

GRI Transcript Ep 4

Transcript - How transparent tax reporting can build trust – and a more equal society

[00:00:00] **Ayanda Charlie:** Every day we move nearer to reaching the global goals of ending poverty, protecting the planet, and ensuring that all people can live in peace and prosperity by 2030. But how close are we, really? Welcome to the SDG Insider, the series that helps bridge the gaps between corporate reporting and the sustainability agenda from the Global Reporting Initiative. We hope to help businesses navigate the 17 Sustainable Development Goals with resources and guidance for taking action.

[00:00:35] **Ayanda Charlie:** Tax is the glue that holds modern society together. Services like fresh water and sanitation, energy, education, transport and healthcare – for everyone – are funded by taxpayer contributions. It's the foundation of how countries function safely and effectively to protect their people. The United Nations acknowledges that taxes play a vital role in achieving the Sustainable Development Goals, and they are also a key mechanism by which organisations contribute to the economies of the countries in which they operate.

[00:01:09] **Ayanda Charlie:** This goes some way to explaining how tax is intrinsically linked to the sustainability agenda. In this episode of SDG Insider, we find out more about the role of tax in Environmental, social, and governance issues from guests, Alison Taylor and Dave Reubzaet. We take a closer look at responsible tax for companies, including governance, ethical decision making and the role of reporting organisations, as well as what's happening in international trends. I'm your host, Ayanda Charlie.

[00:01:45] **Video Clip:** The World Economic Forum has launched the Global Risk Report. The findings stem from the canvassing of over 12,000 leaders globally on what they perceive as key risks. Well, to give us some insights from the report, I'm joined by Saadia Zahidi. She's a managing [00:02:00] director at the World Economic Forum. Thank you very much for joining us, Saadia. Now, what are the key risks, short-term and longer-term, that leaders in the world are worried about right now? So we first asked people how they're feeling about, um, the global outlook and the bad news is 84% of people are either worried or concerned and only 4% of people are optimistic about the outlook, but at the same time, I think we can pull apart why that is happening and what some of the trends are. So in the next couple of years, the big concerns are a loss of social cohesion, jobs and livelihood-related crises, mental health deterioration, and at the same time concerns about extreme weather events that are also unfolding at the same time. Then if you look two to five years out, that's where some of the risks become also a bit more economic. There's concern around, um, asset prices. There's concern around, uh, potential, uh, you know, cyber security threats and then if you look further out over the next 10 [00:03:00] years or so, it's very clear. It's climate, climate, climate. That's what the world is incredibly worried about.

[00:03:05] **Ayanda Charlie:** We are in an era of poly-crisis; cascading and connected economic, social and environmental events with vast repercussions. And taxes have never been more important for addressing the challenges facing us.

[00:03:14] **Ayanda Charlie:** Developing countries in particular need fiscal resources more than ever to close the divide between the rich and poor. Taxpayer contributions have a vital role in sustainable development, as they impact a state's ability to provide welfare, security, education, healthcare and more to its most vulnerable citizens.

[00:03:39] **Ayanda Charlie:** Therefore better tax policies and the reform of international corporate taxation, which favours powerful multinational corporations – as we will see later in this episode – can increase financial resources for governments to help reduce poverty and inequality. Doing so will help us move closer towards SDG number one, which is 'No poverty,' and SDG number 10, which is Reduced Inequalities.

[00:03:59] **Ayanda Charlie:** Tax transparency also helps counter illicit financial flows, contributing to SDG goal number 16: Peace, justice and strong institutions. Carbon taxes and tax incentives can shape behaviour and corporations' impact on the environment, aligning with SDG number 12: responsible consumption and production, and SDG number 13: Climate action.

[00:04:27] **Ayanda Charlie:** Unfortunately, not everyone is keen to pay their fair share of tax. Many of us will remember the Panama Papers of 2016, which were an enormous trove of leaked financial and legal records that revealed the hidden financial dealings of the global elite. These millions of leaked documents showed how the world's most powerful people, including politicians, celebrities, and business leaders, have used offshore companies and trusts to hide their wealth from tax authorities and the public.

