USE OF THE GCI FOR HARMONIZATION AND COMPARABILITY

PREPARATION OF THE CASE STUDY IN UKRAINE

CHALLENGES, FINDINGS AND LESSONS LEARNED

Dr. Tetiana Iefymenko
President of the State Educational and Scientific Institution “Academy of Financial Management”, Academician of the National Academy of Sciences of Ukraine, Doctor of Economic Sciences, Professor

Academy of Financial Management, Ukraine
INSTITUTIONAL FRAMEWORK FOR CONSISTENCY AND COMPARABILITY OF DATA RELATED TO SDG

The baseline and benchmarks for country’s SDG attainment – The Sustainable Development Goals: Ukraine. 2017 National baseline report*

↓

National SDG priorities: poverty reduction, quality education, decent work and economic growth, industry, infrastructure, sustainable urban and community development, peace, justice and strong institutions

↓

Indicators for monitoring the implementation of SDG: Ecology (goals 6, 7, 13, 14, 15); Social welfare (goals 1, 2, 3, 4, 5, 10); Economic growth (goals 8, 11, 12); Industry development (goal 9); Peace, Justice and strong institutions (goal 16); Partnership (goal 17)

↓

Information support - non-financial reporting of entities

Public sector

↓

Corporate sector

Requires institutional prerequisites of the implementation, namely:

• Amendments to the budget legislation of Ukraine
• Updating the list of effective indicators of budget programs
• Designing the non-financial reporting standards for budgetary institutions

Introduced:

• Implemented the EU legislative requirements to the national legislation of Ukraine
• Developed methodological support for the preparation of non-financial reporting, including Sustainability Reporting
• Fulfillment of obligations regarding the agreement on the implementation of the action plan to combat the blurring of the tax base and withdrawal of profits from taxation (BEPS, Base Erosion and Profit Shifting)

<table>
<thead>
<tr>
<th>SDG</th>
<th>GCI (section III)*</th>
<th>Methodological recommendations for preparing a management report (Section III) **</th>
<th>Draft Practical commentary on preparing management report *** (disclosure area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 4 Quality education</td>
<td>C. Social area indicators</td>
<td>Social aspects and personnel policy</td>
<td>Social aspects and personnel policy</td>
</tr>
<tr>
<td>SDG 8 Decent work and</td>
<td>A. Economic area</td>
<td>p. 2 Organizational structure and description of the enterprise performance</td>
<td>Performance outcomes</td>
</tr>
<tr>
<td>economic growth</td>
<td>indicators</td>
<td>p. 3 Liquidity and liabilities</td>
<td></td>
</tr>
<tr>
<td>SDG 10 Reduced inequalities</td>
<td>C. Social area</td>
<td>p. 4 Organizational structure and description of the enterprise performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>indicators</td>
<td>p. 5 Social aspects and personnel policy</td>
<td></td>
</tr>
<tr>
<td>SDG 13 Climate action</td>
<td>B. Environmental</td>
<td>p. 4 Environmental aspects</td>
<td>Environmental aspects</td>
</tr>
<tr>
<td></td>
<td>area indicators</td>
<td></td>
<td>includes rational use of national resources</td>
</tr>
<tr>
<td>SDG 16 Peace, Justice and</td>
<td>D. Institutional</td>
<td>Indicators to be defined that show the level of corruption:</td>
<td>Corporate governance</td>
</tr>
<tr>
<td>strong institutions</td>
<td>area indicators</td>
<td>indicators in the field of the shadow economy: compliance indicators (FATF, BEPS)</td>
<td></td>
</tr>
<tr>
<td>SDG 17 Partnerships for the</td>
<td>A. Economic area</td>
<td>Indicators to be defined that show the advancement of the concept of DRM</td>
<td>Performance outcomes</td>
</tr>
<tr>
<td>goals</td>
<td>indicators</td>
<td>(Domestic Resource Mobilization)</td>
<td></td>
</tr>
</tbody>
</table>


***Joint work of experts of SESI “Academy of Financial Management” and the Ministry of Finance of Ukraine

Disclosed: Need further discussions and elaboration
### The purpose of the project

The purpose of the project is to study the reporting of the selected company in Ukraine concerning its contribution (company) to the SDG agenda based on the GCI.

### Method of data collection

Method of data collection is interviewing during the indirect questionnaire of the respondent (the selected company in Ukraine) through the recording of responses to formulated questions. The questionnaire uses the GCI indicators.*

### Company-respondent

Company-respondent is National Joint-Stock Company "Naftogaz of Ukraine" is a leading company of fuel and energy complex, one of the largest companies in Ukraine.

### Overall results

Overall results are presented with a high level of integral assessment of the availability of disclosure of core indicators presented in the GCI and in the Annual Report of Naftogaz of Ukraine NJSC, that makes it possible to argue that the regrouping, amendments and certain changes in the form of presentation of material information in the context of the requirements of the GCI will allow to eliminate the identified problematic aspects and create conditions for Ukraine as a UN member state to assess the companies which prepare sustainability reporting, that is one of the requirements for monitoring the attainment of SDGs.

CASE STUDY OF THE SELECTED COMPANY IN UKRAINE REGARDING ITS CONTRIBUTION TO SDG AGENDA BASED ON THE GCI

**Consolidated set of GRI sustainability reporting standards (2018)**
Annual report for 2017.

**Defining material topics according to reporting practice of company based on provision of international documents**

- Number of indicators in accordance with the GCI: 33
- Number of indicators of the selected company, which correspond to the list of indicators of the GCI: 15

**General Disclosures**

<table>
<thead>
<tr>
<th>Area</th>
<th>General Disclosures</th>
<th>Specific Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Economic area</td>
<td>56</td>
<td>85</td>
</tr>
<tr>
<td>B. Environmental area</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td>C. Social area</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>D. Institutional area</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Accuracy of Annual report with the GCI, units**

*number of indicators in accordance with the GCI: 33

number of indicators of the selected company, which correspond to the list of indicators of the GCI: 15
STEP 2 FOR FURTHER IMPLEMENTATION OF INTERNATIONAL RECOMMENDATIONS IN THE AREA OF ENTITY SUSTAINABILITY REPORTING IN UKRAINE: ISSUES IDENTIFIED BY THE RESULTS OF REPORTING OF THE SELECTED COMPANY FOR ITS CONTRIBUTION TO THE SDG AGENDA BASED ON THE GCI

➢ coordinating the indicators at the mega-, macro-, meso- and micro-levels with respect to the attainment of SDGs

➢ comparability, consistency and measurement of individual indicators used in the companies’ sustainability reporting, because of the difference in the methodology for their calculation, provided by both national and international legislations

THANK YOU FOR ATTENTION

Tetiana Iefymenko - President of the Academy of Financial Management, Academician of the NAS of Ukraine, Doctor of economic sciences, professor

E-mail afu@afu.kiev.ua
WWW afu.kiev.ua

Office +380 44 277 51 15
Mobile+380 95 282 28 49

Academy of Financial Management, Ukraine