Introduction to agenda item 3

Review of practical implementation of core indicators for entity reporting on the contribution towards the attainment of the SDGs

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Background

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- Initiative on developing a common set of core universal indicators for entity sustainability/SDG reporting to facilitate harmonization and comparability based on convergence of reporting frameworks and practices
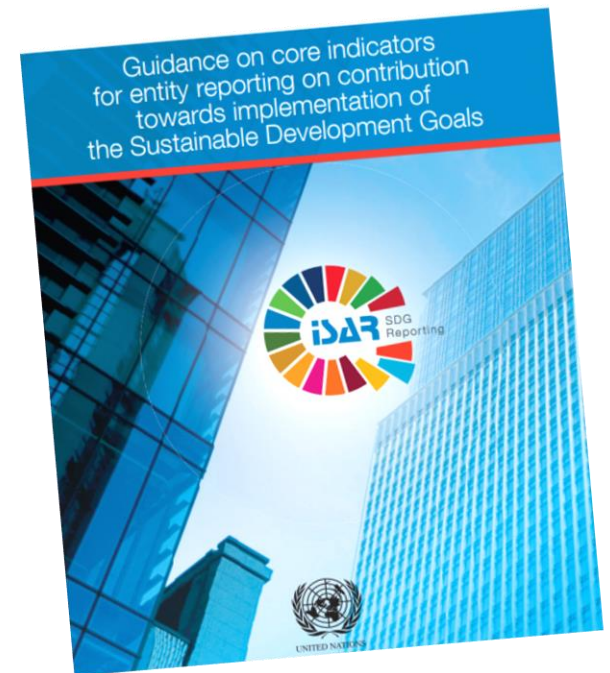

UNCTAD-ISAR

- Since then, ISAR has been addressing this issue in numerous consultative group meetings, several ISAR sessions, and other activities

Guidance on Core Indicators (GCI)

- 33 Core quantitative indicators.
- Consistent with the SDGs monitoring framework and aligned with countries needs on monitoring the attainment of the 2030 Agenda.
- Selected on criteria to be measurable, consistent, and comparable.
- Covers key areas common to all businesses:
  - economic contribution,
  - rational use of natural and material resources for example: water, energy, land, waste, etc.
  - social issues, such as workers health ad safety, access to training, gender equality,
  - good governance and anti corruption practices.

Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals

GCI core indicators

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

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
- Ozone depleting substances and chemicals
- Renewable energy
- Energy efficiency

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
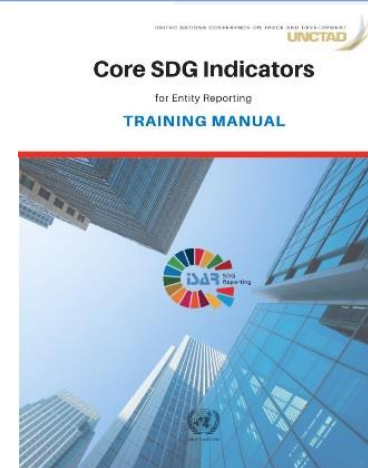
Capacity building materials
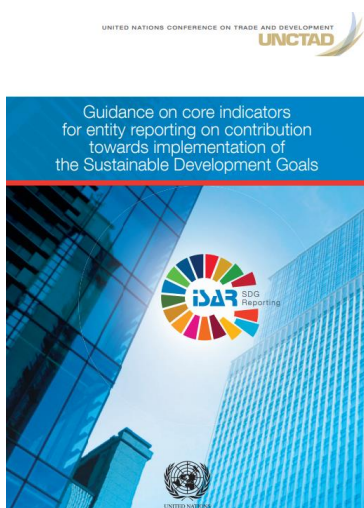
GCI
- ✓ Technical guidance to improve data availability
- ✓ Available in the 6 UN official languages