[00:04:58] **Video Clip:** Tonight on Four [00:05:00] Corners, we investigate how politicians, criminals, and the super wealthy move millions through a parallel economy open only to those who can afford it, and we reveal how an Australian accountant made a fortune helping high-risk clients keep their riches away from prying eyes.

[00:05:17] **Ayanda Charlie:** In 2021, the Pandora Papers, another batch of leaked documents, laid bare even more tax crimes by the rich and famous.

[00:05:28] **Video Clip:** I think some of the best money is to be made if you're willing to turn a blind eye to who you're dealing with and where their money might have come from. I think there's very good money to be made, sadly. You have a handful of people who loot the resources of a country. Imagine the good that could have been done with five billion dollars. The roads, the infrastructure, schools, medicine, education, health care. All of that could have been and all of that was taken away by a handful of people.

[00:05:54] **Ayanda Charlie:** The criminal practice of tax evasion has an unsavoury cousin - tax avoidance. Some of the biggest multinational enterprises avoid paying their dues with the help of convoluted laws, compliant governments and sly lawyers. It may not be illegal, but is it ethical?

[00:06:10] **Ayanda Charlie:** Increased public scrutiny of this kind of activity has resulted in corporate tax transparency moving higher up on the sustainability agenda for policymakers, NGOs and many multinational enterprises. Rating agencies are integrating responsible tax criteria into their ESG metrics, and investors are increasingly focusing more on responsible tax behaviour in their investment strategies.

[00:06:38] **Ayanda Charlie:** In June 2023, Amazon shareholders voted on whether the company should commit to public country-by-country reporting on tax. The proposal was supported by over one-fifth of shareholders, following a rising trend of large companies such as Microsoft and Cisco facing pressure to disclose their tax affairs.

[00:06:56] **Ayanda Charlie:** Time is running out for big businesses who still hide their tax practices from public scrutiny. Let's turn to Alison Taylor, Clinical Professor at NYU Stern School of Business and Executive Director at Ethical Systems to explain more. Alison, please briefly explain your work and the issues that you're tackling.

[00:07:15] **Alison Taylor:** Sure, so I am a clinical associate professor at NYU Stern School of Business. I teach in a big American business school. I teach ethics classes and sustainability classes to executives, MBAs and undergrads. I'm also the executive director of an organization called Ethical Systems, which aims to help the private sector build more ethical and effective organisations.

[00:07:43] **Alison Taylor:** I've just finished writing my first book, which is called Higher Ground, How Business Can Do the Right Thing in a Turbulent World, which aims to talk about the role of business in society. And then I have a number of advisory gigs. So I advise private equity firm, KKR, [00:08:00] a Swiss private bank, a few nonprofits.

[00:08:02] **Alison Taylor:** So I wear a lot of hats basically, but, uh, really, I suppose my work focuses on the role of business in society in a nutshell.

[00:08:12] **Ayanda Charlie:** Wow. Thank you for that and congratulations on writing and finishing your first book.

[00:08:16] **Alison Taylor:** Thank you. I, if you're thinking of writing one, call me and I'll talk you out of it.

[00:08:22] **Ayanda Charlie:** So maybe then let's start here. Can you tell us more about what governance in general is exactly? And then maybe tell us what the best practice of tax governance looks like.

[00:08:34] **Alison Taylor:** You ask what sounds like such a simple question. In fact, it's an incredibly complicated question and I'm sure many of your listeners are familiar, are more than familiar, painfully familiar with the term ESG.

[00:08:48] **Alison Taylor:** And one of the big problems we have with the idea of ESG is that what governance means in the context of ESG is in fact heavily debated, so [00:09:00] there is a raging debate, uh, here in the U.S. about whether it violates fiduciary duty, uh, to the corporation or not, to pay attention to things like climate change.

[00:09:11] **Alison Taylor:** So, one way to think about the G of ESG, is traditional notions of corporate governance and the obligation that you have as a director or an employee to run your company in the best interests of shareholders. And people debate, therefore, whether you should consider environmental and social factors or not.

