Swiss Agency for Development and Cooperation SDC | EMSD Emerging Market Sustainability Dialogues | Columbia Center on Sustainable Investment | B3 Brasil Bolsa Balcão | FGV São Paulo School of Business Administration

Advancing the SDGs: Understanding and Improving the Role of Corporate Transparency

High-Level Roundtable Discussion,
April 19-20, 2018, at the Interchurch Center[1], New York City, NY.

The Meeting

Nearly three years after global leaders universally adopted the Sustainable Development Goals (SDGs), this meeting aims to take stock of efforts to understand how corporations are impacting achievement of those Goals, and to explore why and how to improve such understanding. This information is crucial to enabling firms to assess and improve their performance in relation to the SDGs; moreover, it is essential for other stakeholders such as policymakers, stock exchanges, investors, lenders, consumers, and employees to formulate and implement meaningful strategies designed to shape corporate behavior.

These issues may be familiar, but this meeting will focus on several complex and under-explored issues. These include the fundamental question of what it means for a company to contribute to the SDGs. While there are some early efforts to assess and report on corporate contributions to the SDGs, the critical discussion remains to be had on what should be measured and assessed, and what metrics and indicators should be used. A second key issue to be considered relates to the practices (and drivers) of emerging market firms. Many of the leading multinational enterprises from these markets are truly global leaders; others, while perhaps not making global rankings in terms of their total or foreign assets, are nevertheless extremely impactful players in their countries and home regions. Given that action on the SDGs requires action at global and local levels, it is crucial to bring these firms and their stakeholders into the discussion to assess what we know about these corporate actors' contributions to the SDGs, the factors that are shaping performance, and ways in which knowledge and performance can be improved.

Third, and related to that second point, this meeting will leverage the experience and expertise of stakeholders from different countries and regions who have been thinking about, researching, and working on these issues at the macro- and micro-levels, sharing experiences to generate further insights.

Finally, this meeting is part of a longer-term initiative aiming to promote continuing conversations, develop partnerships, and produce meaningful impacts in terms of understanding and advancing corporate contributions to the SDGs. The next meeting in our series, which will take place in Sao Paulo, Brazil, the week of July 16th (exact date TBD), will explore new tools, including the use of big data approaches) to improve collection and processing of information of firms' performance and impacts.

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[1] The Interchurch Center, 475 Riverside Drive, Auburn Theological Seminary, New York, NY.

Day 1, April 19, 2018

Light breakfast.
8:30 am – 9:00 am

Welcome remarks and introduction.
9:00 am – 9:20 am

What does it mean for a private company/investor to contribute to the SDGs?
9:20 am – 11:00 am

Companies committed to advancing a just, inclusive, sustainable and prosperous society will be eager to identify how they are contributing to the SDGs, and look for ways to enhance their contributions, ideally in synergy with their business and/or current activities. The first movement, naturally, is to make the connections between their positive impacts and the many SDGs, thus quickly setting a positive agenda, followed by plans on how to improve those impacts. There is no question that SDG-related positive impacts of businesses are welcome, as well as plans to increase them. And the same goes for mitigating negative impacts. However, is this enough to assess the contribution of a company to the SDGs? In the context of Agenda 2030, does every step in the right direction count, or is something more needed?

The preamble of Agenda 2030 states that "[a]ll countries and all stakeholders, acting in collaborative partnership, (…) are determined to take the bold and transformative steps which are urgently needed (…). As we embark on this collective journey, we pledge that no one will be left behind. The 17 Sustainable Development Goals and 169 targets (…) are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental." Therefore, one can say that doing something in favor of an SDG or SDGs is good, but might not be adequately in line with the vision, ambition, and level of commitment reflected in Agenda 2030.

Thus, the objective of this session is to engage with these issues, providing a background and framework for subsequent discussions on how to practically assess corporate contributions to the SDGs.

ESG reporting and materiality: Taking stock of the quality and relevance of information in reports for investors, policymakers, and civil society.
11:00 am – 1:00 pm

Driven by regulations, investors, consumers, management, and/or other stakeholders, corporate reporting on environmental, social and governance issues has been on the rise in firms from countries of all income levels. This section will briefly lay the groundwork in terms of what we know about the state of reporting by firms (e.g., take-up of ESG reporting and integrated reporting), and the quality and materiality of such reporting as judged by different stakeholders (e.g., investors, civil society, policymakers, academia), at different levels of firms' operations (parent v affiliate), and with respect to different impacts (environmental, social, or governance). We will also take stock of existing knowledge and open questions regarding the factors shaping these patterns. We will also discuss tools and options for going beyond company reports, such as using publicly available information to assess actual performance, risks, opportunities, and impacts.

Lunch.
1:00 pm – 2:15 pm

SDG-specific reporting and assessment.
2:15 pm – 5:00 pm

After countries' universal adoption of the UN Sustainable Development Goals (SDGs), some companies, reporting frameworks, stock exchanges, intergovernmental initiatives, investors, and others have been exploring whether and how to align corporate reporting with the SDGs. The GRI and the UN Global Compact, for instance, have established an initiative to advance corporate reporting on the SDGs; and Aviva, the UN Foundation, BSDC, and Index Initiative are collaborating on developing, funding, housing, and safeguarding "free, publicly available corporate sustainability benchmarks aligned with the SDGs." Already, investors have found that companies are increasingly referring to the SDGs in their sustainability reporting.

Such reporting can potentially be crucial for helping to understand how firms are impacting progress on the SDGs, and for identifying how to shape public and private sector policies so as to ensure that companies advancing those Goals. However, there are concerns that – besides the risk of reductionism – SDG-reporting will add further complexity to what may already be a fragmented set of reporting frameworks and initiatives, and that, if not designed and implemented thoroughly, carefully, and credibly, SDG reporting may not produce meaningful information for stakeholders.

In this section, therefore, we will take stock of initiatives on SDG-oriented reporting and assessment, their approach to Agenda 2030, as well as their advantages and disadvantages. We will further consider whether consensus can be adopted on regarding the desirability of and principles regarding such an approach.

Day 2, April 20, 2018

Light breakfast.
8:30 am – 9:00 am

Case studies on company engagement (rounds 1 and 2).
9:00 am – 12:30 pm

Building on the discussions from Day 1, the first part of Day 2 will use case studies to examine corporate efforts to report on their contributions to the SDGs. Among the questions, this session will consider are why particular companies have decided to align reporting with the SDGs, and opportunities and challenges associated with pursuing this approach. Rather than presenting their performance on sustainability, companies are expected to report on their experience and lessons learned regarding ESG/SDG reporting, including the positive and negative reactions from investors and other stakeholders.

The dynamic will be in three rounds, each one including (i) presentations of/on 2 companies (15 min each) and 1 commenter (10 min); (ii) debate in small groups (30 min); (iii) report back from small groups (30 min).

Lunch.
12:30 pm – 1:45 pm

Case studies on company engagement (round 3 & closure).
1:45 pm – 3:30 pm

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Report-backs, discussion, and next steps.
3:30 – 5:00 pm

The final session will be used to share key conclusions and recommendations from break-out groups, and identify from the two-day discussions: Areas of consensus and disagreement regarding the quality of ESG reporting and information; advantages and disadvantages of an SDG-oriented approach to reporting and assessment; and ways forward in terms of improving materiality and utility of information for all stakeholders.