Roundtable discussion on measuring the private sector's contribution to the attainment of the Sustainable Development Goals

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13:30 – 17:00
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Room S-2726 - Secretariat building, 27th floor

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SDGs AND ENTERPRISE REPORTING

- Enterprise reporting plays a critical role in the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

- Reporting can enrich and enhance the SDG monitoring mechanisms by providing governments, enterprises, society and other stakeholders with means to assess the economic, environmental, social and governance impact of companies on sustainable development.

- Relevant SDG references: Goal 12 on *Sustainable consumption and production*, focusing on Target 12.6. on the integration of sustainability information into companies' reporting cycle, and on indicator 12.6.1, aimed to measure the number of companies publishing sustainability reports

KEY CHALLENGES ON THE SDG REPORTING BY COMPANIES

- ❖ INTEGRATION
- ❖ HARMONIZATION
- ❖ BENCHMARKING (CORE INDICATORS)
- ❖ ALIGNMENT
- ❖ CONSISTENT MEASUREMENT
- ❖ DATA PRESENTATION AND COLLECTION
- ❖ CAPACITY BUIDLING AND COORDINATION OF ALL STAKEHOLDES

ISAR

- Intergovernmental Working Group on International Standards of Accounting and Reporting
- Established in 1983 by ECOCOC, coordinated by UNCTAD
- Open forum to address issues on enterprise accounting and reporting; 34 formal seats; annual elections by ECOSOC
- Annual sessions; 35th session will take place on 24-26 October 2018 in Geneva; registration is open
- *A main agenda item: enhancing comparability of sustainability reporting and selection of core indicators for companies reporting on their contribution towards the attainment of the Sustainable Development Goals*
- The objective of this work is to assist national policy makers, regulators, private sector representatives and other stakeholders in their efforts towards measuring the private sector contribution to the SDGs and reporting on 12.6. and 12.6.1 of the SDG monitoring framework
- Three areas:
- ✓ Medatada Guidance on 12.6.1 and
- ✓ Guidance on core SDG indicators for company reporting
- ✓ Capacity building on the SDG reporting by companies (governments and companies)

METADATA GUIDANCE ON 12.6.1

Goal:12

Target number: 12.6

Indicator Number and Name: 12.6.1
Number of companies publishing sustainability reports

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METADATA GUIDANCE ON 12.6.1

UNCTAD and UN Environment, are co-custodians of the Metadata Guidance for 12.6.1 to provide the following information:

- Definition of sustainability reporting
- Method of computation of the indicator (including key criteria)
- Rationale and interpretation
- Sources and data collection
- Disaggregation requirements
- Global monitoring

UNCTAD/ISAR PROPOSAL OF CORE SDG REPORTING INDICATORS

- Limited number of core SDG indicators for enterprise reporting as a baseline to facilitate implementation

- Based on the integration of the SDGs in business models and strategies

- As encouragement for enhanced reporting to provide a broader and coherent view of company performance

CRITERIA FOR SELECTION OF INDICATORS

- Indicators should:

    - be relevant to at least one Sustainable Development Goal monitoring indicator

    - be based on existing key initiatives or reporting frameworks and/or should be found in corporate reports

    - be universal (applicable to all reporting enterprises)

    - facilitate comparability across industries

    - address issues over which a company has control and for which it gathers data (incremental approach)

    - facilitate convergence of financial and non-financial reporting principles and data

    - be capable of consistent measurement

    - be suitable for consolidated reporting and legal entity reporting

"General purpose" SDG reporting

Core SDG indicators to meet common needs of different users of companies reporting

