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

Note by the UNCTAD secretariat

Executive summary

In 2015, Member States of the United Nations adopted the 2030 Agenda for Sustainable Development, which contains 17 Sustainable Development Goals and 169 targets. Target 12.6 explicitly encourages companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycles. Indicator 12.6.1 requires data on companies publishing sustainability reports.

UNCTAD has been working in the area of sustainability reporting for more than two decades. This note aims to facilitate further deliberations on sustainability reporting by delegates at the thirty-third session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. The note reviews issues related to the enhancement of the role of reporting in attaining the Goals, through the integration of environmental, social and governance information into company reporting. In particular, it addresses issues related to the harmonization of sustainability reporting as a means to facilitate its comparability, usefulness and alignment with the monitoring framework of the Goals. In this regard, it elaborates on criteria and principles for the selection of core indicators for the Goals for company reporting and proposes specific indicators covering economic, environmental, social and institutional information, based on the global monitoring indicators for the Goals, existing initiatives on sustainability reporting and prevailing practices. It also proposes issues for further elaboration at the thirty-third session.

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Contents

I. Introduction: Rationale and objective

1. In 2015, Member States of the United Nations adopted the 2030 Agenda for Sustainable Development, containing 17 Sustainable Development Goals and 169 targets.[1] In resolution 70/1, the General Assembly stated that the Goals and targets would be followed up and reviewed using a set of global indicators focused on measurable outcomes. Consequently, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators was established to develop a global indicator framework to monitor implementation of the 2030 Agenda. Member States will develop their national indicators in line with the principles of the 2030 Agenda, according to which targets are defined as aspirational and global, with each Government setting its own national targets guided by the global level of ambition but taking into account national circumstances.[2] Full development of the indicator framework is a process that requires time and the possibility of refinement as knowledge and data availability improve.

2. The report of the Inter-Agency and Expert Group requires global monitoring to be based, to the greatest possible extent, on comparable and standardized national data, obtained through well-established mechanisms for country reporting to the international statistical system. Efforts should be made to fill data gaps and improve international comparability through the increased adoption of internationally agreed standards at national levels, strengthening of national statistical capacities and improved reporting mechanisms.

3. Such developments have a direct impact on the corporate reporting agenda. Target 12.6 explicitly encourages companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycles. Indicator 12.6.1 requires data on the number of companies publishing sustainability reports. Several other indicators refer to data already being provided by many enterprises in their reports, such as on the use of energy and water, carbon dioxide emissions, waste generation and recycling, and to human resource management, gender equality and community development, among others.[3]

4. Such information is normally provided by companies as part of their sustainability reporting, which is becoming a mainstream business practice worldwide.[4] Many initiatives and frameworks for sustainability reporting have evolved and significantly contributed to raising awareness of sustainable development challenges and good company practices in addressing such challenges.[5] The *Carrots and Sticks* report indicates that there is a growing number of sustainability reporting instruments and number of countries in which they are

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[1] A/RES/70/1.

[2] E/CN.3/2016/2.

[3] See annex I for details of the indicators most frequently reported on, according to UNCTAD research on the sustainability reporting practices of large companies.

[4] There is no commonly accepted definition of sustainability reporting. The term is generally used with regard to information that is not part of the traditional financial statements in the annual reports of companies. Other frequently used terms include reporting on sustainable development, non-financial reporting, extra-financial reporting, corporate social responsibility reporting, social reporting and environment and social and governance reporting. Integrated reporting argues that sustainability reporting should be built on the integration of financial and non-financial information. In this note, the term sustainability reporting is used for reporting on the economic, environmental, social and corporate governance performance of a reporting entity and its impact on sustainable development.

[5] See TD/B/C.II/ISAR/74 for more information on trends and initiatives in sustainability reporting.

applied. A decade past, such instruments were the exception rather than the rule, yet in the last three years their number has more than doubled.[6]

5. Company reporting may therefore be an important data source for the newly established Sustainable Development Goals monitoring framework. As a primary source of information on company performance, corporate reporting can enrich and enhance Goals monitoring mechanisms by providing stakeholders such as Governments and capital providers with the means to assess the economic, environmental and social impacts of companies on sustainable development. However, to achieve this objective, further efforts are needed towards harmonization and comparability in the area of sustainability reporting. According to recent UNCTAD research on the sustainability reports of large companies globally, 71 per cent refer to the Sustainability Reporting Guidelines of the Global Reporting Initiative (including the G3 and G4 guidelines),[7] 56 per cent to certificates issued by the International Organization for Standardization and 51 per cent to the United Nations Global Compact principles. *Carrots and Sticks* identifies 383 sustainability reporting instruments worldwide. The increasing diversity of sustainability reporting requirements, the volumes of reported information and their lack of comparability and reliability pose significant difficulties to both users and preparers of such reports. Such factors also undermine their credibility for decision-making, including the assessment of the contributions of companies towards attaining the Goals.

6. Addressing this challenge, the thirty-second session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting reiterated the need for reliable and comparable reporting by enterprises of the financial and non-financial aspects of their performance and the integration of sustainability information into reporting cycles. The session highlighted the increased urgency of addressing this issue with the recent adoption of the Sustainable Development Goals and requested UNCTAD to conduct further work, in collaboration with the consultative group on corporate reporting and the Goals,[8] with a view to identifying good corporate reporting practices related to the Goals and facilitating the harmonization of sustainability reporting.[9]

7. This note aims to facilitate discussions on this topic at the thirty-third session. It outlines the main issues related to enhancing the role of company reporting in the Goals monitoring framework and discusses whether and how these two systems may be aligned, including based on the global monitoring indicators for the Goals and harmonization of existing requirements and practices for sustainability reporting. It provides an overview of key challenges, discusses selection criteria and key principles for company reporting on Agenda 2030 and elaborates possible Goals-related indicators in company sustainability reporting to illustrate a way forward.[10] The note incorporates comments and inputs made by consultative group members at its meeting and at a follow up webinar in 2016 organized by UNCTAD jointly with the United Nations Environment Programme and Group of Friends

[6] KPMG, Global Reporting Initiative, United Nations Environment Programme and Centre for Corporate Governance in Africa, 2016, *Carrots and Sticks: Global Trends in Sustainability Reporting Regulation and Policy*, available at https://assets.kpmg.com/content/dam/kpmg/pdf/2016/05/carrots-and-sticks-may-2016.pdf. *Note*: All websites referred to in footnotes were accessed in June 2016.

[7] See https://www.globalreporting.org/standards/g4/Pages/default.aspx.

[8] See annex II for the list of consultative group members.

[9] TD/B/C.II/ISAR/75.

