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

32nd SESSION
4 - 6 November 2015
Room XVIII, Palais des Nations, Geneva

Thursday, 5 November 2015
Afternoon Session

**Review of good practices on enhancing the role of corporate
reporting in attaining Sustainable Development Goals**

Presented by

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President
Group of Friends of Paragraph 47

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ISAR32

Governments sustainability reporting efforts as key role in achieving the Sustainable Development Goals

Robin EDME, Chair
Group of Friends of Paragraph 47

INTERGOVERNMENTAL GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING
Good Practices on enhancing the role of corporate reporting in attaining Sustainable Development Goals
THURSDAY NOVEMBER 5TH 2015 – 15:00 /17:50

Paragraph 47: A call for governments, the UN system and relevant stakeholders to further advance sustainability reporting

Corporate Social Responsibility received high attention at



RIO+20

United Nations Conference
on Sustainable Development

Paragraph 47 of the Outcome Document, *The Future We Want*, acknowledges importance of corporate sustainability reporting (SR)

47. 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 as well as relevant stakeholders with the support of the UN system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building.

- Call for **building on the experience** of existing frameworks
- **Recognition that SR is relevant globally**, and that the needs of developing countries, including capacity building, should be given particular attention

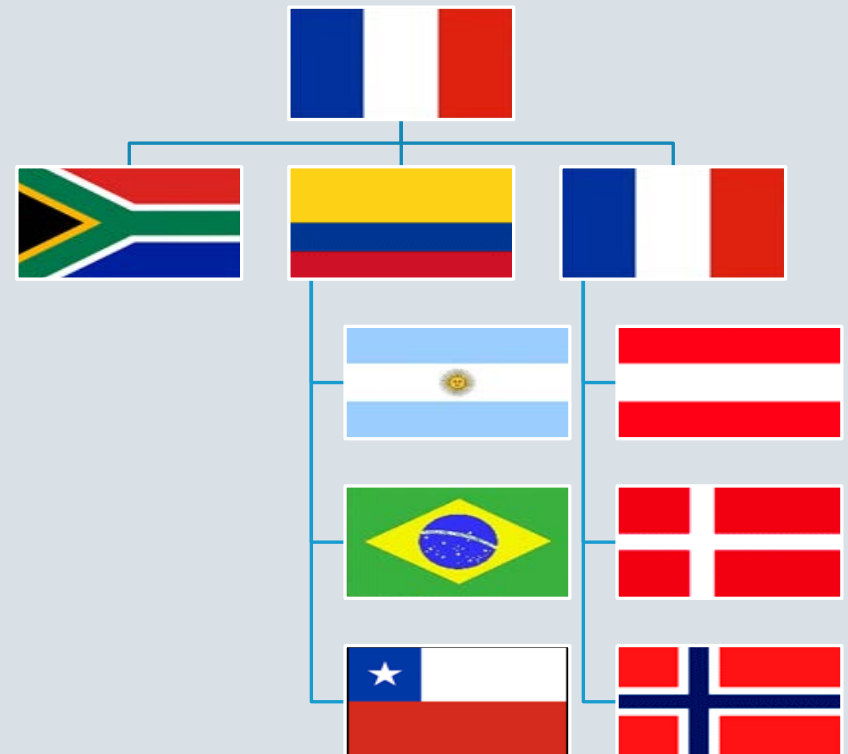
A Group with a unique an enhanced governance structure

Brazil, Denmark, France and South Africa launched 'Friends of Paragraph 47' initiative to take the lead in responding to this call for action

Chair:

Regional Co-Chairs:

Secretariat:





Our objective: To strengthen the role of governments in fostering a culture of corporate transparency through the promotion of sustainability reporting

