



Extended course for companies

IMPLEMENTATION OF CORE SDG INDICATORS FOR SUSTAINABILITY REPORTING BY COMPANIES

STRENGTHENING COMPANIES'
TECHNICAL EXPERTISE AND CAPACITY
FOR SDG REPORTING





About the Course

The United Nations Conference on Trade and Development (UNCTAD) and ISAR – an intergovernmental body of experts on International Standards of Accounting and Reporting – have been working towards practical tools to help countries measure the contribution of the private sector to sustainable development.

After the adoption of the 2030 Agenda, UNCTAD developed indicators on the contribution of companies to the Sustainable Development Goals (SDGs) to enable the harmonization, comparability, and benchmarking of enterprise reporting. The core indicators are applicable to all companies regardless of their size or industry.

To facilitate implementation, UNCTAD issued guidance on the core indicators (GCI). One objective of GCI is to provide practical information on the measurement of universal and core SDG indicators in economic, environmental, social, and institutional areas. The GCI is intended to assist entities in providing data on sustainability issues in a consistent and comparable manner. It can also strengthen companies' expertise and capacity for sustainability reporting in general. The GCI further provides support to Governments for the assessment of the contribution of the private sector to the SDGs, enabling them to report on SDG indicator 12.6.1.

To support dissemination and capacity building, UNCTAD developed a GCI training manual. It is aimed at users in entities of all sizes, with a specific emphasis on preparers of reports in Small and Medium-Sized Enterprises (SMEs), which tend to lag behind in sustainability reporting. The manual builds on the GCI and provides detailed explanations on each indicator, including definitions, measurement methodologies and potential sources of information. It provides illustrative and numerical examples of indicator calculations, as well as examples of how these indicators have been disclosed by other companies around the world.

In addition to developing the content of the GCI and the training manual, UNCTAD tested the applicability of the core indicators in more than 20 company case studies in different countries and industries. One of the main challenges identified was the lack of technical capacity to measure and disclose the core SDG indicators. Accordingly, to further promote the uptake of the GCI training manual by companies, UNCTAD joined efforts with the United Nations Institute for Training and Research (UNITAR) to develop an e-learning course on the application of the GCI.



Course objectives

This e-learning course aims at strengthening the technical expertise and capacity of companies, including MSMEs, to report on universal and core SDG indicators in economic, environmental, social, and institutional areas of the GCI.

At the end of the course, participants will be able to:

- Define and calculate the universal and core SDG indicators.
- Critically assess existing sources of information to calculate the core SDG indicators in the company.
- Understand if a company's information systems provide the information required to calculate the core SDG indicators.
- Refer to examples of companies already using and disclosing UNCTAD's core SDG indicators.



Course Modules



Module 1 UNDERLYING PRINCIPLES OF CORE SDG INDICATORS SELECTION AND REPORTING

- Introduction to the course:
Rational and objective
- Key methodological points
- Selection criteria
- Reporting principles
- Underlying accounting data



Module 2 ECONOMIC AREA

- Revenue and/or (net) value added
- Payments to the Government
- New investment/expenditures
- Local supplier/purchasing programmes



Module 3 ENVIRONMENTAL AREA

- Sustainable use of water
- Waste management
- Greenhouse gas emissions
- Ozone – depleting substances and chemicals
- Energy consumption



Module 4 SOCIAL AREA

- Gender equality
- Human capital
- Employee health and safety
- Coverage by collective agreements



Module 5 INSTITUTIONAL AREA

- Corporate governance disclosure
- Anti-corruption practices



Methodology

The course is based on UNCTAD indicators on the contribution of companies to the Sustainable Development Goals (SDGs) and UNITAR's adult learning pedagogical principles. Each module includes readings, self-assessment activities, and quizzes, for a total period of 5 weeks. The learning activities are distributed in a way to ensure the achievement of the learning objectives in a flexible manner.

For each indicator in modules 2 through 5 a definition, measurement methodology, potential sources of information and examples of how the indicator has already been incorporated in reporting practices of companies around, is included.



Participant profile

The course is designed for supporting companies including MSMEs, from developed and developing countries, and transition economies.



Certification

A certificate of completion will be issued to participants who achieve a minimum total score of 70% in the average grade. A certificate of participation will be issued to participants who complete all mandatory activities but achieve a final score inferior to 70% in the average grade.



Module 1

UNDERLYING PRINCIPLES OF CORE SDG INDICATORS SELECTION AND REPORTING

Learning objectives:

At the end of the module, participants will be able to:

- ✓ Understand the reason for selection of the core indicators
- ✓ Be familiar with the selection criteria for the indicators
- ✓ Understand the reporting principles linked to the core SDG indicators

1.1 Key Methodological Points

- Alignment between the micro- and macro-level indicators

1.2 Selection Criteria

- Criteria considered to select the core indicators

1.3 Reporting Principles

- Reporting principles that ensure the coherence of financial and on-financial reporting models as well as allow for the consistent integration of sustainability information into company reporting cycles

1.4 Underlying Accounting data

- Data collection recorded at a disaggregated level and its consolidation into various forms according to different needs





Module 2

ECONOMIC AREA

Learning objectives:

