Reporting matters 2020

wbcsd

In partnership with ry.

Agenda

1

Introduction to WBCSD and Redefining Value (ENG)

2

Project overview and key findings (IT)

3

Q&A

wbcsd

1: Welcome

Who we are

The World Business Council for Sustainable Development is a global, CEO-led organization of 200 forward thinking businesses working together to accelerate the transition to a sustainable world.

WBCSD Vision:
A world where more than nine billion people are all living well and within the boundaries of our planet by 2050.

GLOBAL

Our 200 members span across the globe and all economic sectors.

We have 60+ **National Business Councils** around the world.

UNIQUE BUSINESS-FOCUSED PLATFORM

A diverse business community across sectors and regions.

Peer to peer exchange of challenges, idea and expertise.

CEO-LED

WBCSD is oriented towards collective action and led by the CEOs of our member companies.

MARKET-DRIVEN

We strive to make sustainable companies more competitive.

We represent the voice of business to goverment and policy decision makers.

Our Mission: To accelerate the transition to a sustainable world by making more sustainable businesses more successful.

WHAT WE DO

We empower business to **transform six economic systems** and contribute to the **Sustainable Development Goals, the Paris Agreement** and to **WBCSD's Vision 2050.**

Redefining Value's context

Financial and non-financial systems serve different purposes, are influenced by different stakeholders and are misaligned, creating a disconnect.

Financial system

Disconnect

Non-financial system

Efficiently allocates financial capital but does not focus on equity, fairness or other capitals

Recognizes other capitals and goals of sustainability but doesn't integrate into financial system

The landscape is changing quickly

Business is facing pressure to get serious about changes required.

The world after covid-19

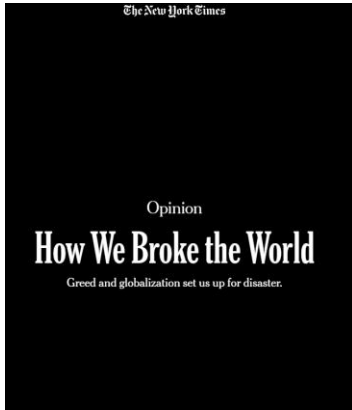## Mark Carney on how the economy must yield to human values

In recent years, the market economy has become the market society. The virus could reverse that trend

Opinion **Risk Management**

Is it safe? How to handle risks you cannot easily calculate

A previously simple decision of whether to reopen an office is now freighted with mortal peril

The everyone economy: how to make capitalism work for all

The New York Times

Opinion

How We Broke the World

Greed and globalization set us up for disaster.

Stakeholder Capitalism: A Manifesto for a Cohesive and Sustainable World

Published

· The World Economic Forum Annual Meeting 2020 will convene under the theme, Stakeholders for a Cohesive and Sustainable World

Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'

principles for the age of purposeful business

Stakeholder capitalism is urgently needed - and the COVID-19 crisis shows us why

The transformations needed

WBCSD's Vision 2050 establishes a goal, by 2050 of 9+ billion people living well within the limits of the planet.

To get there, we need:

- More well-run companies, making better decisions, that deliver the necessary product, service and business model innovations that contribute to a flourishing society.

- Capital markets that properly value inclusive, impactful, innovative sustainable business practices, rewarding the most sustainable companies; those that do not manage ESG risks and opportunities, will find it more difficult to succeed.

- More capital that is mobilized to address and deliver against sustainable development challenges including the transition to a 1.5-degree world.

