

Trade and Development Board
Investment, Enterprise and Development Commission
Intergovernmental Working Group of Experts on
International Standards of Accounting and Reporting
Thirty-fourth session
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Core indicators for company reporting on the contribution towards the attainment of the Sustainable Development Goals

This non-paper should be read in conjunction with the background note TD/B/C.II/ISAR/81 *Enhancing comparability of sustainability reporting: Selection of core indicators for company reporting on the contribution towards the attainment of the Sustainable Development Goals*, which will be discussed at the thirty-fourth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR).

The non-paper provides additional information on UNCTAD's current selection of core indicators, including on their relevance to the Sustainable Development Goals' monitoring framework, definitions and methods of measurement based on existing reporting practice, sources in international standards and codes, and a number of issues raised by the Consultative Group members for further discussion at the thirty-fourth session of ISAR.

A. Economic area

A.1. Revenue and/or (net) value added

A.1.1. Revenue¹

Revenue is measured using the framework of International Financial Reporting Standard (IFRS) 15 *Revenues from Contracts with Customers*, effective 1 January 2018. The International Accounting Standards Board (IASB) provides detailed guidance about revenue recognition and measurement. In particular, the IASB outlines five key steps: identify the contract(s) with a customer; identify the performance obligations within the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract, and recognise revenue when (or as) the entity satisfies a performance obligation. The IASB guidance also provides detailed definitions for terms such as contract, customer, income, performance obligation, revenue and transaction price.

UNCTAD's Manual on Eco-Efficiency Indicators (UNCTAD/EEI) also refers to revenue, in line with IAS 18, which will be superseded by IFRS 15 on 1 January 2018. Revenue is defined as the gross inflow of economic benefits during a period arising in the course of the ordinary activities of an enterprise when those inflows result in an increase in equity, excluding increases relating to contributions from equity participants.

Global Reporting Initiative (GRI) standard 201-1 requires similar reporting on revenue. The GRI guidance makes references to IFRS and IAS, and defines revenue as:

- Net sales equal gross sales from products and services minus returns, discounts, and allowances; revenue from financial investments includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets (such as property rental); and revenues from sale of assets include physical assets (such as property, infrastructure, and equipment) and intangibles (such as intellectual property rights, designs, and brand names).

The International Labour Organization (ILO) is the custodian United Nations agency for indicator 8.2.1. Its metadata guidance defines gross domestic product and suggests that this aggregate be calculated based on the production side of national accounts, thereby stressing the importance of high-quality enterprise information.²

The System of National Accounts (SNA), which is an internationally agreed set of recommendations on the measurement of economic activity

¹ In addition to the sources detailed in this column, UNCTAD also acknowledges inputs provided by external stakeholders as part of a Consultative Group meeting on Sustainable Development Goal indicators, which took place on 4 April 2017, in Geneva, Switzerland.

² A repository of current metadata guidances for the SDGs can be found here: <https://unstats.un.org/sdgs/metadata>.

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| adopted by the United Nations Statistical Commission, provides extensive guidance on the accounting treatment of revenue. The SNA defines government revenue as taxes, social contributions, other current revenue, and capital transfers receivable. A revenue transaction is one that increases net worth. | |
| <i>Sources</i> | IFRS 15, ³ GRI 201-1, ⁴ UNCTAD/EEI (III.G), ⁵ SNA (Chapter 22, C.) ⁶ |
| <i>SDG indicator framework⁷</i> | 8.2.1: Annual growth rate of real gross domestic product per employed person. |
| <i>Issues for discussion</i> | - Are there differences in accounting and statistic methods for the measurement of enterprise revenue? - Should revenue also be calculated per employed person, as an enterprise-level measure of productivity? |
| A.1.2. Value added | |
| Value added is defined as revenue minus costs of goods and services purchased in UNCTAD/EEI. The latter provides more detailed definitions on the accounting treatment of the costs of goods and services by the reporting entity, in line with IFRS. | |
| This indicator is relevant because it covers only that part of the life cycle where each enterprise transforms economic, environmental, social and institutional resources into products and services. Gross value added is defined in the SNA as the value of outputs less the value of intermediate consumption. | |
| The ILO's metadata guidance for 8.2.1 requires the calculation of Gross Domestic Product, defined as "the sum of gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies on products, that is not included in the valuation of output." Explicit references to value added also exist in target 9.b, including guidance prepared by the United Nations Industrial Development Organization (UNIDO) for indicator 9.b.1 which revolves around the concept of manufacturing value-added. UNIDO and the International Energy Agency have also prepared a metadata guidance for indicator 9.4.1 which explicitly mentions value added, using the same definition as in indicator 8.2.1. This underscores the essential importance of accurate, reliable and comparable information on value added, and thus of the selection of value added as a core enterprise reporting indicator. | |
| <i>Sources</i> | UNCTAD/EEI (III.G), SNA (Chapter 1, B.). |
| <i>SDG indicator framework</i> | 8.2.1: Annual growth rate of real gross domestic product per employed person. 9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities. |

³ IFRS are issued by the IASB. A full list of IFRS can found on: <http://www.ifrs.org/issued-standards/list-of-standards>.

⁴ The GRI set of standards is available on: <https://www.globalreporting.org/standards>.

⁵ A Manual for the Preparers and Users of Eco-Efficiency Indicators, published by UNCTAD in 2003 (UNCTAD/EEI). United Nations publication, UNCTAD/ITE/IPC/2003/7, available at: http://unctad.org/en/Docs/iteipc20037_en.pdf.

⁶ The current SNA standard, published in 2008, can be accessed here: <https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>.

⁷ The current list of Sustainable Development Goal (SDG) targets and indicators, as part of discussions held by the Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs), can be found here: https://unstats.un.org/sdgs/files/meetings/iaeg-sdgs-meeting-05/Tier_Classification_of_SDG_Indicators_21_Dec_2016.pdf. Unless otherwise noted, all websites referred in this paper were accessed on 8 September 2017.

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| | 9.4.1: CO ₂ emission per unit of value added. |
| <i>Issues for discussion</i> | - How can we reconcile differences in value added measurement, arising from different national accounting or industry regulations? |
| A.1.3. Net value added | |
| <p>Net value added is defined in UNCTAD/EEI as revenue minus costs of goods and services purchased minus depreciation of tangible assets. UNCTAD's guidance suggests that this indicator is relevant for sustainability-related indicators because fixed assets (investment goods) and goods purchased should not be treated differently as both are purchased from outside of the enterprise.</p> <p>Net value added is defined in the SNA as outputs less the values of both intermediate consumption and consumption of fixed capital. This definition is consistent with that contained in UNCTAD/EEI.</p> <p>Please see above in A.1.2 for more information on the importance of value added in the measurement of indicators 8.2.1 and 9.4.1 as part of the SDGs monitoring mechanism.</p> | |
| <i>Sources</i> | UNCTAD/EEI (III.G), SNA (Chapter 6, A.). |
| <i>SDG indicator framework</i> | 8.2.1: Annual growth rate of real gross domestic product per employed person. 9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities. |
| A.2. Payments to the Government | |
| A.2.1. Taxes and other payments to the Government | |
| <p>Taxes and other payments to the Government is defined as the amount of income taxes paid and payable (recoverable in respect of the taxable profit) for a given period (encompassing not only income taxes, but also other levies and taxes, such as value added taxes). The indicator excludes the acquisition of Government assets (e.g. the purchase of formerly state-owned enterprises), as well as penalties and fines for non-compliance issues unrelated to tax payment (e.g. environmental pollution). This indicator should be reported in monetary units, according to currency used in the country of the reporting entity and the IFRS framework.</p> <p>The GRI also requires a similar disclosure in standard 201-1, defining payments to the Government as including all enterprise taxes (corporate, income, property) and related penalties paid at the international, national, and local levels. This figure does not include deferred taxes because they may not be effectively paid. Enterprises operating in more than one country are required to report taxes paid country-by-country, as well as the definition of segmentation used.</p> <p>The United Nations metadata guidance for indicator 17.1.2 is provided by the International Monetary Fund (IMF), using the Government Finance Statistics (GFS) 2014 tax classification. In the GFS, taxes are classified into six major categories: (i) taxes on income, profits, and</p> | |

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| capital gains; (ii) taxes on payroll and workforce; (iii) taxes on property; (iv) taxes on good and services; (v) taxes on international trade and transactions; and (vi) other taxes. As stated in the SNA, payments to the government are recognized as revenue in government finance. The SNA also discusses how enterprises should account for tax liabilities in their reporting cycle, spanning both paid and payable taxes. | |
| <i>Sources</i> | UNCTAD/CRI (indicator 14), ⁸ GRI 201-1, SNA (Chapter 22, C.). |
| <i>SDG indicator framework</i> | 17.1.2. Proportion of domestic budget funded by domestic taxes. |
| <i>Issues for discussion</i> | <ul style="list-style-type: none"> - Does "payable" in this context refer to the remaining liability, or to the total relating to the period? - What happens if the functional currency (as defined in IAS 1) is not the same as the currency used in the "country of the reporting entity"? - How is the country of the reporting entity defined, especially in contexts where the country of incorporation differs from the country of main enterprise activity? - Should this indicator computed on a cash or accrual basis? |

A.3. New investment/expenditures

A.3.1. Green investment/products

Green investment refers to investment that can be considered positive for the environment in a direct or indirect manner. This indicator should be measured in monetary units appropriate to the enterprise's operations, and provide a consistent explanation for why an investment should be categorized as "green". This indicator acknowledges that the definition of green investment is likely to be dependent on the enterprise's operational context.

