



CSR Trend to Watch:  
The UN Sustainable Development Goals

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# Today's conversation

1. About the Public Affairs Council
2. Brief Sustainable Development Goals overview
  - What the UN says, means and expects
3. Integrating SDGs into your organization
  - Spotting opportunities or threats based on SDGs
  - Prioritizing and evaluating partners, and their impact
  - Calculating business opportunity based on SDGs
  - SDGs and KPIs
4. Case example: WGL
5. Conclusion: Societal expectations
6. Q and A



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Executive Education



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*For more information, contact Dasha Iventicheva at [diventicheva@pac.org](mailto:diventicheva@pac.org).*



# The UN's Ambition

In 2015, countries adopted the [2030 Agenda for Sustainable Development](#) and its 17 Sustainable Development Goals, designed to end poverty, protect the planet and ensure prosperity for all. Each goal has specific targets to be achieved over the next 13 years.

The SDGs, also known as Global Goals, build on the success of [the Millennium Development Goals \(MDGs\)](#) and aim to go further to end all forms of poverty.



# Translating the UN Directive

## What the UN said


- 1) "...ending poverty must go **hand-in-hand** with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection."
- 2) "...governments are expected **to take ownership** and establish national frameworks..."
- 3) "...Countries **have the primary responsibility** for follow-up and review of the progress made in implementing the Goals."

## What it means

- 1) Partnership matters
- 2) Specifically: Economic development alone is not enough (government); generally: Partnership matters (corporate and NGO)
- 3) Government at all levels need help achieving the SDGs

# Key Takeaways: Getting recognized requires framing and proving

- Integration and execution: focus on what the UN says *and* means.
- Partner. And partner at the levels described in the SDGs (federal, state and local)
- Make the SDG matter to *your* stakeholders. It doesn't matter just because the UN said it.




**Qualcomm®**  
Thinkabit Lab™  
Inspiring the next  
generation of **STEM**  
inventors

We are focused on building the wireless world of the future and aim to show students that they can be a part of inventing that future. The Thinkabit Lab is a combination engineering lab, makerspace and classroom for students from all cultural and socioeconomic backgrounds. The unique Thinkabit Lab experience exposes students to STEM concepts and careers that are essential to tomorrow's workforce – not only at Qualcomm but in every aspect of building the wireless, Internet of Things (IoT) and 5G ecosystems.

Since the original Thinkabit Lab opened at our headquarters in 2014, more than 13,300 students have experienced our signature, hands-on engineering projects and QWOW™ (Qualcomm® World of Work) career exploration activities. Building on our success, we enhanced and expanded the Thinkabit Lab program in 2017 by creating the Thinkabit Lab Toolkit and growing our Thinkabit Lab Signature Activities. Our primary goal for expanding is to inspire students irrespective of geographic location, help close the STEM skills gap and grow an inclusive, diverse future workforce.

13,300+ students	370+ classes	2,300+ parents, teachers and administrators
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UN Sustainable Development Goals Addressed



