

Corporate Sustainability Reporting in the Context of the SDGs

Relevance to MRV of Art. 6?

Hanna Thorsteinsdottir

Production and Consumption Unit - Economy Division

UNEP

Key Topics of Presentation

1. The Sustainable Development Goals (SDGs)

- **Overview of the SDGs**
- **Link to the Paris Agreement**
- **Reporting of governments on the SDGs**

2. Corporate Sustainability Reporting

- **Link to the SDGs**
 - **SDG 12.6.1 on number of sustainability reports issued**
 - **Key drivers / frameworks / reporting on GHG emissions**
 - **Exploring the link to Article 6**
-

Sustainable Development Goals (SDGs)



- 17 Sustainable Development Goals (SDGs)
- 169 targets
- 244 indicators

How do the SDGs link to the Paris Agreement?



Examples of other SDGs that link to Climate Change



SDG Indicator 12.6.1 – Corporate Sustainability Reporting



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

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

Indicator 12.6.1 Number of companies publishing sustainability reports

Corporate Sustainability Reporting – GHG Emissions

- **Standardized corporate reporting on GHG emissions**
- **GHG Protocol Scope 1, 2 and 3**



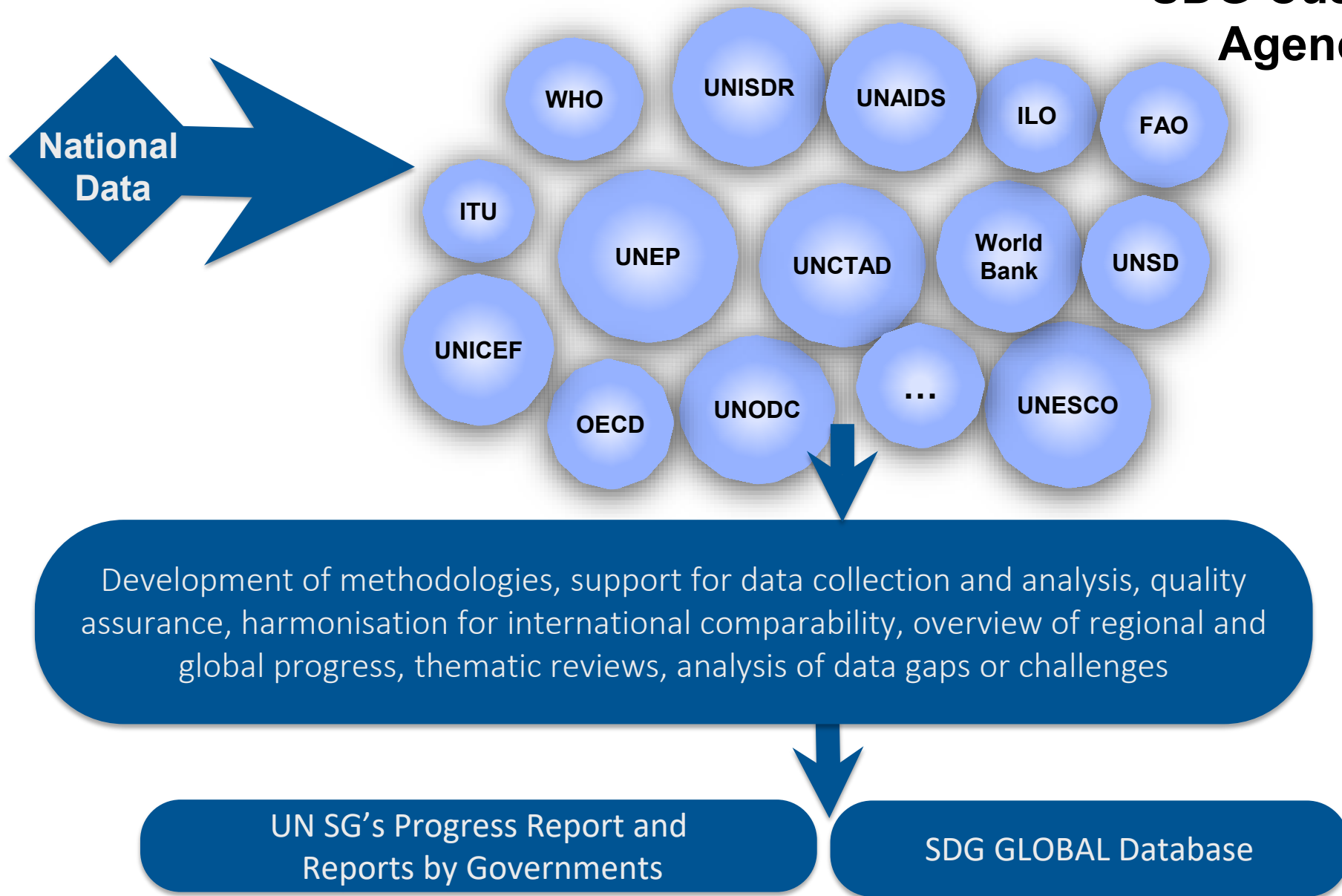
Connections between SDGs and Paris Agreement