For instance, a study commissioned by the Organization for Economic Co-operation and Development (OECD) has compiled a number of different definitions and measurements of green investment by asset classes. The study considers definitions from Working Papers prepared, among others, by UNCTAD, the OECD and the IMF. In light of the lack of international consensus, the study advocates for an open and dynamic definition of green investment.

Similarly, a report commissioned by the UN Environment Finance Initiative (UNEP-FI) and the Principles for Responsible Investment (PRI) secretariat states that there are no generally accepted definitions and standards for green investment.

A framework for assessing which types of investment should be considered "green" could draw on the methodology of the System of Environmental-Economic Accounting (SEEA) for the treatment of environmental taxes. The SEEA is an internationally agreed statistical framework for the compilation of data on the interrelationships between the economy and the environment, adopted by the United Nations Statistical Commission. Reflecting this framework, green investments would comprise those investments whose disbursement is earmarked for

⁸ Guidance on Corporate Responsibility Indicators in Annual Reports, published by UNCTAD in 2008 (UNCTAD/CRI). United Nations publication, UNCTAD/ITE/TEB/2007/6, available at: http://unctad.org/en/Docs/iteteb20076_en.pdf.

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| environmental protection. | |
| The International Energy Agency (IEA) is in the process of elaborating on the methodology for indicator 7.b.1. This methodology will draw on the IEA's experience with its World Energy Investment and Energy Efficiency Market reports. | |
| <i>Sources</i> | OECD, ⁹ UNEP-FI, PRI ¹⁰ and SEEA (4.4.3). ¹¹ |
| <i>SDG indicator framework</i> | 7.b.1. Investment in energy efficiency as a proportion of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services. |
| <i>Issues for discussion</i> | <ul style="list-style-type: none"> - What should be the appropriate boundaries for defining "green" investment? Can a baseline, minimum definition of green investment be established at the global level, across industries? - Should this indicator be reported as part of the economic or environmental area? |
| A.3.2. Community investment | |
| <p>Community investment refers to charitable donations and investments of funds in the broader community where the target beneficiaries are external to the enterprise. These include contributions to charities, non-governmental organizations and research institutes (not related to the enterprise's commercial research and development), funds to support community infrastructure (e.g. education, medical and or recreation facilities) and direct costs of social programmes (including arts and educational events). The amount included should account for actual expenditures in the reporting period, not commitments.</p> <p>For infrastructure investments, the calculation of the total investment is meant to include costs of goods and labour, in addition to capital costs. For support of ongoing facilities or programmes (such as an organization funding the daily operations of a public facility), the reported investment includes operating costs. This excludes legal and commercial activities, or where the purpose of the investment whose purpose is exclusively commercial, driven primarily by core business needs, or to facilitate the business operations of the enterprise. The calculation of investment may include infrastructure built outside the main business activities of the enterprise, such as a school or hospital for employees and their families.</p> <p>The GRI includes the same guidelines for reporting on community investments as part of standard 201-1.</p> <p>Guidance on indicator 17.17.1 has been prepared by the Public Private Partnership Unit of the World Bank. Researchers are expected to gather data from public and commercial sources with a standardized template, which is then validated and disseminated by the World Bank.</p> <p>The SNA, furthermore, provides statistical guidance on how to account for in-kind charitable donations (e.g. food aid), in order to ensure</p> | |

⁹ Inderst, G., Kaminker, Ch., Stewart, F. (2012), "Defining and Measuring Green Investments: Implications for Institutional Investors" Asset Allocations", OECD Working Papers on Finance, Insurance and Private Pensions, No.24, OECD Publishing.

¹⁰ Chatterjee, S., Fabian, N., Feller, E. (2016), "Greening Institutional Investment", Input Paper, UNEP-FI and PRI.

¹¹ The current SEEA standard, published in 2012, can be accessed here: https://seea.un.org/sites/seea.un.org/files/seea_cf_final_en.pdf.

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| consistency with financial donations. | |
| <i>Sources</i> | UNCTAD/CRI (indicator 15), GRI 201-1, SNA (Chapter 3, C.). |
| <i>SDG indicator framework</i> | 17.17.1. Amount of United States dollars committed to public-private and civil society partnerships. |
| <i>Issues for discussion</i> | - How can we define and clarify "legal" activities in the context of this indicator? |
| A.3.3. Total expenditures on research and development | |
| <p>Total expenditures on research and development is an indicator that requires disclosure, in monetary units, on the expenditure on research and development by the reporting entity during the reporting period. UNCTAD/CRI provides relevant definitions in order to measure:</p> <ul style="list-style-type: none"> • Basic research: Systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind; • Applied research: Systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met; and • Development: Systematic application of knowledge or understanding, directed toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements. <p>Expenditures should be compiled if they relate to an in-process research or development project acquired separately or in a business combination and recognized as an intangible asset; and are incurred after the acquisition of that project shall be accounted for in accordance with IAS 38, <i>Intangible Assets</i>.</p> <p>The World Bank's World Development Indicators (WDI) includes statistics on countries' expenditures on research and development as a percentage of GDP. This has been adapted by the GRI and the UN Global Compact for the enterprise-level disclosure.</p> <p>The United Nations Educational, Scientific and Cultural Organization (UNESCO) is the custodian organization for indicator 9.5.1. Its metadata guidance states that the total expenditure on research and development should be divided by the total output of the economy (GDP). UNESCO uses the OECD Frascati Manual from 2015 to define R&D as a "creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge."</p> <p>The SNA provides extensive guidance on the statistical treatment of expenditures on research and development, starting from whether it should be treated as a final or intermediate consumption element, and with variations across different productive units (e.g. research-oriented laboratories). Among others, the SNA states that research and development undertaken by market producers on their own behalf should, in principle, be valued on the basis of the estimated basic prices that would be paid if the research were subcontracted commercially, but in practice is likely to have to be valued on the basis of the total production costs including the costs of fixed assets used in production.</p> | |
| <i>Sources</i> | UNCTAD-CRI (indicator 9), IAS 38, World Bank WDI (adapted by GRI/CG), SNA (Chapter 6, F.). |
| <i>SDG indicator</i> | 9.5.1. Research and development expenditure as a proportion of GDP. |

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| <i>framework</i> | |
| <i>Issues for discussion</i> | <ul style="list-style-type: none"> - How can this indicator be reconciled with the IFRS definition of research and development (IAS 38)? - Should this indicator be presented in absolute figures, or as a proportion of enterprise revenue or turnover? - Should this indicator be filed under the economic area, or under the social area (see indicator C.2.1 below)? |
| A.4. Local supplier/purchasing programmes | |
| A.4.1. Percentage of local procurement | |
| <p>Percentage of local procurement considers an enterprise's suppliers with regard to their size and country of incorporation.</p> <p>According to the UNCTAD/CRI guidance, purchasing is defined as "local" when it concerns local products or local services, which are those produced in the same country as the reporting enterprise, or provided by an enterprise that is incorporated in the same country as the reporting enterprise, or otherwise meet the local content or entity requirements as defined by the Government of that country. Reporting entities should identify the items of local purchasing included in the reporting period, and calculate the costs, preferably on the accruals basis. The total amount of local purchasing is presented both as an absolute figure and as a percentage of total purchasing</p> <p>The GRI focuses on procurement practices and mandates the disclosure of the proportion of spending at local suppliers and significant locations of operation. Local purchases may be made either from a budget managed at the location of operation or at the enterprise's headquarters. As per standard 204-1, enterprises should report the percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation, such as percentage of products and services purchased locally; the enterprise's geographical definition of "local", and the definition used for "significant locations of operation". The percentages are required to be based on invoices or commitments made during the reporting period, using accruals accounting.</p> <p>As the custodian of indicator 9.3.1, UNIDO indicates that there is no international consensus on the requirements to be classified as "small" enterprise. UNIDO has proposed to establish a task force to give an internationally agreed statistical definition of "small" for the purpose of SDG monitoring.</p> | |
| <i>Sources</i> | UNCTAD/CRI (indicator 4), GRI 204-1. |
| <i>SDG indicator framework</i> | 9.3.1. Proportion of small-scale industries in total industry value added. |
| <i>Issues for discussion</i> | <ul style="list-style-type: none"> - How can we reconcile this indicator with the fact that there is no international consensus on the defining parameters of "small-scale" industries? - How does one define the procurement budget? - What steps are needed in order to avoid that the use of invoices does not lead to confusion in transactions where there is a delay with the reception of the relevant good/service? What quality of information is needed to substantiate the amounts presented in the invoice? |