2017 Qualcomm Sustainability Report 10



Integrating the SDGs into your organization

# Mindset and approach: SDGs create business opportunities

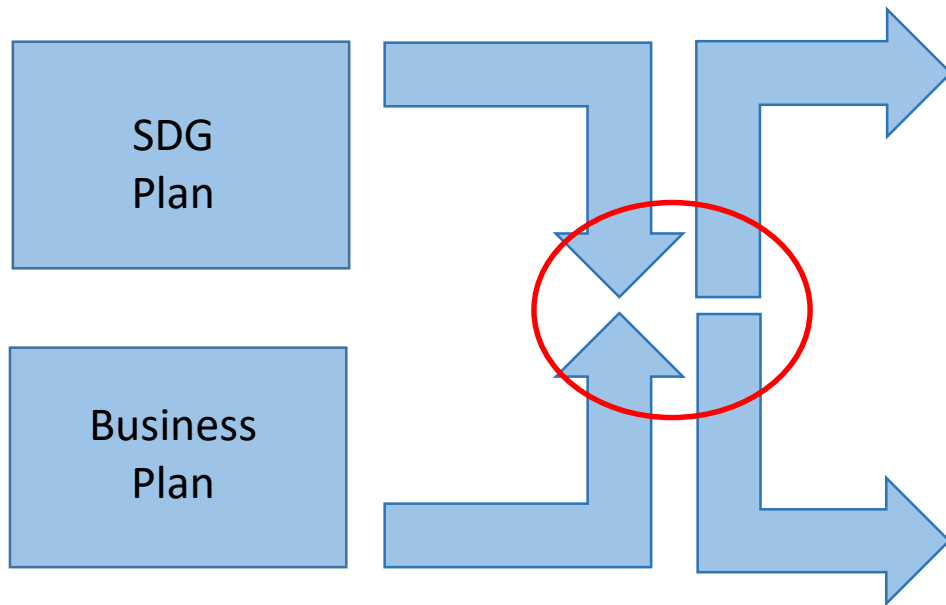
We can use the SDGs to create positive social chance *and* business opportunities.

The SDGs are another way of creating, maintaining or growing markets.

# Prove SDGs matter by anchoring them in your strategy

## What we don't want: Parallel/reactive strategies

- SDGs separate from business strategy; business units engaged when there's an opportunity



## What we want: Unified strategy

- SDGs help drive business strategy
- SDGs help identify potential business threats



# Getting buy-in and recognition: Linking SDGs to business and sustainability targets

## Better World and the UN SDGs

Throughout our operations and supply chain, we are aligning our Better World pillars to the [UN Sustainable Development Goals \(SDGs\)](#) that address areas most material to our business and critical to our stakeholders. We have placed a deliberate focus on driving progress towards the goals where we can use our scale and partnerships to drive meaningful positive change. This diagram illustrates how the most material SDGs for our business are aligned to our Better World strategy.



SMART AGRICULTURE



WATER STEWARDSHIP



CIRCULAR PACKAGING



CLIMATE ACTION



SMART DRINKING

# Getting buy-in and recognition: Value in being specific



## **no poverty**

We produce and deliver the energy necessary for global economic growth.

[learn more about goal 1 >](#)

## **no poverty**

**We produce and deliver the energy necessary for global economic growth.**

Globally, 1.2 billion people are without electricity and more than 2.7 billion people burn solid fuels to cook their food. The delivery of affordable, reliable energy is critical to global economic growth and stability – as it has been for over a century.



## **good health and well-being**

>\$65 million to fight HIV/AIDS and other diseases in partnership with The Global Fund and Pact.

[learn more about goal 3 >](#)