Redefining Value Program central mission

Make stakeholder capitalism real and rewarding for business
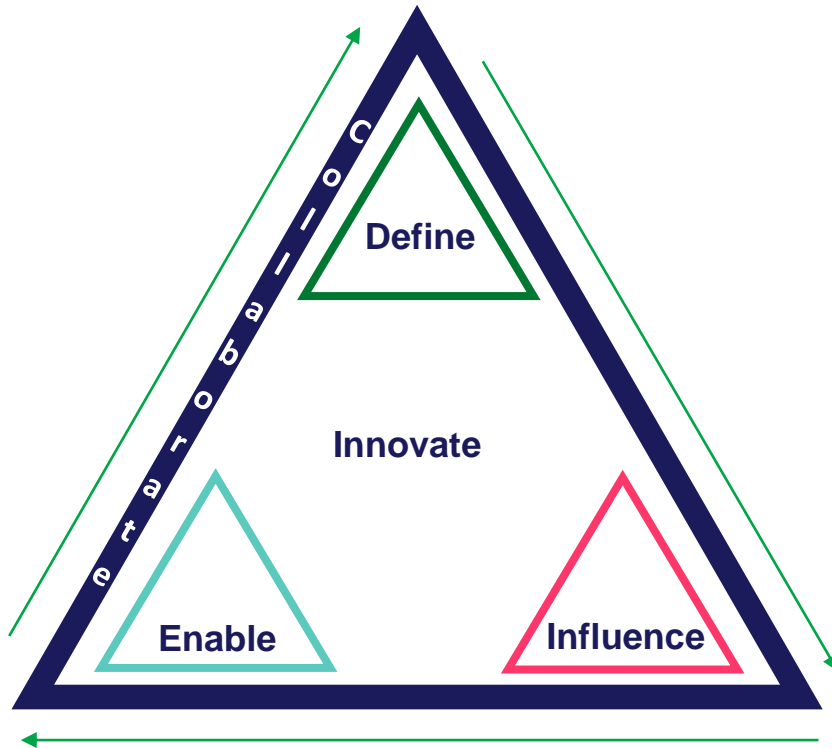
Define the role of business in enabling and shaping stakeholder capitalism- while helping members implement the business processes necessary to speed the transition.

Influence financial regulators and financiers, ensuring they hear from members of the real economy and recognize sustainable business.

Enable business action for systems transformation.

Innovate to develop/respond to novel approaches, advanced knowledge and understanding, key signals & levers.

Redefining Value projects 2021

Stakeholder Capitalism projects will help make stakeholder capitalism real for business. External disclosure projects around TCFD and Reporting matters will continue and a new policy project will bring real-economy perspectives to policy makers.

1. What does stakeholder capitalism mean for business?

This project will define the role of business in enabling and shaping stakeholder capitalism, moving from a concept to practical definitions and implications. The project will promote a shared understanding of business' role and responsibilities in stakeholder capitalism together with how the concept applies to strategy, systems and performance.

2. Making stakeholder capitalism actionable

This multi-year project will provide "how to" business actions to make stakeholder capitalism a reality. These actions will include applied solutions covering governance, valuation, enterprise risk management & performance management.

3. Redesigning capital market engagement

This multi-year project will catalyze the changes needed across capital markets to ensure that companies who pursue stakeholder capitalism are recognized and rewarded. This project will bring companies and investors together for focused dialogues, co-creating the tools and resources needed to move beyond disclosure as usual.

4. TCFD Response and Development

This project will create collaborative opportunities to implement the Task Force on Climate-related Financial Disclosure (TCFD) recommendations through sector and issue focused TCFD Preparer Forums. It will help members shape and prepare for anticipated regulatory requirements and develop strategic scenario and resilience assessment techniques.

5. Shaping Sustainable Finance Policy

This project will bring the business voice to sustainable finance policy by offering real-economy perspectives to policy makers. Through a dedicated working group, this project will bring member perspectives to financial regulators, standard setters and accounting bodies - through clear messaging, input into consultation processes and representation at key policy moments.

6. Reporting matters

WBCSD developed the annual Reporting matters project in 2013 in partnership with Radley Yeldar to help improve the effectiveness of sustainability reporting within the WBCSD membership. We offer confidential feedback sessions to explain our findings to all members and publish an annual report showcasing good practice.

# 2: Reporting Matters 2020

Panoramica e risultati principali

Panoramica

Il WBCSD sviluppa *Reporting matters* in collaborazione con Radley Yeldar per contribuire a migliorare l' efficacia del sustainability reporting aziendale.

WBCSD analizza ogni anno la fonte più completa di informazioni sulla sostenibilità di ogni azienda membro in base a un quadro di riferimento e ne utilizza i dati in due modi:

- **Per i soci**: Forniamo dashboard confidenziali con score, analisi e dati anonimi sui competitori. Offriamo sessioni di feedback per spiegare i nostri risultati e fornire consigli.

