Enterprise Reporting and the 2030 Agenda for Sustainable Development

9 November 2017

Felipe Morgado
UNCTAD
The role of reporting

- **Enterprise reporting** plays a critical role in the implementation of 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.

- Conversely, the SDGs provide a framework to harmonize enterprise reporting on sustainability, and to ensure that such reporting is relevant and useful to all stakeholders.
UNCTAD and ISAR

The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

UNCTAD-ISAR, as the focal point for matters of accounting and reporting at the United Nations, has a leadership role in harnessing the synergies of the SDGs and enterprise reporting.
From the SDGs to enterprise information

Goal 6
Relevant indicators:
6.3.1 Proportion of 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
Agenda item: Enhancing comparability of sustainability reporting
Selection of core indicators for company reporting on the contribution towards the attainment of the Sustainable Development Goals
Key recent developments

- G20 Task Force on Climate-related Financial Disclosures: Final Recommendations Report
- European Commission guidelines on non-financial reporting, in support of EU Directive 2014/95/EU
- Global Reporting Initiative - UN Global Compact: the Action Platform for Business Reporting on the SDGs

Trend towards comparability across companies, consistency between financial and non-financial information, and usefulness of indicators for report users
Challenges to harmonization

- **Number** of reporting frameworks for sustainability information
- Persisting **silos** between "financial" and "non-financial" reporting
- The expansion of **materiality** with the 2030 Agenda
- **Boundary and scope** issues, especially with regard to the status of non-listed and small and medium-sized enterprises
- **Lack of resources and capacity** - especially in developing countries and countries with economies in transition
The SDG monitoring framework and reporting

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

Indicator 12.6.1
Number of companies publishing sustainability reports
Metadata guidance on indicator 12.6.1

- UNCTAD and UN Environment, as co-custodians of the Metadata Guidance for 12.6.1, are working in order 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

- The Draft Guidance offers suggestions on these points, and constitutes a starting point for discussion with our stakeholders.
The way forward

The challenge: finding a common language for accountants, statisticians, sustainability experts, and other report stakeholders