Singapore Green Finance Centre

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4 common ESG reporting problems & SGFC's solution to curb greenwashing

Problem 1

Lack of Transparency

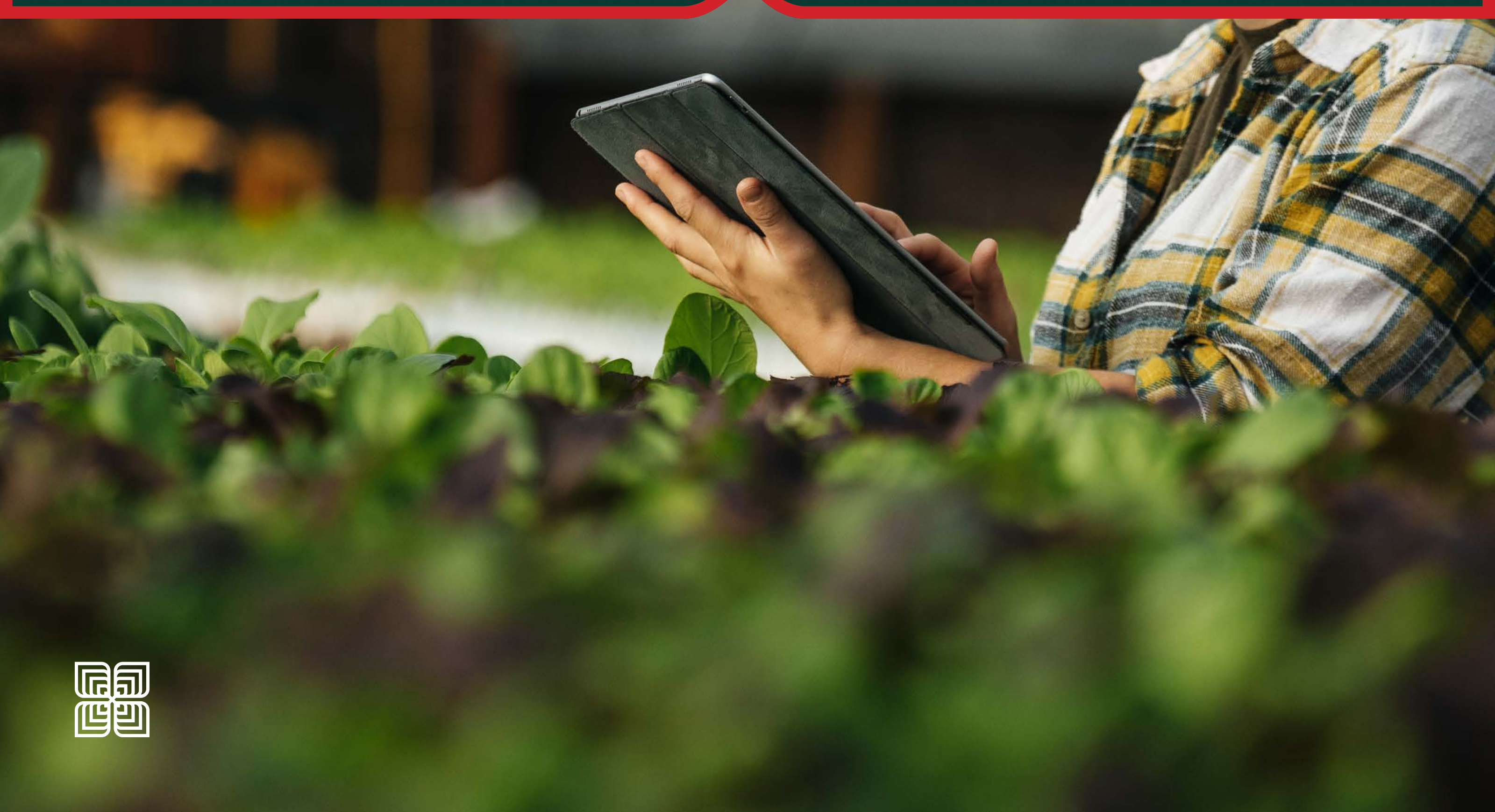
Many ESG ratings and metrics have been developed by third-party agencies but they often lack transparency and may not accurately reflect stakeholder welfare.