- **Per il pubblico**: Analizziamo i risultati complessivi e pubblichiamo una panoramica annuale delle tendenze di reporting tra i nostri membri, mostrando esempi di buona prassi e fornendo raccomandazioni di alto livello sul reporting.
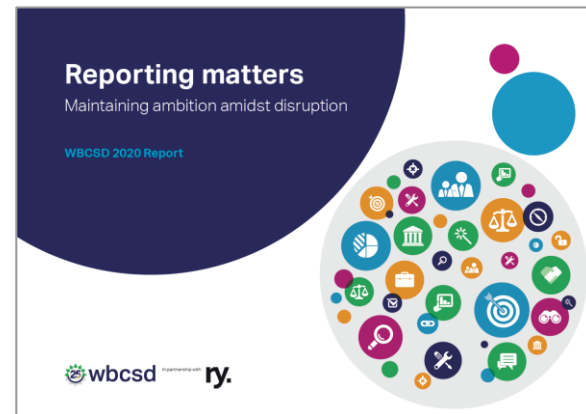
Il Report 2020 è accessibile a questo link , mentre ulteriori risorse sono disponibili sulla pagina web del progetto.

Metodologia

Cerchiamo una visione olistica delle fonti ESG che tenga conto di un' ampia serie di esigenze del pubblico. Il framework ha 18 indicatori che contribuiscono al punteggio complessivo, più un ulteriore indicatore SDG che non contribuisce al punteggio finale.

Principi

Questa categoria si basa sui fondamenti del reporting, che si trovano nei principali framework

| Completeness | Materiality | Stakeholder engagement | External environment | External assurance | Balance | Conciseness & alignment |

Contenuto

Questa categoria analizza come le problematiche "materiali" vengono trattate nel report

| Sustainability governance | Strategy | Implementation & controls | Targets & commitments | Performance | Partnerships & collaboration | Evidence of activities |

Esperienza

Questa categoria analizza come il report viene configurato per soddisfare le esigenze dei diversi tipi di audience

| Accessibility | Consistent messaging | Navigation & flow | Compelling design |

SDG

Questa categoria indipendente analizza fino a che punto gli SDG sono integrati nel report. Non contribuisce al punteggio finale.

SDGs

Risultati principali nel 2020

1
Lo stato del reporting sta migliorando

Il 78% delle compagnie benchmark ha aumentato il punteggio complessivo dal 2017; 26% ha migliorato il "materiality score"

2
Lo stato del reporting attorno agli SDG

Il 96% dei report analizzati menziona gli SDG in qualche modo; il 93% prioritizza SDG specifici e presenta prove di contributo e allineamento

3
Lo stato del reporting integrato

Il 41% dei report combina informazioni finanziarie e non, da un 35% nel 2017; il 18% è dichiarato come "Integrated report"

4
Lo stato del reporting GRI

84% dei report menziona gli standard **GRI**, simile all' 87% nel 2017; 78% di questi dichiara di essere in conformità con il livello "Core" o "Comprehensive"

5
La prominenza di SASB

Il 28% dei report integra **SASB** nella "materiality assessment" o produce un indice **SASB** (7% nel 2017); Il 65% delle compagnie americane ne ha uno.

6
Il futuro è digitale

Il 15% dei report analizzati predilige un mezzo digitale; 81% di quelli con un approccio cartaceo (PDF) produce contenuti online complementari (44% nel 2017)

Caratteristiche dei rapporti nel 2020

44%

Dei report porta il titolo di "sustainability report" (2017: 41%)

41%

Dei report combina informazioni finanziarie e non (2017: 35%)

4

Mesi tra il reporting period e la pubblicazione, in media (2017: 4)

101

Numero di pagine per sustainability report, in media (2017: 95)

84%

Dei membri cita gli standard GRI (2017: 86%)

84%

Dei membri ha una parte del loro report assicurata da terze parti (2017: 73%)

15%

Dei membri dà la priorità a presentazioni digitali (2018: 20%*)

81%

Dei membri con un approccio cartaceo, produce anche materiale online complementare** (2017: 44%)

* Dati raccolti dal 2018
** Materiale online complementare: minisito, sito web, multimedia e download

Approfondimento: cos' è "materiale"?