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| B. Environmental area | |
| B.1. Sustainable use of water | |
| B.1.1. Water recycling | |
| <p>Water recycling refers to the total volume of water that a reporting entity recycles and/or reuses during the reporting period.</p> <p>UNCTAD/EEI provides definitions and guidelines on the accounting treatment of water consumption and release, including on the treatment of reporting entities' wastewater. UNCTAD's recommended disclosures include the total return flow of water.</p> <p>The United Nations Environment Programme (UN Environment) also discusses the reporting on water use, making a reference to the CDP's water questionnaire, which includes questions on water that is discharged or recycled and reused.</p> <p>GRI standard 303-3 requires reporting on water recycled and reused by the entity, both in absolute terms and as a percentage of the total water withdrawal. The GRI states that, for indicator 303-3, entities should include grey water (e.g. collected rainwater). Furthermore, when data on water or flow meters do not exist, entities are encouraged to estimate the data and provide the modelling rationale.</p> <p>Indicator 6.3.1, developed by the World Health Organization (WHO) and the United Nations Human Settlements Programme, addresses the generation of wastewater by both households and productive activities. This indicator requires reporting on the proportion of wastewater treated safely before disposal or reuse, as a percentage of total wastewater.</p> <p>According to the SNA, unintended and undesired outputs which have zero price and may be recycled or discharged into the environment should be described as "residual" flows, for statistical purposes. This term is used to cover solid waste, effluents (discharges to water) and emissions (discharges to air). The SEEA provides exhaustive statistical guidance on accounting for the physical flow of water, including tables on wastewater and reused water, defined as "wastewater supplied to a user for further use with or without prior treatment, excluding the reuse (or recycling) of water within economic units".</p> | |
| <i>Sources</i> | UNCTAD/EEI (III.B), UN Environment, ¹² CDP water questionnaire, ¹³ GRI 303-3, SNA (Chapter 29, F.), SEEA (3.5). |
| <i>SDG indicator framework</i> | 6.3.1. Proportion of wastewater safely treated. |

¹² Reference is made throughout this section to UN Environment's landmark report on environmental disclosure for enterprises: Raising the Bar - Advancing Environmental Disclosure in Sustainability Reporting, published in 2015. United Nations publication, available at: <http://web.unep.org/ourplanet/december-2015/unep-publications/raising-bar-advancing-environmental-disclosure-sustainability>.

¹³ For further information on CDP's current programme on water disclosures, see: <https://www.cdp.net/en/water>.

B.1.2. Water use efficiency

Water use efficiency refers to the change in water consumption per net value added in the reporting period. Water consumption is defined as the difference between water received and off-stream return flow, which includes the release of wastewater after use, conveyance losses, water incorporated into products and crops, water consumed by humans and livestock, water evaporated and transpired, and cooling water that is not released to a significant water body. This indicator was first advanced in the UNCTAD/EEI guidance.

UN Environment uses water consumption per unit of goods produced as a relevant measure in its Raising the Bar report. Among other sources, UN Environment refers to the CDP water questionnaire, which requires information on the water intensity of the reporting entity's operations. CDP disclosures also require qualitative information on the water context of the operation, including a mapping of available water sources and the enterprise's impact in water scarce regions.

GRI standard 303-1 requires the disclosure of the total volume of water withdrawn, with a breakdown by sources of water, as well as the standards, methodologies and assumptions used in providing the data. It is clarified that the disclosure applies to both water withdrawn directly by the reporting entity, or through intermediaries, such as water utilities.

According to the Food and Agriculture Organization (FAO), its metadata guidance on indicator 6.4.1 is expected to consider the output over time of a given sector (gross value added rather than net has been chosen here) per unit of industrial net water withdrawn (water withdrawn minus return flow), and is expressed in USD per cubic metre.

The SNA provides extensive guidance on the statistical treatment of non-financial assets, including water resources, with regard to valuation, accounting information entry, and licensing. Focusing more specifically on environmental resources, the SEEA makes a distinction between net domestic water use, which is defined as the sum of all return flows of water to the environment plus evaporation, transpiration and water incorporated into products; and final water use, which is equal to evaporation, transpiration and water incorporated into products, reflecting the quantity of water no longer available for use.

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| <i>Sources</i> | UNCTAD/EEI (III.B), UN Environment, CDP water questionnaire, GRI 303-1, SNA (Chapter 10, D.), SEEA (3.5). |
| <i>SDG indicator framework</i> | 6.4.1. Change in water-use efficiency over time. |
| <i>Issues for discussion</i> | - Should this indicator be reported as a change (current version), or instead as an absolute figure (water use efficiency during the reporting period)? - Should the measurement of water use reflect net water use, or final water use, as per the SEEA framework? |

B.1.3. Water stress

Water stress is defined as water withdrawn with a breakdown by sources (surface, ground, rainwater, waste water, water supplies from other utilities), and as a proportion of available freshwater resources.

UNCTAD/EEI provides guidance on how to compute water withdrawal, which is defined as the quantity of water that is removed from a ground

water source, or diverted from a surface water source for the reported entity's use. In the context of the UNCTAD/EEI guidance, this category does not cover water withdrawal by public water suppliers.

UN Environment's Raising the Bar report discusses developments in reporting on water withdrawal, including an example that shows the categories of actual water intake, and water intake avoided, based on reporting entities' water consumption projections. It is noted that the CDP water questionnaire also covers the area of water withdrawal. As discussed above, in indicator B.1.2, GRI 303-1 requires thorough enterprise disclosures on water withdrawal.

The FAO is the United Nations custodian agency for indicator 6.4.2. The indicator is computed as water withdrawn divided by the difference between the available renewable freshwater resources and the environmental water requirements, multiplied by 100 and expressed in cubic kilometres per year. Please see indicator B.1.2 for information about how the SNA and the SEEA address issues in water resources for statistical purposes.

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| <i>Sources</i> | UNCTAD/EEI (III.B), UN Environment, CDP water questionnaire, GRI 303-1, SNA (Chapter 10, D.), SEEA (3.5). |
| <i>SDG indicator framework</i> | 6.4.2. Level of water stress: freshwater withdrawal as a proportion of available freshwater resources. |

B.1.4. Integrated Water Resource Management

Integrated Water Resource Management is a qualitative indicator that requires enterprises to report on how they manage water use, from inflow to outflow, taking into account their operations and the water resource context.

UNCTAD/EEI suggests disclosures on the reporting entity's management's stance on water use policy. In particular, enterprises should disclose the objectives and targets regarding water use, and the measures taken to achieve such targets. Qualitative information should consider the interrelations between the entity's water use and the public wastewater system, especially in contexts of water scarcity.

Among others, UN Environment highlights the UN Global Compact's CEO Water Mandate, a public-private partnership to assist companies in the disclosure of water sustainability policies. The Mandate includes qualitative information, such as the reporting entity's water profile, including its relationship with the water resource context, as well as implications and responses.

GRI standards require that companies report on their management approach for water using standard 103, which consists of narrative disclosures on material topics in management.

UN Environment and DHI have partnered to develop guidance on indicator 6.5.1, establishing a self-assessment questionnaire structured around four pillars: enabling environments, institutions, management instruments and financing. The questionnaire requires narrative country-level information on water management sustainability. Please see indicator B.1.2 for information about how the SNA addresses issues in water resources for statistical purposes.

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| Reporting on this indicator could draw on the framework established by the SEEA for the management of water resources, which includes "activities and actions aimed at minimizing the intake of water resources" through a range of initiatives, including but not limited to: adjustment of production processes, reduction of water losses and leaks, water reuse and savings, and activities aimed at measuring, controlling and monitoring water stocks. | |
| <i>Sources</i> | UNCTAD/EEI (III.B), UN Environment, Global Compact CEO Water Mandate, ¹⁴ GRI 103, SNA (Chapter 10, D.), SEEA (Annex I, 14). |
| <i>SDG indicator framework</i> | 6.5.1. Degree of integrated water resources management implementation (0-100). |
| <i>Issues for discussion</i> | - How can this indicator be tailored to fit with the information needs of the UN Environment-DHI questionnaire? |
| B.2. Waste management | |
| B.2.1. Reduction of waste generation | |
| <p>Reduction of waste generation refers to the change in the enterprise's waste generation per net value added.</p> <p>UNCTAD/EEI defines waste generated as the total amount of all mineral, non-mineral and/or hazardous waste, and treated by a waste treatment technology defined in the Manual. The indicator excludes the amount that is treated either on-site or off-site through closed-loop recycling, reuse or remanufacturing processes.</p> <p>GRI requires the disclosure of the total weight of hazardous and non-hazardous waste, with a breakdown by disposal methods, as well as the method to determine the waste disposal method. The standard indicates that hazardous waste should be understood in the context of the national legislation definition, as the point of generation, and that non-hazardous wastewater should be excluded from the calculation. When weight data is not available, the standard allows for estimation using information on waste density, volume collected, and other figures.</p> <p>The multifaceted nature of waste may lead to the fragmentation of standards and good practices. For instance, the Food Loss and Waste Protocol has issued a Food Loss and Waste Accounting and Reporting Standard. This guideline provides information about the destination and boundary of waste, which determine its accounting treatment.</p> <p>The United Nations Statistical Division (UNSD) and UN Environment, in their metadata guidance for indicator 12.5.1. national recycling rate, have prepared a questionnaire on recycling and waste. The questionnaire requires data, among others, on "materials that are not prime products for which the generator has no further use for his own purpose of production, transformation or consumption, and which he discards, or intends or is required to discard. It excludes material directly recycled or reused at the place of generation (i.e. establishment) and waste materials that are directly discharged into ambient water or air as wastewater or air pollution." Total waste generation is obtained, according to the guidance,</p> | |

¹⁴ For further information on the CEO Water Mandate initiative, please see: <https://ceowatermandate.org>.

