

# Goal 12: Ensure sustainable consumption and production patterns

**Target number:** 12.6

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

**Agency:** UNEP

**Has work for the development of this indicator begun?**

Yes.

SDG indicator 12.6.1 counts the number of companies publishing sustainability reports; however, the indicator does not address qualitative aspects of sustainability reporting or the adoption of sustainable practices by business, which is the main element addressed in SDG target 12.6.

The Member Governments of the GoF47 have formulated a request to its Secretariat, provided by UNEP and GRI, to support the development of metadata inputs for SDG indicator 12.6.1, in cooperation with UNCTAD. This request is also aligned with the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting's call on UNCTAD (that will join UNEP as co-lead in the work associated with indicator 12.6.1) to conduct further work with a view to identifying good corporate reporting practices on the SDGs and facilitation of harmonization of sustainability reporting.

In parallel, UNCTAD and UNEP have already embarked on a collaboration that is expected to provide substantive inputs for the development of an improved indicator that measures the contribution of companies to sustainable development across the SDGs. The collaboration seeks to determine global, cross-sector indicators for corporate sustainability reporting that connect corporate reporting with the SDG global indicator framework. The objective is to enhance comparability of current reporting approaches and methodologies and to allow for better alignment of corporate activities with the SDGs. The expected outcomes include, on the one hand, facilitating the integration of sustainable practices by companies (SDG 12.6) in alignment with the SDGs and, on the other, facilitating governments' task of follow-up and review of the SDGs through higher quality and comparable information emerging from corporate reports. The first results will be presented in an Issue Note for discussion at the 33<sup>rd</sup> session of the Intergovernmental Working Group on Experts on International Standards of Accounting and Reporting (ISAR) on 4<sup>th</sup>-6<sup>th</sup> October 2016.

**Who are the entities, including national and international experts, directly involved and consulted in developing the methodology/and or data collection tools?**

- 1) UNEP-DTIE: Elisa Tonda, Head, Responsible Industry and Value-chain Unit, [elisa.tonda@unep.org](mailto:elisa.tonda@unep.org)
- 2) UNCTAD
- 3) GRI
- 4) Governments, in particular specific Governments of the Group of Friends of Paragraph 47 (GoF47)
- 5) Sustainable Stock Exchanges Initiative
- 6) Other non-governmental organisations working in the area of sustainability reporting
- 7) Business (to be included in the multi-stakeholder working group in Phase 2)

**What is the involvement of or how do you plan to involve National Statistical Systems in the development of the methodology?**

The involvement of National Statistical Systems will be coordinated with the governments associated to this activity.

**Please briefly describe the process of developing the methodology for the indicator**

UNEP proposes to address the work in two Phases: (i) providing metadata to measure the current SDG indicator 12.6.1, and (ii) formulating an improved indicator and related metadata to fully measure SDG target 12.6.

The work will be co-led by UNEP and UNCTAD, in close collaboration with GRI, implemented within a multi-stakeholder working group including other UN agencies, governments and relevant non-governmental organisations. Business representatives will be systematically associated in the second Phase of the work, but businesses willing to support Phase 1 will be welcome.

Phase 1:

*Development of metadata to measure indicator 12.6.1.*

As a first step, UNEP proposes to formulate the necessary definitions of terms in indicator 12.6.1 (such as providing a definition of “sustainability reports”). Secondly, it is proposed that partners map the sources of information that currently provide related data. The mapping exercise must also provide solid specifications on the metadata used to populate each source of information.

In parallel, questionnaires will be submitted to governments (using the network of the GoF47 as a reference for this initiative) to gather feedback on the suitability of definitions and data sources. On this basis, it will be possible to assess existing sources of data (if any), the potential need to implement changes to existing sources or to develop new ones.

The outcomes of this work will provide the elements for the metadata to measure indicator 12.6.1 which will be submitted through UNEP to the IAEG-SDGs.

Phase 2:

*Formulation of an improved indicator for SDG target 12.6 and developing the corresponding metadata.*

The concrete work plan for the second Phase will be jointly agreed by the partners in the course of Phase 1.

**Please indicate new international standards that will need to be proposed and approved by an intergovernmental process (such as UNSC) for this methodology.**

The potential need for new international standards will be assessed within a multi-stakeholder working group as described above.

**When do you expect the methodological work on this indicator to be completed?**

The work related to Phase 1 (see above) is expected to be completed by end of December 2016. The work in Phase 2 is expected to be finalised by end 2020.

The timelines for both Phases of work are as follows:

Phase 1:

August – September 2016:	Definition of terms in indicator 12.6.1
September – October 2016:	Mapping of data sources
October – November 2016:	Distribution of questionnaires to governments (through the support of GoF47) and feedback gathering and analysis
December 2016:	Formulation of metadata for indicator 12.6.1

## Phase 2:

To be determined with partners by end 2016

### **Are data and metadata already being collected from the National Statistical System for one or more components of this indicator?**

National Statistical Systems are currently not collecting data or metadata for this indicator. However, a number of relevant sources of information on corporate sustainability reporting have been developed, as described below.

#### **If yes, please describe:**

Indicatively, the following data sources will be taken into consideration, at a minimum:

- 'SDG Target 12.6 Live Tracker' of GRI
- GRI data registry: <http://database.globalreporting.org/reports>
- 'Sustainability Code Database' of the German Council for Sustainable Development
- Corporate Knights annual Global Indexes
- Registries, indexes and databases by industry regulators such as business associations and stock exchanges

#### **How do you plan to collect the data?**

The data collection methods will emerge from a multi-stakeholder consultative process as described above. Indicatively, the data sources listed above and other, similar sources are expected to contribute to the data collection.

#### **If the indicator involves multiple components from different data sources, please describe how each individual component of the indicator will be collected here.**

The current indicator 12.6.1 does not involve multiple components.

However, and pending multi-stakeholder consultations, it is possible that an enhanced indicator emerging from Phase 2 might involve multiple components from different data sources. A description of how to eventually collect data for each of the components might therefore be necessary only for Phase 2.

#### **With what frequency is data expected to be collected?**

Indicatively, it is expected that data is collected on an annual basis. Taking into account publication dates of sustainability reports, the proposal developed by end of 2016 will recommend an ideal time in the year to collect information on indicator 12.6.1.

For the improved indicator which will be developed during Phase 2, the frequency of data collection may be different and will emerge from the work of the multi-stakeholder working group as described above.

#### **Is there a process of data validation by countries in place or planned for this indicator?**

Yes (planned).

#### **If yes, please briefly describe:**

As described above (see Phase 1), governments associated to the multi-stakeholder working group will be consulted throughout the metadata development process on the suitability of the metadata and the collection method. It is expected that the final metadata will be validated by all associated governments.

In addition, UNEP is currently preparing the project "*Enhancing capacities to manage information from corporate sustainability reporting in Latin American countries*", which is planned to be implemented from 2017-2019. The project will support specific governments of the Group of Friends of Paragraph 47 in implementing and measuring SDG target 12.6 by consolidating data from

sustainability reporting at national level. Indicatively, the project could test data collection methods emerging from Phase 1. The project and Phase 2 of the methodological work will take place in parallel and both processes have strong potential to mutually provide valuable inputs, with the project constituting an opportunity to test the application of potential new indicators.