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

33rd SESSION

4 - 6 October 2016

Room XVIII, Palais des Nations, Geneva

Wednesday, 5 October 2016

Morning Session

**Agenda item 4. Enhancing the role of reporting in attaining
the Sustainable Development Goals: Integration of
environmental, social and governance information into
company reporting**

Presented by

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Executive Chair

Accounting for Sustainability

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ACCOUNTING FOR SUSTAINABILITY



To inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy



Our objectives

Established by HRH The Prince of Wales in 2004 “to help ensure that we are not battling to meet 21st century challenges with, at best, 20th century decision-making and reporting systems”

- **Inspire** finance leaders
- **Transform** financial decision making
- **Scale up** action



We work with the whole finance community:



Chief Financial Officers (CFOs) & finance teams



Global accounting community



Investors, capital markets & the wider finance community



Governments, regulators & policy makers



Business schools

About Us

ACCOUNTING FOR SUSTAINABILITY

A4S CFO Leadership Network

£224bn

the combined revenue of the A4S CFO Leadership Network

£300bn

the total assets of the A4S CFO Leadership Network

CFO Leadership Network members have a presence in

190 countries

Accounting Bodies Network

2/3 accountants globally

are represented by Accounting Bodies Network members

176

countries

Represent by ABN

Capital Markets

80% of CFOs expect their involvement in sustainability to increase in the future ¹

73% of CFOs agree there is a link between sustainability and business performance ²

¹ Data taken from 2013 survey, CFOs and Sustainability: Shaping their roles in an evolving environment, Deloitte, 2014

² CFOs and Sustainability: Shaping their roles in an evolving environment, Deloitte, 2014

Measure What Matters: A framework for action

- Three year partnership project between A4S, GEC, GRI, IIED, SEI

Key questions asked:

- *What **shared information needs** are there between different actors – IGOs, governments, companies, investors, civil society – and at different scales – global, national, local?*
- *Will **greater alignment between reporting standards** used by statisticians and accountants support measurement of progress towards the SDGs?*
- *What **opportunities** are there for increased **multi-stakeholder partnership and collaboration** to accelerate action?*



Opportunities for alignment?

Figure 2:
Aligning metrics of progress across global, national and corporate levels.