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| after aggregation of waste by economic sectors. | |
| As discussed in indicator B.1.1, the SNA states that solid waste should be described as a residual flow, for statistical purposes. Going further, the SEEA provides detailed guidelines for accounting for physical flow accounts, including solid waste accounts. In particular, the SEEA defines solid waste as discarded materials that are no longer required by the owner or user. | |
| <i>Sources</i> | UNCTAD/EEI (III.F), UNEP, GRI 306-2, FLW standard, ¹⁵ SNA (Chapter 29, F.), SEEA (3.6). |
| <i>SDG indicator framework</i> | 12.5. By 2030 substantially reduce waste generation through prevention, reduction, recycling and reuse. |
| <i>Issues for discussion</i> | - Should there be additional indicators on non-hazardous waste avoided (e.g. PI8177 ¹⁶), based on the organization's efforts in refurbishing/reusing/recycling as part of delivering or developing the organization's products/services during the reporting period? |
| B.2.2. Waste recycling | |
| <p>Waste recycling is measured by the percentage of recycled input materials used to manufacture the enterprise's primary products and services. This indicator is based on the GRI standard 301-2 <i>Recycled input materials used</i>.</p> <p>UNCTAD/EEI defines recycling as recovery or reuse of materials from scrap or other waste materials for the production of new goods. Energy recovery (called "thermal recycling") is not regarded as recycling, but rather as incineration. Pre-treatment processes that condition the waste for recycling are regarded as part of the recycling path. The UNCTAD guidance also makes a distinction between open-loop and closed-loop recycling, depending on whether the recycled material is returned to the processes of the reporting entity or to the market.</p> <p>According to UN Environment, comprehensive reporting on waste should typically include the total quantity and/or percentage of waste recycled/sent to a landfill and, if applicable, reused as inputs for productions and/or daily operations.</p> <p>The World Federation of Exchanges (WFE) also proposes an indicator on the total amount of waste generated, recycled, or reclaimed, by type or weight.</p> <p>In indicator 12.5.1, data about waste recycling is collected by UNSD and UN Environment by using the municipal recycling rate as a proxy. The UNSD-UN Environment questionnaire defines recycling as "any reprocessing of waste material in a production process that diverts it from the waste stream, except reuse as fuel. Both reprocessing as the same type of product, and for different purposes should be included. Recycling within industrial plants (i.e. at the place of generation) should be excluded."</p> | |

¹⁵ The Food Loss and Waste Accounting and Reporting Standard (FLW) was issued by the Food Loss and Waste protocol, a multi-stakeholder initiative whose secretariat is the World Resources Institute (WRI). The standard is available at: http://www.wri.org/sites/default/files/FLW_Standard_Exec_Summary_final_2016.pdf.

¹⁶ Disclosure PI8177 is part of the IRIS metrics, a full list of which can be found here: <https://iris.thegiin.org/metrics>.

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| Please see indicator B.2.1 for further information on the SNA and SEEA's statistical treatment of waste. Note that the SEEA provides extensive guidance on waste management, including the reuse and disposal of waste. | |
| <i>Sources</i> | UNCTAD/EEI (III.F), UN Environment, GRI 301-2, WFE, ¹⁷ SNA (Chapter 29, F.), SEEA (3.6). |
| <i>SDG indicator framework</i> | 12.5.1. National recycling rate, tons of material |
| B.2.3. Hazardous waste | |
| <p>Hazardous waste is defined as the total weight of hazardous waste, in absolute terms, as well as the proportion of hazardous waste treated, given total waste reported by the reporting entity.</p> <p>According to UNCTAD/EEI, hazardous waste classification should be based on the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Waste is classified as hazardous if it possesses any of the characteristics contained in Annex III of the Basel Convention, if it is radioactive material that is subject to national or international control systems, or which is defined as hazardous by the domestic legislation in the country where the waste is generated by the reporting entity.</p> <p>Similarly, the SEEA states that hazardous waste comprises for each country all those materials and products that are considered to be hazardous in accordance with that country's practices, including low-level radioactive waste.</p> <p>As indicated in B.2.1, GRI requires the disclosure of the total weight of waste, with a breakdown by disposal methods, as well as the method to determine the waste disposal method. The standard indicates that hazardous waste should be understood in the context of the national legislation definition, as the point of generation, and that non-hazardous wastewater should be excluded.</p> <p>UN Environment refers to the role of chemicals in the Raising the Bar report, stating that information on treatment of chemicals and hazardous waste is often fragmented.</p> <p>The OECD's framework includes an indicator on annual exposure to fine particulate matter (PM_{2.5}) air pollution, measured as the population-weighted exposure to PM_{2.5} concentrations in micrograms per cubic metre. Regarding occupational safety and health from an employee perspective, in 2017 the ILO amended its Tripartite Declaration of Principles concerning Multinational Enterprises (MNEs) and Social Policy, which makes a reference to the 1990 Chemicals Convention and Recommendation.</p> <p>UNSD and UN Environment in their work plan for indicator 12.4.2 state that the states parties to the Basel Convention must report annually on: (a) the amount of hazardous wastes generated; and (b) the amount of hazardous imported and exported and other wastes destined for reuse,</p> | |

¹⁷ The World Federation of Exchanges (WFE) has compiled a list of common sustainability disclosures, based on analysis of disclosure frameworks established by a number of different stakeholders. This compilation is available here: <https://www.world-exchanges.org/home/index.php/news/world-exchange-news/world-exchanges-agree-enhanced-sustainability-guidance>.

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| recycling or recovery operations or final disposal. | |
| <i>Sources</i> | UNCTAD/EEI (III.F), SEEA (Annex I, 3), GRI 306-2, UN Environment, OECD, ¹⁸ ILO, ¹⁹ SNA (Chapter 29, F.). |
| <i>SDG indicator framework</i> | 12.4.2. Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment. |
| B.3. Greenhouse gas emissions | |
| B.3.1. Greenhouse gas emissions (scope 1) | |
| <p>Greenhouse gas emissions (scope 1) refer to direct greenhouse gas (GHG) emissions per unit of net value added. Here scope 1 covers direct GHG emissions, while scope 2 refers to indirect GHG emissions from consumption of purchased electricity, heat or steam.²⁰</p> <p>UN Environment indicates that GHG emissions are one of the most commonly reported environmental areas, and refers to the GHG Protocol in discussing comprehensive reporting methodology for this indicator. UNCTAD/EEI also discusses the importance of accounting for GHG emissions as part of reporting on CO₂ emissions.</p> <p>The WFE proposes an indicator on GHG scope 1 with measurement in metric tons, based on the progressive consensus of existing reporting guidelines. Such consensus draws on work by the CDP, which has published detailed guidelines on GHG reporting for scopes 1, 2 and 3, including and with regard to data cleaning, bottom up estimation, and statistical treatment. It also draws on the Sustainability Accounting Standards Board's industry-specific standards, which require GHG scope 1 disclosure for airlines, among others.</p> <p>The World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) provide guidance on a corporate accounting and reporting standard for GHG emissions which takes into consideration the issue of setting organizational and operational boundaries. Among others, the guidance highlights the importance of selecting a boundary that reflects the economic reality of an enterprise's business relationships, and not merely its legal form. Boundary selection is thus underpinned by the principles of relevance, completeness, consistency, transparency and accuracy.</p> <p>Within the GRI framework, standard 305-1 covers scope 1 GHG emissions, including reporting on:</p> <ul style="list-style-type: none"> • Gross GHG emissions in metric tons of carbon dioxide equivalent, specifying the gases included in the calculation; • Biogenic carbon dioxide emissions in metric tons of carbon dioxide equivalent; • The source of emission factors and the global warming potential rates used; and • The consolidation approach for emissions (based on equity share, financial control, or operational control). | |

¹⁸ The OECD Better Life Initiative has published a Compendium of OECD well-being indicators, available at: <http://www.oecd.org/std/47917288.pdf>.

¹⁹ ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, available at: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf.

²⁰ For thorough definitions of each scope, see <http://www.ghgprotocol.org/calculation-tools/faq>.

According to the WRI, a number of countries have established mandatory GHG reporting programmes, including Australia's National Greenhouse and Energy Reporting Scheme, Japan's Mandatory GHG Accounting and Reporting System, Mexico's National Emissions Registry, or South Africa's proposed national GHG reporting programme. In light of international good practice, the WRI has issued a guide for designing GHG reporting programmes that inform energy efficiency policy development at the national and regional levels. Such guidelines support the adoption of realistic, source-specific GHG reduction strategies as part of countries' climate change mitigation strategies.