## **good health and well-being**

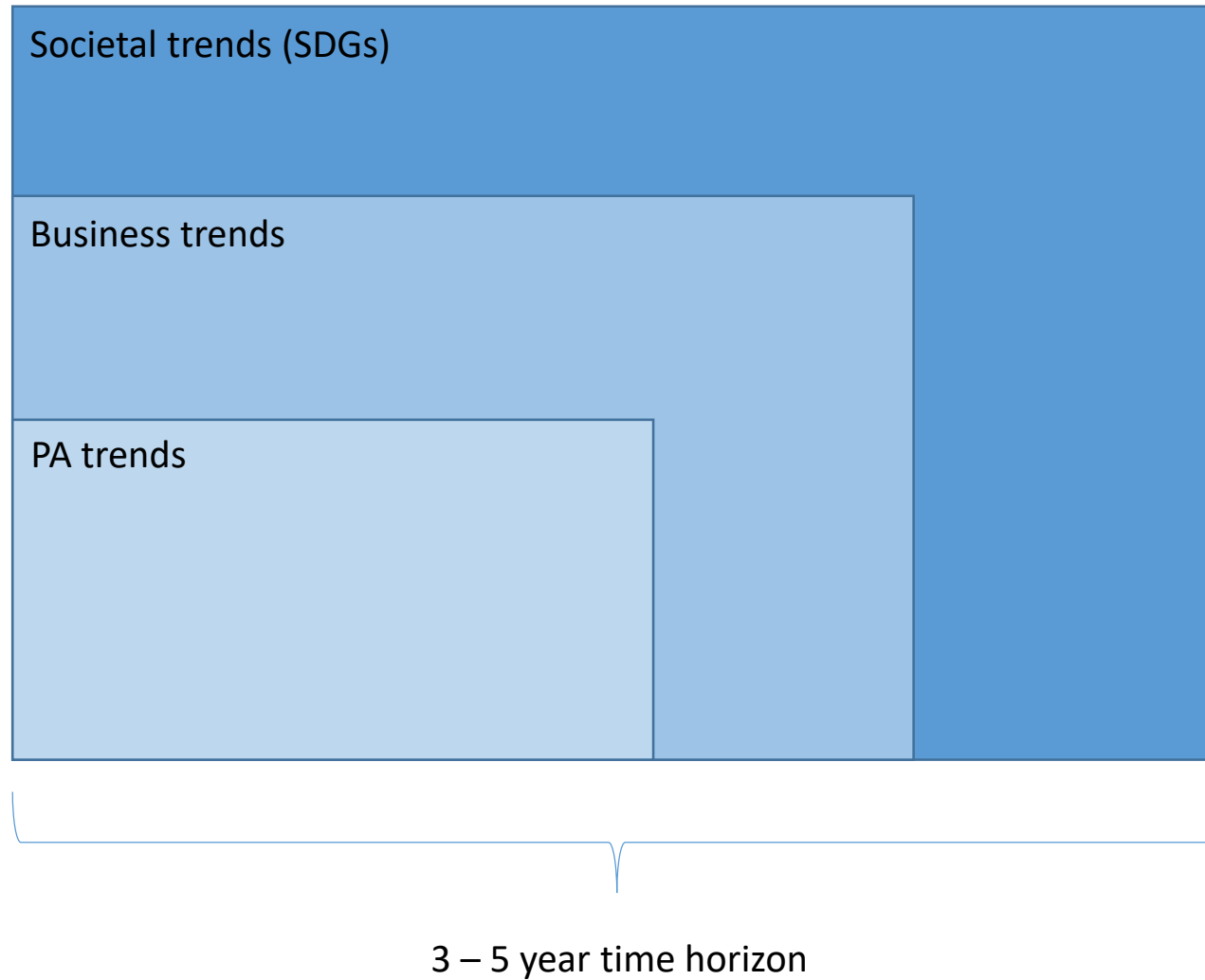
**>\$65 million to fight HIV/AIDS and other diseases in partnership with The Global Fund and Pact.**

Working with partners, we support initiatives that build local capacity and deliver lasting gains in the fight against devastating diseases. For example, we partner with Baylor College of Medicine International Pediatric AIDS Initiative at Texas Children's Hospital to provide training and health care to medically underserved populations in Africa and Latin America.

Since 2008, Chevron has partnered with The Global Fund, directing around \$60 million to programs in Angola, Nigeria, South Africa, Indonesia, Thailand, Vietnam and the Philippines. Chevron is The Global Fund's inaugural Corporate Champion and one of its largest single corporate partners. Our support of The Global Fund has contributed to 20 million lives being saved. We also partner with Pact to prevent mother-to-child transmission of HIV in Bayelsa state, Nigeria.