Problem 2

Low Standardisation

Many frameworks are being developed (GRI, IIRC, SASB, TCFD, ISO26000, etc.) but there is a lack of standardisation and comparability across these frameworks.

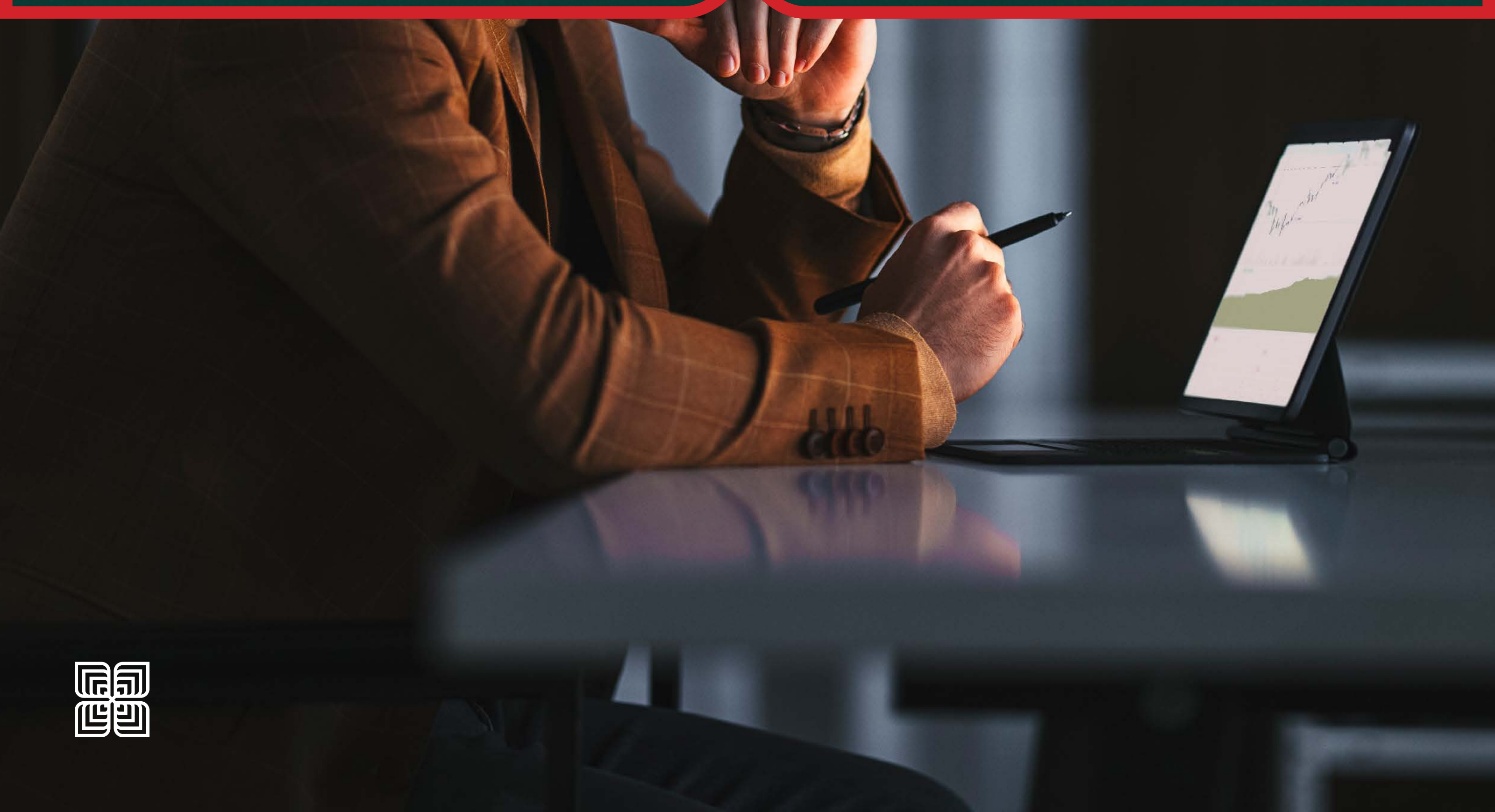
GRI: Global Reporting Initiative
IIRC: International Integrated Reporting Committee
SASB: Sustainability Accounting Standards Board
TCFD: Task Force on Climate-related Financial Disclosures
ISO26000: International Organization for Standardization 260000



Problem 3

Uneven Adoption

The way organisations adopt their ESG frameworks and implement them into corporate reporting poses another significant challenge to their usage.