Note that the selection of appropriate boundaries is essential to the validity of data from enterprise reporting compiled by national statistical offices for the purposes of country-level reporting on GHG. The United Nations Framework Convention on Climate Change (UNFCCC) provides reporting guidelines, including the full list of GHG and other criteria for data compilation by parties to the Climate Change Convention.

UNIDO and the IEA metadata guidance on indicator 9.4.1 encompasses all types and sources of CO₂ emissions. The latter are expressed in kilograms per constant 2010 USD per unit of manufacturing value added.

The SNA and the SEEA stress that environmental accounts should allow for the appropriate comparison between physical and monetary flows in economic activities, and considers the case of input-output tables for GHG effects. More generally, these statistical frameworks also state that emissions and pollutions should be interpreted as an economic externality that has both private and social costs, to be accounted for.

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| <i>Sources</i> | UNCTAD/EEI (III.D), UN Environment, WFE, CDP, ²¹ GHG Protocol, WBCSD, ²² WRI, GRI 305-1 and national initiatives, ²³ SNA (Chapter 29, F.), SEEA (3.6). |
| <i>SDG indicator framework</i> | 9.4.1. CO ₂ emissions per unit of new value added. |
| <i>Issues for discussion</i> | - Should there be an indicator on decrease in pollution, for instance decrease in GHG emission? |

B.3.2. Greenhouse gas emissions (scope 2)

Greenhouse gas emissions (scope 2) refers to indirect GHG emissions (from consumption of purchased electricity, heat or steam) per unit of net value added.

As discussed above in indicator B.3.1, there exists significant multi-stakeholder consensus on the relevance of reporting on GHG emissions, including guidance from UN Environment, the GHG Protocol, WFE, WBCSD, CDP and WRI, among others.

²¹ CDP, formerly known as the Carbon Disclosure Project, has published extensive guidance on corporate accounting and reporting for GHG emissions. For further information, see: <https://www.cdp.net>.

²² The World Business Council for Sustainable Development (WBCSD) and WRI have partnered to provide guidance on GHG reporting by companies as part of the GHG Protocol initiative: <http://www.ghgprotocol.org/standards/corporate-standard>.

²³ The WRI has prepared guidance about the design of mandatory GHG corporate reporting frameworks at the national level, exploring case studies such as Australia, Japan, Mexico or South Africa. For more information, see: http://www.wri.org/sites/default/files/guide_for_designing_mandatory_greenhouse_gas_reporting_programs.pdf.

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| <p>Within the GRI framework, standard 305-2 covers scope 2 GHG emissions. The reporting framework is similar to 305-1, but covering scope 2 indirect GHG emissions. GRI states that other indirect emissions, such as scope 3 emissions, should be excluded from the computation of this disclosure. GRI also indicates that the reporting entity should select a consistent approach for consolidating scope 1 and scope 2 data, in a way that is consistent with the GHG Protocol.</p> | |
| <p>As indicated above in indicator B.3.1, the metadata guidance on indicator 9.4.1 encompasses all types and sources of CO₂ emissions. Furthermore, the SNA and the SEEA also consider the issue of GHG emissions and pollution in economic activity.</p> | |
| <i>Sources</i> | UNCTAD/EEI (III.D), UNEP, GRI 305-2, WFE, CDP, WRI, WBCSD, national initiatives, SNA (Chapter 29, F.), SEEA (3.6) |
| <i>SDG indicator framework</i> | 9.4.1. CO ₂ emissions per unit of new value added. |
| <i>Issues for discussion</i> | - Should the UNCTAD core indicators also consider Scope 3 GHG emissions (e.g. GRI 305-3)? |
| <p>B.4. Chemicals, including pesticides and ozone-depleting substances</p> | |
| <p>B.4.1. Chemicals, including pesticides and ozone-depleting substances</p> | |
| <p>Chemicals, including pesticides and ozone-depleting substances is an indicator on an enterprise's dependency on ozone-depleting substances (ODS) per net value added.</p> <p>UNCTAD/EEI provides extensive guidance on the accounting treatment of ODS, and defines dependency as production plus purchases and stocks of ODS. The latter are defined as substances that are controlled under the Montreal Protocol. Precise definitions of production, purchase and stocks of ODS can be found in UNCTAD/EEI. UN Environment also underlines the importance of enterprise reporting on chemicals and ODS in its Raising the Bar report. Similarly, the SEEA acknowledges the importance of avoiding adverse effects to the stratospheric ozone layer, including through economic units' use of cleaner products, treatment of exhaust gases and ventilation air, and investment in measurement and monitoring facilities.</p> <p>GRI standard 305-6 requires that companies report on their production, imports and exports of ODS, measured in metric tons of trichlorofluoromethane. This disclosure establishes that the production of ODS consists of the amount of ODS produced, minus the amount destroyed by approved technologies or used as feedstock in the manufacture of other chemicals. This standard requires that the entity discloses the substances included in the calculation, the source of the emission factors used, as well as its methodology for calculating emissions.</p> <p>Please see indicator B.2.3. for more information on the metadata guidance suggested by UN Environment and UNSD for SDG indicator 12.4.2.</p> | |
| <i>Sources</i> | UNCTAD/EEI (III.E), UN Environment, SEEA (Annex I, 1), GRI 305-6. |
| <i>SDG indicator framework</i> | 12.4.2. Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment. |

B.5. Energy consumption

B.5.1. Renewable energy

Renewable energy is measured as an enterprise's consumption of renewable energy as a percentage of its total energy consumption during the reporting period.

UN/EEI provides definitions on types of renewable energy, including solar energy, biomass, hydropower, geothermal energy, and ocean energy, as well as a series for conversion factors for consistent cross-source energy compilation. UN Environment highlights that energy consumption plays a significant role in monitoring of GHG emissions and in resource security for companies, thus providing a link between the environmental area and financial performance and risk management.

Within the GRI framework, standard 302-1 requires the disclosure of information on energy consumption within an enterprise, covering both renewable and non-renewable fuel sources. The standard measures, in joules, watt-hours or multiples, the total consumption and sale of electricity, heating, cooling and steam. It also requires sources on the conversion factors used to compile the information. In terms of boundaries, the standard calls for reporting of energy by entities owned or controlled by the enterprise.

Similarly, the CDP framework requires disclosure on energy production and consumption by an organisation, with breakdowns of energy from renewable and non-renewable fuels, associated emissions factors used, and their sources. Energy consumption sources of low carbon and renewable energy purchased, along with certification, are also required. Figures for all energy cover electricity, heating, cooling, and steam, and reported in megawatt-hours. Companies are recommended to report by the same boundaries as their annual financial report.

The World Bank's WDI includes a statistic on the percentage of renewable energy consumption out of total final energy consumption. The GRI and the Global Compact have suggested that this be adapted to the enterprise-level information.

The IEA, UNSD and the International Renewable Energy Agency use indicator 7.2.1 to account for the share of renewable resources in the final consumption of energy at national level. They define renewable energy as all forms of energy which consumption does not deplete their availability in the future such as: hydro, solid biofuels, wind, solar, liquid biofuels, biogas, geothermal, marine and waste.

The SNA and the SEEA provide extensive guidance on the valuation and accounting of energy resources and other non-produced assets. For instance, they discuss how resource depletion should be indicated in balance sheets, and the general principles for valuation to be followed.

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| <i>Sources</i> | UN/EEI (III.C), UN Environment, GRI 302-1, CDP, ²⁴ World Bank WDI (adapted by GRI/GC), SNA (Chapter 13, C.), SEEA (5.4). |
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| <i>SDG indicator framework</i> | 7.2.1. Renewable energy share in the total final energy consumption. |
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²⁴ Further information on CDP's guidance on renewable energy reporting can be found here: <https://www.cdp.net/en/campaigns/commit-to-action/energy>.

B.5.2. Energy efficiency

Energy efficiency is defined as an enterprise's energy consumption divided by net value added.

UNCTAD/EEI provides guidance on the accounting treatment of energy use, considering various forms of energy used in companies' operations. Energy use is defined as all inputs into the reporting entity whose purpose is to use its productive capacity for doing work and/or for providing heat for the reporting entity's activities, products or services. It is noted that this guidance may not be fit for energy-producing companies.

Furthermore, according to the SEEA, net domestic energy use is defined as the end use of energy products (including changes in inventories of energy products) less exports of energy products, plus all losses of energy, including during extraction, transformation, storage and distribution.

Similarly, UN Environment states that energy consumption plays a significant role in monitoring of GHG emissions and in resource security for companies, thus providing a link between the environmental area and financial performance and risk management.

The GRI framework for energy reporting requires the disclosure of information on energy consumption within an enterprise, covering both renewable and non-renewable fuel sources. The standard measures, in joules, watt-hours or multiples, the total consumption and sale of electricity, heating, cooling and steam. It also requires sources on the conversion factors used to compile the information. In terms of boundaries, the standard calls for reporting of energy by entities owned or controlled by the enterprise. In particular, standard GRI 302-3 requires that the enterprise calculate the energy intensity ratio, defined as its absolute energy consumption by an enterprise -specific metric, which could include units of product, production volume, size, number of full time employees, and monetary units.

