

# Sustainability reporting and target setting



Significance of business reporting  
on SCP in Asia and available tools

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# Sustainability progress

- Not enough....
- Need to accelerate.

THE WORLD CONTINUES TO  
USE NATURAL RESOURCES  
**UNSUSTAINABLY**



GLOBAL MATERIAL  
FOOTPRINT  
73.2 BILLION TONS



GLOBAL MATERIAL  
FOOTPRINT  
85.9 BILLION TONS



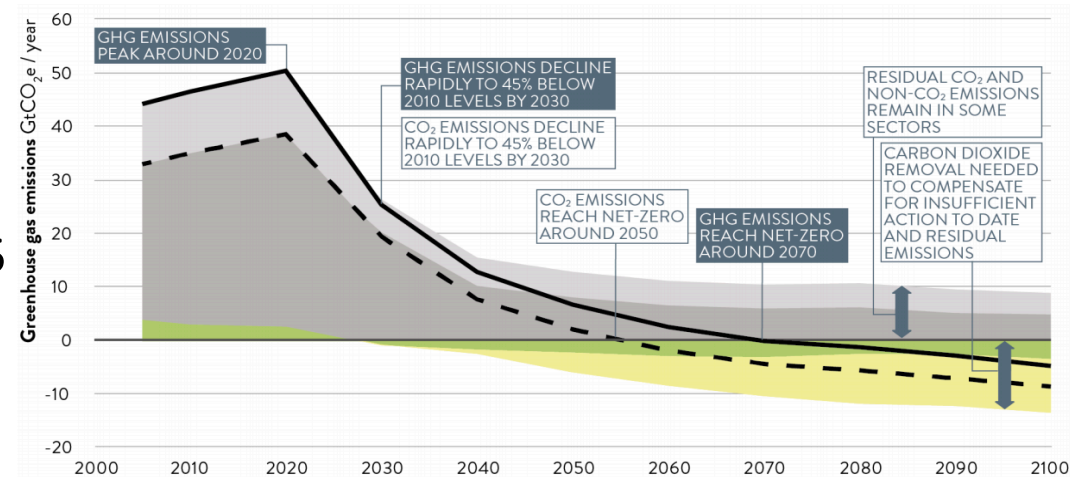
# Urgency of climate action

## Paris Agreement

- Countries agreed to keep the increase in global average temperature to well below 2 °C above pre-industrial levels, and to **pursue efforts to limit the increase to 1.5 °C.**

## This will require

- Reducing by 50% by 2030
- Reduce by another 50% by 2045
- Net zero by 2050
- 5-7% reduction per year ++
- A transformation of the global economy



Sources: Climate Analytics (2019), IPCC (2018) and International Institute for Applied Systems Analysis (2018)

# Why take action?

- The right thing to do
  - Material consumption, waste, climate, pollution – related
  - Companies are responsible for a majority of GHG emissions
  - Greenhouse gases accumulate in the atmosphere, so the ‘carbon budget’ continue shrinking – only 15 years left?
- Future proof company – manage risk and discover opportunities
  - Identify risks (physical and transition risk), prepare for future regulation and changes in consumer preferences
  - Spur innovation and competitiveness
  - Improve resource efficiency and reduce costs
  - Boost investor confidence
  - Reputation



# Guidance and commitment frameworks

## Responsible business practices

- United Nations Global Compact
- ISO 26000
- UN guiding principles on business and human rights
- OECD guidelines for multinational enterprises
- PRI
- National and sectoral



## Climate commitments

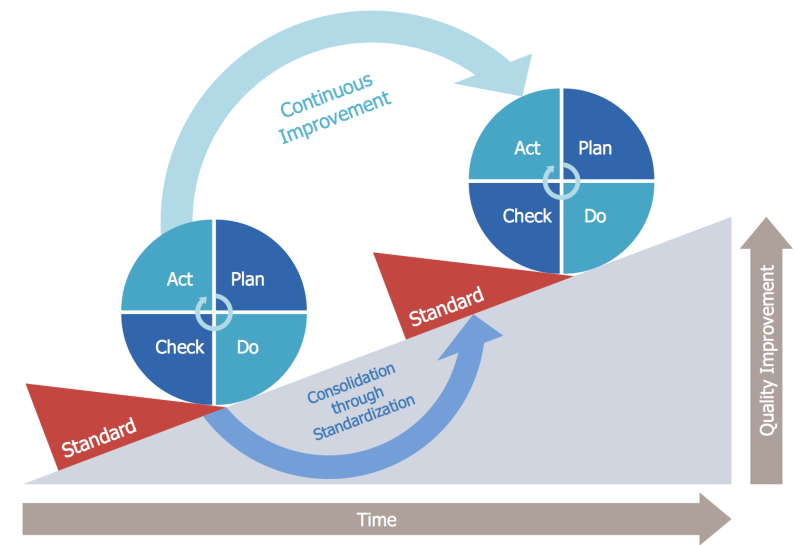
- Science Based Targets initiative (SBTi)
- Business ambition for 1.5 degrees
- Renewable Energy 100 (RE100)
- Climate Neutral Now



