SDG 12.6.1
Number of Companies Publishing Sustainability Reports

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Overview of Presentation

1. **Introduction of SDG Indicator 12.6.1**

2. **Methodology for 12.6.1**

3. **Data Gathering Process for 12.6.1**

4. **Next Steps**

SDG Indicator 12.6.1

Target 12.6: Encourage companies to adopt sustainable practices and sustainability reporting

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

Methodology for 12.6.1
Background

Task Force Created June 2018

Task Force Review April 2019

Submission June 2019

Reporting system 2019-2020

Methodology Proposal Oct 2018–April 2019

Pilot (ongoing)

Tier II Approval Sept. 2019

Custodian Agencies

IAEG-SDGs
Inter-agency Expert Group on SDG Indicators

2021
Pilot phase / Update of methodology / Further data gathering

Methodology for 12.6.1
Core Elements

Indicator 12.6.1:
Number of companies publishing sustainability reports

What is a <u>sustainability report</u> under this indicator?

- Corporate reporting on Environmental, Social and Governance (ESG) issues (non-financial reporting)
- Methodology introduces <u>minimum reporting requirements</u> for ESG, and economic, areas.
- Other reports that include sustainability information will also be considered.

How do we report on the indicator?

- Reporting on global and country level.
- By company size and industry sector.

Not a New Reporting Framework!

SDG 12.6.1 defines a common subset of reporting areas across different frameworks:

Methodology for 12.6.1
Minimum Requirements - Examples

Institutional and governance:
- Sustainability strategy
- Governance structure
- Anti-fraud/corruption

Economic:
- Direct measure of economic performance
- Indirect measure of economic performance

Methodology for 12.6.1
Minimum Requirements - Examples

Environmental:
- Energy consumption
- Water consumption
- GHG emissions
- Other emissions and effluents
- Waste generation / minimisation and recycling practices

Social:
- Occupational health and safety
- Number of employees
- Employee training
- Unfair/illegal labour practices
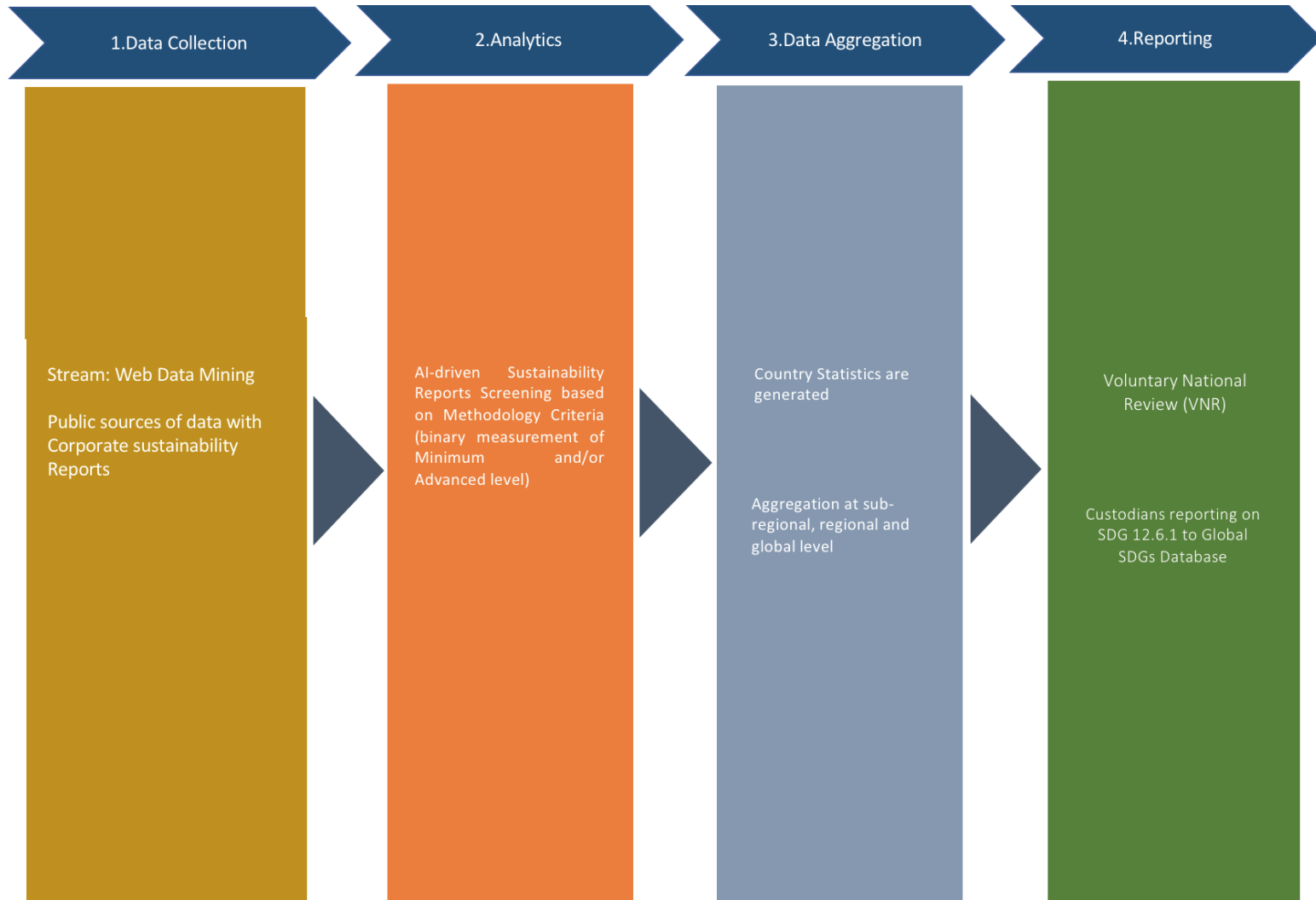- Human rights
- Diversity

Promoting Ambitious Reporting

Advanced Requirements in Methodology for 12.6.1 - Examples

- **Stakeholder engagement**

- **Supplier sustainability engagement**

- **Sustainable procurement and sourcing**

- **Environmental performance information in terms of intensity values** (e.g. consumption of energy, and water per unit of production)

Allows for tracking progress of companies moving from 'minimum' to 'advanced'

Data Gathering Process for 12.6.1

1.Data Collection	2.Analytics	3.Data Aggregation	4.Reporting
Stream: Web Data Mining Public sources of data with Corporate sustainability Reports	AI-driven Sustainability Reports Screening based on Methodology Criteria (binary measurement of Minimum and/or Advanced level)	Country Statistics are generated Aggregation at sub-regional, regional and global level	Voluntary National Review (VNR) Custodians reporting on SDG 12.6.1 to Global SDGs Database

Data Gathering Process - Pilot

- By Data Partner Global AI

- Using AI technology

- Databases of the GRI and UN Global Compact

- Pilot: over 4,000 reports collected and analyzed

- Preliminary results:
  - 85% reporting on Minimum Requirements.
  - 40% reporting on Advanced Requirements.

Next Steps

- Update of the methodology for 12.6.1 following results and learnings from pilot

  - Add to data sources, other databased, websites…

- Awareness raising at the national level:

  - How can governments encourage companies to advance sustainability reporting and report on 12.6.1?

  - Are sustainability reports being collected / how could it be organized?

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