Case Studies
- ✓ GCI as good start towards producing comparable data
- ✓ Capacity-building required
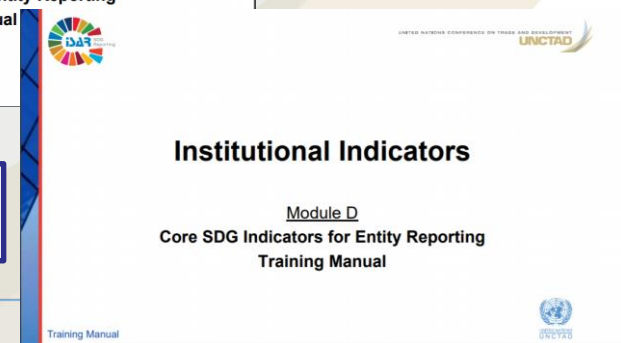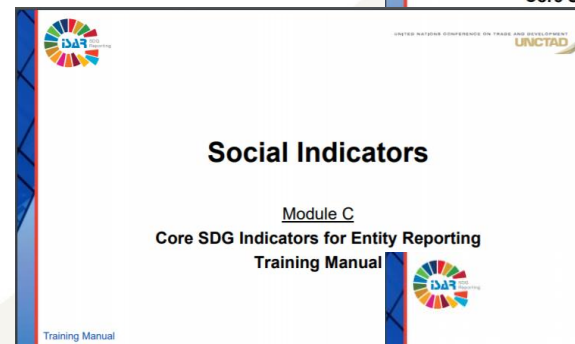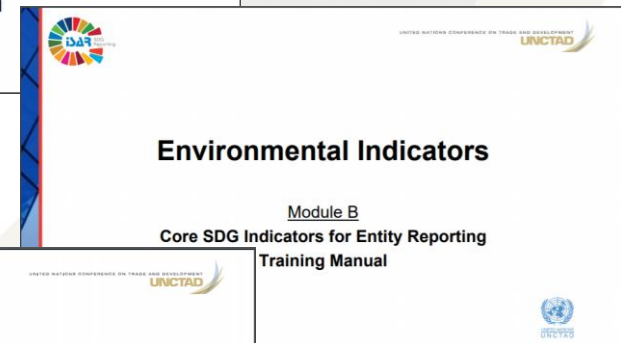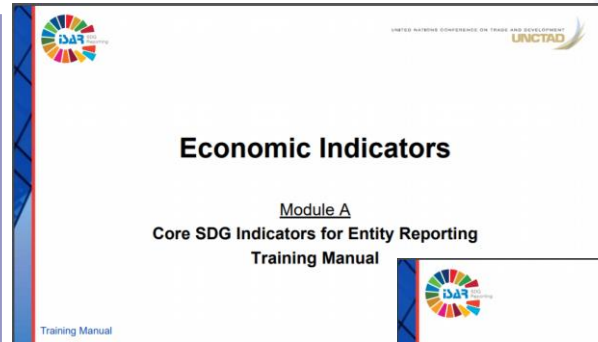- ✓ Different companies, countries, sizes and industries

Training Manual
- ✓ Definition
- ✓ Measurement methodology
- ✓ Potential sources of information
- ✓ Examples
- ✓ Self-assessment questions with solutions.

https://isar.unctad.org/training-materials/

Tutorials and E-learning prepared

To facilitate technical capacity building and enhance implementation of the core indicators, UNCTAD prepared tutorial slides of the manual

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E-learning materials to be launched today

https://isar.unctad.org/training-materials/

Companies participating at case studies

Represented countries:

China	Colombia	Denmark	Egypt
Guatemala	India	Italy	Kenya
Mexico	Netherlands	Poland	Russia
Saudi Arabia	South Africa	Tanzania	Turkey
Ukraine	USA		

- An overview of the implementation of the Guidance in several companies was conducted in Egypt and USA

Overview of the feedback

Main challenges

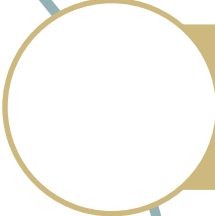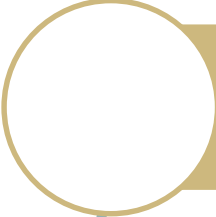## firm-level

- Lack of data collection processes and/or data availability
- Absence of activities/structure/practices related to some indicators in place
- Confidentiality issues
- Lack of technical knowledge to measure the indicators.
- There is a need to change the way managers and employees think about sustainability

country-level

- Lack of regulation requiring sustainability/SDG reporting
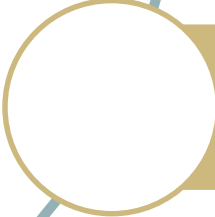- Lack of coordination among different authorities in charge

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Key Findings

All indicators were reportable.

Environmental indicators are the most difficult to report

GCI Training Manual supported first-time reporters and helped to build capacity and to increase number of indicators reported.

List of recommendations

- **Capacity building** for sustainability/SDG reporting at all levels.

- Support countries to **strengthen** their **sustainability/SDG reporting infrastructure**.

- Foster **collaboration** between the public, private sector and civil society.

- Consider needs of different "types" of companies such **MSMEs.**

- **Government** has a very important **role** to play as regulator and in supporting companies to understand the SDGs agenda and providing tools and resources.

- Promote validation and reliability of sustainability information through **assurance**.

Suggested updates to the core SDG indicators

Proposed changes

- Editorial: clarification and amendment of inconsistencies

- Substantive:
  - ✓ Removal or addition of some indicators
  - ✓ Changes in measurement methodology
  - ✓ Normalization

Next steps

Finalization of GCI 2.0

Continue work on strenthening SDG reporting

Assist developing countries to foster their sustainability reporting infrastructure through technical assistance and capacity building.