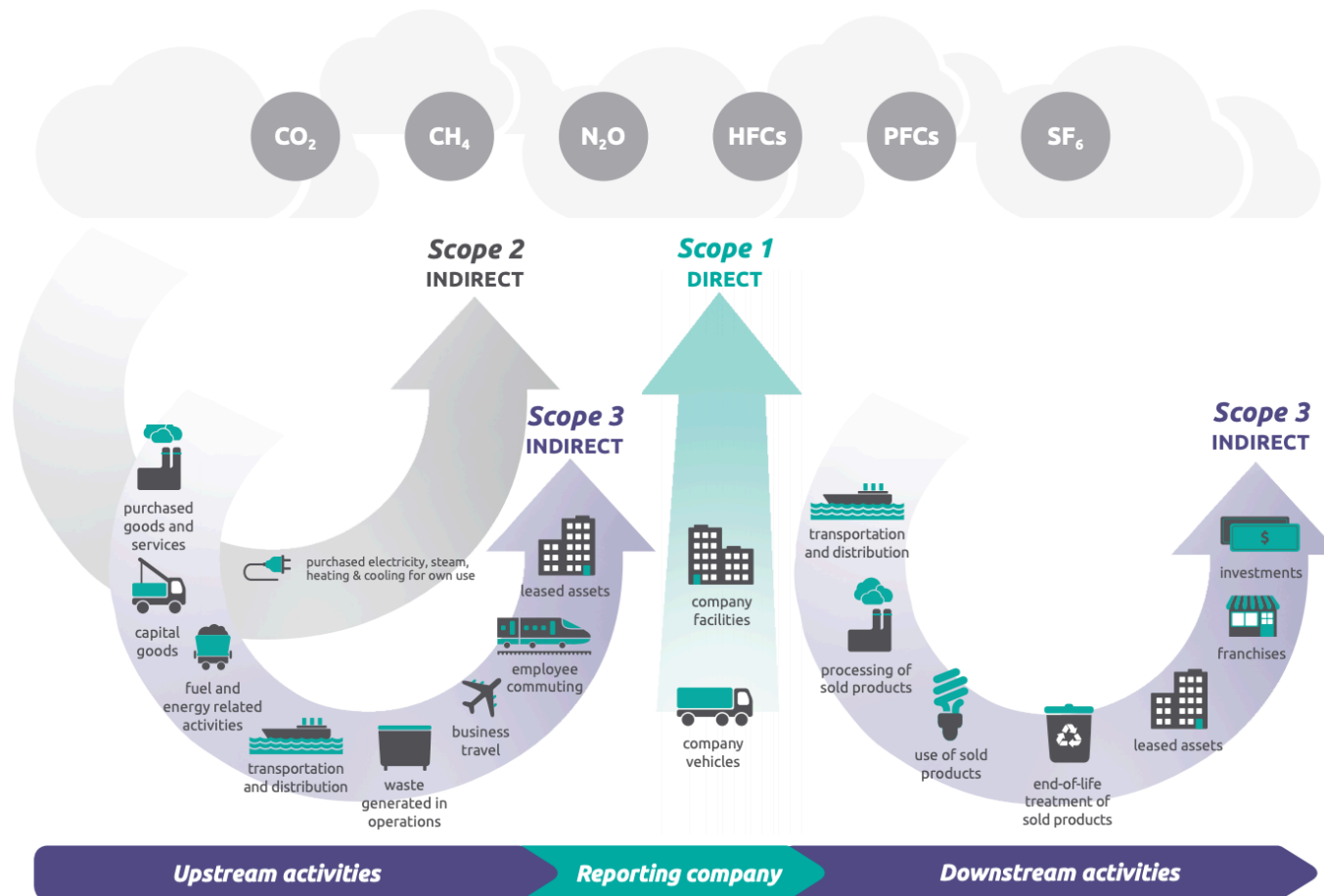
## Investors

- Climate Action 100+
- Net-zero asset owners alliance
- Etc...