Figure 1: materiality process disclosure (% of reports)*

● Disclose process ● Do not disclose process

	Disclose process	Do not disclose process
2017	82%	18%
2018	82%	18%
2019	86%	14%
2020	81%	19%

Table 1: percentage of companies with priority material issues by topic in 2018-2020**

2020	2019	2018	Material issue topic	2020	2019	2018	Material issue topic
85%	83%	74%	Labor practices decent work	59%	57%	49%	Human rights
78%	74%	60%	Climate change	56%	48%	40%	Renewable resource use
78%	72%	66%	Governance	50%	40%	35%	Supply chain practices
70%	80%	67%	Economic	35%	35%	27%	Waste and effluents
65%	57%	49%	Product responsibility	20%	34%	20%	Non-renewable resource use
60%	54%	56%	Society	27%	28%	18%	Ecosystem services

- Il 95% dei membri intraprende un "materiality assessment" e l' 81% ne descrive il processo

- Le problematiche legate alla gestione delle risorse umane e cambiamento climatico continuano ad essere la priorità, ma prevalentemente in Europa e Asia

- Le problematiche di Governance vengono privilegiate in maniera coerente tra le diverse aree geografiche

Approfondimento: assurance
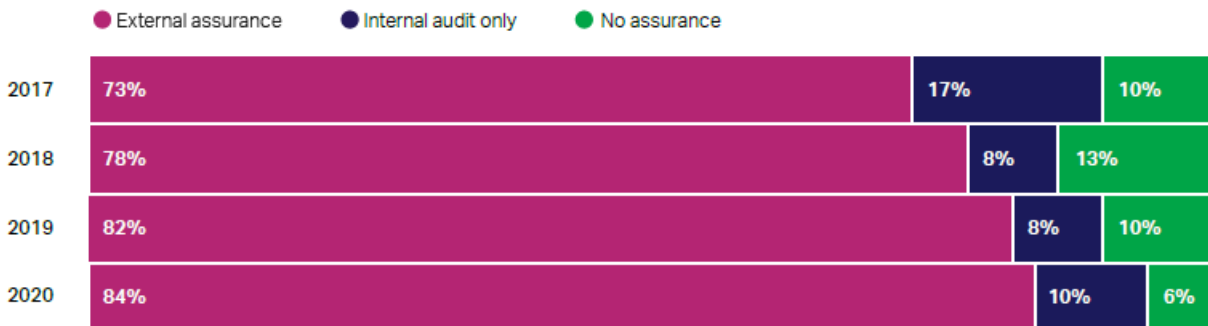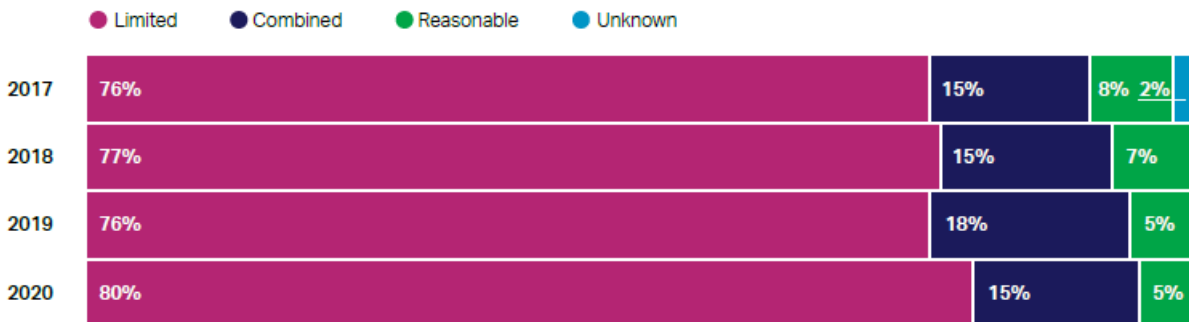