[10] It is important to note that core indicators for the Goals focus on core universal issues while leaving room for additional reporting requirements. In consultations, it was noted that while harmonization is critical for the comparability and usefulness of sustainability reporting, flexibility is needed to reflect the specificities and varieties of company activities towards sustainable development, including at an industry level, and to provide scope for innovation, as sustainability reporting is still evolving.

of Paragraph 47.[11] The note should be considered in conjunction with the note entitled "Review of good practices on enhancing the role of corporate reporting in attaining sustainable development goals", prepared for the thirty-second session.[12] This work builds on previous Intergovernmental Working Group of Experts guidelines in the area of corporate reporting and disclosure of environmental, social and corporate governance information.[13]

8. This note does not address the issue of whether sustainability reporting should be mandatory or voluntary.[14] While there is a need to define ways of how the sustainability of companies and Goals-related reporting could be encouraged and provided in a comparable and consistent manner, countries need to decide on the best ways to make it happen. The note also does not address the measurement of suggested indicators and whether sustainability data should be included in an annual report or a stand-alone sustainability report. Alignment between the reporting indicators and the methodology of their statistical aggregation is outside of the scope of the note. It is envisaged that these important issues will be addressed at a later stage.

II. Major challenges in company reporting on the 2030 Agenda for Sustainable Development

9. Company reporting on the 2030 Agenda is a complex issue that requires addressing a number of challenges, which may be grouped in two levels, namely those related to the harmonization of sustainability reporting in general and those that have recently evolved with regard to aligning sustainability reporting with the Goals monitoring framework and its indicators. Challenges in the harmonization of sustainability reporting addressed at the thirty-second session included the following:

(a) Lack of coordination, comparability and harmonization in sustainability reporting;

(b) Need for consistent integration of sustainability information into a reporting cycle and consistency of sustainability and Goals-related reporting with existing financial reporting frameworks;

(c) Need to address a new dimension of the materiality principle by considering common needs of a broader range of users of sustainability reports;

(d) Mandatory versus voluntary requirements;

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[11] The latter is a government-led initiative formed in 2012 following the United Nations Conference on Sustainable Development. The current members are Argentina, Austria, Brazil, Chile, Colombia, Denmark, France, Norway, South Africa and Switzerland.

[12] TD/B/C.II/ISAR/74.

[13] UNCTAD, 1998, *Accounting and Financial Reporting for Environmental Costs and Liabilities* (Geneva, United Nations publication); UNCTAD, 2004, *A Manual for the Preparers and Users of Eco-efficiency Indicators* (New York and Geneva, United Nations publication); UNCTAD, 2006, *Guidance on Good Practices in Corporate Governance Disclosure* (New York and Geneva, United Nations publication); UNCTAD, 2008, *Guidance on Corporate Responsibility Indicators in Annual Reports* (New York and Geneva, United Nations publication); UNCTAD, 2014, *Best Practice Guidance for Policymakers and Stock Exchanges on Sustainability Reporting Initiatives* (New York and Geneva, United Nations publication).

[14] Mandatory instruments dominate, but growth in voluntary instruments is strong. *Carrots and Sticks* notes that while over 100 new mandatory instruments have been introduced, "the proportion of instruments that are mandatory versus voluntary has dropped to 65 per cent of the total in 2016, compared with 72 per cent in 2013" (KPMG et al., 2016).

(e) Scope of the application and relevance of requirements for the non-listed and small and medium-sized enterprises sector, including within a company value chain;

(f) Independent verification and assurance;

(g) Compliance, monitoring and enforcement of sustainability reporting;

(h) Lack of resources, particularly in developing countries and countries with economies in transition.

10. Following the adoption of the 2030 Agenda, discussions with a view to enhancing the role of corporate reporting in its implementation further stressed the importance of harmonization of sustainability reporting, and raised additional issues related to aligning such reporting with Goals monitoring requirements, in particular, whether the Goals monitoring framework and its indicators might provide an opportunity to facilitate efforts in harmonizing sustainability reporting, based on a limited number of core indicators for the Goals in company reporting.

11. One of the issues discussed was whether company reporting related to the Goals should be done at a corporate consolidated level, reflecting a group impact on the 2030 Agenda, or at a national level, reflecting the impact of an enterprise on the national economy of a host country, or at both levels. It was noted that, while the impact on a community should be reflected at a national level, group-level consolidated sustainability reporting was critical as a means to change corporate behaviour and business models in line with the 2030 Agenda. Consolidated reporting was also an important tool for assessing the corporate contribution to sustainable development and for raising awareness of good corporate practices. It was also critical to address issues of alignment between enterprise reporting and data provided by enterprises to statistics agencies on performances related to the Goals. In this regard, it was noted that past efforts on the integration of international public sector accounting standards and government finance statistics could provide a framework for an aggregation methodology.[15] The International Monetary Fund had developed Government Finance Statistics as an internationally recognized statistical reporting framework, used by economists at the macroeconomic level in the analysis of fiscal policy.[16] International accounting standards for the public sector took into account the macrolevel needs of policymakers and policy analysts, and the development of core indicators for the Goals similarly needed to be aligned with the statistical reporting framework of the Goals.[17] The challenging nature of this task was stressed, and it was noted that, as companies already provided required environmental and social data to statistics agencies, it might not be necessary to disclose such information in their reports. However, the issue of the transparency and public availability of such information was also noted, as well as its consistency with accounting data and assurability.

III. Key criteria for the selection of core indicators for the Sustainable Development Goals

12. In consultations, it was noted that the harmonization of sustainability reporting based on core indicators for the Goals needed to be based on specified selection criteria, as well as on identifying the common needs of the main users of Goals-related reporting, including Governments, investors and civil society, and provide a framework that enabled

[15] International Public Sector Accounting Standards Board, 2014, Process for considering government finance statistics reporting guidelines during development of international public sector accounting standards, Policy Paper.

[16] See https://www.imf.org/external/pubs/ft/gfs/manual/aboutgfs.htm.

[17] This issue is beyond the scope of this note.

consensus-building in this area. It was suggested that the objectives of such reporting should be clearly defined, towards recognition and communications of company performances towards achieving the Goals. Indicators should be consistent with the monitoring framework of the Goals, covering economic, social and institutional (governance) information. In particular, it was important that core indicators for the Goals take into account the principles of the Goals monitoring framework, intended to be:

(a) Universal, integrated and interrelated in nature and covering the three dimensions of sustainable development;

(b) Voluntary and country-led;

(c) Longer term oriented;

(d) Open, inclusive, participatory and transparent for all people;

(e) People-centred and gender-sensitive, with respect for human rights and a particular focus on the poorest, most vulnerable and those furthest behind.

13. In consultations, one of the questions addressed was whether it was possible to select core indicators for the Goals that were universal and relevant to all corporations and single companies regardless of the type of business, industry or geography. In this regard, diversity and the broad scope of the Goals were stressed, as well as the diversity of enterprise activities related to the Goals. Meeting such criteria would facilitate the comparability of sustainability reporting. However, identifying such indicators would be a challenge. It was noted that the global Goals monitoring framework and its indicators reflected a consensus already reached by Member States with regard to what constituted universal requirements for sustainable development, and that this could be a good starting point to identify universal sustainability indicators in company reports. The selection of indicators should be based on existing sustainability reporting initiatives, requirements and company practices. The aim was not to invent new requirements, but to encourage the use of existing approaches and methodologies.