The World Bank WDI includes statistics on the energy intensity level of primary energy. GRI and UN Global Compact have adapted this indicator to the enterprise level of reporting.

In their metadata guidance for indicator 7.3.1, UNSD and IEA define energy intensity as the energy supplier to the economy per unit value of economic output. The total energy supply is defined in International Recommendations for Energy Statistics, and GDP should be measured in constant terms at purchasing power parity.

Please see above in B.5.1. for information on the SNA treatment of energy resources.

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| <i>Sources</i> | UNCTAD-EEI (III.C), SEEA (3.4.59), UN Environment, GRI 302-3, World Bank WDI (adapted), SNA (Chapter 13, C.). |
| <i>SDG indicator framework</i> | 7.3.1. Energy intensity measured in terms of primary energy and GDP. |
| <i>Issues for discussion</i> | - Should this indicator also include other potential ratios, such as energy consumption per number of employee, of units of products? |

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| C.Social area | |
| C.1. Gender equality | |
| C.1.1. Proportion of women in managerial positions | |
| <p>Proportion of women in managerial positions is expressed by the number of women in managerial positions divided by the total number of employees.</p> <p>UNCTAD/CRI suggests reporting on the breakdown of total workforce by employees and supervised workers, by type of employment contract (permanent or temporary), by employment type (full-time or part-time) as well as by gender. The UNCTAD/CRI guidance extensive provides definitions on employment types and contracts, based on the ILO's International Standard Classification of Occupations (ISCO).</p> <p>The World Bank suggests, as part of its WDI, a statistic on the female share of employment in senior and middle management. The GRI and the UN Global Compact have suggested adapting this data set to an enterprise-level indicator.</p> <p>GRI standards require disclosure of both the percentage of individuals within the governance bodies and the percentage of employees per employee category, falling into three categories: gender, age group (under 30, 30-50 and over 50 years old) and other indicators of diversity such as minority or vulnerable group.</p> <p>As custodian of indicator 5.5.2 the ILO's metadata guidance defines middle and senior management position in line with the ISCO. Indicator 5.5.2 is computed by expressing the proportion of woman occupying a managerial position, as a percentage of all managerial positions.</p> | |
| <i>Sources</i> | UNCTAD/CRI (indicator 5), World Bank WDI ²⁵ (adapted by GRI/GC), GRI 405-1. |
| <i>SDG indicator framework</i> | 5.5.2. Proportion of women in managerial positions. |
| <i>Issues for discussion</i> | <ul style="list-style-type: none"> - How does the issue of reporting boundaries affect the measurement of workforce indicators such as C.1.1? - Are there alternatives to the ISCO that could be considered for reporting on human capital? |
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²⁵ For further information on the World Bank's WDI, see: <https://data.worldbank.org/data-catalog/world-development-indicators>.

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| C.2. Research and development | |
| C.2.1. Total expenditure on research and development | |
| For further information on this indicator, please see A.3.3. Expenditure on research and development above. | |
| <i>Sources</i> | UNCTAD-CRI (indicator 9), IAS 38, World Bank WDI (adapted by GRI/CG), SNA (Chapter 6, F.). |
| <i>SDG indicator framework</i> | 9.5.1. Research and development expenditure as a proportion of GDP. |
| C.3. Human capital | |
| C.3.1. Average hours of training per year per employee broken down by employee category | |
| <p>Average hours of training per year per employee broken down by employee category is an indicator on the enterprise-level investment in human capital.</p> <p>UNCTAD/CRI defines training as an activity that includes all types of vocational training and instruction, paid educational leave provided by the reporting entity for its employees, training or education pursued externally and paid for in whole or in part by the reporting entity as well as training on specific topics such as health and safety. Employee category is based on the ILO-issued ISCO, which provides extensive definitions of employees' tasks and duties undertaken in different job families.</p> <p>The GRI requires calculating the average hours of training that an entity's employees have undertaken during the reporting period, by gender and employee category. Employment numbers should be expressed as either head count, or full time equivalent (FTE), with methodological disclosures on the consistency of measurement between reporting periods.</p> <p>The UNESCO Institute for Statistics' metadata guidance uses the number of people in selected age groups participating in training or education activities expressed as a percentage of the population of the same age. The SNA also provides guidance on the statistical treatment of employee training - please see indicator C.3.2 below.</p> | |
| <i>Sources</i> | UNCTAD/CRI (indicator 10), ISCO, ²⁶ GRI 404-1, SNA (Chapter 1, D). |
| <i>SDG indicator framework</i> | 4.3.1. Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex. |
| <i>Issues for discussion</i> | - Are there alternatives to the ISCO that could be considered for reporting on human capital? |

²⁶ The ISCO can be found here: <http://www.ilo.org/public/english/bureau/stat/isco>.

C.3.2. Expenditure on employee training per year per employee broken down by employee category

Expenditure on employee training per year per employee broken down by employee category refers to direct and indirect costs of training, including costs such as trainers' fees, training facilities, training equipment, and related travel costs. The reporting entity should express employee numbers as either head count or FTE, and apply the approach consistently in the period, and between periods. The data should be presented with breakdown by employment category.

UNCTAD/CRI defines training as activity that includes all types of vocational training and instruction, paid educational leave provided by the reporting entity for its employees, training or education pursued externally and paid for in whole or in part by the enterprise as well as training on specific topics such as health and safety.

Similarly, GRI standard 404-2 requires reporting on an entity's programmes for upgrading employee skills and for transition assistance. However, rather than the actual expenditures, the disclosure requirement consists of narrative information on the type and scope of such programmes.

The UNESCO Institute for Statistics' metadata guidance uses the number of people in selected age groups participating in training or education activities expressed as a percentage of the population of the same age.

According to the SNA, expenditures on staff training and education should not be equated with fixed assets. Instead, expenditures on training that is given by an employer to enhance the effectiveness of staff should be treated as intermediate consumption (whereas education services produced by schools and other knowledge institutions should be seen as final consumption).

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| <i>Sources</i> | UNCTAD/CRI (indicator 11), GRI 404-2, SNA (Chapter 1, D). |
| <i>SDG indicator framework</i> | 4.3.1. Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex. |
| <i>Issues for discussion</i> | - How can this indicator, measured in monetary units, best fit the reporting criteria of SDG indicator 4.3.1? - To what extent would narrative information on training enhance the usefulness of this indicator? |

C.3.3. Employee wages and benefits with breakdown by employment type and gender

Employee wages and benefits with breakdown by employment type and gender should be reported in monetary units by the reporting entity.

UNCTAD/CRI provides definitions of employee wages and benefits, including specifications regarding short-term employee benefits, post-employment benefits, and termination benefits, in line with IAS 19 *Employee Benefits*. The reporting entity should express employee numbers as either head count or Full Time Equivalent (FTE) and use numbers at the end of the reporting period, unless there has been a material change during the reporting period. The contract type as well as full-time and part-time status of employees should be aligned with the definitions under the national laws of the country where they are based.

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| <p>GRI standards require reporting on the economic value distributed by companies, including in terms of employee wages and benefits. Companies can calculate this indicator using total payroll, including employee salaries and amounts paid to government institutions on behalf of employees, plus total benefits (excluding training, costs of protective equipment, or other cost items directly related to the employee's job function). Payments to the government, in this context, can include contributions pensions, employment taxes, levies and employment funds, among others.</p> <p>Indicator 8.5.1, prepared by the ILO, requires information on hourly earnings, disaggregated by gender but also of persons with disabilities. The ILO is also the custodian agency of indicator 10.4.1, whose metadata guidance states that "social protection transfers" include social insurance contributions payable by employers, but not payroll-related taxes. The SNA provides extensive guidance on how to account for employee compensation, encompassing both wages and benefits, in order to ensure consistency between statistical data and enterprise reporting.</p> | |
| <i>Sources</i> | UNCTAD-CRI (indicator 6), IAS 19, GRI 201-1, SNA (Chapter 7, B.). |
| <i>SDG indicator framework</i> | 8.5.1: Average hourly earnings of female and male employees, by occupation, age and persons with disabilities 10.4.1: Labour share of GDP, comprising wages and social protection transfers. |
| <i>Issues for discussion</i> | - Should this indicator be reported in absolute terms, or divided by net value added? - How can the definitions of "benefits" in this indicator be consistent with the metadata needs of indicator 10.4.1, especially in terms of treatment of taxes? |

C.4. Employee health and safety

C.4.1. Expenditures on employee health and safety

Expenditures on employee health and safety is understood as the total cost of employee health and safety, in monetary units, by adding up the figures obtained from costs of occupational safety and health-related insurance programmes, enterprise's cost of health care activities financed directly by the enterprise, and enterprise's cost incurred on working environment issues related to occupational safety and health.

