

Goal 12

Target number: 12.6

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

Agency: UN Environment, UNCTAD

Has work for the development of this indicator begun?

Yes.

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

- 1) UN Environment-Economy Division: Elisa Tonda, Head, Consumption and Production Unit, elisa.tonda@un.org
- 2) UNCTAD: Tatiana Krylova, Head, Enterprise Branch, tatiana.krylova@unctad.org
- 3) International Organisations and non-governmental organisations working in the area of sustainability reporting or related fields: Global Reporting Initiative, International Integrated Reporting Council, World Benchmarking Alliance, International Organization for Standardization, Corporate Register
- 4) Business associations or representatives: World Business Council for Sustainable Development, Novo Nordisk, Global AI, ADEC Innovations
- 5) Governments, including Governments of the Group of Friends of Paragraph 47 (GoF47) and representatives of statistical offices

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

The Task Force includes several government representatives, some of whom represent the National Statistical Systems. Other national statistical systems will be consulted when the draft methodology proposal is finalised by the Task Force and ready for testing and further consultation.

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

Over the past two years, the two custodian agencies have carried out background research and consultations with various stakeholders, including the Intergovernmental Working Group on Experts on International Standards of Accounting and Reporting (ISAR) and member states that have been active in promoting sustainability reporting as members of the Group of Friends of Paragraph 47. Based on this, they have developed an options paper for the methodology, outlining the various components of the methodology, and proposing an approach. They have now established a Task Force composed of key actors in the field of sustainability reporting and Corporate Social Responsibility and member states who are actively promoting sustainability reporting, in order to review the proposal for the methodology and contribute to its refinement. They expect to be able to have a draft methodology ready for testing with member states by October 2018, and to submit the final metadata guidance to the IAEG by the beginning of 2019.

As currently framed, SDG indicator 12.6.1 counts the “number of companies publishing sustainability reports”. Given the varied quality of sustainability reports published by companies, the custodian agencies (UN Environment and UNCTAD) have been exploring ways to ensure that the indicator addresses qualitative aspects of sustainability reporting or the adoption of sustainable practices by business, which are the main elements addressed in SDG target 12.6. The custodians are therefore exploring an approach which would establish a minimum requirement of disclosure elements (governance, economic/financial, social and environmental) in order for a company to be counted towards the Indicator. The Indicator count would not just cover stand-alone sustainability reports, but sustainability information published under different formats. The aim of this approach is to promote more rigorous and ambitious reporting from the private sector, and to take into account and promote

the publication of non-financial information alongside financial information in addition to the publication of stand-alone sustainability reports.

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 the Task Force.

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

Date	Meeting/deadline
July – September 2018	Finalisation of draft methodology with support of Task Force
October-November 2018	Piloting of draft methodology with member states
24-26 October 2018	Presentation of proposal and consultation with ISAR
December 2018	Revision/finalisation of methodology based on feedback received from member states and from ISAR
December 2018	Final consultation with Task Force
December-January 2019	Consultation with technical committee of the Statistical Commission
February 2018	Submission of methodology proposal to IAEG-SDG for validation and Tier upgrade
March 2019	Review by IAEG-SDG
2019-2030	Data collection for all UN member countries

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 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>
- Corporate Register: <http://www.corporateregister.com/>
- ‘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. The group is currently exploring the feasibility of data for the indicator being collected nationally versus being collated globally by the custodian agencies, drawing upon existing global and national repositories.

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.

With what frequency is data expected to be collected?

It is expected that data is collected on an annual basis, given the annual publication of most reports by companies.

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

Yes (planned).

If yes, please briefly describe:

Governments associated to Task Force are 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. As previously mentioned, the group is currently exploring the feasibility of data for the indicator being collected nationally versus being collated globally by the custodian agencies, drawing upon existing global and national repositories. In the latter case, data collated by the custodian agencies would be sent to member states for consultation and validation before aggregation and publication.

(As of July 2018)