A. Underlying principles for Sustainable Development Goals-related reporting

14. In line with the existing institutional foundations for the international financial reporting system, in order to meet user needs, the reporting framework for the Goals needs to take into account the system’s underlying reporting principles and qualitative characteristics. It is important to ensure that such a framework enhances the coherence of financial and non-financial reporting models and allows for the consistent integration of sustainability information into company reporting cycles. The following issues were highlighted in consultations: relevance of the international financial reporting standards conceptual framework to sustainability or Goals-related reporting; relationship between universality and materiality; consistency in measurement methodology and data comparability; clarity of reporting boundaries; and incremental approach.

1. Relevance of the international financial reporting standards conceptual framework

15. According to an International Financial Reporting Standards Foundation study, by 2015, more than 100 countries required the use of international financial reporting standards by public companies, while most other jurisdictions permitted the use of such

standards in at least some circumstances.[18] This makes international financial reporting standards a dominant system in corporate financial reporting. The international financial reporting standards conceptual framework relates to general purpose financial reporting, that is, financial statements directed to the common information needs of a wide range of users. It outlines the objectives of such reporting and its qualitative characteristics, such as relevance, materiality and faithful presentation, comparability, verifiability, timeliness and understandability, and explains cost-benefit considerations and includes going concern as the underlying assumption of financial reporting. While addressing primarily the information needs of capital providers, general purpose financial statements are intended to meet the common needs of most users, including those who make economic decisions, in preparing and using national income statistics, regulating the activities of entities or determining taxation policies. The framework recognizes that Governments, in particular, may specify different or additional requirements for their own purposes. Such requirements should not, however, affect financial statements published for the benefit of other users unless they also meet the needs of such other users.[19]

16. Given the widespread adoption of international financial reporting standards, discussion is needed on whether the framework's principles on financial reporting are relevant to sustainability information. In particular, the question is whether the international financial reporting standards framework should be extended to sustainability reporting, or whether the latter should be guided by an additional or altogether different set of requirements. This has a significant implication for the applicability of financial reporting principles to sustainability reporting, such as relevance, materiality and going concern, as sustainability information may be relevant for Governments or non-governmental organizations, but not necessarily for investors.

2. Relationship between universality and materiality

17. The principle of materiality requires specific attention. The International Financial Reporting Standards Foundation states: "Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity. [Thus], materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report."[20] However, the Association of Chartered Certified Accountants and Climate Disclosure Standards Board, in their mapping report of the sustainability reporting landscape, recently concluded: "The identification of material matters is increasingly determined through stakeholder engagement. In practice, where sustainability matters are concerned, everything is material to someone, which begs the question: from whose perspective should materiality be identified?"[21]

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[18] International Financial Reporting Standards Foundation, 2015, Financial reporting standards for the world economy, available at http://www.ifrs.org/Use-around-the-world/Documents/Financial-Reporting-Standards-World-Economy-June-2015.pdf.

[19] International Financial Reporting Standards Foundation, 2012, *A Guide Through International Financial Reporting Standards* (London).

[20] International Financial Reporting Standards Foundation, 2016, Conceptual framework staff paper, reference No. 10G, available at http://www.ifrs.org/Current-Projects/IASB-Projects/Conceptual-Framework/Pages/Board-discussion-and-papers-stage-5.aspx.
This approach is followed by most sustainability frameworks, such as the Global Reporting Initiative and Sustainability Accounting Standards Board. The International Integrated Reporting Council defines information as material if it impacts an organization's ability to create value over the short, medium and long terms.

[21] Association of Chartered Certified Accountants and Climate Disclosure Standards Board, 2016, *Mapping the Sustainability Reporting Landscape: Lost in the Right Direction* (London).

18. Defining materiality as an entity-specific aspect may create a conflict with the criterion of universality. In the context of Goals-related reporting, materiality has a new dimension. Adoption of the Goals required multi-stakeholder consultations, and all parties agreed that certain aspects of economic, environmental and social activities were material to them. Therefore, the selection of core indicators for the Goals relies on the idea that the targets are integrated into the current materiality assessments of companies and thus guide the sustainability disclosure framework. Furthermore, enhanced transparency is required on the materiality assessment process that should accompany the reporting of data on the core indicators for the Goals. It is nevertheless important for companies to remain able to report on additional sustainability information that may not be covered by the core indicators, for instance with regard to specific issues whose materiality might not be sufficiently widespread.

3. Consistency in measurement methodology and data comparability

19. To ensure that stakeholders can use Goals-related reporting to track progress in attaining the Goals, indicators need to be comparable across entities, time and geography, thereby requiring transparent and traceable documentation on scope, data quality, methods used and limitations. This remains one of the main challenges in sustainability reporting. For example, in a survey of investors conducted in 2013, the Association of Chartered Certified Accountants and the European Sustainable Investment Forum found that, with regard to non-financial reporting, 92 per cent disagreed or strongly disagreed that current reporting was sufficiently comparable.[22]

4. Clarity of reporting boundaries

20. The question of consistency with international financial reporting standards raises further issues related to reporting boundaries. For example, UNCTAD research shows that companies that disclose sustainability information often do not provide information related to non-operated owned legal entities or assets. However, in some instances, the entity that legally owns such non-operated entities or leased assets might be the actual user of their production. A similar situation arises in the case of joint operations, which are often operated by only one of the partners. If consistency with international financial reporting standards is required, it is important to ensure that guidance related to such standards is followed and that all data is divided by ownership share. This makes it important to disclose the basis of determining the boundaries of the reporting entity and other assumptions and methods that underpin sustainability reporting. In some jurisdictions, international financial reporting standards may not be required for the preparation of legal entity financial statements, but only for consolidated reports. This may pose a difficulty in compiling non-financial data, as companies may use different accounting rules in their reporting of statutory financial data. Consolidation rules play an important role in the process of aggregating data from the company to the corporate level, thus having an impact on the link between corporate reporting and the monitoring of achievement of the Goals.