## Use SDGs to help predict societal opportunities and threats



# Exercise: KPI construction

## **Goal 1: Ending poverty**

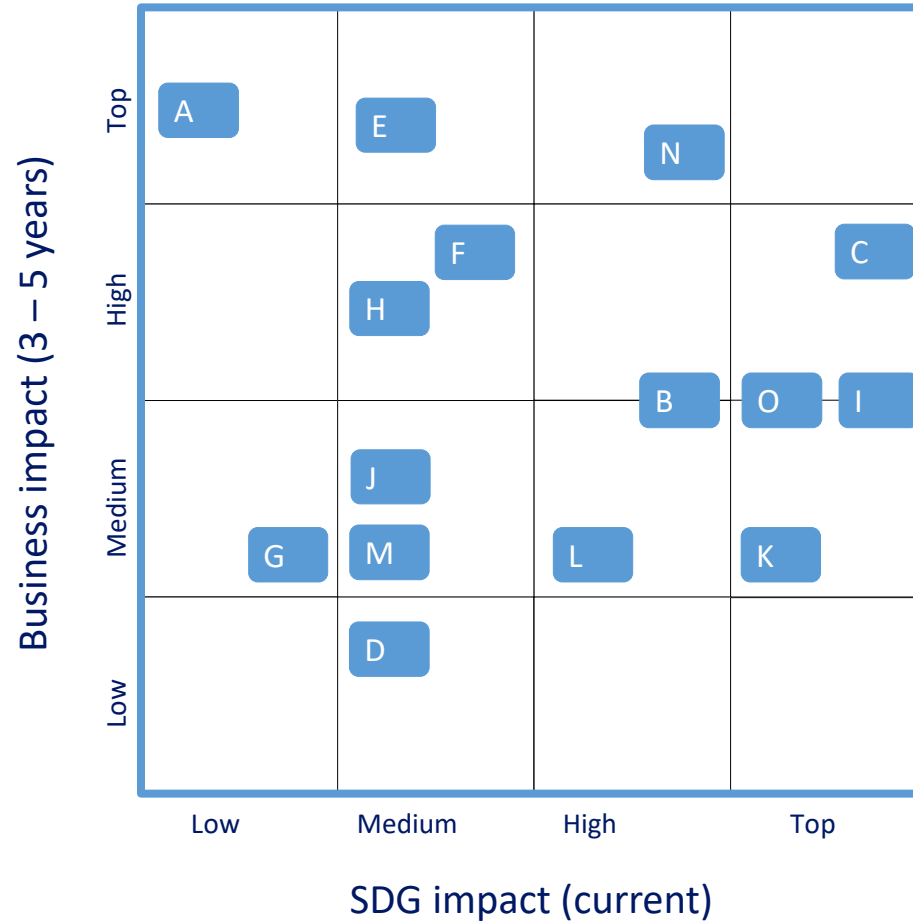
- Improve outcomes for people who are underserved by eradicating poverty in communities where we have facilities.
- Increase local employment in neighborhoods where organization has facilities by 5 percent over 2018, also advancing goal of ending poverty.

## **Goal 9: Industry, Innovation and Infrastructure**

- Help Maricopa County improve 25 percent of main roads around facility.
- Supply volunteer workers for repairs to four main roads around facility and complete repairs by EOY.

## Stakeholder mapping tools that work: pick groups that matter to your business

Stakeholder
A
B
C
D
E
F
G
H
I
J
K
L
M
N
O



## Useful tools: Assessing SDGs partners with metrics

B2. Organisational value gain: Building your organisation's capacity to deliver					
	Gains / value to your organisation	Importance/ relevance of this type of value	Likelihood of value being achieved	What needs to be in place?	Overall assessment of value / gains
	<i>Detail gains / value to your organisation from the partnership</i>	<i>What is the strategic importance or impact of these gains?</i> <b>Rating 0-4</b>	<i>How likely is this value to be gained through this partnership</i> <b>Rating 0-4</b>	<i>What does your organisation need to do to ensure this value or create more?</i>	<i>Please note how you will know if you have been successful</i>
Financial					
Non-financial material gains					
Safeguarding assets					
Social capital & connections					
Legitimacy					
Reputation, influence & positioning					
Reputation, influence & positioning					
Innovation					
Other					

## Useful tools: Assessing SDGs partners with metrics

C. Costs to engage with the partnership (add categories and sub-categories as required)			
Categories of organizational gain	Provide detailed explanation of costs for your organization from this partnership	The organizational costs (\$ where possible)	How can the organization reduce costs?
<b>Direct costs</b>			
1. Staff time			
2. Financial costs			
3. Direct resources			
4. Other implementation costs			
<b>Transaction costs</b>			
1. Governance			
2. Other			
<b>Reputational / social capital costs</b>			
1.			
<b>Opportunity costs</b>			
1. If you do this, what can you not do? What is its cost?			
	Overall analysis	h/m/l	



