Alphabet soup of ESG reporting

Corporate citizenship professionals are confronted with a wide array of environmental, social, and governance (ESG) reporting tools. Start off by differentiating between the big six below to help you manage your sustainability programs and be transparent about your company’s impacts.

**Purpose**

**Information disclosed**

- **GRI** (Global Reporting Initiative) Standards:
  - **ESG** Standards
    - Audience: Wide range of stakeholders
    - Purpose: Provides all organizations with standards for reporting material environmental, social, and economic performance and impacts, as well as organizational governance, to financial and other stakeholders.
    - Best for: Companies of any size, sector, or location

- **SASB** (Sustainability Accounting Standards Board) Performance Standards:
  - Audience: Financial stakeholders
    - Purpose: Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.
    - Best for: Publicly listed companies and suppliers looking to manage and disclose environmental footprint

- **TCFD** (Task Force on Climate-related Disclosures) Framework:
  - Audience: Broadsheet of stakeholders
    - Purpose: Disclosure standards launched by the Financial Stability Board (FSB), premised on the assumptions that climate risk is a form of financial risk and that it is non-diversifiable.
    - Best for: Companies seeking to plan for and mitigate climate-related risks

- **CDP** (Carbon Disclosure Project) Reporting Project:
  - Audience: Investors, procurement, policymakers
    - Purpose: Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.
    - Best for: Companies that overlap with commercial agriculture. Also includes special considerations for biodiversity impacts, risks, and opportunities within the mining sector.

- **SDGs** (Sustainable Development Goals) Framework:
  - Audience: Of stakeholders
    - Purpose: The 17 goals, adopted by the U.N. as part of the 2030 Agenda for Sustainable Development, provide a global blueprint to improve the lives and prospects of all people.
    - Best for: Companies with a global reach, especially those with cross-sector partnerships

- **IR** (International Integrated Reporting Council) Framework:
  - Audience: Investors, lenders, donors, stakeholders
    - Purpose: The International IR Framework establishes the guiding principles that underpin the SASB standards. The SASB standards are derived from the IR Framework, such that SASB and IIRC are considering a merger to unify the two into one cohesive system of corporate reporting.
    - Information disclosed:
      - SASB metrics to include within IR Framework:
        - Environmental impacts such as GHG emissions; air quality; water, energy, and waste management; and ecological impacts
        - Social capital such as human rights and community relations; consumer privacy and data security; product quality, safety, and access; and customer welfare
        - Human capital such as labor practices; employee health, safety, and engagement; and diversity and inclusion
        - Business model resilience and innovation such as product lifecycle and supply chain management; and physical climate change impacts
        - Leadership and governance such as business ethics, legal and regulatory environment, and risk management

**Purpose**

**Information disclosed**

- **CDP** (Carbon Disclosure Project) Reporting Project:
  - Purpose: Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.
  - Best for: Companies that overlap with commercial agriculture. Also includes special considerations for biodiversity impacts, risks, and opportunities within the mining sector.

- **SDGs** (Sustainable Development Goals) Framework:
  - Purpose: The 17 goals, adopted by the U.N. as part of the 2030 Agenda for Sustainable Development, provide a global blueprint to improve the lives and prospects of all people.
  - Best for: Companies with a global reach, especially those with cross-sector partnerships

**Purpose**

**Information disclosed**

- **GRI** (Global Reporting Initiative) Standards:
  - Purpose: Provides all organizations with standards for reporting material environmental, social, and economic performance and impacts, as well as organizational governance, to financial and other stakeholders.
  - Best for: Companies of any size, sector, or location

- **SASB** (Sustainability Accounting Standards Board) Performance Standards:
  - Purpose: Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.
  - Best for: Publicly listed companies and suppliers looking to manage and disclose environmental footprint

- **TCFD** (Task Force on Climate-related Disclosures) Framework:
  - Purpose: Disclosure standards launched by the Financial Stability Board (FSB), premised on the assumptions that climate risk is a form of financial risk and that it is non-diversifiable.
  - Best for: Companies seeking to plan for and mitigate climate-related risks

- **CDP** (Carbon Disclosure Project) Reporting Project:
  - Purpose: Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.
  - Best for: Companies that overlap with commercial agriculture. Also includes special considerations for biodiversity impacts, risks, and opportunities within the mining sector.

- **SDGs** (Sustainable Development Goals) Framework:
  - Purpose: The 17 goals, adopted by the U.N. as part of the 2030 Agenda for Sustainable Development, provide a global blueprint to improve the lives and prospects of all people.
  - Best for: Companies with a global reach, especially those with cross-sector partnerships

**ALIGNMENT BETWEEN REPORTING TOOLS**

These frameworks, standards, and recommendations are not mutually exclusive. A 2018 study found that 97% of S&P 500 companies that publish a corporate citizenship report utilize multiple frameworks and standards.¹

Take the BCCOC course, Fundamentals of Sustainability Reporting. Enrol now at ccc.bc.edu/learning.