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

Richard Martin
Chair
ISAR Consultative Group on Corporate Reporting and Sustainable Development Goals

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
SDGs and corporate reporting

Richard Martin
5 November 2015
UNCTAD review of best practice etc.

- Report including input from Consultative Group
- Fair review, but incomplete no doubt
- Raises more questions
- International, regional and national initiatives
- Lack of co-ordination
- Comparability and completeness
- Materiality
- Mandatory or voluntary
- Assurance and compliance
Sustainable Development Goals

- Corporate activity can contribute or affect so many of the goals and the targets – poverty reduction, gender diversity, children …
- Target 12.6 “encourage companies especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycles”
- Target 15.9 “integrate ecosystems and bio-diversity values into national and local planning … and accounts”
- Principally the SDGs are national governments’ responsibilities
Corporate reporting – issues for SDG reporting

- Focussed on investors, creditors, markets
- Financial reporting – standards, global(?)
- Non-financial reporting – less so
- Materiality and selection
- Value chains – reporting boundaries
- Country by country reporting
- SMEs
- Pressure for more concise, focussed, less clutter
Corporate reporting & SDG - advantages

• Disclosure affects behaviour
• Responsibility from the top – sign off, audit committees etc
• Market pressures on quality and timeliness
• Assurance
• New models for corporate reporting - <IR>, FEE ‘core & more’
• Wider range of stakeholders
• Communications technology
SDG and corporate reporting – way forward?

- Corporate reporting is imperfect vehicle for society to monitor SDGs
- Government mandates requirements?
- Or use existing reporting to align corporates to SDGs
- Improve non-financial elements and overall package
- Accounting standard setters need to recognise this
- Institutional recognition – market regulators
- Society, consumers etc to make SDG issues material