Figure 8: types of assurance (% of reports)*

- Il 94% delle compagnie ha una qualche forma di audit, interna o esterna

- Un crescente numero di compagnie si sottopone a valutazione esterna (84% vs. 73% nel 2017), con diversi livelli
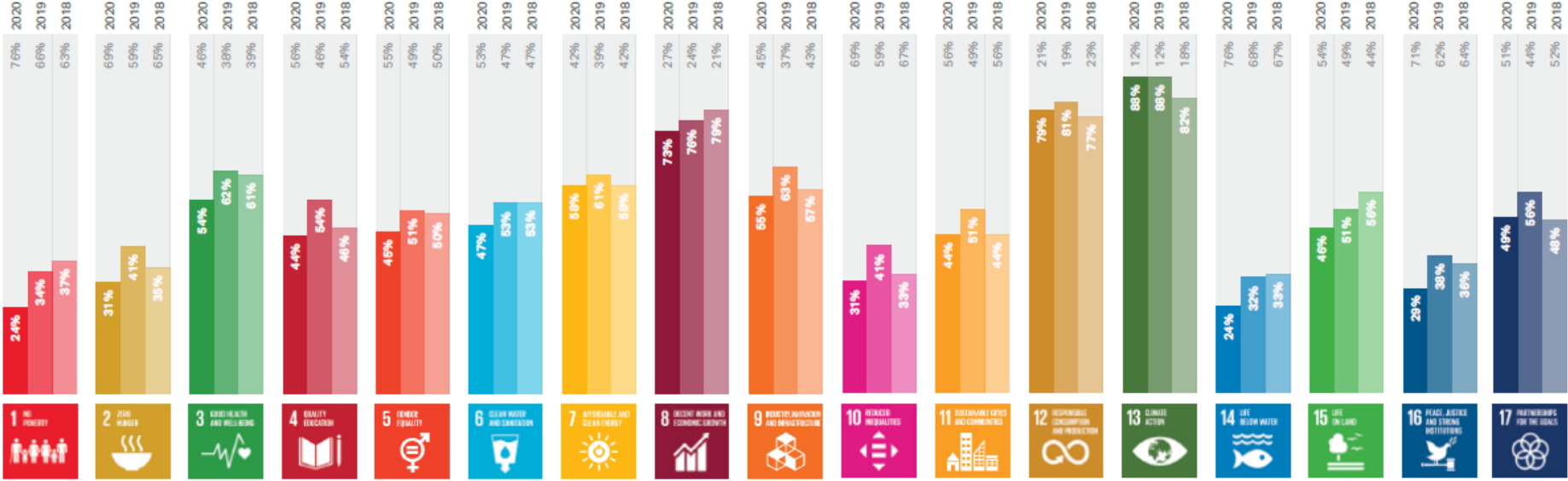
Figure 9: levels of external assurance (% of reports)*

Sustainable Development Goals (SDG)

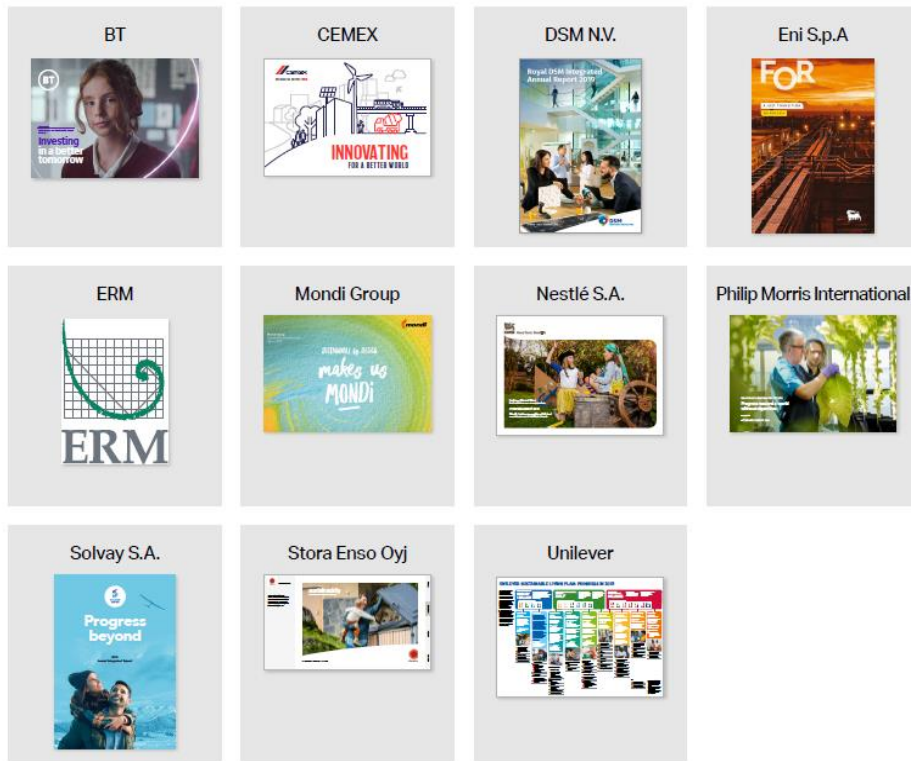**Come l' anno scorso, quasi tutti i rapporti (96%) menzionano gli SDG. C'è un modesto miglioramento attorno al livello di dettaglio della disclosure.**

- Quasi un terzo descrive un processo di prioritizzazione (29%) e un collegamento con la strategia aziendale.
  Circa un quinto discute in maniera esplicita il collegamento tra la materiality assessment e gli SDG (24%).

