
**Intergovernmental Working Group of Experts on
International
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(ISAR)**

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Morning Session

Agenda Item 3.

**Enhancing comparability of sustainability reporting:
Selection of core indicators for entity reporting on the
contribution towards the attainment of the Sustainable
Development Goals**

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1. I am an Associate Professor at the University of Plymouth in Marketing and Sustainable Business focused on how business can become a force for long-term wellbeing for all (sustainability). I focus on purpose driven organisations: <https://www.managers.org.uk/~media/Files/Reports/Guide-for-Leaders-White-Paper.pdf> The role of marketing: <https://www.linkedin.com/groups/12107174/> The role of leadership and finally the role of governance. I believe that all four of these are key pillars to enabling business to drive sustainability.
2. I am on the UNEP/UNCTAD Task force for developing the methodology for 12.6.1. In relation to governance, one of the hats I wear is Convenor (with Axel Kravatzky) of [TC309/WG1 – ISO37000 Guidance for the Governance of Organisations](#). ISO is well placed to create this foundational global standard to distil what the world thinks good governance of organizations is regardless of country/sector or constitution. We have 64 countries involved and 14 liaisons – including UNCTAD. Here I am talking in a personal capacity. ISO directives prohibit me to comment on discussions while a standard is in development. We encourage anyone who wants to support the development of the standard to contact their National Standards Body. Effective governing bodies are absolutely essential to driving forward action on the SDGs.
3. Moving to discuss the proposed indicators. All indicators for SDGs proposed are related to governance – 1) some **directly indicate the quality of the governance** that is occurring in respect to long-term prosperity for all 2) and the others are those that we as a global community are **drawing governance attention to** as important aspects of their business that they need to actively monitor and disclose to their stakeholders. The global community is saying these are material to all businesses whether a company has assessed this to be the case or not. We need governing bodies to start to understand that these indicators matter for their organisation's success - they are aspects of their business that stakeholders care and about and therefore so should they. For the purposes of this discussion I will be focusing in on the indicators of governance functioning.
4. One initial point is that the name of the indicators 'Corporate Governance' may not be inclusive enough. When we talk about 'companies' or 'organisations' we are talking about all constituted organisations including charities and NGOs etc. 'Board' could then be referred to as 'governing body'. Additionally, although indicator 12.6.1 is focused particularly on large companies, the set of baseline indicators needs to take account of all kinds of organisations if it is going to help a country assess how far towards the SDGs the country is heading. SME's account for the majority of country's economic activity.
5. In order to judge the value of the current proposed indicators, (beyond the pragmatic considerations of whether the indicators are to the greatest extent comparable, standardised and universal) the key questions are 1) do the indicators move us towards a culture of governance that can deliver a sustainable future? 2) do the indicators help us understand the outcomes of governance in relation to SDGs as well as the processes of governance which underpin the likelihood of good outcomes?
6. The current set of governance indicators provides a reasonable list of **input** measures – e.g. that warm bodies met, may be somehow diverse and are not paid excessively. It does not yet include any indicators on the activities and processes of the board or

the outcomes of it and this is vital if it is going to provide any really useful information as a baseline.

7. There is precedence in existing global reporting of indicators that could be used:

A. Indicators of governance functions

1. Transparent disclosure (e.g. on company website) of the purpose of the organisation – its meaningful contribution to long-term prosperity? (Y/N) (UNCTAD/CGD)
2. Transparent disclosure of stakeholder relation policy (Y/N) (e.g. CACG Guidelines and UNCTAD/CGD)
3. Existence of a materiality assessment on stakeholders and provision of long-term prosperity for all. As per internationally recognised guidelines? (Y/N) (GRI, IIRC)
4. Transparent disclosure of environmental and social impacts of the organisation and on the organisation? (Y/N) (e.g. CACG Guidelines and UNCTAD/CGD)
5. Transparent disclosure of an assurance policy? (Y/N)
6. Are independent external auditors in place? (Y/N)