5. Incremental approach

21. The selection of core indicators for the Goals should take into account existing data-gathering capacities or access-to-information channels of companies. Placing an excessive burden on companies may be detrimental to engaging the private sector under the 2030 Agenda. An incremental approach is therefore recommended, whereby selected

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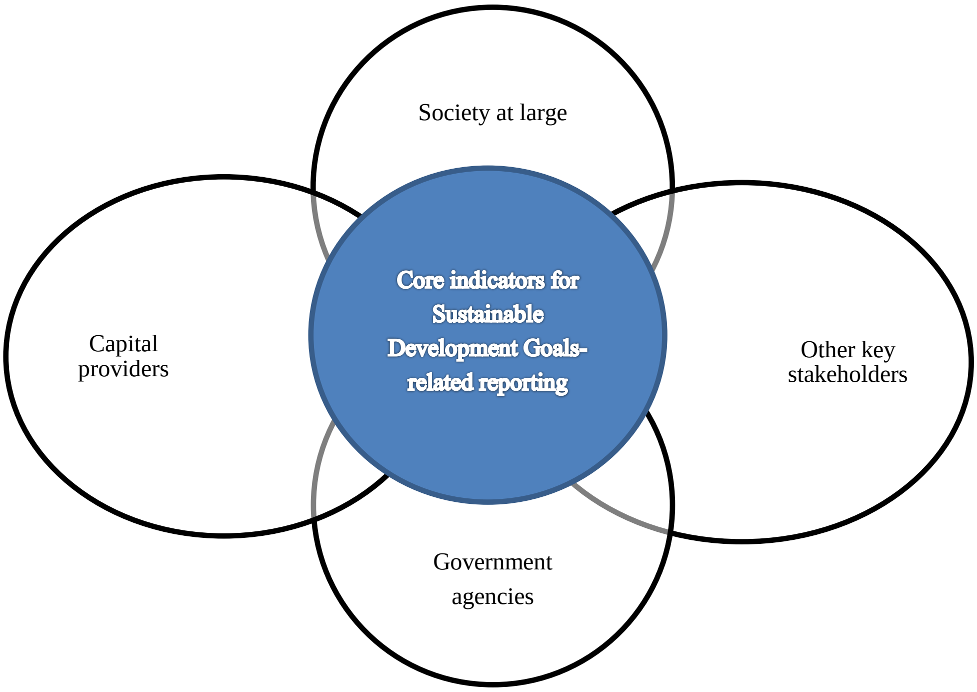
22 Association of Chartered Certified Accountants and European Sustainable Investment Forum, 2013, What do investors expect from non-financial reporting?, available at http://www.accaglobal.com/content/dam/acca/global/PDF-technical/sustainability-reporting/tech-tp-wdir.pdf.

indicators first address issues that a company has control over and for which it already gathers data, or situations in which a company has access to relevant sources of information.

IV. Core indicators for the Sustainable Development Goals in company reporting

22. Given the key criteria and principles described in chapter III, UNCTAD proposes a set of core indicators for the Goals. These suggestions are based on the Goals framework of indicators, ongoing UNCTAD work on the harmonization of accounting and reporting and United Nations Environment Programme activities related to environmental reporting, as well as other major sustainability reporting initiatives and a survey of prevailing company reporting practices (see annex I).[23] These indicators are proposed for further discussions and as an illustration of a way forward. The figure shows the approach used to identify common needs of key users of Goals-related information.[24]

Figure
Key users of information related to the Sustainable Development Goals



23. The proposal covers key areas of the 2030 Agenda with a breakdown by main aspects suggested by sustainability reporting initiatives and/or being reported by companies, as shown in the table. They are also related to the following six capitals suggested by the International Integrated Reporting Council: financial; manufactured; intellectual; human; social and relationship; and natural.

[23] The listed corporate reporting indicators are a proxy for the indicators local companies may report on in their statutory reports.
[24] Other key stakeholders may include existing and potential business partners, consumers, employees, the surrounding community and others.

Table
Main areas covered by the suggested indicators

Economic	*Environmental*	*Social*	*Institutional*
Stakeholder value	Energy	Health and safety	Governance
Economic performance	Water	Human rights and fair trade	Accountability
Financial performance	Greenhouse gases	Employment creation and labour practices	Anti-corruption
Local purchasing and supplier development	Emissions	Human resource development	
Investment related to the Sustainable Development Goals	Waste	Gender equality	
Research and development		Donations	

24. The tables in annex III show the relations between the proposed company indicators and the Sustainable Development Goals, targets and global indicators. Sections A to D in this chapter provide analyses of these indicators in light of existing United Nations, UNCTAD and United Nations Environment Programme guidance in related areas, UNCTAD research on the current reporting practices of large companies, prevailing sustainability reporting frameworks – with a focus on the Sustainability Reporting Guidelines of the Global Reporting Initiative as the main reference on sustainability reporting – and other issues raised by the consultative group.

A. Economic

25. The following indicators are suggested: A.1: revenue and/or value added; A.2: taxes and other payments to the Government; A.3: total new investment (impact investment); and A.4: local purchasing and supplier development.

1. A.1: Revenue and/or value added

26. This indicator is relevant to indicator 8.2.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the annual growth rate of real gross domestic product per employed person. UNCTAD research indicates that, of large companies globally, only 27 per cent report on cash flows paid to Governments, employees, suppliers, shareholders or other investors or spent through donations. Under the G4 guidelines, indicator EC1 focuses on direct economic value generated and distributed, and states that companies should report value generated on an accrual basis (revenues); economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to Governments by country and community investments); and the difference between these two measures (economic value retained). The guideline also establishes that economic value generated and distributed should be reported at country or regional levels, where significant, and that companies should explain significance criteria. Other suggestions by the consultative group included such indicators as average employee salaries. The number of employees earning below a certain threshold was noted as crucial information; its provision might be useful not just for a company, but for all employees in relevant supply chains. Moving salary-related indicators under the social area and proportions of sales on national gross domestic product were also discussed.

2. A.2: Taxes and other payments to the Government

27. This indicator is relevant to indicator 17.1.2* of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the proportion of domestic budget funded by domestic taxes (pending review by the Group). UNCTAD research indicates that, of large companies globally, 55 per cent report on tax payments. More than half of these companies thus already report on the proposed indicator, which is included in the UNCTAD *Guidance on Corporate Responsibility Indicators in Annual Reports*. Such disclosure is required under indicator EC1 of the G4 guidelines. Discussions by the consultative group included consideration of whether total tax contribution should be reported or contributions under specific taxes.

3. A.3: Total new investment

28. This indicator is relevant to indicator 1.b.1* of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the number of national action plans related to multilateral environmental agreements that support accelerated investment in actions that eradicate poverty and sustainably use natural resources (pending review by the Group). UNCTAD research indicates that, of large companies globally, 33 per cent report on investments in sustainable energy supply, 31 per cent on investments or loans in environmental improvements (including green bonds) and only 1 per cent on community investments per pre-tax income. Total new investment is an indicator in the *Guidance on Corporate Responsibility Indicators in Annual Reports*. Indicator EC1 requires disclosures of community investments. New investments can have a positive economic and social impact, as they may lead to the development of productive capacity and poverty reduction. Such investments can take into account both investments made by a reporting company in other entities directly and in its own operations, such as by purchasing new facilities or production technology, as well as foreign direct investment. Other suggestions by the consultative group included data on green investment and green turnover. It was agreed that further elaboration of the definitions and measurement of such indicators was needed.

4. A.4: Local purchasing and supplier development

29. This indicator is relevant to indicator 9.3.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the percentage share of small-scale industries in total industry value added. UNCTAD research indicates that, of large companies globally, 19 per cent report on either the geographic division of suppliers or the share of local suppliers. Under the G4 guidelines, indicator EC9 focuses on procurement practices and mandates the disclosure of the proportion of spending at local suppliers and significant locations of operation. Local purchasing is an indicator in the *Guidance on Corporate Responsibility Indicators in Annual Reports*. Other suggestions by the consultative group included long-term contractual arrangements in place with suppliers, existence of quality manual and inspection procedures and responsible sourcing.

