

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

**37th SESSION
2 – 6 November 2020**

Wednesday, 4 November 2020

**Agenda item 3. Practical implementation, including
measurement, of core indicators for entity reporting on the
contribution towards the attainment of the Sustainable
Development Goals: Review of case studies**

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Family Business for Sustainable Development

Creating a Shared Prosperity for All

Caroline Seow

UNCTAD ISAR 37th Session, 4th November 2020

Polaris – Maximising Positive Social, Environment & Economic Impact

Why
Family businesses
are uniquely
positioned to
lead change



What
Purpose-driven
companies
deliver positive
performance

Increase revenue
by up to
20%



Reduce cost of
debt by at least
40%



Increase company
valuation by
40% - 80%



Decrease staff
turnover by up to
50%



How

**Take the PIA –
Polaris Impact
Assessment**



Get a Baseline:
Assess your impact



**Compare your
Impact:**



**Improve your
Performance:**



Family Business Network
– over 4,000 business
families across 65
countries

Family Business for Sustainable Development

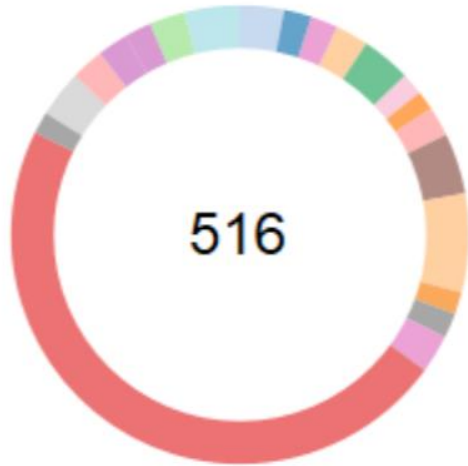


- Family Business Pledge 2020
- **Sustainability Indicators for Family Businesses (SIFB)**
 - *UNCTAD GCI*
 - *Polaris Indicators for Family Business*
adapted from the PIA & relevant frameworks
- Capacity-Development Programmes

*“Family businesses have distinctive governance & ownership structures and dynamics that impact performance. The **Sustainability Indicators for Family Businesses** aims to recognise the unique attributes of family business models and incorporate metrics that guide, advance sustainability practices and facilitate contributions to the SDGs.”*

PIA – Polaris Impact Assessment profiles by Industry

Source: B Analytics Platform, 2020



Profile

Industry



Does your business produce a public-facing annual report detailing its sustainability performance?
And what does that include?

a. Quantifiable Results – 8%

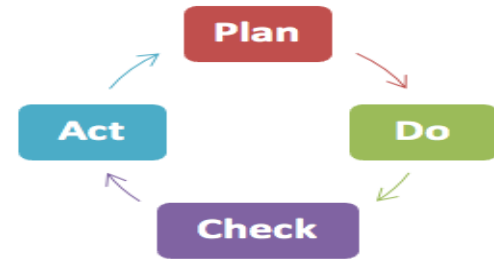
b. 3rd Party Validation – 14%

c. No Annual Report – 59%

Methodology

History	Family Business	Employee Size	Industry
G4 est 1916	Royal Van Wijhe Verf <i>The Netherlands</i>	206 – 22% women	Paints & Coating Solutions
G3 est 1926	Forbes Marshall <i>India</i>	2000 – 13% women	Steam Engineering & Control Instrumentation Solutions
G2 est 1987	Sun Tekstil <i>Turkey</i>	1852 – 51% women	Textiles – Knitted & woven Fabrics

- Selection of Cases
- Outline of Study
 - *Core Values & Motivations*
 - *ESG Policies & Practices*
 - *Reporting Frameworks*
- Deming's PDCA



- Ethical Considerations



Findings – Reporting Experience

Number of indicators reported on.

	Van Wijhe Verf	Forbes Marshall	Sun Tekstil
<i>A. Economic</i>	6	6	6
<i>B. Environmental</i>	9	8*	10
<i>C. Social</i>	6	6	7
<i>D. Institutional</i>	5	5	6
Indicators Reported	26	25	29

* Forbes Marshall has recently put in place measures to capture Greenhouse Gas Emissions Scope 1 & 2, and in 2021 will report on the two additional environmental indicators.

1. Reasons for non-disclosure

- No legislative requirement
- Perception of Irrelevance e.g. D1.4
- Risk & Confidentiality e.g. A.1.3
- Do not capture

2. Challenges of Reporting

- Technical considerations
- Incompatible formats e.g. B.5.2
- Incomplete data



Other Findings from the Cases – Gaps, Opportunities & Impacts –

Alignment of
Values and
Practices

Insights Gained

Materiality of
Indicators

Identifying SDGs
aligned to Business
Success

Policy, Practices &
Measurement e.g.
Ethical Supply
Chains

Transparency
versus Privacy

Resources
Required

Impacts on the
Wider Community



Recommendations

1. **On-line Platform**
2. Capacity Development
3. Integrate the SIFB Indicators
4. Review & Address Concerns
5. Ensure the SIFB is fit for Purpose
6. “Transparency as a Competitive Advantage”
7. **Communicate the Purpose & Rationale for Reporting**

*“ ...experience of the pilot cases highlight both **technical & cultural** challenges and provide valuable feedback to inform recommendations to enable reporting, further transparency and increase family businesses contributions to the SDGs.”*

7. Communicate the Purpose & Rationale for Reporting



Creating a Shared Prosperity for All