

**APPLICATION OF THE UNIVERSAL SYSTEM  
OF INDICATORS DESCRIBING THE CONTRIBUTION  
TOWARDS IMPLEMENTATION OF THE SDGs  
AS AN INSTRUMENT ENSURING THE COMPARABILITY  
OF NON-FINANCIAL REPORTING**

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Розглянуто ключові виклики введення звітності зі сталого розвитку. Визначено проблемні аспекти її складання, зокрема відсутність можливості порівнювати звіти зі сталого розвитку між компаніями, галузями, географічними районами, країнами. Обґрунтовано з метою вирішення зазначеної проблеми доцільність дотримання підходу Інструкція за ключовими показниками звітності компаній за вкладом в досягнення ЦСР, розробленого ISAR-UNCTAD.

**Ключові слова:** сталий розвиток, моніторинг досягнення цур, нефінансова звітність, ключові показники.

Рассмотрены ключевые вызовы введение отчетности по устойчивому развитию. Определены проблемные аспекты ее составления, в частности отсутствие возможности сравнивать отчеты по устойчивому развитию между компаниями, отраслями, географическими районами, странами. Обоснованно с целью решения указанной проблемы целесообразность соблюдения подхода Руководства по ключевым показателям отчетности компаний по вкладу в достижение ЦСР, разработанного ISAR-UNCTAD.

**Ключевые слова:** устойчивое развитие, мониторинг достижения ЦУР, нефинансовая отчетность, ключевые показатели.

Widespread practice at the global level is to promote and encourage companies to make an input into civilization problem by implementation of the responsible business practice. It caused the recognition of corporate social responsibility as an effective instrument of the intergovernmental policy, development and continuous updating of the international initiatives connected in direct or indirect way with the elements of sustainable development.

The international initiatives have to form the institutional environment which consists of the coordinated and understandable norms and provisions. In the conditions of uncertainty, it allows to coordinate expectations of the state and society concerning business ethics and impact of companies' activities on society and the environment. At the same time for today in the world there are more than twenty recognized international recommendations and initiatives on preparation of non-financial reporting. The consequence is the inability to compare the data disclosed in sustainable reporting between companies, industries, geographical areas, countries. This significantly complicates the ability to unify companies' non-financial reporting to improve the mechanism of identification of indicator 12.6.1 as an important instrument for assessment of the private sector's contribution to the implementation of the Sustainable Development Goals (hereafter SDG) defined by the UN Agenda 2030 and framework for monitoring of SDGs attainment [1].

In recent years, general task for improvement and updating the initiatives on sustainable reporting is to strengthen the provisions and requirements to transparency and comparability of non-financial reporting data and to unify the approaches for its preparation. Mentioned above trends are the objects for scientific discourse. The approaches for expanding the non-financial reporting are being investigated [2, 3]. The comparative analysis of impact of non-financial information disclosure on corporate social responsibility is carried out [4, 5]. Different countries' scientists estimate in a critical way the implementation of non-financial reporting and impact of disclosure of non-financial information in corporate social responsibility [6, 7, 8].

At the same time, there is no single approach for unification of the requirements for non-financial reporting and alignment of company's core

indicators with macrolevel indicators of SDGs' attainment in appropriate areas.

Intergovernmental working group of experts in international standards on accounting and reporting United Nations Conference on Trade and Development (hereafter – UNCTAD-ISAR) (Geneva, Switzerland) carries the work on alignment of company's indicators on their contribution to the SDGs' attainment with the same indicators at national and global level. UNCTAD-ISAR recommendations in the area of preparation of financial reporting are implemented in 144 of 166 jurisdictions regulating the accounting policy [9]. The general result of UNCTAD-ISAR work in the area of non-financial reporting is the development of Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals (hereafter – GCI) published in May, 2019 [12]. The GCI is based on the results of the previous UNCTAD-ISAR work in such areas as environmental reporting and energy efficiency indicators. The last is serves as a methodological basis for integration of environmental and financial activities at the entities' level, corporate social responsibility and disclosure of information on corporate management [9, 10, 11].

The GCI objective is to provide the practical information on measurement of SDGs' attainment indicators and its alignment with the SDGs' monitoring system. The suggested in the GCI list of core indicators include the economic, environmental, social and institutional aspect of companies' activities. The general attention in GCI is paid on universal quantitative indicators and methodology for their calculation. These indicators are relevant for companies irrespective of kind of activities, industry, country. The disclosure of indicators provided by the GCI in the area of sustainability reporting is aimed to promote not only the transparency of the data on companies' impact on economy, environment, society but also to ensure the comparability between companies, industries, geographical segments, countries.

During 2019 under the auspices of UNCTAD-ISAR the Case Study of selected companies' reporting on their contribution towards implementation the SDGs in different countries such as Germany, Portugal, Kenya, Ukraine, Russia was conducted. General attention of

the Case Study was paid to discussion of the consistency of companies' core indicators with macrolevel indicators of SDGs' attainment in the appropriate area and ensuring the country's necessity to collect statistical data on its (countries) progress in SDGs' attainment. Also, the mentioned attention was paid to measuring the private sector contribution to SDGs' implementation. Presentation of the Case Study results will be in October 2019 at the 26 UNCTAD-ISAR Session. The next issues will be discussed at the 36 UNCTAD-ISAR Session: how the GCI indicators will enhance the comparability, data and methodology consistency of financial and non-financial reporting; how to enhance the comparability of sustainable reporting data further.

Furthermore, the application of the GCI approach will contribute not only to unification of company's non-financial reporting, but also to their activities' transparency. In addition, the GCI will help the private sector representatives in their intentions to enhance the quality and usefulness of the reporting in the SDGs' monitoring system due to the process of implementation of the 2030 Agenda for Sustainable Development. The transparency of the companies' activities will lead to attainment of SDG 12 Ensure sustainable consumption and production patterns, in particular, indicator 12.6.1 aimed to assess the number of companies publishing sustainability reports.

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