B. Environmental

30. The following indicators are proposed, based on United Nations Environment Programme research and comprehensive reporting of environmental information:[25] B.1: water consumption per net value added; B.2: waste generated per net value added; B.3: greenhouse gas emissions (scopes 1–2) per net value added; B.4: chemicals, including pesticides and ozone-depleting substances; and B.5: energy consumption per net value

[25] United Nations Environment Programme, 2015, *Raising the Bar – Advancing Environmental Disclosure in Sustainability Reporting* (Paris).

added. Discussions by the consultative group highlighted that, besides providing related data, it was important to encourage companies to report on metrics of how they mitigated negative effects and positive actions taken to reduce them.

1. B.1: Water consumption

31. This indicator is relevant to indicator 6.4.1* of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the percentage change in water use efficiency over time. UNCTAD research indicates that, of large companies globally, 74 per cent report on water consumption, with 13 per cent providing a breakdown by produced unit. This indicator is in *A Manual for the Preparers and Users of Eco-efficiency Indicators* by UNCTAD. Under the G4 guidelines, indicator EN9 requires the disclosure of water sources significantly affected by the withdrawal of water. Other sustainability reporting guidelines on water consumption include the World Business Council for Sustainable Development Global Water Tool, [26] Carbon Disclosure Project Water Programme [27] and United Nations Global Compact Chief Executive Officers Water Mandate.[28] Discussions by the consultative group focused on the inclusion of indicators on water stress, intensity, availability and quality in the context of environmental indicators.

2. B.2: Waste generated

32. This indicator is relevant to indicator 12.5.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on national recycling rate (tons of material recycled), and is in *A Manual for the Preparers and Users of Eco-efficiency Indicators*. UNCTAD research indicates that, of large companies globally, 51 per cent report on reuse of waste, 40 per cent on waste per destination and 11 per cent on waste per type.

3. B.3: Greenhouse gas emissions

33. This indicator is relevant to indicator 9.4.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on carbon dioxide emissions per value added. UNCTAD research indicates that, of large companies globally, 66 per cent report on scope 1 (all direct greenhouse gas emissions) and 62 per cent on scope 2 (indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam). [29] Under the G4 guidelines, indicators EN15 and EN16 cover scope 1 and scope 2 emissions, respectively, and require the reporting of, among others, greenhouse gas emissions by metric tons of carbon dioxide, base year, source of emission factors and selected consolidation approaches. Similarly, the Carbon Disclosure Project provides guidelines on disclosures for scope 1 and scope 2 emissions in its guidelines CC8.2 and CC8.3, respectively.[30] Discussions by the consultative group on which scopes should be measured as part of this indicator agreed on the exclusion of scope 3, noting that the G4 guidelines include indicators for scope 3 disclosures (EN17), for greenhouse gas emissions intensity (EN18) and for greenhouse gas emissions reduction (EN19).

4. B.4: Chemicals

34. This indicator is relevant to indicator 12.4.2* of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the treatment of waste, generation of hazardous waste and hazardous waste management, by type of treatment. However, there

[26] See http://www.wbcsd.org/work-program/sector-projects/water/global-water-tool.aspx.
[27] See https://www.cdp.net/water.
[28] See http://ceowatermandate.org.
[29] For definitions of each scope, see http://www.ghgprotocol.org/calculation-tools/faq.
[30] See https://www.cdp.net/en-US/Pages/guidance-climate-change.aspx.

are no specific indicators on chemicals. Indicators that contribute to transparency in chemicals management include, under the G4 guidelines, indicator EN24 on the number and volume of recorded significant spills, including of chemicals, and indicator EN25 on hazardous waste. Indicator EN20 covers emissions of ozone-depleting substances and requires the disclosure of information on the definition, production, import and export of such substances. Similarly, an indicator on dependency on ozone-depleting substances per net value added is in *A Manual for the Preparers and Users of Eco-efficiency Indicators*. Internationally recognized sustainability reporting frameworks and guidelines currently do not provide specific indicators on the use of chemicals, but rather indicators that contribute only to the general understanding of chemicals management as proxies. Discussions by the consultative group noted that the use of chemicals may lead to the pollution of soil, air and water, as a result of both spills and normal business activity. Reporting on possible sources of soil, air and water pollution as a result of business activity and measures to mitigate effects was an important element of reporting. However, some experts challenged the universality of indicators in these areas and of data availability, which reinforced the need for additional research on chemicals reporting.

5. B.5: Energy consumption

35. This indicator is relevant to indicator 7.3.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on energy intensity measured in terms of primary energy and gross domestic product. Energy-related indicators of the Inter-Agency and Expert Group also include indicator 7.2.1, on the renewable energy share in total final energy consumption, and indicator 7.b.1*, on the ratio of value added to net domestic energy use, by industry. Their relevance to company reporting may be further explored. UNCTAD research indicates that, of large companies globally, 31 per cent report on energy intensity or efficiency. Under the G4 guidelines, indicator EN3 requires the disclosure of information on energy consumption in an organization, including of both renewable and non-renewable fuel sources, and the disclosure of the consumption of electricity, heating, cooling and steam, as well as of methodologies and conversion factors used. Other indicators go further, including those on energy consumption outside an organization (EN4), energy intensity ratio (EN5), reduction of energy consumption (EN6) and reductions in energy requirements of products and services (EN7). An indicator on the total energy requirement during an accounting period and the respective amounts of the previous year is in *A Manual for the Preparers and Users of Eco-efficiency Indicators*, as well as in the Carbon Disclosure Project framework.

C. Social

36. Indicators for social reporting that incorporate guidance on corporate social responsibility reporting by the Intergovernmental Working Group of Experts (in *Guidance on Corporate Responsibility Indicators in Annual Reports*) were approved at its twenty-fourth session and include the following: C.1: total workforce, with breakdown by employment type, contract and gender; C.2: expenditure on research and development as a proportion of turnover; C.3: average hours of training per year per employee, with breakdown by employment category; C.4: percentage of employees covered by collective agreements; C.5: cost of employee health and safety; C.6: work days lost due to occupational accidents, injuries and illness; and C.7: human rights.

1. C.1: Total workforce

37. This indicator is relevant to indicator 5.5.2 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the proportion of women in managerial positions, and to indicator 8.5.1, on the average hourly earnings of women and men

employees, by occupation, age group and persons with disabilities. UNCTAD research indicates that, of large companies globally, 93 per cent report on the number of employees, 67 per cent provide a breakdown by gender, 46 per cent provide a geographical breakdown, 39 per cent provide a breakdown by nationality or ethnicity, 28 per cent by age group, 22 per cent by management layer and 11 per cent by education. UNCTAD guidelines on this indicator emphasize that one of the most significant positive impacts of corporate activity is job creation. Under the G4 guidelines, among disclosures on the organizational profile of a company, indicator 10 requires reporting on the total number of employees by employment contract and gender, with further distinctions between permanent employees, supervised workers, workers legally recognized as self-employed and employees and supervised employees of contractors. Discussions by the consultative group highlighted that capturing the way companies integrated people into their workforces was important.