UNCTAD/CRI provides further guidance on this indicator, stating that the categorization of expenditures should be in line with the ILO's Occupational Safety and Health Recommendation (R164). Expenditures counted towards this indicator should address the following at least one of the following elements:

- (a) Design, siting, structural features, installation, maintenance, repair and alteration of workplaces and means of access thereto and egress therefrom;
- (b) Lighting, ventilation, order and cleanliness of workplaces;
- (c) Temperature, humidity and movement of air in the workplace;
- (d) Design, construction, use, maintenance, testing and inspection of machinery and equipment liable to present hazards and, as appropriate, their approval and transfer;
- (e) Prevention of harmful physical or mental stress due to conditions of work;
- (f) Handling, stacking and storage of loads and materials, manually or mechanically;

- (g) Use of electricity;
- (h) Manufacture, packing, labelling, transport, storage and use of dangerous substances and agents, disposal of their wastes and residues, and, as appropriate, their replacement by other substances or agents which are not dangerous or which are less dangerous;
- (i) Radiation protection;
- (j) Prevention and control of, and protection against, occupational hazards due to noise and vibration;
- (k) Control of the atmosphere and other ambient factors of workplaces;
- (l) Prevention and control of hazards due to high and low barometric pressures;
- (m) Prevention of fires and explosions and measures to be taken in case of fire or explosion;
- (n) Design, manufacture, supply, use, maintenance and testing of personal protective equipment and protective clothing;
- (o) Sanitary installations, washing facilities, facilities for changing and storing clothes, supply of drinking water, and any other welfare facilities connected with occupational safety and health;
- (p) First-aid treatment;
- (q) Establishment of emergency plans; and
- (r) Supervision of the health of workers.

The GRI covers the topic in standard series 403, which includes disclosures on workers' representation in formal joint management-worker health and safety committees; types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities; workers with high incidence or high risk of diseases related to their occupation; and health and safety topics covered in formal agreements with trade unions.

The WHO is the custodian agency for indicators 3.8.1 *Coverage of essential health services* and 3.8.2 *Number of people covered by health insurance or a public health system per 1,000 population*. The available metadata guidance for these indicators suggests household surveys to collect this information.

The SNA also provides guidance on the statistical treatment of enterprises' contributions to employees' social insurance schemes.

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| <i>Sources</i> | UNCTAD/CRI (indicator 12), ILO R164, ²⁷ GRI 403-1, 403-2, 403-3, 403-4, SNA (Chapter 7, B.). |
| <i>SDG indicator framework</i> | 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. |
| <i>Issues for discussion</i> | - What narrative information guidelines could help companies provide context on their expenditures on employee health and safety? |
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²⁷ The full text of this recommendation can be found here: http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R164.

C.4.2. Frequency/incident rates of occupational injuries

Frequency/incident rates of occupational injuries is an indicator on work days lost due to occupational accidents, injuries and illness that can reflect the degree to which the enterprise contributes to creating a healthy, safe and productive work environment. The lost day rate refers to the impact of occupational accidents and diseases, as reflected in time off work by the affected workers. It is measured with both the frequency rates (new injury cases divided by the total number of hours worked by workers); and incident rates (number of new cases divided by average number of workers).

UNCTAD/CRI provides guidance on how companies can report on work days lost due to occupational accidents, injuries and illness. This guidance states that work days lost due to occupational accidents, injuries and illness can be expressed by comparing the total lost days against the total number of hours scheduled to be worked by the workforce in the reporting period. It should provide a breakdown according to the total workforce (i.e. total employees, plus supervised contract workers) and independent contractors working on site.

The UN Global Compact and Oxfam have partnered to establish the Poverty Footprint, which is described as a people-centred approach to assessing business impacts on sustainable development. Among others, they suggest an indicator on the frequency rate and severity of work-related injuries and occupational diseases. As part of SDG indicator 13.1, they also recommend disclosures on the number of work-related fatalities along the value chain in the last three years, including fatalities of smallholders.

GRI requires the disclosure of information on lost days, absenteeism and total number of work-related fatalities due to injury and occupational disease in standard 403-2. The indicator requires reporting by total workforce, as well as breakdowns by region and gender, and applies to both employees and independent contractors to whom an enterprise is liable for working environment safety.

The ILO's metadata guidance for indicator 8.8.1 requires information on the frequency rate of fatal and non-fatal occupational injuries, considering the number of such injuries divided by the hours worked by the concerned population during the reference period.

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| <i>Sources</i> | UNCTAD/CRI (indicator 13), UN Global Compact-Oxfam Poverty Footprint -13.1, ²⁸ GRI 403-2. |
| <i>SDG indicator framework</i> | 8.8.1. Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status. |
| <i>Issues for discussion</i> | Would it be relevant for this indicator to also comprise information along the reporting entity's value chain? |

²⁸ For more information on the Poverty Footprint, including its guide on indicators, please see <https://www.unglobalcompact.org/library/3131>.

| C.5. Coverage of collective agreements | |
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| C.5.1. Percentage of employees covered by collective agreements | |
| <p>Percentage of employees covered by collective agreements is calculated by dividing the number of covered employees to the total number of employees of the reporting entity.</p> <p>UNCTAD/CRI states that, in the context of this indicator, collective agreements could comprise agreements at the sectoral, national, regional, organizational or workplace level. In presenting the information, entities should explain the reasons for any eventual significant variation between the indicators reported and those relating to previous periods.</p> <p>This indicator is based on GRI standard 102-41, which states that collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations, on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers. Negotiations can take place at various levels.</p> <p>Note that, according to the ILO MNE Declaration, workers employed by multinational enterprises should have the right, in accordance with national law and practice, to have representative organizations of their own choosing recognized for the purpose of collective bargaining.</p> <p>GRI also requires additional disclosures, especially on whether an entity's operations and suppliers are at significant risk of incidents of child labour and/or forced or compulsory labour. Entities have to disclose their risk assessment approach, and are encouraged to draw on ILO guidance, such as the MNE Declaration.</p> <p>Indicator 8.8.2, reviewed at the 5th IAEG-SDG meeting, still needs to be approved. It aims at eradicating unfair labour practices, especially the one affecting women, and therefore suggests to disaggregate the employee category by not only gender but also migrant status.</p> | |
| <i>Sources</i> | UNCTAD/CRI (indicator 8), GRI 102-41, ILO MNE, ²⁹ GRI 102-41, GRI 408-1 GRI 409-1. |
| <i>SDG indicator framework</i> | 8.8.2. Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization textual sources and national legislation, by sex and migrant status. 8.7. Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all forms. |
| <i>Issues for discussion</i> | - Should there be an indicator on child, forced or compulsory labour? If yes, what kind of information could be required from companies? |

²⁹ Recommendations of the tripartite ad hoc working group concerning the review of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy text, annex and addenda and the interpretation procedure, available at: http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_546496.pdf.

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| D. Institutional area | |
| D.1. Corporate governance disclosures | |
| D.1.1. Number of board meetings and attendance rate | |
| <p>Number of board meetings and attendance rate refers to the number of board meetings during the reporting period, as well the attendance rate of board members.</p> <p>UNCTAD's Guidance on Good Practices in Corporate Governance Disclosure (UNCTAD/CGD) states that the enterprise's board should disclose whether it has a performance evaluation process in place, either for the board as a whole or for individual members. An important aspect of performance for board is the attendance of directors at board and committee meetings.</p> <p>Furthermore, specific requirements regarding disclosure of the frequency and procedures of board meetings can be found, for example, in the Indian Code, the King II Report and the Combined Code of the United Kingdom.</p> <p>SDG target 16.6 refers to the accountability and transparency of institutions at all levels, which at the enterprise level can encompass the governance practices of the board.</p> <p>The SNA provides guidance on enterprise control and the role of the board of directors of enterprises, especially when assessing Government-owned enterprises, in light of corporate governance best practice.</p> | |
| <i>Sources</i> | UNCTAD/CGD, ³⁰ national initiatives, SNA (Chapter 4, B.). |
| <i>SDG indicator framework</i> | 16.6. Develop effective, accountable and transparent institutions at all levels. |
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³⁰Guidance on Good Practices of Corporate Governance Disclosure, published by UNCTAD in 2006 (UNCTAD/CGD). United Nations publication, UNCTAD/ITE/TEB/2006/3, available at: http://unctad.org/en/Docs/iteteb20063_en.pdf.

