

UNCTAD-ISAR

UNCTAD Core SDG Indicators on Enterprise Reporting: Harmonisation of TCFD & SDG Reporting

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- UNCTAD is the Secretariat of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR).
- UN focal point on enterprise accounting and reporting issues.
- Established in 1982 by ECOSOC.
- Within the context of the 2030 Agenda, ISAR contributes to enhancing the role of enterprise reporting in assessing the private sector contribution to the SDG implementation; facilitation of sustainable finance and investment.

<https://isar.unctad.org/>



Background



Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

SDG 12.6.1: Methodological Development

Target 12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

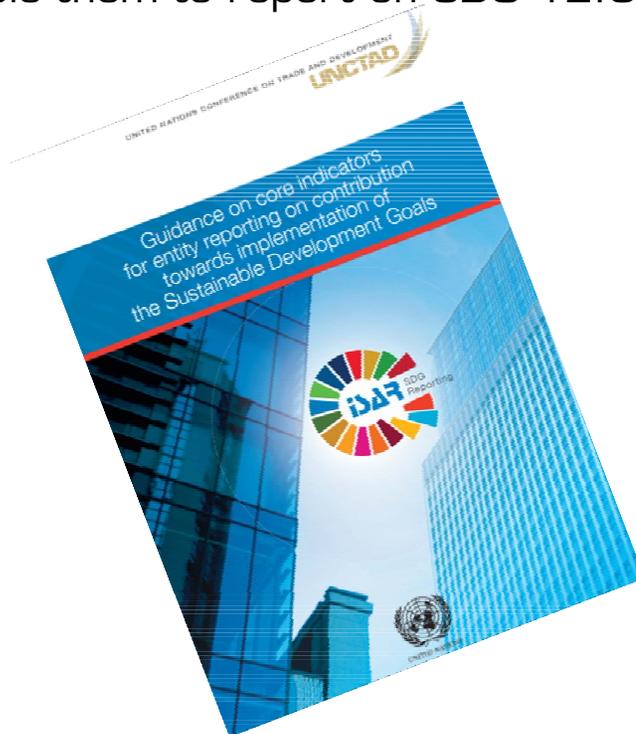
Indicator 12.6.1 Number of companies publishing sustainability reports.

- The Indicator is under the custodianship of two UN agencies: **UN Environment and UNCTAD**; and as part of this responsibility they were tasked with leading the methodological development of the indicator, as well as overseeing the data collection and reporting process on 12.6.1 up to 2030.
- The development of these indicators takes place under the umbrella of the Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs). In September 2019 it was reclassified to **Tier II indicator**, which means that development of an internationally recognized methodology has been approved for the further data collection since 2020.



Guidance on Core Indicators

- To facilitate companies reporting on their contribution to the SDG agenda UNCTAD launched in 2016 its work on baseline core SDG indicators with a view to improve comparability of sustainability/SDG reporting and its alignment with the SDG macro indicators. It resulted in developing Guidance on core SDG indicators as a tool to assist governments to assess the private sector contribution to the SDG implementation and to enable them to report on SDG 12.6. and indicator 12.6.1.



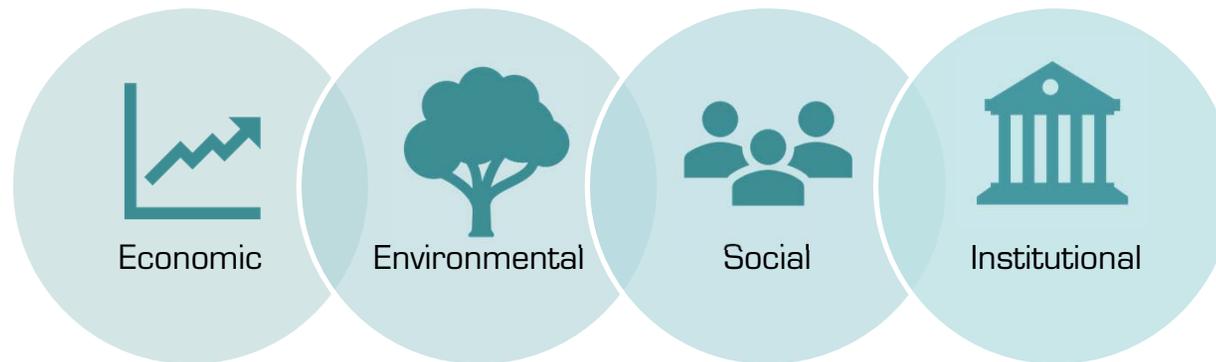
GCI provides practical information on how these core indicators could be measured in a consistent manner & be useful for key users, including national statistical agencies responsible for data collection on the private sector contribution to the SDGs.