[00:09:33] **Alison Taylor:** Other people say that the G of ESG is about better governing social and financial risks. So you pay attention to climate change disclosure, you pay attention to corruption, you pay attention to human rights and then another group of people say the G of the ESG is about governance-related negative externalities.

[00:09:56] **Alison Taylor:** So that would then start to get us into questions of [00:10:00] corruption, questions of tax, questions of lobbying and political finance. So I suppose going back to this notion that what we're really talking about is the role of business in society, we start to see all these questions and all these tensions coming to the fore when we start to talk about what good governance means today in the 2020s.

[00:10:22] **Alison Taylor:** And so I think this starts to get very fraught and it starts to get very contentious because if we're talking about sustainability or what is more recently called the rise of ESG, a lot of what those efforts describe are efforts by companies to cherry pick convenient environmental and social issues and to tell a good news story about all the wonderful things they're doing in order to drive shareholder value and to ignore these wider obligations.

[00:10:54] **Alison Taylor:** And so this is how you end up with a lot of companies that are [00:11:00] big, credible multinationals telling a story about all the wonderful things they're doing for their workers and on climate change and those companies are not paying any tax. Those companies are not fulfilling their basic, arguably, ethical and moral obligations to support the governance of the country where they're operating, and then by extension, to support the interests of the taxpayer.

[00:11:26] **Alison Taylor:** So I think we start to see all the tensions of ESG come to the fore when we start to say, from an ESG perspective, what are the tax responsibilities of corporations. And so we've historically had very good reasons to ignore these more fundamental ethical obligations of the role of business in society in favour of telling a good news story about we'll fight climate change and we'll make more money.

[00:11:53] **Alison Taylor:** And I think now we've hit the 2020s, a lot of people, not least activists, not at least GRI, [00:12:00] start to ask these much more pointed and inconvenient questions about what are corporations really trying to do with all this stuff? And to what extent are they trying to avoid or evade obligations such as paying taxes?

[00:12:15] **Ayanda Charlie:** Often the strategies used to avoid paying tax are legal. Multinationals might defend themselves by claiming they have complied with all rules and regulations but whether their actions are fair, or contribute to the problem of growing wealth inequality, is another question. The good news is that the tide is turning.

[00:12:33] **Ayanda Charlie:** Guidelines such as the Inclusive Framework on Base Erosion and Profit Shifting, created by the Organization for Economic Cooperation and Development, and the European Union's Public Country-by-Country Reporting Directive, will make it easier for tax authorities to identify and investigate tax avoidance.

[00:12:50] **Ayanda Charlie:** They also encourage countries to exchange information about tax avoidance schemes to help stop corporations from exploiting gaps. Currently, companies [00:13:00] can choose whether or not to disclose their tax data, but it's expected to become

compulsory in the near future. Alison told me more. I guess then my next question would be, should businesses wait for tax reporting to become mandatory or would you advise that they start now to the extent that is beyond what is expected of them by the law? And why? What guidelines should they look to?

[00:13:23] **Alison Taylor:** Very often, and this is kind of implied in your question, right? Very, very often, if you start to say, as an activist or a non-profit organisation, maybe companies should stop avoiding tax and start paying their proper taxes, the response will be, well, that would be insane.

[00:13:40] **Alison Taylor:** Nobody else is doing this and this is not legally required. So we should just kind of ignore it, but the entire point of ESG, the entire point of the sustainability discourse is about running your business for the longer term which by implication is about anticipating the societal, the normative [00:14:00] shifts, and then maybe the legal and regulatory shifts that might be coming.

[00:14:04] **Alison Taylor:** And as I've already said, a lot of the rise of ESG is asking these very pointed questions about the role of business in society and asking questions very specifically about the negative externalities of business and the consequences for stakeholders and the consequences for everybody else. So, this speaks to taking tax avoidance seriously for two reasons.

[00:14:26] **Alison Taylor:** One is that you can't really have a good ESG program unless you consider this very specific, very enormous, very impactful negative externality of your company if you are not paying your tax obligations. The second reason is that because we have these big societal normative shifts coming, there starts to be more and more pressure, more and more regulatory pressure.