# Useful tools: Assessing SDGs impact with metrics

1

Value	Total	Policy Investment	Total
	Tax credit		Travel cost
	Revenue gained		Organizational memberships
	Revenue protected		Consulting fees
	Funding awarded		Partnerships
	Enterprise Zone created		Sponsorships
			FTE time
Total		Total	

2

Factor	Success probability
	Policy influence
	Regulatory influence
	Political conditions
	Key connections
	Necessary resources
Total	

Policy Investment	Total
	Travel cost
	Organizational memberships
	Consulting fees
	Partnerships
	Sponsorships
	FTE time
Total	

$$\text{ROI} = (\text{Gain from Investment} - \text{Cost of Investment}) / \text{Cost of Investment}$$

Case example: WGL

# **INTEGRATING THE SDGS INTO WGL**

**JOHN FRIEDMAN / AUGUST 2018**

# 5 “KEYS” TO UNLOCK THE FULL POTENTIAL FROM A SUSTAINABILITY PROGRAM

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1. **ALIGNMENT WITH YOUR CORE BUSINESS MODEL**
2. **INTEGRATE INTO DAY-TO-DAY OPERATIONS**
3. **ENGAGE AND EMPOWER EMPLOYEES AT ALL LEVELS**
4. **DEFINE MEASURABLE, TANGIBLE BENEFITS**
5. **STAKEHOLDER ENGAGEMENT**

# **PICKED 4 SDGS THAT DIRECTLY ALIGN WITH THE BUSINESS**

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**AVOID TEMPTATION TO SAY YOU DO THEM ALL**