2. C.2: Expenditure on research and development

38. This indicator is relevant to indicator 9.5.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on research and development expenditure as a percentage of gross domestic product. Technology is a driver for corporate competitive advantage and is a relevant component of the economic development of countries in which companies are based. Under the indicator on professional development expenditure, the consultative group considered the addition of employee training on sustainability. Some experts proposed that this indicator be moved to the economic area.

3. C.3: Average hours of training per year per employee

39. This indicator is relevant to indicator 4.3.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the participation rate of youth and adults in formal and non-formal education and training in the last 12 months. UNCTAD research indicates that, of large companies globally, 38 per cent report on training hours per employee. The development of staff skills is an indicator of a company’s positive investment in human resources.

4. C.4: Percentage of employees covered by collective agreements

40. This indicator is relevant to target 8.8 to protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. Under the G4 guidelines, indicator 11 requires the disclosure of the percentage of employees covered by collective bargaining agreements. As noted in UNCTAD guidelines on this indicator, collective bargaining is internationally recognized as a means to increase the positive social impact of corporate activities. This indicator refers to agreements that may be conducted by a company itself, or by organizations of which it is a member, at national, regional or local levels.

5. C.5: Cost of employee health and safety

41. This indicator is relevant to target 3.8 to achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. UNCTAD research indicates that, of large companies globally, only 2 per cent report on the number of employees with health-care insurance and 1 per cent on the cost of health-care insurance. Under the G4 guidelines, indicator LA2 requires companies to disclose benefits that are standard for full-time employees of an organization, including, among others, life insurance, health care and disability and invalidity coverage. Discussions by the consultative group noted that indicators should take into account the improvement of employee health. This indicator should be measured in monetary units.

6. C.6: Work days lost

42. This indicator is relevant to indicator 8.8.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the frequency rates of fatal and non-fatal occupational injuries, by gender and migrant status. UNCTAD research indicates that, of large companies globally, 44 per cent report on total lost time incident rates and 18 per cent on total lost time incident numbers, and 12 per cent provide a lost time incident breakdown by staff, subcontractor and third party. Under the G4 guidelines, indicator LA6 requires the disclosure of information on lost days, absenteeism and total number of work-related fatalities due to injury and occupational disease. The indicator requires reporting by total workforce, as well as breakdowns by region and gender, and applies to both employees and independent contractors to whom an organization is liable for working environment safety. The consultative group noted that the indicator might be reframed as occupational accidents, injuries and illness, since work days lost were important, yet injuries and illnesses alone were also significant.

7. C.7: Human rights

43. This indicator is relevant to indicator 8.7.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the percentage and number of children aged 5 to 17 engaged in child labour, by gender and age group. This indicator covers human rights adherence not only at a company itself, but also at all relevant companies in a value chain. Important sub-elements are child labour, forced labour, harassment and freedom of association. According to UNCTAD research on large company sustainability reporting practices, this area is the least commonly reported. Discussions on social indicators recalled the need to take into account the cultural contexts in which companies operated, for instance countries in which women were not allowed to participate in the workforce. The consultative group noted that this was a very important section and deserved a high level of attention and further elaboration.

D. Institutional

44. A number of indicators are proposed that reflect company governance mechanisms, grouped as follows: D.1: corporate governance; D.2: donations (unspecified) and donations to community projects; and D.3: anti-corruption. They are based on corporate governance reporting frameworks developed by UNCTAD, the principles of corporate governance of the Group of 20 and Organization for Economic Cooperation and Development[31] and European Commission recommendation of 9 April 2014 on the quality of corporate governance reporting,[32] as well as guidelines issued by the Global Reporting Initiative and Sustainability Accounting Standards Board.[33] They are also relevant to target 16.6 to develop effective, accountable and transparent institutions at all levels. The consultative group discussed whether donations should be moved to the social area. It was suggested, however, that donations of a political nature might fit better under governance.

1. D.1: Governance

45. Governance data is often included in a company's annual statement of corporate governance. Most stock exchanges and authorities request listed companies to submit such information, yet it may be provided in many forms and places, and not always with the

[31] See http://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2015_9789264236882-en.

[32] See http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32014H0208.

[33] See http://www.sasb.org/standards-navigator.

same level of detail. Therefore, harmonization is required to enable comparability of data. The following indicators are suggested with regard to corporate governance:

(a) D.1.1: number of board meetings and attendance rate. The consultative group discussed whether to replace this with the structure, role and functions of a board. Some experts noted that the number of meetings might not be a good indicator and that this indicator should track attendance rates only;

(b) D.1.2: women board members. This indicator is relevant to indicator 5.5.2 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the proportion of women in managerial positions. UNCTAD research indicates that, of large companies globally, 99 per cent report on the number of women board members;

(c) D.1.3: board members divided by age range. This indicator is relevant to target 16.7 to ensure responsive, inclusive, participatory and representative decision-making at all levels. This indicator requires data on the proportion of positions in public institutions (indicator 16.7.1 of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators), but could also be relevant to companies. UNCTAD research indicates that, of large companies globally, 77 per cent report on age diversity and indicate the number of board members;

(d) D.1.4: existence of audit committee, number of meetings and attendance rate. UNCTAD research indicates that, of large companies globally, 97 per cent report on their audit committees and 74 per cent on the number of audit committee meetings. A suggestion was made to remove the number of meetings from this indicator;

(e) D.1.5: compensation total and compensation per board member and executive.

46. The principles of corporate governance of the Group of 20 and Organization for Economic Cooperation and Development include information about board member and executive remuneration as a concern for shareholders. Of particular interest is the link between remuneration and long-term company performance. Companies are generally expected to disclose information on the remuneration of board members and key executives, in order for investors to be able to assess the costs and benefits of remuneration plans and contribution of incentive schemes, such as stock option schemes, to the company.

2. D.2: Donations

47. This indicator is relevant to many of the Sustainable Development Goals, depending on the purposes and needs of the target audience. For donations to be comparable across companies, donations need to be grouped according to whether or not they are related to the Goals. UNCTAD research indicates that, of large companies globally, 89 per cent report on this indicator, and that unspecified donations are a common corporate disclosure. Under the G4 guidelines, indicator SO1 on local communities encourages reporting on the percentage of operations with implemented local community engagement, impact assessments and development programmes.