SDGs and Article 6 of Paris Agreement are related:

- **Both are directed at governments and link to corporations**
 - **They advocate for GHG emissions reduction**
 - **Require review and monitoring cycles**
 - ...
-

Reporting on the SDGs

SDG Custodian Agencies



Government Reporting on the SDGs

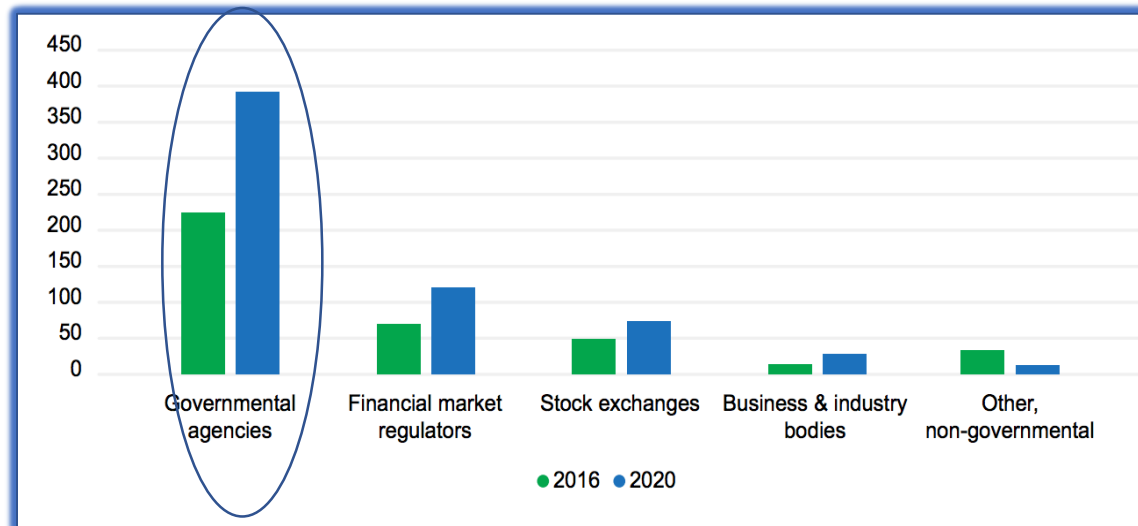
- **Varying approaches to monitoring and reporting on national progress on SDGs.**
 - **COVID-19: Progress set-back and more urgency for reaching the SDG and opportunities for "building back better".**
 - **Voluntary National Reviews (VNRs) of some governments (51 in 2020).**
 - **Annual meetings UN High Level Political Forum to monitor progress.**
 - **Different SDG focuses depending on national priorities and challenges.**
-