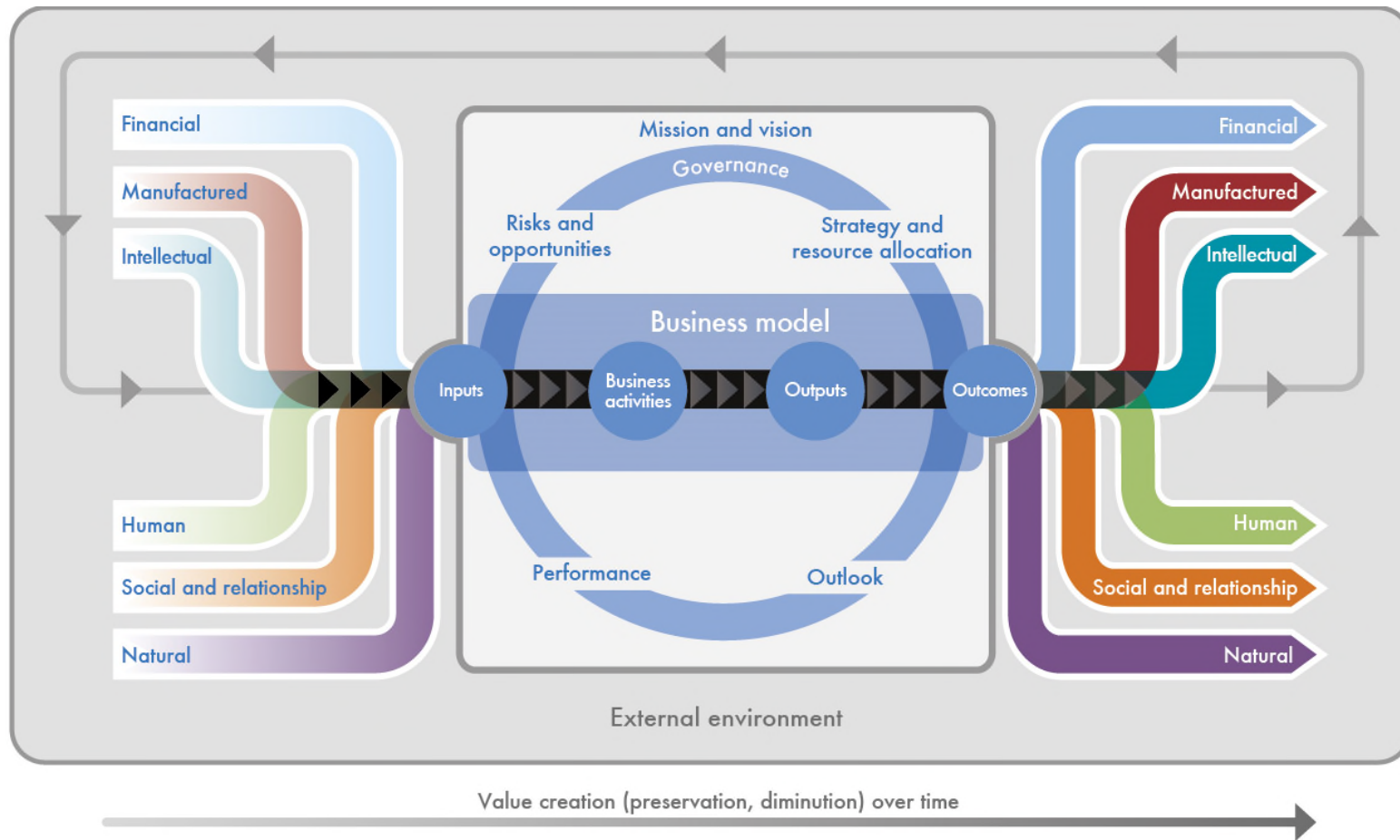


Global Indicators
 • UN
 • Other international organisations

National & regional indicators
 • Governments
 • Regional institutions

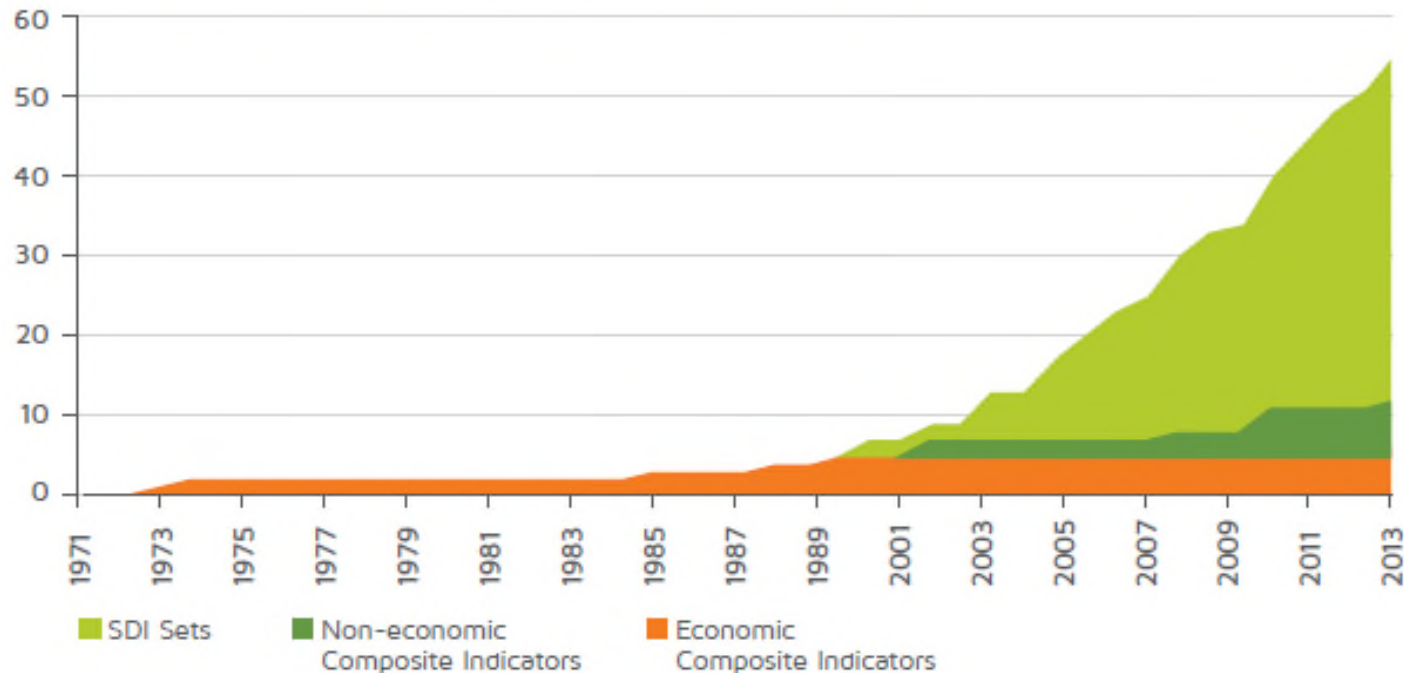
Business indicators
 • MNEs
 • SMEs

Capitals framework provides a good starting point – explicitly recognises impacts and dependencies between actors