# How?



# Accounting for supply chains



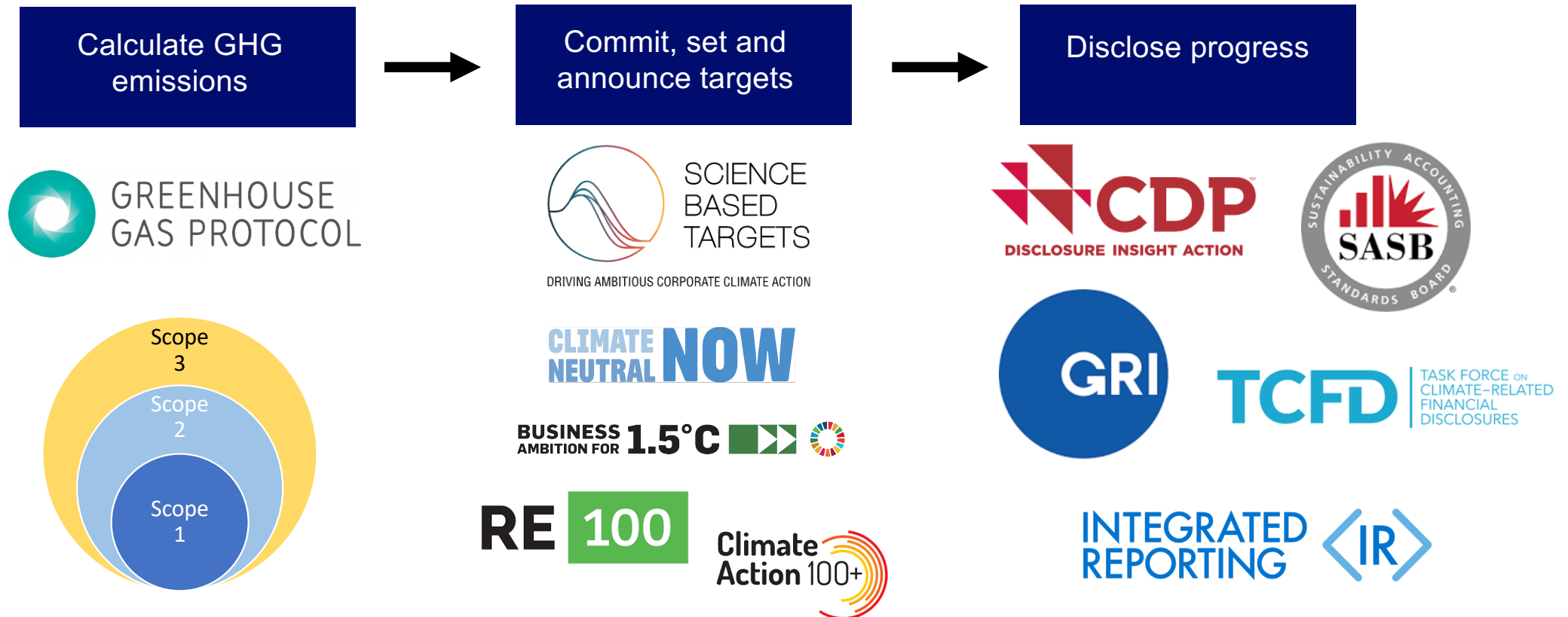
Source: Greenhouse Gas Protocol (2013). *Technical guidance for calculating Scope 3 emissions (version 1.0)*.  
[https://ghgprotocol.org/sites/default/files/standards\\_supporting/Intro\\_GHGP\\_Tech.pdf](https://ghgprotocol.org/sites/default/files/standards_supporting/Intro_GHGP_Tech.pdf)

# Disclosure and reporting frameworks

Who	What	
GRI	Most widely used. Has evolved from guidelines to a set of sustainability standards.	All companies
UN Global Compact	Participants required to report on progress annually, GRI aligned reporting encouraged.	All companies
CDP	Worldwide disclosure system for investors, enterprises, cities, states and regions to manage their environmental impacts.	Companies and investors
Sustainability Accounting Standards Board (SASB)	Focus on the relevance of ESG matters to shareholders and other financial market participants.	
Integrated reporting	Focuses on conciseness, strategic relevance and future orientation, integrating financial and non-financial reporting.	All
Greenhouse Gas protocol	Global standardized framework to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains + mitigation actions.	GHG emissions
TCFD	Supports enterprises and investors to identify concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.	Climate risk



# Relationship between tools and frameworks



## In summary

- The right thing to do
- Good for long-term competitiveness
- Stakeholder collaboration key to leaving no-one behind
- Continuous improvement
- Many tools and commitment frameworks exist to guide
- Reporting and disclosure frameworks important for transparency, accountability and investor confidence
- Corporate commitment at the top needed for driving ambitious targets



# Thank You

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