3. D.3: Anti-corruption

48. This indicator, on the number of convictions for violations of corruption-related legislation or regulation and amount of fines paid or payable, is suggested based on *Guidance on Corporate Responsibility Indicators in Annual Reports*, and is relevant to indicator 16.5.1* of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, on the percentage of persons who had at least one contact with a public official, paid a bribe to a public official or were asked for a bribe by a public official, in the previous 12 months, disaggregated by age group, gender, region and population group (pending

review by the Group). UNCTAD research indicates that, of large companies globally, 23 per cent report on the number of employees trained in anti-corruption or money laundering, 17 per cent on the number of cases processed through a whistle-blowing system, 16 per cent on the number of anti-corruption audits, 11 per cent on the number of anti-corruption cases and 9 per cent on the number of fraud cases. Under the G4 guidelines, anti-corruption disclosures are required under indicators SO3, SO4 and SO5. In particular, the latter requires the disclosure of the total number and nature of confirmed incidents of corruption, incidents in which employees were dismissed or disciplined for corruption and incidents in which contracts with business partners were terminated or not renewed due to violations related to corruption, as well as the number of public legal cases regarding corruption brought against a company or its employees and their outcomes. Discussions by the consultative group noted that, while companies often measured the number of employees trained or hours of training in anti-corruption policies, impacts on the prevention of corruption remained unclear. Issues raised related to universality of governance indicators, in particular applicability to non-listed companies and small and medium-sized enterprises.

V. Conclusion: The way forward

49. Corporate reporting can provide an essential contribution to monitoring implementation of the 2030 Agenda for Sustainable Development. Reporting on sustainability issues has the potential to enhance investment decisions, inform policymaking at national and international levels and align the expectations of both companies and civil society in the pursuit of sustainable development. The Sustainable Development Goals pose additional challenges and underscore the need for harmonization, comparability and integration of sustainability reporting indicators into company reporting.

50. This note reviews issues related to enhancing the role of corporate reporting in attaining the Goals, focusing on harmonization of reporting to facilitate its comparability and alignment with the Goals monitoring and reporting framework. The discussion is based on existing initiatives and prevailing corporate reporting practices. The note elaborates criteria and principles for the selection of core indicators for the Goals and proposes specific indicators covering the economic, environmental, social and institutional areas.

51. As with most sustainability reporting initiatives, such indicators are primarily focused on listed or large private companies. Additional work may be necessary with regard to the specific challenges in Goals-related reporting by public sector companies and small and medium-sized enterprises, as well as the capacity-building needs of developing countries or countries with economies in transition with regard to Goals-related reporting. Further guidance and consensus-building is necessary in order to select and implement core indicators for the Goals that are able to meet the common needs of key stakeholders.

52. In this regard, delegates at the thirty-third session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting may wish to consider the following issues for deliberation:

(a) Would harmonization of sustainability reporting in line with Goals monitoring requirements enhance the role of reporting under the 2030 Agenda?

(b) Are selected indicators in the economic, environmental, social and institutional areas correctly addressing the issue of harmonization of sustainability reporting?

(c) Is consistency required between financial and non-financial reporting for the integration of environmental, social and governance aspects into company reporting? What are the main challenges?

(d) Should corporate indicators in line with the Goals be reported at a legal entity level or at a consolidated level? How should this challenge be addressed?

(e) What are the main challenges in aligning the Goals monitoring framework and the data reported by companies? Are there good practices to be shared?

(f) How can global forums such as the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting further contribute to consensus-building on the topic of sustainability and Goals reporting?

Annex I

[English only]

Survey of sustainability reporting practices of the largest companies globally*

Category	*Four most-reported indicators per category*	*Frequency*
Economic	Revenue	81 (4)
	Net profit	81 (2)
	Earnings per share	69 (4)
	Operating income	59 (5)
Environmental	Carbon dioxide emissions	82 (4)**
	Water consumption	74 (2)
	Waste production	63 (2)
	Energy	57 (4)
Social and labour	Number of employees	93 (5)
	Donations	89 (3)***
	Number of employees divided by gender	66 (4)
	Management divided by gender	62 (3)
Corporate governance	Number of board members divided by gender	99 (5)
	Existence of audit committee	97 (5)
	Compensation	95 (4)
	Attendance rate at board meetings	87 (4)
Human rights	Number of employees trained in human rights	6 (0)****
	Number of human rights cases (including discrimination)	4 (2)
	Number of child labour cases	4 (0)
	Number of forced labour cases	2 (0)
Anti-corruption	Number of employees trained in anti-corruption or money laundering	23 (0)****
	Number of cases in whistle-blower system	17 (2)
	Number of transactions screened or number of anti-corruption audits	16 (0)
	Number of anti-corruption cases	11 (0)

* UNCTAD analysed the sustainability reporting practices of large companies globally to track the disclosures common or uncommon for this category of companies, using the 2015 list by Forbes of the 100 largest listed companies in the world, known as the Forbes Global 2000. The selection of companies was based on a combined ranking of revenue, net profit, total assets and market value. To adjust the list for geographical diversity, UNCTAD added five companies from the African region. The frequency column shows the prevalence of relevant disclosures among the Forbes Global 2000 companies and the figure in parentheses shows the prevalence among the five additional African companies. For all 105 companies, UNCTAD analysed sustainability reporting information available in electronic format in English, whether through formal reports or other reporting online, regulatory filings or corporate governance reporting. The information was extracted, mapped against indicators and constituted the dataset on which the figures in this note are based.

** Of the 82 (4) companies reporting on carbon dioxide emissions, 65 (4) report on greenhouse gas scope 1 and 17 (0) on greenhouse gas (without specifying the scope). Of the former, 61 (4) also report on scope 2.

*** Of the 89 (3) companies reporting on donations, 65 (3) also report specifically on community projects and 1 (0) reports only on community projects.

**** In addition to the training of employees in human rights and anti-corruption specifically, 20 (3) companies also provide training in ethics and/or codes of conduct, which may also include elements of human rights and/or anti-corruption.

Annex II

[English only]

Members of the consultative group on corporate reporting and the Sustainable Development Goals

Name	*Surname*	*Title*	*Organization*
Mario	Abela	Head, Corporate Reporting, and Director, Research	Gather
Pragashnie	Adurthy	First Secretary, Political and Economic Affairs	Permanent Mission of South Africa to the Office of the United Nations and other international organizations at Geneva
Scott	Barlow	Business Analysis and Planning Specialist	British Telecommunications
Wim	Bartels	Partner, and Global Head of Sustainability Reporting and Assurance	KPMG
Pietro	Bertazzi	Senior Manager, Public Policy and International Affairs	Global Reporting Initiative
Anais	Blasco	Associate, Redefining Value	World Business Council for Sustainable Development
Luke	Blower	Technical Officer	Climate Disclosure Standards Board
Raquel	Breda	Head, Sustainable Consumption and Production Department	Ministry of Environment, Brazil
Ole	Buhl	Head, Environment, Social and Governance	Arbejdsmarkedets Tillægspension, Denmark
Andrei	Busuioc	Senior Financial Management Specialist	World Bank
Peter	Clark	Technical Director	International Accounting Standards Board
Sonia	Consiglio Favaretto	Press and Sustainability Director	Brazilian Mercantile and Futures and Sao Paulo Stock Exchange
Mark	Didden	Manager, Global Impact and Sustainable Development Goals Measurement	World Business Council for Sustainable Development
Eric	Dugelay	Partner, Global Leader, Sustainability Services	Deloitte LLP
Robin	Edme	President	Group of Friends of Paragraph 47
Robert	Hodgkinson	Executive Director	Institute of Chartered Accountants in England and Wales, United Kingdom of Great Britain and Northern Ireland
Paul	Hurks	Manager, International Relations	Professional Organization of Accountants,