Increase in number of measures, but still huge gaps

RISE IN NUMBER OF WAYS TO MEASURE SUSTAINABLE DEVELOPMENT NATIONALLY

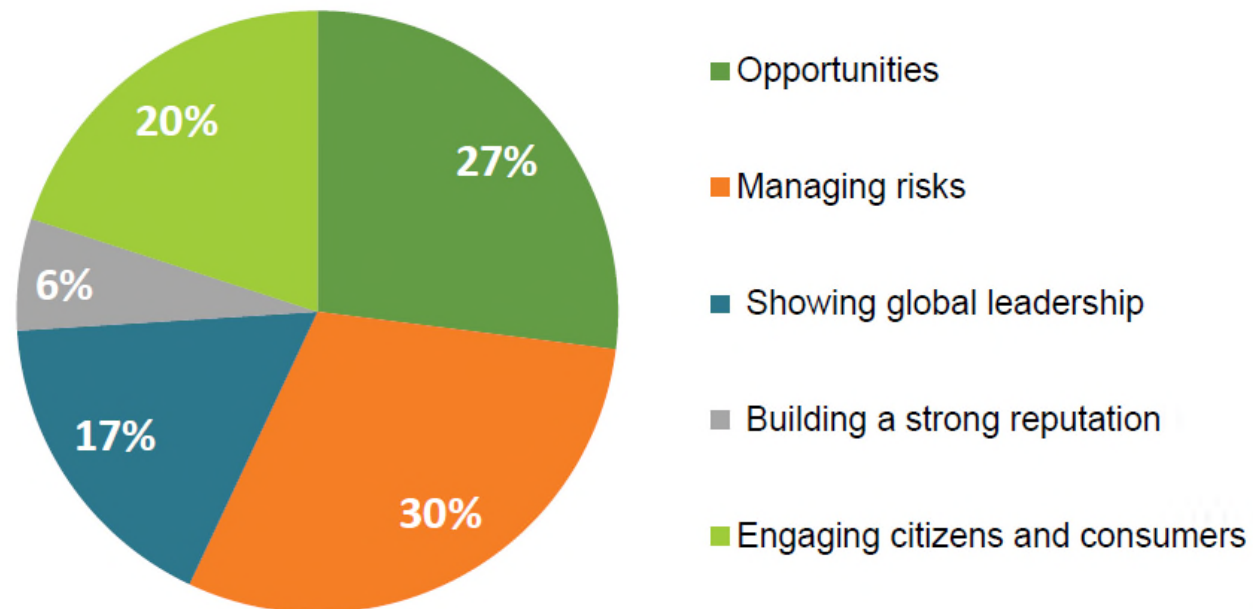


Economic Composite Indicators measure SD in a single index, by "correcting" aggregates from the national accounts (examples: GPI, ISEW, SNI, MEW). Non-economic Composite Indicators are also single indices which are constructed by using mathematical weighting techniques (example: CIW, HDI). The philosophy behind the Sustainable Development Indicator (SDI) Sets is that SD is considered to be a multidimensional phenomenon which therefore requires a suite of indicators rather than a single number (examples: Eurostat's SDI set and sets for Switzerland, France, Australia, Germany and the Netherlands).

Source: GRI, Statistics Netherlands, The Sustainability Consortium.