At the end of the module, participants will be able to:

- ✓ Be able to define and calculate the following core indicators in the economic area: Revenue; Value added; Net value added; Taxes and other payments to the Government; Green investment; Community investment, Total expenditures on research and development; and Percentage of local procurement
- ✓ Be able to critically assess existing potential sources of information to calculate economic indicators in your company
- ✓ Understand if your information systems already collect the information required to calculate economic indicators
- ✓ Refer to examples of companies already using and disclosing economic indicators

2.1 Revenue and/or (net) value added

- What are the five steps required to calculate revenue in a way that established a single model for revenue recognition?
- Steps required in calculating revenue
- Difference in definition and measurement methodology between value added and net value added

2.2 Payments to the Government

- Calculation of the sum of required tax payments and the impact of differing laws between nations on this figure
- The difference between a 'tax payable' item, and a 'deferred taxes' item

2.3 New investment/expenditures

- Definition and quantification of 'green investment'
- Definition and calculation of total expenditures on research and development

2.4 Local supplier/purchasing programs

- Quantification of an entity's percentage of local procurement
- Determination of the extent of an entity's linkages with the local economy via analysis of the cost of local procurement



Module 3

ENVIRONMENTAL AREA

Learning objectives:

At the end of the module, participants will be able to:

- ✓ Be able to define and calculate the following core indicators in the environmental area: Water recycling and reuse; Water use efficiency; Water stress; Reduction of waste generation; Waste reused, re-manufactured and recycled; Hazardous waste; Greenhouse gas emissions (scope 1); Greenhouse gas emissions (scope 2); Ozone-depleting substances and chemicals; Renewable energy and Energy efficiency
- ✓ Be able to critically assess existing potential sources of information to calculate environmental indicators in your company
- ✓ Understand how to design a system to collect the information that is required to calculate environmental indicators
- ✓ Refer to examples of companies already using and disclosing environmental indicators

3.1 Sustainable use of water

- Differentiation between water recycling and water reuse
- Calculation of the total amount of water which has been recycled/reused
- Definition of water use efficiency, and the calculation of an entity's water use efficiency

3.2. Waste management

- Analysis of the change or reduction of an entity's waste generation
- Quantification of an entity's waste output
- Exploration of different water treatment options
- Characterization of hazardous waste

3.3. Greenhouse gas emissions

- Calculation of both direct and indirect greenhouse gas emissions
- Differentiation between direct and indirect greenhouse gas emissions

3.4 Ozone-depleting substances and chemicals

- Quantification of an entity's dependency on ozone-depleting substances
- Definition of ozone depleting substances

3.5 Energy consumption

- Calculation of the ratio an entity's consumption of renewable energy to its total energy consumption





Module 4

SOCIAL AREA

Learning objectives:

At the end of the module, participants will be able to:

- ✓ Be able to define and calculate the following core indicators in the social area: Proportion of women in managerial positions; Average hours of training per year per employee; Expenditure on employee training per year per employee; Employee wages and benefits, by employment type and gender; Expenditures on employee health and safety; Frequency/ incident rates of occupational injuries; Percentage of employees covered by collective agreements
- ✓ Be able to critically assess existing potential sources of information to calculate social indicators in your company
- ✓ Understand how to design a system to collect the information that is required to calculate social indicators
- ✓ Refer to examples of companies already using and disclosing social indicators

4.1 Gender Equality

- Definition of a managerial position and measurement methodology of the proportion of women in managerial positions
- Linkage between the prevalence of women in managerial roles and the SDG goals

4.2 Human capital

- Method of analyzing human capital via the scale of an entity's investment in employee training (financially and time wise)
- Calculation of employee wages and benefits as a proportion of revenue

4.3 Employee health and safety

- Calculation of the total expenses incurred by an entity to guarantee employee's health and safety as proportion of total revenue and the relation of this figure to corporate responsibility
- Quantification of the ability of an entity to build a healthy, safe and productive work environment

4.4 Coverage by collective agreements

- Defining collective bargaining and collective agreement
- Calculation of the ratio of employees covered by collective agreements





Module 5

INSTITUTIONAL AREA

Learning objectives:

At the end of the module, participants will be able to:

- ✓ Be able to define and calculate the following core indicators in the institutional area: Number of Board meetings and attendance rate; Number and percentage of female board members; Board members by age range; Number of meetings of audit committee and attendance rate; Compensation: total compensation per board member (both executive and non-executive directors); Amount of fines paid or payable due to settlements; and Average hours of training on anti-corruption issues per year per employee.
- ✓ Be able to critically assess existing potential sources of information to calculate institutional indicators in your company
- ✓ Understand how to design a system to collect the information that is required to calculate institutional indicators
- ✓ Refer to examples of companies already using and disclosing institutional indicators

5.1 Corporate governance disclosure

- Calculation of attendance rate of board meetings, and percentage of female board members
- Understanding the calculation process of the total compensation per board members (both executive and non-executive directors)

5.2 Anti-corruption practices

- Defining the boundaries of what constitutes corruption
- Understanding of the process needed to determine the sum of corruption-related fines, both paid and payable





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