[00:14:50] **Alison Taylor:** We see the U.S. government trying to put in place a minimum corporate tax rate. We start to see tax pressures taking shape. So whether or [00:15:00] not you're doing this for moral, ethical reasons because you take your role in society seriously, we've got a lot of mounting evidence that tax responsibility is going to be the next frontier of ESG.

[00:15:12] **Alison Taylor:** It's going to be the next frontier of sustainability or social responsibility. So I don't think you get to say, this is just, we've been saying not to avoid tax. This is just the way the world is. I think what you ought to be saying is, how are societies, how are governments starting to think about this?

[00:15:30] **Alison Taylor:** And how can I manage risk and be more resilient over the long term? And what part might tax responsibility play in that question?

[00:15:38] **Ayanda Charlie:** Indeed. So it is in their best interest, right? In the long term, essentially to get ahead. Quite often tax is not yet sufficiently embedded in the broader governance of a company or in the agenda of executive boards.

[00:15:51] **Ayanda Charlie:** What does this mean for ethical tax decision-making? Do you have any advice along those lines?

[00:15:57] **Alison Taylor:** I think what we really need to do, and [00:16:00] I, uh, this is sort of implied in our discussion about the ESG in the beginning. I think very often we have thought about, as company leaders, governance challenges in a very narrow way.

[00:16:11] **Alison Taylor:** Like, we only care about governance challenges to the degree they might help us reduce reputational or regulatory risk. But the reality is if corporations aren't paying enough tax and the government isn't securing enough tax revenue and fiscal strength, the government does not have the resources to address some of our big societal challenges, not least climate change and the living wage.

[00:16:38] **Alison Taylor:** And so ultimately this has the highly ironic consequence of dumping these problems back in the lap of corporations. So if what you want is for corporations maybe to have a narrower view of what the role of corporations in society should be, we might start by paying appropriate levels of tax and then many of these problems land [00:17:00] back in the lap of the government.

[00:17:01] **Alison Taylor:** So I think that is one reason to have a broad concept of governance, but it presents a lot of internal challenges and I think leading corporations that I've worked with, I would think about a Novartis or a Microsoft, for example, start to think about their political spending and start to think about, uh, their political influence and start to think about the degree to which they are supporting or undermining the agenda of the government as part of this wider responsibility conversation. So I think if you're going to be a company run with integrity in the 2020s, there's just simply no avoiding questions of political influence and questions of tax avoidance.

[00:17:44] **Ayanda Charlie:** So Alison, why should companies steer clear of tax avoidance, which may still be considered a grey area and do more than maybe expected from them based on laws and regulations?

[00:17:55] **Alison Taylor:** So there are a few reasons. One is that laws and regulations are changing, um, and even [00:18:00] if tax avoidance still makes sense in the most narrow short-term shareholder value way right now, it's not going to in a decade or two decades. So get ahead of the regulation. Get ahead of the shifting norms. A more fundamental reason is that if we all stop avoiding tax, that will level the playing field and we will end up with a more resilient society with better government services, which will take the pressure off businesses and allow businesses to focus back on what it does best, which is making money, developing good products and services that we want to buy.

[00:18:33] **Alison Taylor:** And so I think one of the consequences of tax avoidance is that it's put all these new pressures on corporations to tackle problems we used to think were the responsibility of the government. So business as a collective ought to have an interest in stopping tax avoidance so that we can recalibrate the appropriate role of business versus government versus civil society.[00:19:00]

[00:19:00] **Ayanda Charlie:** And I guess maybe to crystallise further, right, for the stakeholders, what is the value of transparent reporting to stakeholders on these topics?

[00:19:09] **Alison Taylor:** Stakeholders are getting very, very upset about these questions and stakeholders really would like to know whether you are paying your fair share of taxes and how exactly you are influencing the government in the country where you are operating.

[00:19:23] **Alison Taylor:** This is so remarkable to me that even when I teach undergraduates, let alone MBAs or executives, and I'm teaching my sustainability for competitive advantage and I walk in and I start making arguments about how doing the right thing can make you more money. In the first session, those students say, what about all the lobbying?

