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

**37<sup>th</sup> 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**

Presented by

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Food and Agriculture  
Organization of the  
United Nations



# Strengthening private sector accounting and sustainability reporting frameworks for the SDGs


**Core Food and Agricultural Indicators for  
Measuring the Private Sector Contribution to  
the SDGs**

Valerie Bizier, Senior Statistician, FAO  
ISAR 37 - November 4<sup>th</sup>, 2020



# The Food and Agriculture Sector and the SDGs


5 PRINCIPLES, 20 ACTIONS



Food and Agriculture Organization of the United Nations

SUSTAINABLE DEVELOPMENT GOALS

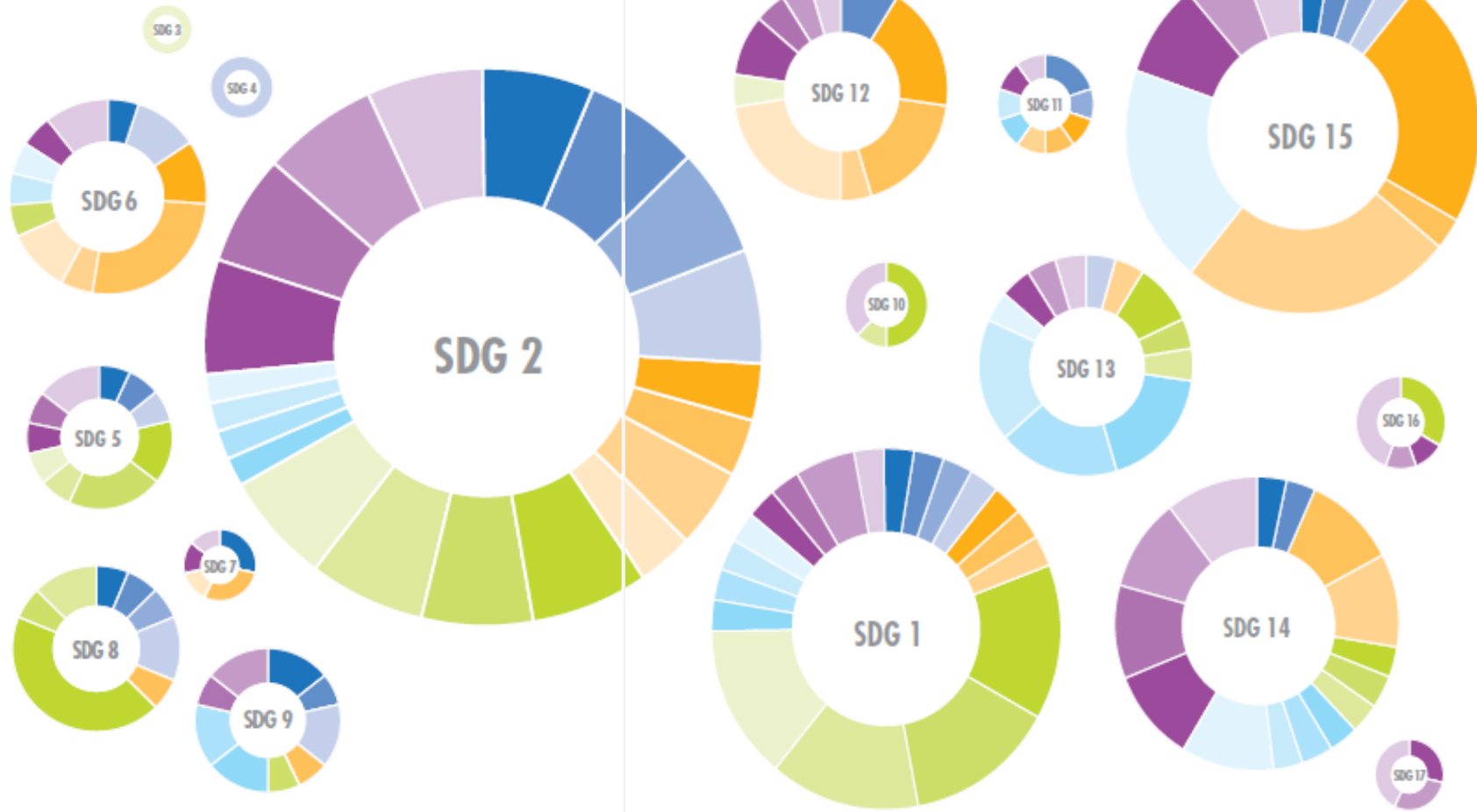
working for Zero Hunger



## TRANSFORMING FOOD AND AGRICULTURE TO ACHIEVE THE SDGs

TECHNICAL REFERENCE DOCUMENT

20 interconnected actions to guide decision-makers



- 1** Facilitate access to productive resources, finance and services
- 2** Connect smallholders to markets
- 3** Encourage diversification of production and income
- 4** Build producers' knowledge and develop their capacities