Corporate Sustainability Reporting – Key Drivers

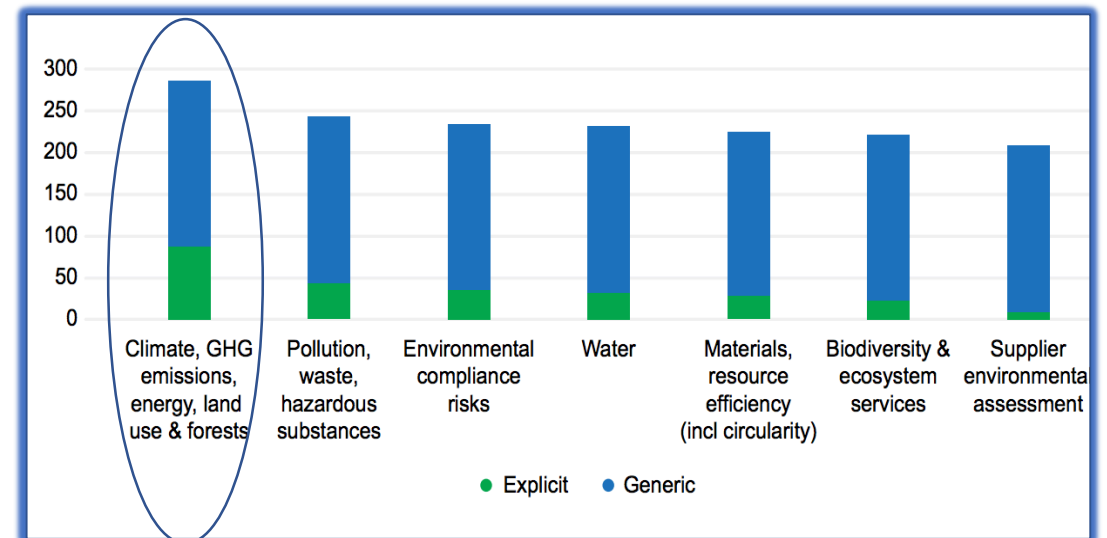
- **Government Regulation has been a key driver.**
 - **Pressure from NGOs / and other stakeholders.**
 - **Increasing investor demand for ESG information.**
 - **Growing consumer awareness.**
 - **Growing market for ‘sustainable’ products**
-

Corporate Sustainability Reporting – Government Regulation

Number of provisions by different issuer types (2016 and 2020)



Key environmental themes addressed by reporting provisions



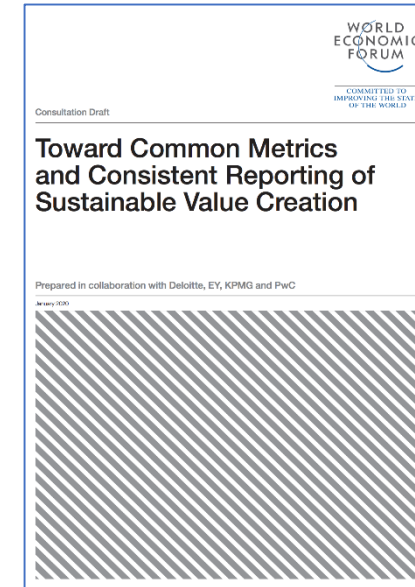
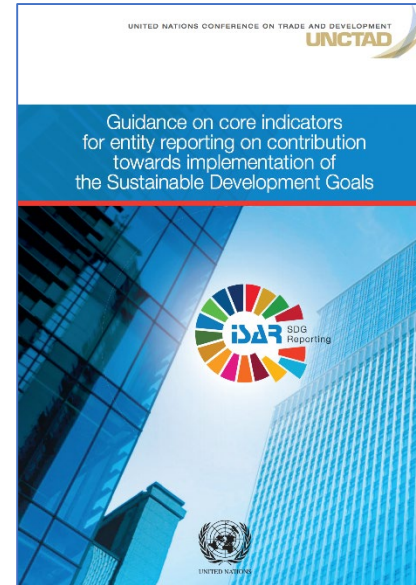
Source: 2020 "Carrots and Sticks" report, GRI and USB <https://www.carrotsandsticks.net/media/zirzbav/carrots-and-sticks-2020-interactive.pdf>

Corp. Sustainability Reporting – Examples of Frameworks



.....

Corporate Sustainability Reporting and the SDGs



.....

Growing importance of formalizing corporate contributions for attaining the SDGs

Sustainable Development Provision of Article 6

- **Can Article 6 activities help governments reach the SDGs?**
 - **Can the SDG framework assist governments / corporations promote sustainable development in the context of article 6?**
 - **Can Article 6 use or refer to the SDG framework, rather than re-invent the wheel?**
-

Thanks!
