Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

29th SESSION
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Morning Session

Sustainability Reporting

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GRI at Rio+20 and Beyond

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Geneva, 2 November 2012
Overview

PART I: Rio+20 Outcome and Follow-up
PART II: Current Trends in Sustainability Reporting Policy
PART III: Engage with GRI
Rio 20 Years After: How did it go?

**MAJOR OUTCOMES**

- Decision to establish SDGs next year
- UN General Assembly was invited to strengthen UNEP
- Several volunteer pledges (incl. financial investments) by governments, business and multilateral agencies
- Ban Ki-Moon’s flagship Sustainable Energy for All initiative was “noted” (though not enthusiastically endorsed)

Sustainability Reporting has survived in the text & for 1st time governments are encouraged to develop models for best practices taking account of developing country needs

**support**: 99 times  
**encourage**: 50 times  
**we will**: 5 times  
**we must**: 3 times.
Paragraph 47 – The Future We Want

“We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments and relevant stakeholders with the support of the United Nations system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account experiences from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity building.”
What is this Group?
• It’s a group of 4 governments (Brazil, Denmark, France & South Africa) that joined together in support of paragraph 47 to advance corporate sustainability reporting.
• The group has invited GRI & the United Nations Environment Programme (UNEP) to support them in their endeavors.

When was it created?
• The formation of the Group was publicly announced in Rio on 20\textsuperscript{th} of June.

Why was it created?
• The Friends of Paragraph 47 believe that corporate transparency & accountability are key elements to enhancing the private sector’s contribution to sustainable development: Making sustainability reporting standard practice will contribute to monitoring companies’ impacts & their contribution to a sustainable development.
Current Trends in Sustainability Reporting Policy
Trends in Sustainability Reporting: Government Initiatives Worldwide

Sustainability Reporting requirements on the rise
Voluntary and/or mandatory Sustainability Reporting requirements for certain companies and/or certain KPIs in place
Trends in Sustainability Reporting: Stock Exchange Initiatives Worldwide

- Sustainability Reporting requirements/recommendations through Stock Exchanges on the rise
- Sustainability Reporting listing requirements/recommendations for certain companies and/or guidance to produce Sustainability Reports in place

Map showing regions with sustainability reporting initiatives.
What is the Report or Explain Principle?

All large companies – listed, private and public – should disclose their sustainability performance, or explain why they don’t.
Why a Report or Explain Approach?

**Flexibility for policy makers** in implementation

**Flexibility for companies**: It remains space for a decision whether or not to report
Engage with GRI
G4 Development Process

Preparatory Stage

Public Comment Period 1

Working Groups Formed

Working Groups Meet

Public Comment Period 2

Working Groups Meet

Governance Bodies give Final Vote

Final Edit

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Accelerate the Transition to a Green Economy!

Sustainability reporting is an indispensable tool for companies, markets and society to price risk and measure performance, making progress towards a sustainable Green Economy.