

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

**37th SESSION
2 – 6 November 2020**

Tuesday, 3 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**

Presented by

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General Electric case study on practical implementation of core indicators for entity reporting

This case study is based on the authors' review of GE's publicly available 2019/20 sustainability disclosures. The views expressed in the case study are those of the authors and do not necessarily reflect the views of GE. GE does not guarantee the accuracy of the case study. GE is aware of the case study and has expressed no concerns.

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Scope

- The case examines how GE, a global high-tech industrial company, reports on sustainability issues in
 - Mandatory filings with the US SEC (10-K and proxy statements)
 - Voluntarily via the GE Environmental, Social, and Governance Reports Hub
- The global scope of GE's operations and sales, its diverse lines of business, as well as its commitment to the UN Global Compact, make GE an ideal candidate for such an examination
- GE is “*committed to transparency*” and provides “*all disclosures*” regarding how the Company is “*working on social responsibility*” in one location (the Reports Hub)
- The case addresses the integration of sustainability into GE's business model and articulates how GE's active support of the principles of the UNGC impact the company's sustainability activities and disclosures
- GE describes the UNGC as,
 - “*both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices*”



Selection of sustainability disclosures

- GE selects publicly available sustainability disclosures from priority issues identified by the Board of Directors
 - Integrity and Compliance
 - Human Rights
 - Climate and Energy
- GE's sustainability reporting is linked primary to the UN SDG's, as opposed to the GCI indicators
- Our review reveals that GE publicly discloses a majority (23 / 70%) of the GCIs
- GE also discloses C.1.1 Proportion of women in managerial positions confidentially to the US Equal Employment Opportunity Commission (EEOC) (1 / 3%)
- GE does not disclose the following GCI s (9 / 27%)
 - A.3.1. Green investment (Dow 30 / 7%)
 - A.4.1. Percentage of local procurement (Dow 30 / 13%)
 - B.2.2. Waste reused, re-manufactured, and recycled (Dow 30 / 73%)
 - B.4.1. Ozone-depleting substances and chemicals (Dow 30 / 23%)
 - C.2.1. Average hours of training per year per employee (Dow 30 / 20%)
 - C.2.2. Expenditure on employee training per year per employee (Dow 30 / 13%)
 - C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender (Dow 30 / 0%)
 - C.3.1. Expenditures on employee health and safety as a proportion of revenue (Dow 30 / 0%)
 - D.2.2. Average number of hours of training on anti-corruption issues, per year per employee (Dow 30 / 0%)



Selection of sustainability disclosures

- GE aspires to do a lot in terms of sustainability and selects
 - *“priority issues where both the need as expressed by critical stakeholders and GE’s unique potential for impact are greatest”*
- Due to its size and complexity, collecting and verifying data on the Company’s sustainability progress and achievements is often difficult
- GE is cautious about what it places in the public domain
- Unless GE has confidence in its data and the data are auditable (by internal auditors and/or external assurance providers), the Company does not place it in the public domain
- GE does not presently provide external assurance for its Reports Hub disclosures



GE 2019 ESG Results (from Reports Hub Baseline 2017, 2018, 2019)

Energy and Climate (i)				
GE Operational GHG Emissions (million metric tons of CO2 equivalent) (market based) (j)	3.01	3.78	2.80	2.39
Scope 1 Emissions (million metric tons of CO2 equivalent) (j)	--	1.67	1.29	1.00
Scope 2 Emissions (million metric tons of CO2 equivalent) (market based) (j)	--	2.11	1.51	1.39
Limited Scope 3 Emissions (million metric tons of CO2 equivalent) (k)	--	2.79	2.34	0.68
GE Operational Energy Use (million MMBtu)	30.8	41.0	30.1	26.6
Direct SF6 Emissions (thousand metric tons CO2 equivalent)	--	163	179	164
Total Electricity (MWh)	--	4,620,000	3,690,000	3,710,000
Renewable Energy Used (MWh)	--	58,600	44,541	322,000
Water (i)				
Total Freshwater Use (Billions of Gallons)	6.65	6.66	6.54	4.93
Once-Through Cooling Water (Billions of Gallons)	--	2.52	2.27	1.64



GE 2019 ESG Results (from Reports Hub Baseline 2017, 2018, 2019)

Environment, Health, & Safety Programs (c)				
Injury & Illness Total Recordable Rate (d)	--	0.63	0.55	0.60
Days Away From Work Incident Rate (e)	--	0.27	0.24	0.28
Fatalities - Employees	--	2	2	3
Fatalities - Contractor Workers (f)	--	--	6	2
Environmental Excellence Certifications (g)	--	63	29	13
ISO 14001 sites (g)	--	332	185	107
Global Penalties Paid (in \$ thousands) (g)	--	120	65	25
Spills & Releases (Count) (h)	--	45	41	36
Air Exceedances (Count) (h)	--	0	1	1
Wastewater Exceedances, (Count) (h)	--	18	25	17