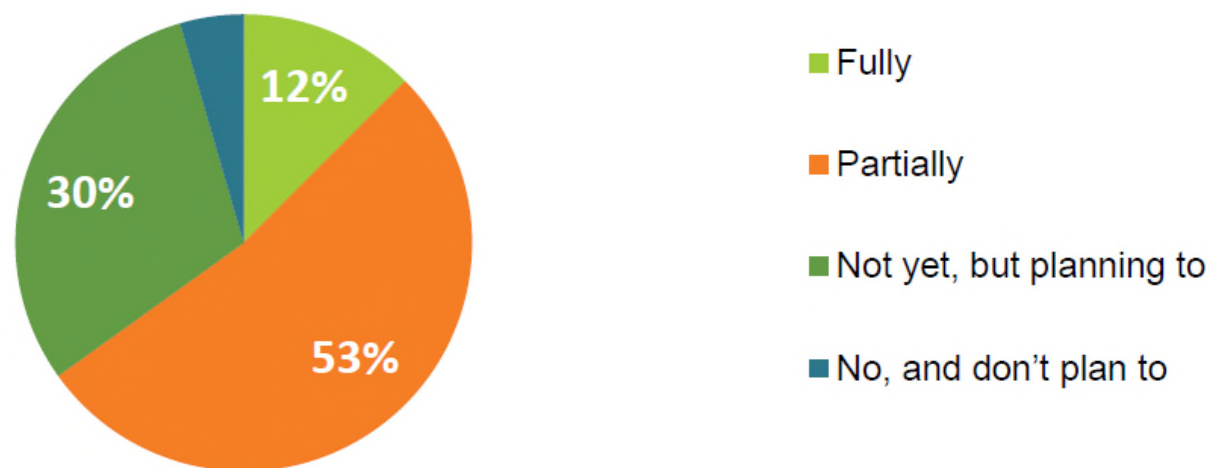
Incentives to align strategy with the SDGs: opportunity and risk

What do you see as the most important reason to align strategy/policies with the Goals?



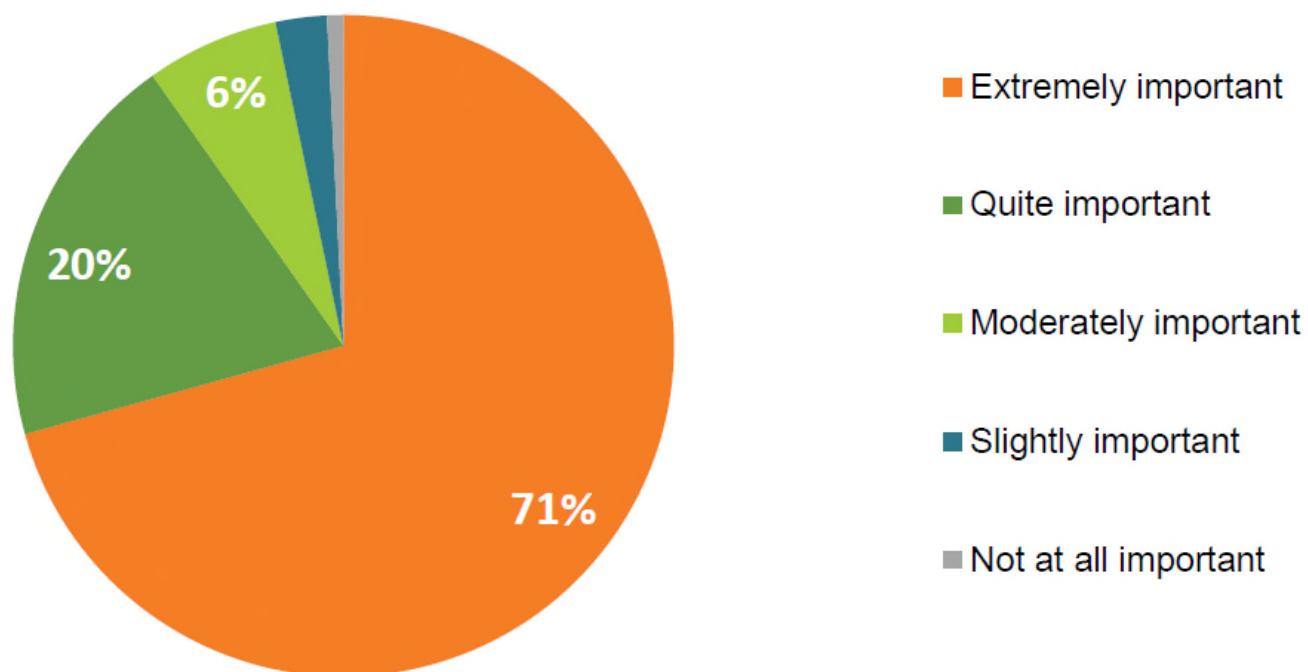
Organisations starting to benchmark strategy and policies against the SDGs

To what extent have you benchmarked your organisation's strategy/policies and activities against the SDGs?



Multi-stakeholder partnerships vital for SDG measurement

How important will multi-stakeholder partnerships be for measuring progress against the Goals?



