UNCTAD-ISAR Workshop on the Future Direction of the Corporate Reporting Model

Monday, 13th October 2014
Room XXVI, Palais des Nations, Geneva

Workshop material:

*Issues, good practices and main challenges of preparing reports on sustainable development issues*

Presented by

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Introduction True Pricing

Presented at the UNCTAD Workshop on the Future Direction of Corporate Reporting Models by Michel Scholte, External Affairs Director True Price

Geneva, October 13 2014
True Price Research

Help organizations deliver products and services that are more profitable, more sustainable and more valuable to society

**Research**

- True Price
  - Supply chains
- True Value
  - Company strategy
- True Returns
  - Investments

**Areas of expertise**

- Commodities
- Financial Services
- Chemicals
- Construction
- Services

**Clients (e.g.)**

- Multinationals
- Financials
- SME
- Governmental
- NGO
True Price Platform

Develop open source methods for impact measurement that are relevant, sound and inclusive

Why?  
What?  
How?
Internalization of externalities is unavoidable

**Internalization of externalities**

- **Size of externalities increases**
  - Environmental externalities e.g. resource scarcity; CO2 absorption
  - Social externalities e.g. underpayment; employment

- **Rate of internalization increases**
  - Decrease of Information & coordination costs
  - Consumer demand
  - Effective regulation

**New set of financial value drivers**
True Pricing: Sustainable supply chains

- True Price vs. Retail Price
- Current Product vs. Target Product
- Social costs vs. Environmental costs
- True Price Gap

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Size externalities and transaction costs should affect policy balance
Reporting should facilitate internalization by decreasing transaction costs

**Decreasing transaction costs**

- More publicly available information
- Higher quality of information
- Public norms for information
- Shared norms for information
- Communities around shared issues

**Increasing transaction costs**

- Information overload
- Higher reporting costs
- Higher costs of understanding
- Conflicting norms for information
- Conflict and politics around issues

Other purpose: Thinking?  

X Thinking  →  X Reporting  

or  

X Thinking  ←  X Reporting
Thank you

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