B. Indicators of board functioning

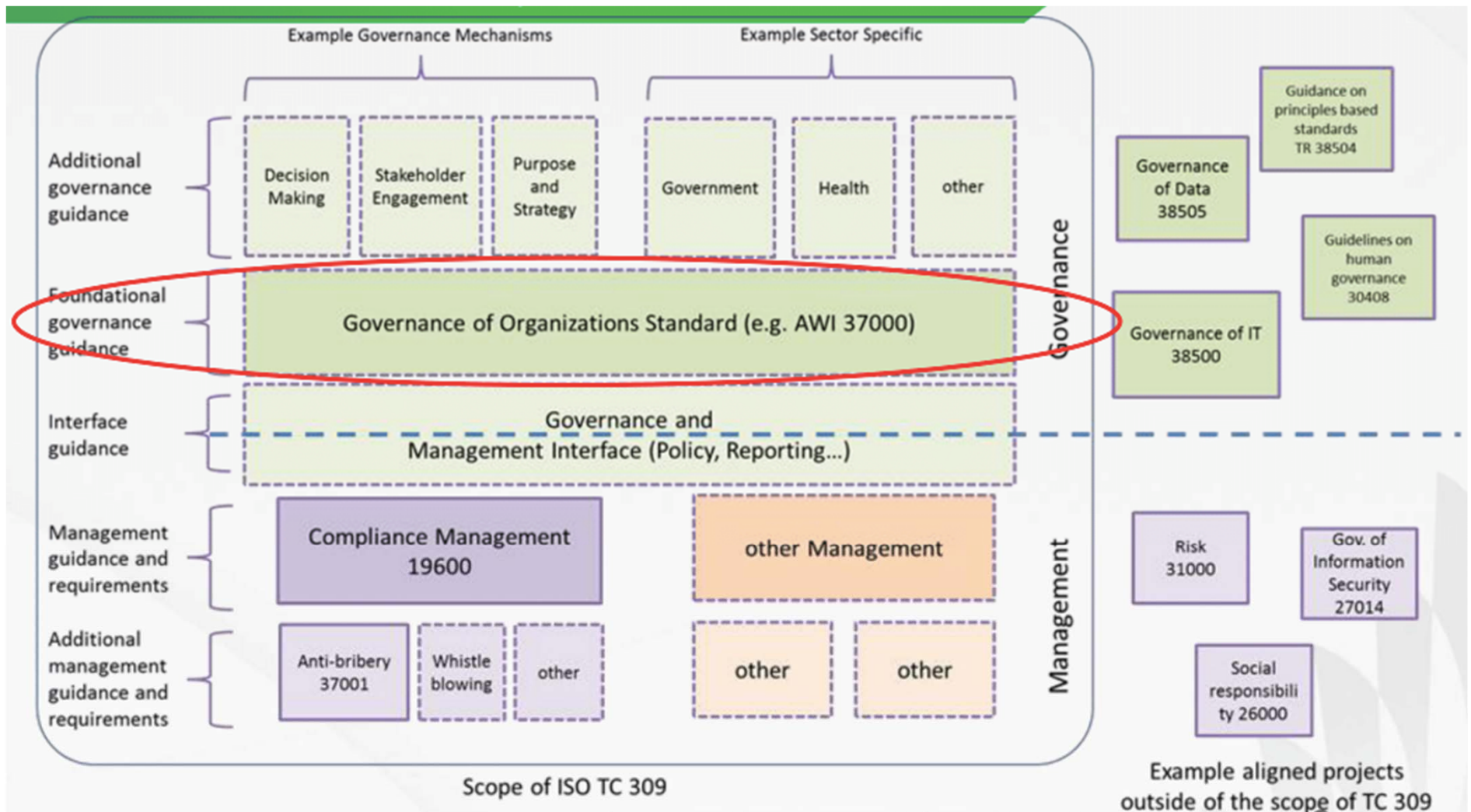
7. Transparent disclosure of a statement of the remit of the governing body? Y/N (UNCTAD/CGD)
8. Transparent disclosure of policy for dealing with conflicts of interest? Y/N
9. Average number of board performance evaluation processes (e.g. in previous 3 years) (later...using internationally accepted process once developed)
10. Hours of governance training for board members (as per anti-corruption training D.2.2.)

If I were to pick 2 from the first section, it would be a materiality assessment and stakeholder relation policy as these are most developed and should provide a base for the others. From the second I would pick board evaluation. These are well developed processes and would give some real insight into the quality of board processes and functioning.



ISO37000

Guidance for the Governance of Organizations



Source: Strategic Business Plan ISO TC309: ISO/TC 309/AHG 1 N 43