### Principle 1

- 5** Enhance soil health and restore land
- 6** Protect water and manage scarcity
- 7** Mainstream biodiversity and protect ecosystem functions
- 8** Reduce losses, encourage reuse and recycle, and promote sustainable consumption

### Principle 2

- 9** Empower people and fight inequalities
- 10** Promote secure tenure rights for men and women
- 11** Use social protection tools to enhance productivity and income
- 12** Improve nutrition and promote balanced diets

### Principle 3

- 13** Prevent and protect against shocks: enhance resilience
- 14** Prepare for and respond to shocks
- 15** Address and adapt to climate change
- 16** Strengthen ecosystem resilience

### Principle 4

- 17** Enhance policy dialogue and coordination
- 18** Strengthen innovation systems
- 19** Adapt and improve investment and finance
- 20** Strengthen the enabling environment and reform the institutional framework

### Principle 5

## BACKGROUND: Limitations in existing frameworks

- **Some key sustainability dimensions** relevant to the SDGs and the food and agriculture sector are **not captured** by existing framework
- In some case, existing **disclosure elements are too general** or **indicators are not aligned with SDG concepts**
- There's a **lack of harmonization, consistency (comparability) and agreed standards** between reporting frameworks

## The Supplement Guidance:

### Core Food and Agricultural Indicators for Measuring the Private Sector Contribution to the SDGs

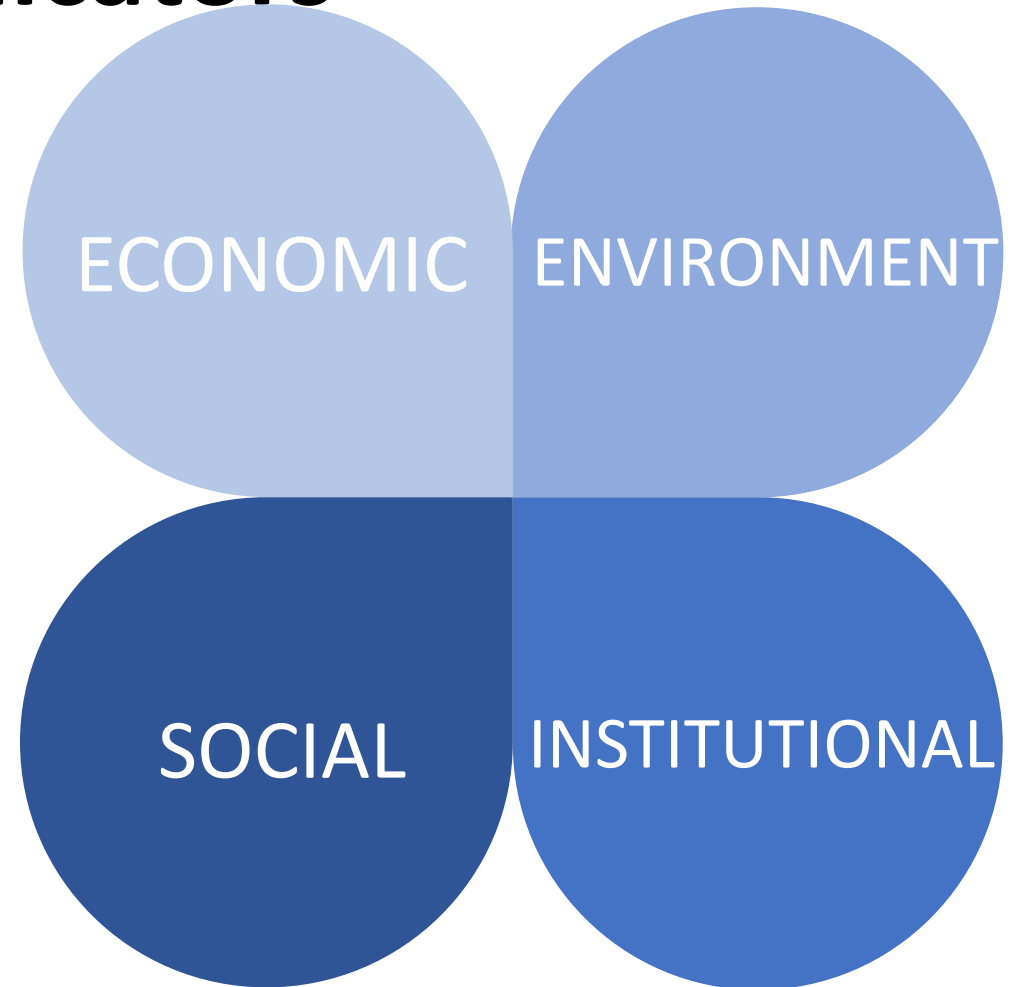
- To fill the gaps of the GCI and existing standards in the assessment of SDG contribution by reporting entities involved food and agriculture sector
- To assist entities to produce data on sustainability issues in a consistent and comparable manner
- To provide a standard tool to assist governments in collecting data from the private sector and improving SDG monitoring at national level

