



GISD Recommendations on SDG-related Disclosure

When joining the Alliance, we committed to fostering the harmonization of sustainability reporting and impact measurement. Financial markets are currently awash with inconsistent and often poorly disclosed data on sustainable development-related matters. This hampers comparisons of performance on these matters between firms and of single firms over time. Importantly, it prevents investors from assessing how sustainability performance links with financial performance, both in terms of risks and opportunities. It is also a key obstacle to align investment with sustainability goals and implement our commonly agreed definition of Sustainable Development Investing ([SDI](#)).

To address these challenges, we have worked on the topic of SDG-related disclosure over the last two years and are pleased to present today our 8 calls for action:

Sector-agnostic metrics

1. We support the establishment of a globally harmonized core set of sector-agnostic (and largely operational) metrics that every company should use to report on the sustainability of its business practices.
2. We welcome the initiatives pursuing this goal - including the UNCTAD ISAR intergovernmental working group of experts and the World Economic Forum International Business Council (IBC) - and call on standard setters, in particular the upcoming International Sustainability Standard Board (ISSB), to build on these initiatives to create a globally harmonized set of core sector-agnostic metrics. Governments should adopt this set of core sector-agnostic metrics as the baseline for mandatory sustainability disclosures.
3. We commit to make every effort to report on this list of core sector-agnostic metrics once the convergence is achieved and to ask companies we are investing in to do the same.

Sector-specific metrics

4. We recognize the need to complement sector-agnostic metrics with impact metrics tailored to each sector/industry and endorse the [report](#) that the GISD Alliance has produced on this topic.
5. We call on companies active in the sectors covered by the GISD Alliance report to adopt/test these metrics for reporting and call on data providers to collect data on this basis.
6. We call on standard-setters, including ISSB, to consider how these sector/industry-specific metrics could be integrated into existing and future reporting frameworks, harmonized, and extended to cover a wider range of activities.

Target setting

7. We recognize that reporting on metrics must be complemented by setting targets for improving our impact performance. We commit to work towards identifying appropriate SDG-related targets at company-level using core sector-agnostic and sector-specific metrics, for our own portfolios and footprints. We will also ask the companies we invest in to do the same.

SDGs as a framework

8. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and call on standard setters to explore and consider the creation and integration of a TCFD-like approach to other SDGs, which would be adopted within existing reporting mechanisms currently in place. For illustrative purposes, a sample of such a framework is presented in Annex I.



Annex I: GISD Recommendations on SDG-related Disclosure^{1,2}

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the company’s governance around SDG-related risks and opportunities</p>	<p>Disclose how the company embeds sustainable development and the SDGs in its strategy and purpose</p>	<p>Disclose how the company identifies, assesses and manages sustainable development-related risks</p>	<p>Disclose the metrics and targets used to assess the company’s alignment with sustainable development</p>
<p>Recommended disclosures</p>	<p>Recommended disclosures</p>	<p>Recommended disclosures</p>	<p>Recommended disclosures</p>
<p>a) Describe the board’s oversight of SDG-related risks and opportunities</p>	<p>a) Describe the company approach to link long-term value creation with positively contributing to the SDGs</p>	<p>a) Describe the company’s processes for identifying and assessing SDG-related risks and for engaging stakeholders to understand matters important to them</p>	<p>a) Report on a core list of sector-agnostic (and primarily operational) SDG-related metrics (e.g. WEF-IBC/ISAR core indicators)</p>
<p>b) Describe the management’s role in assessing and managing SDG-related risks and opportunities</p>	<p>b) Describe how the company embed the economic, social and environmental pillars of sustainable development in its business practices and policies</p>	<p>b) Describe the management’s processes for managing SDG-related risks</p>	<p>b) Report on selected sector-specific impact metrics that provide info on the company’s contribution the SDGs (e.g., see GISD work on these metrics)</p>
<p>c) Describe the accountability and incentive mechanisms put in place to deliver on the SDG-related element of its strategy</p>	<p>c) Describe the company strategy to address negative impacts on the SDGs from its operation and activities</p>	<p>c) Describe how processes for identifying, assessing, and managing SDG-related risks are integrated in the company’s overall risk management</p>	<p>c) Disclose measurable and time-bound targets for SDG-related metrics (i.e., forward looking information)</p>

¹ The term SDGs is used here to convey the full spectrum of sustainable development topics, regardless of the specific time boundaries of the SDG framework (2030 Agenda for Sustainable Development).

² The SDG Impact Standards for Enterprises, developed by UNDP, are aligned with the GISD recommendations and can provide guidance to companies willing to adopt these recommendations. There are also other existing resources and tools that can be used to implement this framework.