Five cross cutting themes

1. **Set the direction** – align strategy and policies with the SDGs
2. **Connect and collaborate** – bring together multi-stakeholder partnerships to create a shared understanding of the Goals and identify opportunities for collaboration
3. **Share information and build capacity** – identify common data needs, develop open data frameworks and common standards
4. **Integrate** – understand interdependencies across Goals and create an integrated decision-making framework
5. **Communicate progress to drive action** – set clear targets, use visualisation, and enable benchmarking

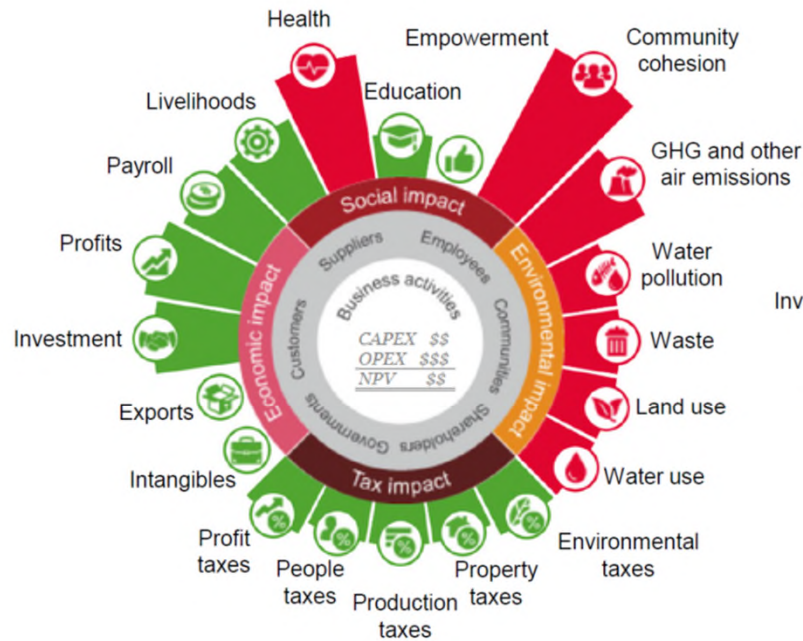
Key recommendations for Governments

1. **Benchmark national plans** against the SDGs to identify gaps, alignments and priorities
2. **Convene stakeholders** including national statistical bodies, business, investors, civil society, local authorities and cities to build consensus across priorities and the measurement of progress
3. **Strengthen the role and mandate of national statistical offices** to help convene public and private organisations
4. **Create an enabling policy environment** for sharing data across business, government and civil society
5. **Publish a multi-stakeholder national report** on progress towards the SDGs

See full report for recommendations for business, investors and civil society

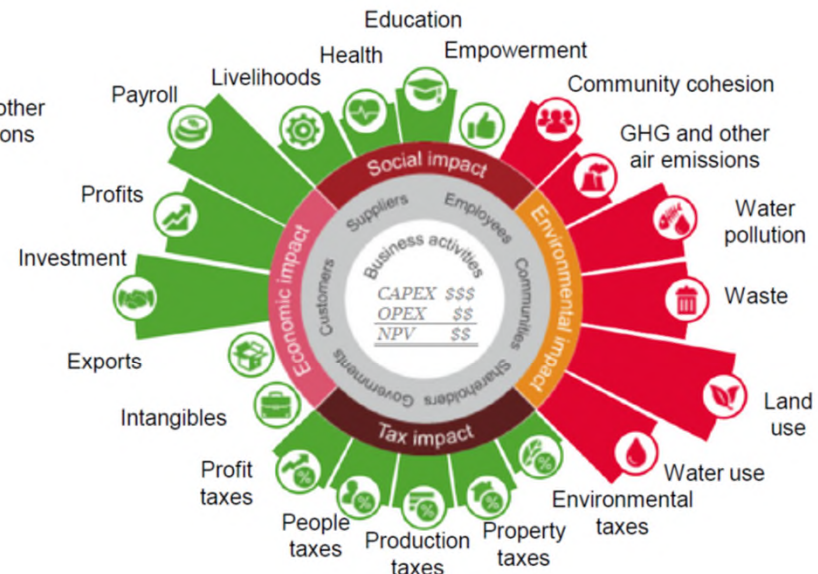
A4S CFO Leadership Network Case study: SSE

Options analysis – major infrastructure project



Option 1: Widen and repair existing road

- Lower upfront costs
- Higher community disruption, but lower environmental impacts



Option 2: Build new road

- Higher upfront costs, but lower operating costs
- Higher environmental damage, but greater economic benefits



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Get in touch or find out more:



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