| D.1.2. Number and percentage of female board members | |
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| <p>Number and percentage of female board members is an indicator that requires reporting on female board numbers both in absolute and relative terms, considering the board as a whole.</p> <p>UNCTAD/CGD provides extensive guidelines on recommended disclosures for enterprise boards, including the full disclosure of composition of boards. Furthermore, According to the IAEG-SDGs, capturing an accurate assessment of women’s representation across these different forms of political and economic leadership is a key marker of progress in achieving gender equality and women’s empowerment.</p> <p>The WFE has an indicator on board diversity that requires disclosing percentage of board seats filled by independents and women. Similarly, GRI standard 405-1 requires reporting on the diversity of governance bodies and employees, measured as the percentage of individuals within the enterprise’s governance bodies by gender.</p> <p>As custodian of indicator 5.5.2, the ILO’s metadata guidance defines middle and senior management position using the ISCO. Indicator 5.5.2 is computed by expressing the proportion of woman occupying a managerial position, as a percentage of all managerial positions.</p> <p>The SNA highlights the role of enterprise boards but provides no specific guidance on the disclosure of data of individual directors.</p> | |
| <i>Sources</i> | UNCTAD/CGD, WFE, GRI 405-1, SNA (Chapter 4, B.). |
| <i>SDG indicator framework</i> | 5.5.2 Proportion of women in managerial positions. |
| <i>Issues for discussion</i> | - How to enable consistency between his board-related enterprise indicator and the SDG reporting requirement, which mentions "managerial" positions? |
| D.1.3. Board members by age range | |
| <p>Board members by age range is calculated as the number of positions in board held by members of the target group divided by the total number of such positions. This indicator focuses on the representativeness aspect of the target, but the presence of diversity also conduces to inclusivity and responsiveness of decision-making.</p> <p>According to UNCTAD/CGD, most governance guidelines and codes of best practice address topics related to directors’ qualifications and board membership criteria. These may include experience, personal characteristics, core competencies, availability, diversity as well as age.</p> <p>The International Integrated Reporting Council (IIRC) states that an integrated report provides insight about how the enterprise’s leadership structure, including the skills and diversity (e.g. range of backgrounds, gender, competence and experience) are linked to the ability to create value.</p> <p>Indicator 16.7.1 of the IAEG-SDGs requires data on the proportion of positions (by sex, age, persons with disabilities and population groups) in public institutions. Although this indicator does not explicitly refer to private organizations, such as enterprises, there could be positive spill-</p> | |

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| <p>over effects between the public and private sectors. Furthermore, including the private sector is relevant with target 16.7, which encourages countries to ensure responsive, inclusive, participatory and representative decision-making at all levels.</p> <p>The SNA highlights the role of enterprise boards but provides no specific guidance on the disclosure of data of individual directors.</p> | |
| <i>Sources</i> | UNCTAD/CGD, IIRC, ³¹ SNA (Chapter 4, B.). |
| <i>SDG indicator framework</i> | 16.7.1: Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions. |
| <i>Issues for discussion</i> | - Would age bands be useful in enabling succinct reporting on this indicator? What would be appropriate age bands in this context? |
| <p>D.1.4. Number of meetings of audit committee and attendance rate</p> <p>Number of meetings of audit committee and attendance rate requires reporting on an enterprise's audit committee, consisting both of absolute figures and attendance figures of the board's membership.</p> <p>Additionally to the number of meetings and attendance rate of audit committee, UNCTAD/CGD states that the policy on purchasing non-audit services from the external auditor should be disclosed along with an explanation or assessment of how this policy sufficiently ensures the independence of the external auditor.</p> <p>The G20/OECD Principles of Corporate Governance state that the audit committee plays an important role in corporate governance, as it should provide oversight of the internal audit activities and should be also charged with overseeing the overall relationship with the external auditor, including the nature of non-audit services provided by the auditor to the enterprise.³²</p> <p>SDG target 16.6 refers to the accountability and transparency of institutions at all levels, which at the enterprise level can encompass the governance practices of the board.</p> | |
| <i>Sources</i> | UNCTAD/CGD, G20/OECD. |
| <i>SDG indicator framework</i> | 16.6. Develop effective, accountable and transparent institutions at all levels. |
| <i>Issues for discussion</i> | |

³¹ International <IR> Framework, 2013, available at: <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

³² G20/OECD Principles of Corporate Governance, available at: <http://www.oecd-ilibrary.org/docserver/download/2615021e.pdf?expires=1490121891&id=id&accname=guest&checksum=58E1B0B6168F69F96C894F6FDF18174C>.

D.1.5. Compensation: total and compensation per board member and executive

Compensation: total and compensation per board member and executive should be reported in monetary units by reporting entities.

UNCTAD/CGD states that enterprises should disclose the mechanism for setting directors’ remuneration and its structure. A clear distinction should be made between remuneration mechanisms for executive directors and non-executive directors. Disclosure should be comprehensive to demonstrate to shareholders and other stakeholders whether remuneration is tied to the enterprise’s long-term performance as measured by recognized criteria. Information regarding compensation packages should include salary, bonuses, pensions, share payments and all other benefits, financial or otherwise, as well as reimbursed expenses. These requirements are consistent with IAS 24, which requires disclosures on management compensation.

The G20/OECD Principles of Corporate Governance include information about board member and executive remuneration as a concern for shareholders. Of particular interest is the link between remuneration and long-term enterprise performance. Companies are generally expected to disclose information on the remuneration of board members and key executives, in order for investors to be able to assess the costs and benefits of remuneration plans and contribution of incentive schemes, such as stock option schemes, to the enterprise.

GRI standard 102-38 requires entities to disclose annual total compensation ratio that is measured as ratio of the annual total compensation for the enterprise’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

WFE also recommends reporting on Chief Executive Officer (CEO) pay ratio, including disclosures on CEO salary and bonus, and on the median FTE salary. In cases when share options for directors are used as incentives but are not disclosed as disaggregated expenses in the accounts, their cost should be fully disclosed using a widely accepted pricing model.

SDG target 16.6 refers to the accountability and transparency of institutions at all levels, which at the enterprise level can encompass the governance practices of the board. The SNA also provides extensive guidance on the statistical treatment of employee compensation as part of the distribution of enterprises' income accounts, spanning wages, in-kind payments, stock options, and other types of compensation.

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| <i>Sources</i> | UNCTAD/CGD, IAS 24, G20/OECD, GRI 102-38, WFE, SNA (Chapter 7, B.). |
| <i>SDG indicator framework</i> | 16.6. Develop effective, accountable and transparent institutions at all levels. |

| D.2. Donations (unspecified) and donations to community projects | |
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| D.2.1. Expenditures on charitable donations | |
| <p>This indicator requires disclosures on an enterprise's expenditures on charitable donations. This indicator is measured in monetary units during the reporting period.</p> <p>UNCTAD/CRI defines voluntary contributions as charitable donations and investments of funds in the broader community where the target beneficiaries are external to the enterprise. These include contributions to charities, non-governmental organizations and research institutes (not related to the enterprise's commercial research and development), funds to support community infrastructure (e.g. education, medical and or recreation facilities) and direct costs of social programmes (including arts and educational events).</p> <p>It is important that narrative information on this indicator highlight the impact of donations on sustainable issues, as well as the rationale for engagement with specific philanthropic initiatives. Total amount should be presented for the reporting period, together with an itemization of major contributions or categories of contributions (e.g. education, health and arts). The amount included should account for actual expenditures (on the accrual basis) in the reporting period, not commitments.</p> <p>Similarly, GRI standard 413-1 mandates reporting on the percentage of operations with implemented local community engagement, impact assessments and development programmes.</p> <p>The SNA, furthermore, provides statistical guidance on how to account for in-kind charitable donations (e.g. food aid), in order to ensure consistency with financial donations.</p> <p>For further information on SDG indicator 17.17.1, please see A.3.2. Community Investments.</p> | |
| <i>Sources</i> | UNCTAD-CRI (indicator 15), GRI 413-1, SNA (Chapter 3, C.). |
| <i>SDG indicator framework</i> | 17.17.1. Amount of United States dollars committed to public-private and civil society partnerships. |
| <i>Issues for discussion</i> | - Should this indicator include amounts donated to political campaigns, lobbying expenditures, or contributions to tax-exempt groups (e.g. trade associations)? If yes, should these amounts be provided on an itemized basis? |
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| D.3. Anti-corruption practices | |
| D.3.1. Amount of fines paid or payable due to convictions | |
| <p>Amount of fines paid or payable due to convictions refers to the total monetary value of corruption-related fines imposed by national regulators and courts. This indicator also requires the presentation of the total number of convictions relevant to the reporting entity.</p> <p>Note that in this area narrative information is particularly essential. For instance, a rise in the number of cases could signal both an increase in corruption, or alternatively enhanced compliance or enforcement of anti-corruption provisions.</p> <p>Corruption is internationally recognized as an obstacle to economic development and a hindrance to international trade and investment. The OECD defines corruption as the “active or passive misuse of the powers of public. According to United Nations Global Compact principle 10, businesses should work against corruption in all its forms, including extortion and bribery.”³³</p> <p>In the same vein, the GRI requires the disclosure of the total number and nature of confirmed incidents of corruption, incidents in which employees were dismissed or disciplined for corruption and incidents in which contracts with business partners were terminated or not renewed due to violations related to corruption, as well as the number of public legal cases regarding corruption brought against an enterprise or its employees and their outcomes.</p> <p>Developed by the World Bank, the metadata guidance for indicator 16.5.2 is calculated in the United Nations metadata guidance for each country from the World Bank Enterprise Surveys that are conducted every 4-5 years by private contractors with strict confidentiality.</p> | |
| <i>Sources</i> | UNCTAD/CRI (indicator 16), GRI 205-1, 205-2, 205-3, 415-1. |
| <i>SDG indicator framework</i> | 16.5.2. Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months. |
| <i>Issues for discussion</i> | - How can the UNCTAD indicators address the issue that offshore finance and tax evasion pose significant challenges to the attainment of SDG 17 and overall financing of the SDGs? |

³³ The list of the United Nations Global Compact principles can be found here: <https://www.unglobalcompact.org/what-is-gc/mission/principles>.