[00:19:43] **Alison Taylor:** What about all the corruption? And what about all the tax avoidance? So this is, I think, the biggest reputational pressure, the biggest issue undermining the social license to operate and trust in business collectively, globally, it is an absolute [00:20:00] imperative as far as I'm concerned to get serious about this topic sooner rather than later. If you want to have any sort of a good news ESG sustainability story.

[00:20:09] **Ayanda Charlie:** What is the role of tax planning and ethical decision-making by businesses and the role of governments when it comes to sustainable tax policies?

[00:20:18] **Alison Taylor:** I mean, I think we just all need to collectively understand that we are not going to solve these problems with business as usual. So tax planning is part of being a well-run, well-governed company with integrity. I did a lot of work last year with the World Economic Forum. We called it the rise of the chief integrity officer, where really what we're arguing is you can't think narrowly in terms of here's what we need to do to not break the law today.

[00:20:46] **Alison Taylor:** And then here's what we need to do to tell a good environmental and social story over here. Really, we can think about this as a form of kind of stealth PR. So if we read sustainability reports, we'll see all these, here are all the [00:21:00] wonderful things we're doing and here are some smiling children and here are some smiling women in hard hats.

[00:21:04] **Alison Taylor:** And here's this wonderful thing and whatever you do, don't look at our tax and don't look at our lobbying. That has started to become unsustainable because stakeholders are looking at corporate disclosures, they're looking at the sustainability report, and then they're looking at the annual report, and they're saying, why does this feel like I'm reading about two completely different companies?

[00:21:25] **Alison Taylor:** So unless you think holistically, about your ethical and your commercial and your oversight obligations and your responsibility to society. I think you are frankly going to end up in five years without a coherent sustainability approach. And people are just going to think you are a hypocrite and they are not going to take you seriously

[00:21:46] **Ayanda Charlie:** For tax risks and contributions to be fairly assessed, organisations need clear and comprehensive tax reporting. The Global Reporting Initiative and other international institutions have recognised tax as a sustainability topic, leading the GRI to publish its reporting guidelines in 2019. The standard, named GRI 207, contains disclosures for organisations to report information about their tax-related impacts, and how they manage these impacts.

[00:22:15] **Ayanda Charlie:** The disclosures enable an organisation to provide information on how it manages tax, and information about its revenue, tax, and business activities on a country-by-country basis. Because the standard is freely available, even those who do not report under other GRI topics but wish to make tax disclosures can use it as a guide. I then asked Dave Reubzaet, Director of Global Advisory and Tax lead at GRI, to tell us more.

[00:22:43] **Dave Reubzaet:** Thank you for having me on the podcast. Really good to be here.

[00:22:46] **Ayanda Charlie:** Please explain briefly what your work involves at GRI.

[00:22:49] **Dave Reubzaet:** So in my tax-related work, I do a variety of things at GRI, but when you talk about tax... I engage with a variety of stakeholders [00:23:00] across the globe on the topic of tax, how tax is relevant for sustainable development to fund society, steer behaviour, and influence behaviour.

[00:23:11] **Dave Reubzaet:** So I talk a lot with, for example, investors, but also policymakers, NGOs, other standard setters. So a variety of stakeholders on the relevance of tax but also on the GRI standards and the GRI 207 tax standard. Yeah. And I helped them understand the topic, how it could be relevant for the work that they do and how 207, the standard, for example, could also be relevant for them.

[00:23:40] **Ayanda Charlie:** And now how can we relate Alison's thinking to the GRI 207 tax reporting standard?

[00:23:46] **Dave Reubzaet:** Yeah. Thank you for asking that question. I think it was really good to hear Alison and hear her talk with a lot of energy about the relevance of tax and sustainable tax in the context of sustainable development of [00:24:00] course, of ESG approaches from companies that it is really fundamental to do, let's say, the right thing from a tax point of view and also to be transparent on that, involve your stakeholders, communicate with stakeholders.