GCI

Four areas



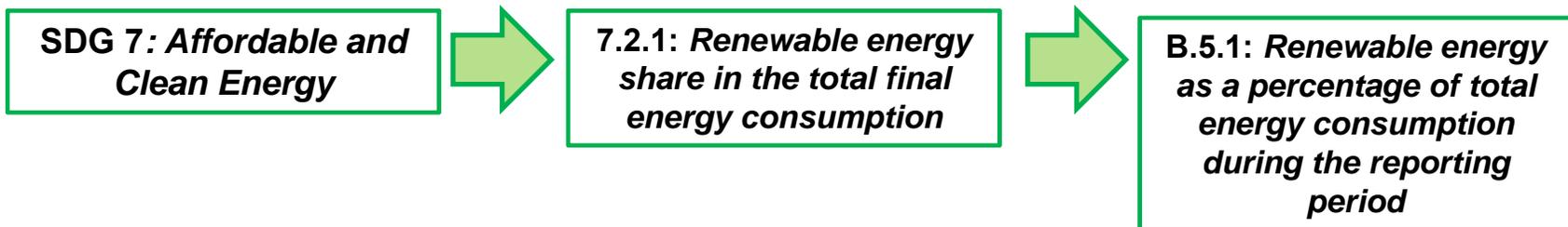
Limited number of core SDG indicators have been identified, based on key reporting principles, selection criteria, main reporting frameworks and companies reporting practices.



- Logical framework:



- Example:





Economic area

- Revenue
- Value added (gross value added, GVA)
- Net value added (NVA)
- Taxes and other payments to the Government
- Green investment
- Community investment
- Total expenditures on research and development
- Percentage of local procurement

Socia area

- Proportion of women in managerial positions
- Average hours of training per year per employee
- Expenditure on employee training per year/employee
- Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender
- Expenditures on employee health and safety as a proportion of revenue
- Frequency/incident rates of occupational injuries
- Percentage of employees covered by collective agreements

