stand as a document of record. Generative AI has no place in creating this. Opinion must be the preserve of humans.

### The time is now

With so many reviews in train, and with generative AI offering considerable benefits while also threatening to undermine reporting altogether, we have an opportunity to rethink the whole endeavour for the benefit of companies and stakeholders alike. The IFRS, through the International Sustainability Standards Board (ISSB), is breaking reporting out of its old finance-only mould by establishing the principle of the connectivity of financial and other information. Now it’s time to break the other mould – the old reporting structures that prevent us from communicating effectively. ■

\* Any other disclosures that governments want companies to make could be published on corporate websites, rather than in the annual report.

## New IR Society members

Welcome to those who joined the IR Society from March to June 2025.

Ayeesha Aliyu – Oando  
 Devina Artley – Fairvue Partners  
 Nick Ashworth – Reckitt  
 Jon Bone – Reckitt  
 Emily Brindle – Zenith Automotive  
 Luke Crouch – Lumi Global  
 Caroline Dawson – Reckitt  
 Claire De Groot – CDR Consultancy  
 Max Duncombe – Reckitt  
 Louise Dunsford – VP  
 Rene Engelbrecht – JTC  
 Colm Farrell – Greencore  
 Melissa Fung – WPP  
 Eugenie Gallagher – MUFG Pension & Market Services  
 Claire Goodman – Essentra  
 Tamara Hackl – Sandoz  
 Charles Hildesley – SThree  
 William Houston – Independant  
 Patricia Hurley – Lumi Global  
 Monika Kapoor – WPP  
 Krzysztof Kokoszczyński – NBS Communications

Anne La Carriere – Barclays Corporate Access  
 Claire Lavery – Lavery Associates  
 Matt Lee – Equitory  
 Pikkam Lee-Sarkar – Halma  
 Maria Livaniou – Coca-Cola HBC  
 Zeeshan Maqbool – Elementis  
 Craig Marks – Sandoz  
 Andrew Mcgeary – Taylor Wimpey  
 Claire Micallef – WISE  
 Richard Morgan – Central Asia Metals  
 Louise Parsons – Central Asia Metals  
 Sunal Patel – Brunswick  
 Lawrence Pemples – ctrlPrint  
 Elizabeth Perry – easyJet  
 Gustav Peters – MUFG Pension & Market Services  
 James Quaile – Atticus  
 Alex Reid – Bloomberg  
 Ben Riley – Lumi Global  
 Agnes Riousse – CDR Consultancy  
 Jude Roberts – Aquis  
 Rebecca Roberts – Severn Trent

Rupreet Sandhu – Sandoz  
 Harvy Sidhu – Reckitt  
 Thomas Singlehurst – WPP  
 Gordon Soo – D.F. King  
 Josh Sparks – MUFG Pension & Market Services  
 Maciej Szczepaniak – NBS Communications  
 Wee Kuang Tai – LL Fund Management  
 Dami Tanimowo – Robert Walters  
 James Targett – Everplay Group  
 Annabel Taswell-Fryer – Atticus  
 Stuart Taylor – Fairvue Partners  
 Nora Teigland – Bloomberg  
 Alex Toms – Rotork  
 Michael Tooth – Equiniti  
 Natasha Tucker – Hiscox ILS  
 Camille Vinatier – Atticus  
 Laurence Watts – New Street IR  
 James Williamson – Brunswick  
 Gabrielle Wright – Anthemis  
 Jacquelyne Yawa – Zenith Bank  
 Kellie Young – Cohort