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

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Responsible Business

- Private sector - significant contribution to the SDGs needed
- Acting responsibly
  - Governance
  - Operations
- Being transparent
How is the Private Sector Doing?

• Sixth annual survey of global sustainability practices identified room for improvement:
  • 90% of respondents agreed that collaborations are needed for sustainability, yet only 47% said they engaged in them; of those who did, 61% reported their efforts as successful
  • 86% agreed that the board should play a strong role in sustainability, only 42% felt that their company’s board did so
Recent Publications to Encourage Sustainable Practices

- **CERES** - *View from the Top: How Corporate Boards can Engage on Sustainability Performance*
- **UN Global Compact** *Guide to Corporate Sustainability*
- **UNEP** *Integrated Governance A New Model of Governance for Sustainability*
- **IFAC** *Accounting for Sustainability: From Sustainability to Business Resilience*
- **IIRC** *Creating Value, Value to the Board*
Integrated Thinking as a Basis for Integrated Reporting

• Integrated thinking the means to changing corporate behavior and achieving outcomes

• New IFAC thought paper sets out a vision for integrated thinking and the role of accountants as finance professionals

• Bringing the vision of integrated reporting to a reality
Today’s Reporting Landscape

- Annual Financial Statements
- Regulatory Reporting
- Corporate Governance Reporting
- Sustainability Reporting
- Management Reporting
Reporting and the SDGs

• Reporting – a key part in attaining SDGs and Goal 12
  - A new demand on reporting
  - Higher quality reporting – including comparability and usefulness

What do users need to know?
• How corporate objectives/activities contribute to SD goals
• Material risks and opportunities, impacts, and their ability to create value over time
• Net positive contribution versus being less bad
Role of Professional Accountants

• Through their work and positions of influence, accountants can contribute to business resilience and influence organizations to integrate sustainability matters into organizational strategy, finance, operations, and communications

• Sustainable and resilient organizations
  • Raising awareness of sustainable practices and integrated thinking
  • Providing necessary decision support
  • Enhancing and connecting reporting – financial, regulatory and voluntary
  • Internal and external assurance to ensure credibility to reporting
What is the reality?

• From a management accounting perspective - positive
• Chartered Global Management Accountants (CGMAs) survey
  • CGMAs understand the business case for sustainability, with more than two thirds agreeing that there are significant financial and commercial benefits
  • Distinct differences across the globe, with those in Africa and Asia Pacific more likely to understand the business case for sustainability and to take responsibility for analyzing
• Deloitte - CFOs are becoming more involved in setting and executing sustainability strategy
Reporting – Common Threads

The main elements of reporting provide the following benefits:

• Showing that organizational leadership is taking decisions with a longer time horizon in mind
• Looking from the outside in – at the trends and uncertainties affecting the organization, and how it affects society
• Wider engagement of key stakeholders that provides understanding of key issues and how to move forward
• Materiality – focused on core matters and eliminating extraneous/boilerplate information
Some Thoughts

- How can governments/others support the private sector?
- How will we know reporting shows how well the private sector is contributing to the goals?
- What aspects of reporting need harmonizing?
- Reporting via the annual report or other forms – important part of a range of communications that allow users to judge an organization’s capacity for integrated governance and thinking