GCI core indicators

Environmental area

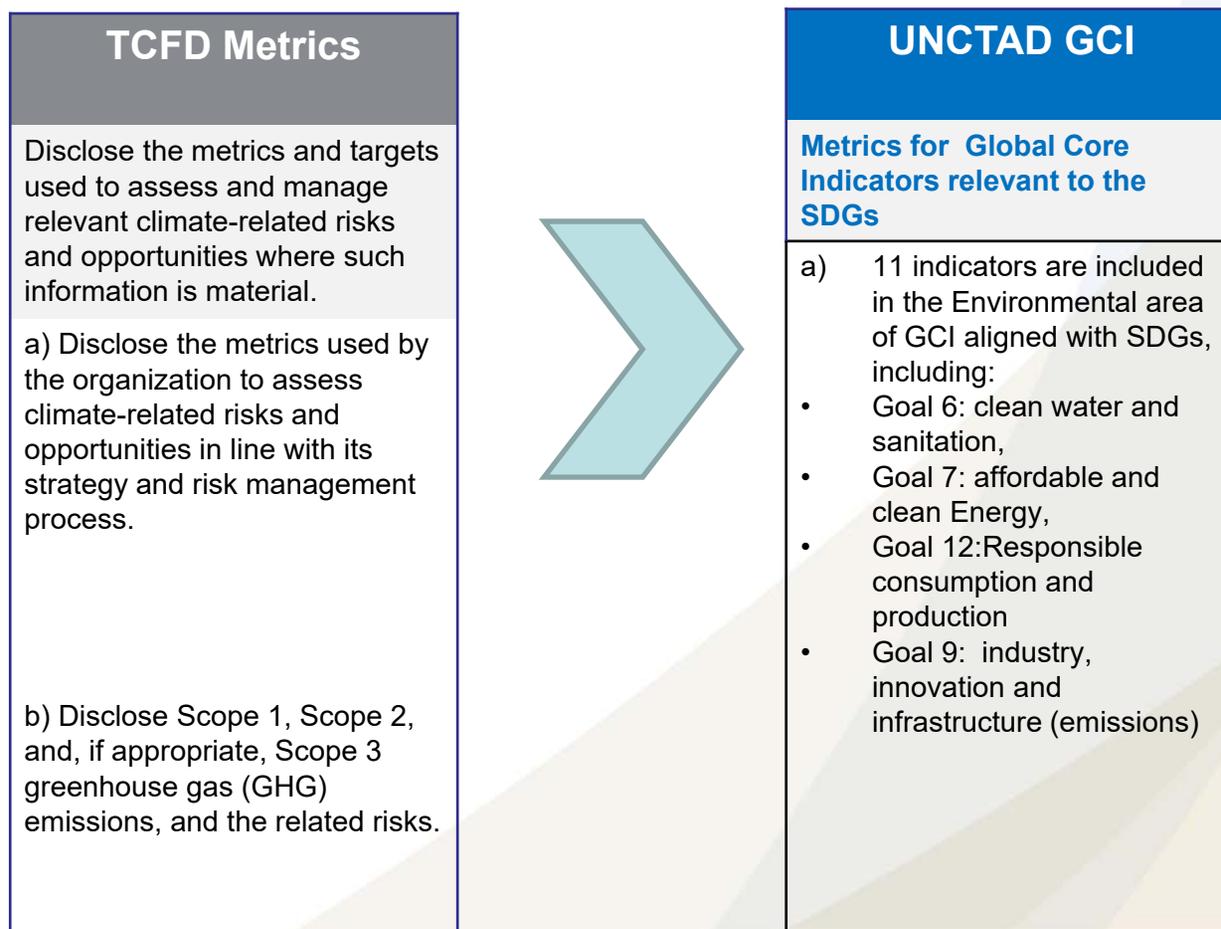
- Water recycling and reuse
- Water use efficiency
- Water stress
- Reduction of waste generation
- Waste reused, re-manufactured and recycled
- Hazardous waste
- Greenhouse gas emissions scope 1
- Greenhouse gas emissions scope 2
- Renewable energy etc.

Institutional area

- N. of board meetings and attendance rate
- N. and percentage of female board members
- Board members by age range
- N. of meetings of audit committee and attendance rate
- Total compensation per board member
- Amount of fines paid or payable due to settlements
- Average n. of hours of training on anti-corruption issues, per year per employee

Synergies between TCFD Metrics and GCI Indicators

More specifically:





SYNERGIES & COMPLEMENTARITIES

Core Indicators:

- ✓ Based on key reporting principles with a view to enhance consistency of financial and non-financial reporting;
- ✓ Provide a basis to facilitate harmonization and comparability;
- ✓ Help to facilitate practical implementation of climate related reporting through baseline indicators as a starting point;
- ✓ Reflect key areas of TCFD disclosures: use of water, energy, land, reduction of waste and emissions;
- ✓ Not industry specific, need to be supported by further data and relevant disclosures;
- ✓ Add additional user of and demand for the reported data - stakeholders responsible for the SDG implementation.



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