- Il 24% dei report discute gli SDG al livello del sotto- obiettivo (target), mentre i restanti si riferiscono all' obiettivo (goal).
  Nel 2019, solo il 20% si riferiva ai Target.

- Un numero crescente di report presenta un allineamento tra KPI (20% vs. 6% nel 2019) e target
  (28% vs. 15% in 2019) agli SDG.

- Circa un terzo (32%) fornisce esempi collegati agli SDG o prove dettagliate di programmi e iniziative legate ad essi
  (19% nel 2019).

- Come l' anno scorso, pochi report (1-3%) fanno riferimento alla gestione del rischio (ERM) e i Diritti Umani in relazione
  agli SDG.

Sustainable Development Goals (SDG)

Abbiamo raccolto dati dettagliati per determinare se e come integrare gli SDG nella nostra metodologia.

Top performers

BT

CEMEX

DSM N.V.

Eni S.p.A

ERM

Mondi Group

Nestlé S.A.

Philip Morris International

Solvay S.A.

Stora Enso Oyj

Unilever

Reporting matters 2020

Grazie di aver participato!

Per ulteriori informazioni o domande, contattare
guido@wbcsd.org

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Esempio "good practice"
Materiality

Philip Morris International (PMI)

PMI refreshed its sustainability materiality assessment at the end of 2019 and describes it in detail in its **Integrated Report 2019**. The main report and supplemental **Sustainability Materiality Report** disclose a clear process that incorporates internal and external stakeholder input, includes an impact assessment of the topics and prioritizes outcomes in a matrix with two tiers of importance. The use of external consultants and internal validation are clearly discussed, as are contextual factors such as public health debates, investor requirements, media reports, benchmarks of multinational peers and global sustainability trends. The materiality report also discusses country-specific considerations. The integrated report structure, strategy, targets and case studies are aligned with "Tier 1" material topics.

STRATEGIC PILLARS	TIER 1 TOPICS	TIER 2 TOPICS
Innovating for better products	Product health impacts — Access to smoke-free products	Product addictiveness — Product reliability
Operating with excellence	Responsible marketing and sales practices — Sustainable supply chain management — Respect for human rights	Responsible and transparent R&D — Data privacy and protection — Business integrity — Illicit tobacco trade prevention — Responsible advocacy — Fair fiscal practices
Caring for the people we work with	Socio-economic well-being of tobacco-farming communities — Health, safety, and well-being at work	Fair working conditions — Community support — Diverse and inclusive working environment — Talent attraction, retention, and employability
Protecting the environment	Climate protection — Littering prevention — Product eco-design and circularity	Forest conservation — Biodiversity — Water stewardship — Waste reduction

Transforming for a sustainable smoke-free future

Esempio "good practice"
External Assurance

BT

BT obtains a high level of external assurance on its **Digital impact and sustainability report 2019/20**. The engagement reviews adherence to Accountability's AA1000AS (Type 2 engagement) and the verification procedure is aligned with International Standard on Assurance Engagements (ISAE) 3000 and ISAE 3410. The assurance provider clearly articulates the scope and level of assurance, provides an overview of independence and approach and a clear opinion in the independent assurances statement. BT includes the statement in their report and has clear links to it from the online version of the report. The scope of the engagement includes elements that comprise part of BT's efforts to begin reporting in line with TCFD recommendations.

BT

BT Group plc
Digital Impact and Sustainability Report
2019/20

Investing in a better tomorrow

Esempio "good practice"
SDG

Good practice

Mondi Group

Mondi prioritizes SDGs based on a strategic risk and opportunity analysis in its **Sustainable Development report 2019**. At the beginning of the report, it provides a high-level overview of how SDGs are aligned to the ten action areas of its "Growing Responsibly" model, highlighting those SDGs that it believes to have the greatest potential for impact at scale. In the main body of the report it links strategic, Target-level SDGs to each of the ten action areas. In the back of the report, Mondi also provides a comprehensive SDG overview with a more detailed Target-specific index that refers users to more specific sections and sub-sections.

Our strategic SDGs and targets

SDG 6 **Clean water and sanitation**
- → Target 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
- → Target 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

SDG 8 **Decent work and economic growth**
- → Target 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead

SDG 12 **Responsible consumption and production**
- → Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources

SDG 15 **Life on land**
- → Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
- → Target 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
- → Target 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
- → Target 15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species
- → Target 15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

For links to all other SDGs, see the full SDG index