[00:24:14] **Dave Reubzaet:** So it's really good to hear that coming also from Alison, from her experience that she has, what she hears in her classes, indeed, what she mentioned. And that's exactly also the reason why GRI developed the 207 tax standard as part of the wider sets of sustainability standards. Because tax is so crucial and fundamental for sustainable development and looking down at that tax standard that GRI has developed with the help of a lot of stakeholders around the globe, the standard provides a universal standard to report transparently on tax, and there are a couple of elements that more or less cover the various building blocks that cover the elements that Alison touched upon.

[00:24:59] **Dave Reubzaet:** So [00:25:00] one, it really helps to build a narrative for companies, um, the company's approach to tax or in other words, to tax policy or tax strategy. But also helps to communicate tax governance. So how does the company look at tax? How is the board involved? How is ethical decision-making being implemented, et cetera?

[00:25:20] **Dave Reubzaet:** Another building block is stakeholders. How have they been involved and their views taken into account? Including the concerns that they may have and

last but not least, how does that all translate into, uh, tax figures, the tax payments or contributions in the so-called tax country-by-country reporting data?

[00:25:41] **Dave Reubzaet:** I think it's important to say here that the GRI and also that standard is not saying whether a certain tax approach is right or wrong, but it just provides a clear standard and framework to communicate to your stakeholders on how do you do tax as part and in the wider context of your [00:26:00] broader ESG or sustainability reporting.

[00:26:03] **Ayanda Charlie:** Now, can you tell us more about the global adoption of the standard by businesses, investors, and policymakers?

[00:26:10] **Dave Reubzaet:** Yeah, so the adoption, I think, to keep it as simple as possible, it's, in my view, twofold. So indeed, the policy makers mainly, but also by business. And when we start looking at what policymakers are doing in the broader sense, so not only regulations but maybe also softer codes of conduct or regulations.

[00:26:31] **Dave Reubzaet:** I think we see a variety in adoption and just to give you a couple of examples in the European sustainability reporting regulations, the GRI standard, the tech standard is quite often already referenced and very relevant in multiple ways. Without going into all the details, I think one piece is there, the EU taxonomy, where you can find in very simple words, to what extent business [00:27:00] activities can be considered sustainable or not.

[00:27:02] **Dave Reubzaet:** In the EU taxonomy, tax is considered as a minimum safeguard and the expert group really talks there also about 207 standards and the use of that for EU taxonomy.

[00:27:15] **Ayanda Charlie:** Based on your experience with reporting organisations, what are some of the biggest challenges you see when companies and investors communicate their sustainable tax approach?

[00:27:25] **Dave Reubzaet:** Yeah, I think if you ask me from the experience that I have also with engaging with all these stakeholders around the globe, I think companies are really struggling with the topic of responsible tax planning. So when is something acceptable for stakeholders? When is it seen acceptable optimisation, tax optimisation, and when is it seen as unacceptable tax avoidance or aggressive tax avoidance or aggressive planning?

[00:27:50] **Dave Reubzaet:** I think that topic is really a topic of a grey area, but on the other hand, uh, you can have a lot of discussions on that topic, a lot of different views. But I think [00:28:00] that these days, a lot of guidance is available for companies, including, for example, guidance from the UNPRI, how to look at this topic, how to deal with this topic.

[00:28:11] **Dave Reubzaet:** So I think the guidance is there, but it's still also a hot topic to get clarity on and that's why I also think it's very important as a company to be in contact and engage with your stakeholders to see what their views are and build on that, build your view and build your tax approach on that. So that's one, I think, that the whole planning and responsible tax planning topic.

[00:28:36] **Dave Reubzaet:** Other challenges indeed, I think I touched upon that briefly, but involving stakeholders. What I've seen is that tax departments, and companies typically do not involve a lot of stakeholders when they develop their approach to tax, their tax strategy. I think that's, that's crucial to do that more, uh, to hear their views, uh, to hear their [00:29:00] concerns and, uh, well, to try to integrate those, uh, views in the tax approach, because, at the end, you're also showing accountability to those same stakeholders.