# MAIN METHODOLOGICAL CONSIDERATIONS

- **Aligned with the SDGs and recommended 20 actions to transform food and agriculture to the achieve the SDGs**
- **Consistent with existing standards and methods and definitions** (UNCTAD's GCI, GRI, SASB, SAFA, IPCC, SDG indicators, Statistical standards, etc. )
- **Baseline approach** (try to cover all relevant key topics, but limit the number of indicators)
- **Simplicity & Universality** (not too complex standard measurement methods applicable across the sector)
- **Quantitative & qualitative** (use quantitative indicators as much as possible, but also include some qualitative indicators )

# FAO's Guidance supplement for the core food and agriculture indicators

- Scope:
  - Agriculture production (crop and animal production, aquaculture)
  - Food processing; Food wholesale; Food retail.
- 55 indicators in total:
  - 32 indicators from UNCTAD's CGI (with additional guidance)
  - 23 are newly developed
- 46 indicators are quantitative; 9 are qualitative;



Topic	Indicator	Topic	Indicator
A.1. Revenue/ (Net) Value added	A.1.1. Revenue	B.1. Sustainable use of water	B.1.2. Water use efficiency
	A.1.2. Value added		B.1.1. Water stress
	A.1.3. Net value added		B.1.3. Water recycling and reuse
	B.1.4. Water management Practices		
A.2. Economic resilience	A.2.1. Gross profit margin	B.2. GHG	B.2.1. Greenhouse gas emission(scope 1)
	A.2.2. Product diversification		B.2.2. Greenhouse gas emission(scope 2)
	A.2.3. Risk management		B.2.3. Greenhouse gas emission(scope 3)
	B.2.4. Strategy to manage GHG emissions		
A.3. Payments to the Government	A.3.1. Taxes and other payment to the government	B.3. Ozone depleting substances	B.3.1. Ozone depleting substances
	A.4.1. Green investment	B.4. Waste management	B.4.1. Reduction of waste generation
	A.4.2. Community investment		B.4.2. Waste reused and recycled
A.4.3. Total expenditure on research and development	B.4.3. Hazardous waste		
A.4. New investment in corporate social responsibility	A.5.1. Proportion of local procurement	B.5. Food loss and waste	B.5.1. Food loss
	A.5.2. Fair Pricing and Transparent Contracts		B.5.2. Food waste
		B.6. Energy consumption	B.6.1. Energy use efficiency
	B.6.2. Renewable energy		
A.5. Local supplier/purchasing programmes		B.7. Biodiversity	B.7.1. Land conversion
			B.7.2. Habitat area protected
			B.7.3. Sustainable use and conservation of biodiversity
		B.8. Soil	B.8.1. Soil degradation
		B.9. Fertilizers	B.9.1. Fertilizers use intensity
			B.9.2. Management of fertilizers
		B.10. Pesticides	B.10.1. HHPs/Pesticides use intensity
			B.10.2. Management of pesticides



Topic	Indicator
C.1. Decent work	C.1.1. Employee wages and benefits as a proportion of revenue
	C.1.2. Average hourly earnings
C.2. Labour rights	C.2.1. Percentage of employees covered by collective agreements
C.3. Training and education	C.3.1. Average hours of training per year per employee
	C.3.2. Expenditures on employee training per year per person
C.4. Employee health and safety	C.4.1. Expenditures on employee health and safety as a proportion of revenue
	C.4.2. Incidence/ Frequency rates of occupational injuries
C.5. Child labor	C.5.1. Incidents of non-compliance with child labor laws
C.6. Public health and nutrition	C.6.1. Food Labelling
	C.6.2. Practices promoting sustainable healthy diets
	C.6.3. Non-compliance in food safety and food quality
C.7. Land tenure right	C.7.1. Non-compliance with land tenure rights regulations

Topic	Indicator
D.1. Corporate governance disclosure	D.1.1. Number of board meetings and attendance rate
	D.1.2. Proportion of women in managerial positions/board members
	D.1.3. Board members by age class
	D.1.4. Number of meetings of audit committee and attendance rate
	D.1.5. Compensation per board members
D.2. Anti-corruption practices	D.2.1. Amount of fines paid and payable due to corruption-related settlements
	D.2.2. Average number of hours of training on anti-corruption issues per year per employee

# Next steps

Activities	Timelines
5-1. <b>External peer review</b> (with Business enterprises and organizations, Investment institutions, government institutions, NGOs and academia, Standard-setting reporting organizations, UN partners)	Nov 2020- April 2021
5-2. <b>Pilot testing</b>	Dec 2021- April2021
6-1. Final improvement and validation process	April-Aug 2021
6-2. Dissemination	Sept-Oct 2021



Thank you!

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