Core SDG Reporting indicators

Society at large

Capital providers

Other key stakeolders

Government agencies
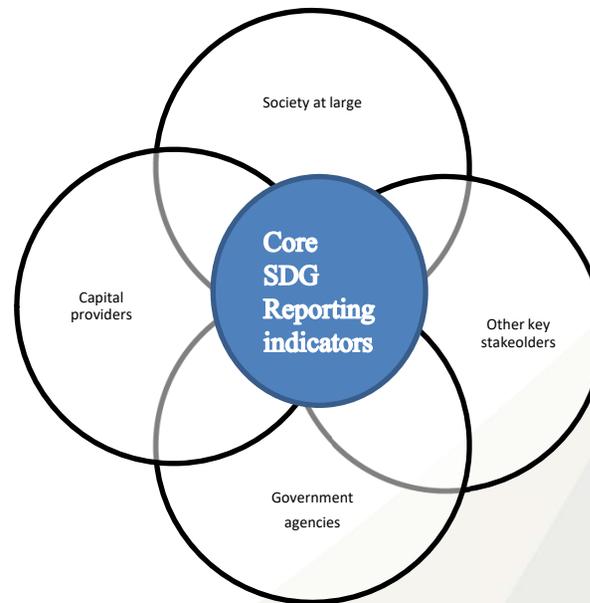
WHAT IS COMMON TO BUSINESSES

- ECONOMIC IMPACT (GDP, taxes)

- RATIONAL USE OF RESOURCES (material footprint, water, land, energy, waste generation - highlighted also by the Final Recommendations Report of the G20 Task Force on Climate-related Financial Disclosures

- RATIONAL USE OF HUMAN CAPITAL (safety, wages, gender, training, human rights)

- GOVERNANCE (resilience to corruption)

ENTERPRISE REPORTING AND THE SDGs

Goal 6

Relevant indicators:
6.3.1 Proportion fo wastewater safely treated
6.4.1 Change in water-use efficiency over time
6.4.2: Level of water stress: freshwater withdrawal as a proportion of available freshwater resources

Goal 7

Relevant indicators:
7.2.1: Renewable energy share in the total final energy consumption
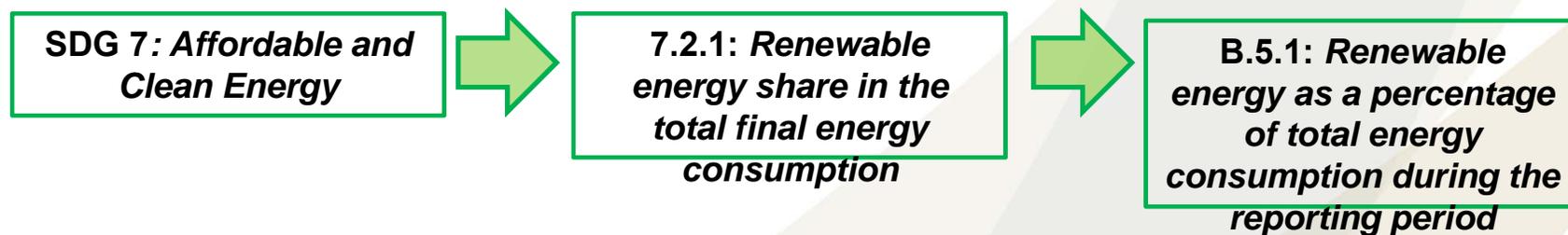*7.3.1: Energy intensity measured in terms of primary energy and GDP*

Goal 17

Relevant indicators:
17.1.2: Proportion of domestic budget funded by domestic taxes
17.17.1: Amount committed to public-private and civil society partnerships

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FROM SDGs TO CORE INDICATORS

- Logical framework:

17 Sustainable Development Goals	→	Framework of SDG targets and indicators	→	Enterprise indicators

- Example:

SDG 7: Affordable and Clean Energy	→	7.2.1: Renewable energy share in the total final energy consumption	→	B.5.1: Renewable energy as a percentage of total energy consumption during the reporting period

GENERAL ISSUES FOR DISCUSSION

➤ What areas present the biggest challenges on companies reporting on the SDGs?

➤ What are current practices on countries reporting on the private sector contribution to the SDG Agenda and on the SDG indicator 12.6.1? Are there good practices to consider?

➤ Sustainable Development Goal 12.6 states that companies should be encouraged to integrate sustainability information into their reporting cycle. How could this be facilitated and measured?

➤ What are the capacity building needs in this area?

➤ How can global forums such as ISAR further contribute to consensus-building on these core indicators, and more generally to enhancing the role of corporate reporting in the Sustainable Development Goals monitoring mechanism?