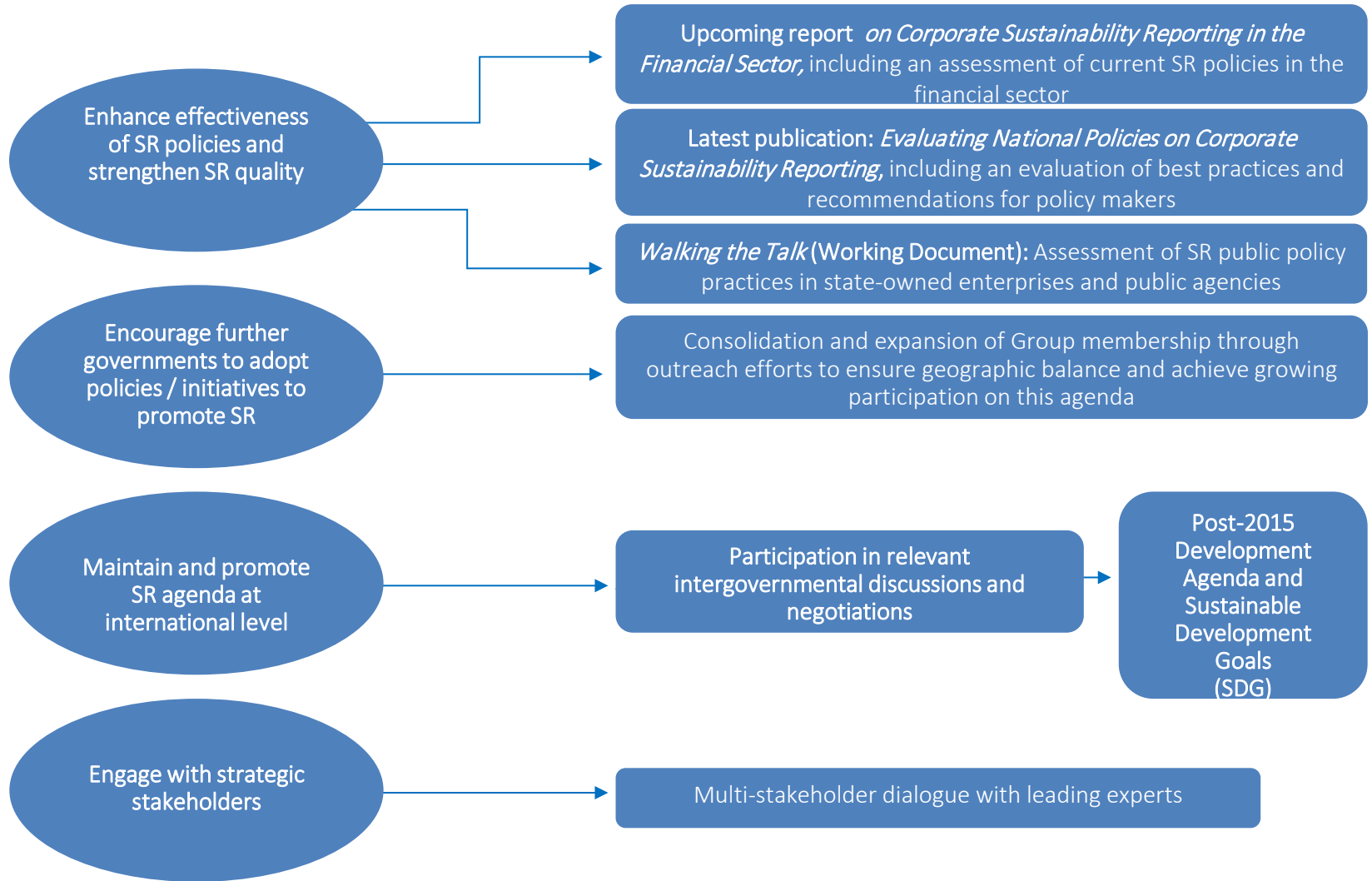
The Group's **common understanding**

Corporate transparency and accountability are key elements in enhancing the private sector's contribution to sustainable development

Key points in our **Charter**

- **Governments play an essential role** in positively influencing corporate behavior and moving society towards a sustainable model of development;
- **SR should become a widespread practice** to allow for a transparent, well-functioning market economy;
- Bringing Governments together to **share experiences, promote & develop best practice models** of SR policy/regulation, building upon existing reporting guidance;
- Giving particular consideration to the **needs of developing countries and small and medium enterprises.**

Achieving our objective through 4 workstreams



Evaluating National Public Policies on Corporate Sustainability Reporting

Publication **evaluates** current national public policies on corporate sustainability reporting of 5 member countries (Brazil, Chile, Denmark, France and South Africa).

Seeks to identify the **common elements** among the policies' lifecycles and determine the **key factors** for the enactment of a **successful policy**.

It provides:

- **Framework** for public policy evaluation
- **Lessons** learned and **recommendations** for policymakers
- **Case studies** including overviews of sustainability reporting policies in 5 GoF47 countries



Lessons Learned

- All policies have emerged from broad **multi-stakeholder consultation**
- **Public policy** can be instrumental in **increasing the number** of companies reporting. Over time, the quality of reports shows a steady improvement.
- The **'comply or explain'** approach underpins the regulation in 4/5 of the policies analysed
- Reporters are encouraged – and in several cases required – to apply the **principle of materiality**
- Each case study presents **different scopes for mandatory disclosure**, ranging from general topics to sector-specific indicators
- All policies contain an element of **self-regulation** but only in few cases **enforcement**, e.g. through external audits to provide assurance

Policy Recommendations to policy makers and regulators

(Short Summary)

- **Engage with stakeholders & recognize challenges faced by companies of different sizes and sectors:**
 - **Understand** historical and current regulatory **context** is fundamental to set out clear objectives
 - **Testing** the policy through multi-stakeholder **consultation** and join forces with market regulators
 - **Gradual application** of the requirements over time according to company characteristics (e.g. size, sector, social and/or environmental impact, ...)

- **Addressing the quality challenge:**
 - **‘Comply or explain’** approach
 - Focus on **material** issues through a minimum set of **pre-defined indicators**
 - **Accountability** mechanisms

- **Balance between national disclosure needs and international standards to ensure comparability**

- **Leading by example through public sector reporting**

The Group's Involvement in the SDG's process

- GoF47 countries have been actively engaged in the negotiation process of the **Sustainable Development Goals (SDGs)**
 - Four members of the Group (Brazil, Colombia, Denmark and France) make part of the Inter-Agency and Expert Group on SDG indicators (IAEG-SDG)
- The Groups Communique: “ *The GoF47 considers that the proposed target 12.6 **erves the purpose** of enhancing corporate transparency and accountability by encouraging business to effectively measure progress towards the achievement of the SDGs...*”
- The indicator *Number of companies publishing sustainability reports* has been assessed internally, several suggestion have been sent to improve the quality and completeness of the indicator



THANK YOU FOR YOUR ATTENTION

For additional information on the
Group of Friends of Paragraph 47
contact:

secretariat@paragraph47.org

or visit the website:

www.unep.org/GoFParagraph47

Find answers to many questions on sustainability reporting through our interactive drop-down FAQ:

<http://www.unep.org/OnlineFAQsonSustainabilityReporting/>