Problem 4

Unreliable Methodology

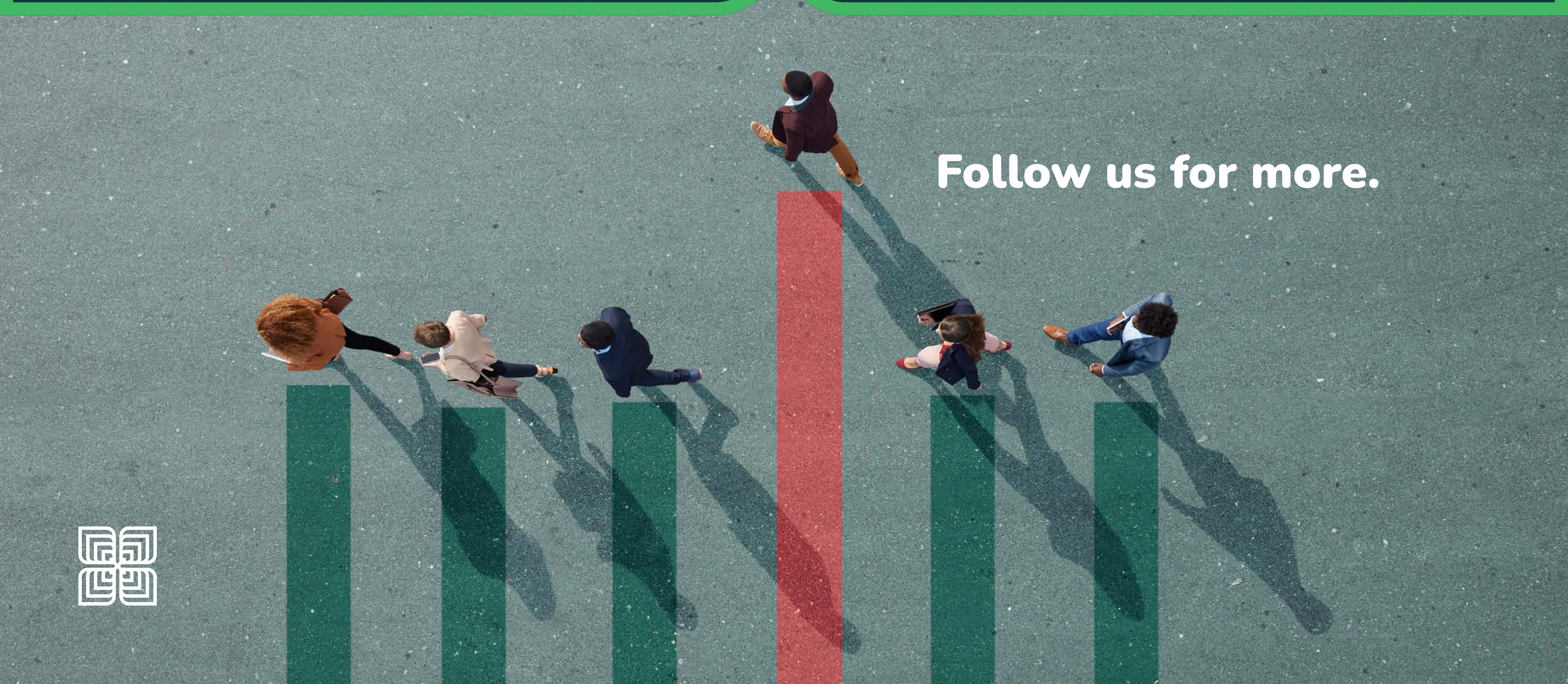
Ultimately, impact measurement is conducted by reporting organisations, which can decide the extent to which they are comfortable with disclosing their proprietary data. Ratings are therefore subject to biases and inconsistencies.

SGFC's solution

Co-developing* an Open-source Impact-weighted Account Framework

This framework will be used for measuring and valuing impact across different capitals on various stakeholders. It will be publicly accessible by corporations, policymakers, investors and individuals.

*With Impact Economy Foundation, Impact Institute, and Harvard Business School.



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