[00:29:10] **Dave Reubzaet:** The more you are aligned with them, the better your reporting will be and the better your reporting will address their needs and potential concerns. Together with that, building a narrative that really explains tax in a simple way. Yeah, that's complex. I think that will remain complex because tax is a very technical and complex topic with a lot of terminology, and a lot of acronyms.

[00:29:37] **Dave Reubzaet:** Explaining that in a very simple way to people who don't have a background in tax, I think that will remain a challenge, but very important to do. Last but not least, I also hear quite often the consideration of companies whether or not to include environmental taxes in their approach to tax and their transparent reporting.

[00:29:58] **Dave Reubzaet:** Um, I think till now there was [00:30:00] a huge focus on corporate taxes, direct taxes, which I understand because also the topic of responsible planning plays an important role in direct taxes, the corporate taxes. Um, but I think with all the recent developments environmental taxes become much more important.

[00:30:21] **Dave Reubzaet:** They have a huge impact, positive and negative. You can also do planning with that. So knowing your environmental taxes, knowing how you can deal with it, how you can structure that in a positive way, and also make use of potential incentives that are available. I think that's really important and being transparent as a company on how you deal with that is part of this part of the story and part of the reporting to do.

[00:30:47] **Ayanda Charlie:** And I guess maybe on the other side of that would be maybe some advice that you might have for businesses when further developing sustainable tax and even policymakers.

[00:30:56] **Dave Reubzaet:** So for business, and I repeat myself, I'm [00:31:00] aware of that a little bit, but involve your stakeholders right from the start, as I mentioned, be careful to not step into the greenwashing trap.

[00:31:08] **Dave Reubzaet:** I mean, report in a complete manner as this is really about building trust and making a positive impact, not only focusing on tax contributions. You see a lot of reports popping up on our tax contributions, and total tax contributions. And I think that's a good development, but I don't think that is a complete story.

[00:31:29] **Dave Reubzaet:** Completing that reporting with how you do planning, tax planning, how you do that in a responsible way, how you monitor that. I think that's also an important part of the story to tell, but also to show in figures. Maybe for business, the last point is indeed, to go beyond the corporate tax focus, include the environmental taxes in your reporting and ask for external assurance to provide additional comfort to your stakeholders.

[00:31:57] **Dave Reubzaet:** If you look for advice for policy [00:32:00] makers, most important also in my discussion with policymakers around the globe, I think it's about, please do not reinvent the wheel. A lot has been developed in the past is available like the GRI tax standards. I think it's really, important to take those fundamentals like the GRI standard and build on that.

[00:32:24] **Dave Reubzaet:** And, a good example again is then, for example, the, the draft legislation in Australia that has taken, uh, the baseline from GRI and is looking for whether they want to deviate or add, uh, stuff or not. Um, that will certainly help to create a global baseline for tax transparency reporting, but it also makes the compliance burden for companies, uh, less because they only have to deal, let's say with one ideally with one standard and on top of that, it makes data comparable. And that's very important [00:33:00] for a lot of stakeholders, including investors.

[00:33:03] **Ayanda Charlie:** Thank you to Alison and Dave for giving both thought-provoking and practical guidance on making sustainable tax more attainable. While the era of polycrises might be out of our control, we can choose how we respond to its challenges. Reporting on tax promotes trust and supports the development of tax policy that works for us all. It's clear why we need to come together as individuals, businesses and governments to make ethical tax decisions, and hold others accountable for doing the same. Our future depends on it.

[00:33:39] **Ayanda Charlie:** Thank you for tuning into Episode 4 of The SDG Insider. Join us again for more topics related to the Global Goals and be sure to click the subscribe button so that you don't miss any upcoming episodes. If you've been listening to these episodes and enjoying them, why not leave us a 5 star review? For more information on the Global Reporting Initiative, visit www.globalreporting.org. Until next time.

[00:33:58] **Ayanda Charlie:** This podcast is produced by 2Stories for the Global Reporting Initiative. Written by Linda Scarborough, and produced by Carol Williams, with audio editing, engineering and sound design by Kozi Mzimela. Thanks to the SABC and OECD for the audio clips used in this episode. For more information on references used, please refer to the show notes.