Name	*Surname*	*Title*	*Organization*
			Netherlands
Kathryn	Jackson	Project Lead	The Prince's Accounting for Sustainability Project
Nancy	Kamp-Roelands	Deputy Director	International Auditing and Assurance Standards Board
Vincent	Kaufmann	Deputy Chief Executive Officer	Ethos Foundation
Corli	le Roux	Head of Socially Responsible Investment Index and Sustainability	Johannesburg Stock Exchange, South Africa
Daniel	Malan	Senior Lecturer, Ethics and Governance, and Director	Centre for Corporate Governance in Africa, University of Stellenbosch Business School
Richard	Martin	Head, Financial Reporting	Association of Chartered Certified Accountants
Alan	McGill	Partner, Climate Change and Sustainability Services	PricewaterhouseCoopers
Lizwi	Nkombela	Counsellor	Permanent Mission of South Africa to the Office of the United Nations and other international organizations at Geneva
Dante	Pesce	Executive Director	Valparaiso Catholic University
Philippe	Peuch-Lestrade	Deputy to Chief Executive Officer	International Integrated Reporting Council
Kurt	Ramin	Director	KPR Associates
Tracey	Rembert	Director, Investor Engagement	Ceres
Michel	Scholte	Director, External Affairs	True Price
Emmeline	Skelton	Sustainable Development Goals Lead	PricewaterhouseCoopers
Wolfram	Tertschnig	Director, Sustainable Development and Environmental State Aid Policy Division	Ministry of Agriculture, Forestry, Environment and Water Management, Austria
Jane	Thostrup Jagd	Independent Expert	
Ralph	Thurm	Senior Adviser	Reporting 3.0
Elisa	Tonda	Acting Head, Responsible Industry and Value Chain Unit	United Nations Environment Programme
Sébastien	Truffer	Deputy Head of Section, Europe, Trade and Cooperation on Development	International Affairs Division, Federal Office for the Environment, Switzerland
Victor	Valido	Sustainability Reporting Consultant	United Nations Environment Programme
Cornelis	van der Lugt	Senior Research Fellow	Centre for Corporate Governance in Africa, University of Stellenbosch Business School

Annex III

[English only]

Proposed core indicators for the Sustainable Development Goals in company reporting*

Table 1
Economic

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
A.1: revenue and/or value added	8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2: achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	8.2.1: annual growth rate of real gross domestic product per employed person
A.2: taxes and other payments to the Government	17: strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.1: strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.2*: proportion of domestic budget funded by domestic taxes
A.3: total new investment (impact investment)	1: end poverty in all its forms everywhere	1.b: create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	1.b.1*: number of national action plans related to multilateral environmental agreements that support accelerated investment in actions that eradicate poverty and sustainably use natural resources
A.4: local purchasing and supplier development	9: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	9.3.1: percentage share of small-scale industries in total industry value added

* Indicators marked with an asterisk are still being reviewed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators.

Table 2
Environmental

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
B.1: water consumption per net value added	6: ensure availability and sustainable management of water and sanitation for all	6.4: by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	6.4.1*: percentage change in water use efficiency over time
B.2: waste generated per net value added	12: ensure sustainable consumption and production patterns	12.5: by 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.5.1: national recycling rate (tons of material recycled)
B.3: greenhouse gas emissions (scopes 1–2) per net value added	9: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4: by 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	9.4.1: carbon dioxide emissions per net value added
B.4: chemicals, including pesticides and ozone-depleting substances (pending further research)	12: ensure sustainable consumption and production patterns	12.4: by 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	12.4.2*: treatment of waste, generation of hazardous waste and hazardous waste management, by type of treatment
B.5: energy consumption per net value added	7: ensure access to affordable, reliable, sustainable and modern energy for all	7.3: by 2030, double the global rate of improvement in energy efficiency	7.3.1: energy intensity measured in terms of primary energy and gross domestic product

Table 3
Social

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
C.1: total workforce, with breakdown by employment type, contract and gender	5: achieve gender equality and empower all women and girls	5.5: ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.2: proportion of women in managerial positions
	8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5: by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	8.5.1: average hourly earnings of women and men employees, by occupation, age group and persons with disabilities
C.2: expenditure on research and development as a proportion of turnover	9: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.5: enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people and public and private research and development spending	9.5.1: research and development expenditure as a percentage of gross domestic product
C.3: average hours of training per year per employee, with breakdown by employment category	4: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.3: by 2030, ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university	4.3.1: participation rate of youth and adults in formal and non-formal education and training in the last 12 months
C.4: percentage of employees covered by collective agreements	8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.8: protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	*not available*
C.5: cost of employee health and safety	3: ensure healthy lives and promote well-being for all at all ages	3.8: achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	*not available*

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
C.6: work days lost due to occupational accidents, injuries and illness	8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.8: protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	8.8.1: frequency rates of fatal and non-fatal occupational injuries, by gender and migrant status
C.7: human rights	8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.7: take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	8.7.1: percentage of number of children aged 5 to 17 engaged in child labour, by gender and age group

Table 4
Institutional

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
D.1.1: number of board meetings and attendance rate	16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.7: ensure responsive, inclusive, participatory and representative decision-making at all levels	*not available*
D.1.2: women board members	5: achieve gender equality and empower all women and girls	5.5: ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.2: proportion of women in managerial positions
D.1.3:board members divided by age range	16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.7: ensure responsive, inclusive, participatory and representative decision-making at all levels	16.7.1: proportions of positions (by age group, gender, persons with disabilities and population groups) in public institutions (national and local legislatures, public service and judiciary) compared to national distributions
D.1.4: existence of audit committee, number of meetings and attendance rate	16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective,	16.6: develop effective, accountable and transparent institutions at all levels	*not available*

Suggested indicator	*Sustainable Development Goal*	*Target*	*Inter-Agency and Expert Group on Sustainable Development Goal Indicators indicator*
	accountable and inclusive institutions at all levels		
D.1.5: compensation total and compensation per board member and executive	16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.6: develop effective, accountable and transparent institutions at all levels	*not available*
D.2: donations (unspecified) and donations to community projects	Applicable to most of the Sustainable Development Goals, depending on purpose and target audience needs	*not applicable*	*not applicable*
D.3: anti-corruption (number of convictions for violations of corruption-related legislation or regulation and amount of fines paid or payable	16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5: substantially reduce corruption and bribery in all their forms	16.5.1*: percentage of persons who had at least one contact with a public official, who paid a bribe to a public official or were asked for a bribe by these public officials, in the previous 12 months, disaggregated by age group, gender, region and population group