**FOCUS ON THE ONES THAT DIRECTLY RELATE TO YOUR BUSINESS AND ACTIVITIES**

**USE THIS TO DESIGN AND REPORT ON YOUR EFFORTS**

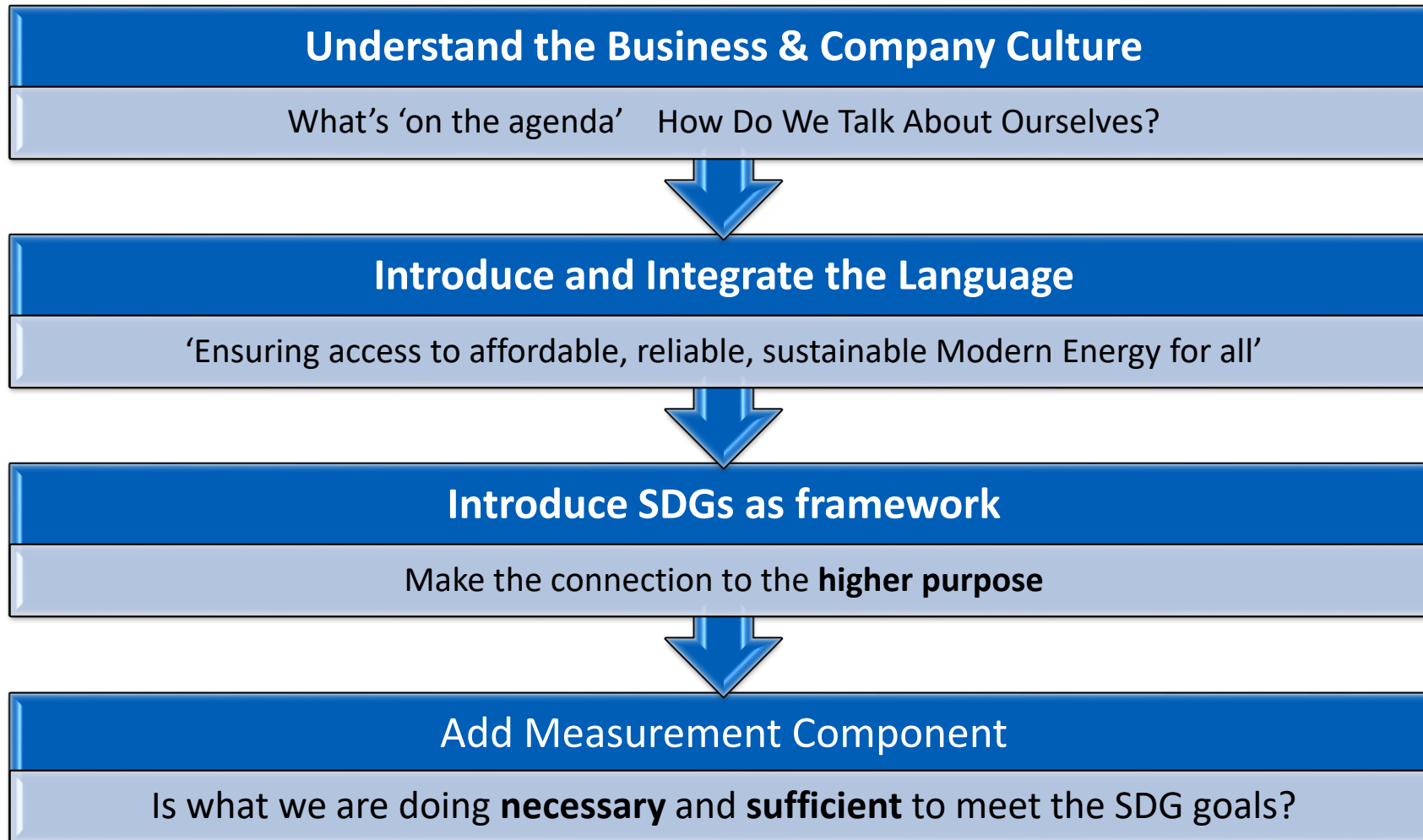
**BUILD INTERNAL BUY-IN FIRST**

**REMEMBER THAT WHICH PRODUCES RESULTS GETS SUPPORTED (INCLUDING FUNDING)**



# PROGRESS TO DATE

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# EXAMPLE OF FRAMING

7

11

9

8

Message from our Leadership

Our approach to providing **affordable, reliable and sustainable energy** has evolved quickly over the last several years, and now includes renewable energy. Investing in our employees, prioritizing safety and continually improving our energy offerings and infrastructure have been essential components to our success and growth as a company, helping us to meet **evolving customer and community needs**.

At WGL, we know sustainability is crucial to our continued growth and success. The future of the energy business depends on identifying new ways to provide energy solutions and incorporating sustainability into those practices, including reducing our environmental impact, helping customers use energy wisely and efficiently, investing in **resilient infrastructure** and creating **economic opportunities** for our employees, as well as our suppliers.

**WGL** | ENERGY ANSWERS. ASK US.

wgl.com

## ADOPTING THE LANGUAGE

# Ensuring Access to Modern Energy



### 7. AFFORDABLE & CLEAN ENERGY

A key to WGL's mission is providing energy answers to our customers. We believe in the necessity of UN Sustainable Development

Goal 7, which is to "ensure access to affordable, reliable, sustainable and modern energy for all." That is because access to

development and our objective is to empower the continued development of

sustainable economy. This section

highlights these efforts.

**For 170 years, as energy needs and options have evolved, so have we because access to energy is a core component to health, wellbeing, quality of life for both people and communities. Our objective is to empower the continued development of individuals and communities as we shift toward a more sustainable economy.**

# EVOLVING THE LANGUAGE & TRANSPARENCY



## Investing in Resilient Infrastructure

The energy we supply is dependent on the infrastructure we build. WGL operates in cities, towns and communities of varying sizes, but our commitment to the resiliency, safety and sustainability of our infrastructure remains the same. Our focus in this area is with an eye toward UN Sustainable Development Goal 9 to "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation." Whether with suppliers, customers, communities or employees, our efforts toward maintaining safe and resilient infrastructure is key to who we are as a company. We also actively work with our interstate gas pipeline suppliers to encourage them to maintain and modernize their pipeline infrastructure.

 **9. INDUSTRY, INNOVATION & INFRASTRUCTURE**

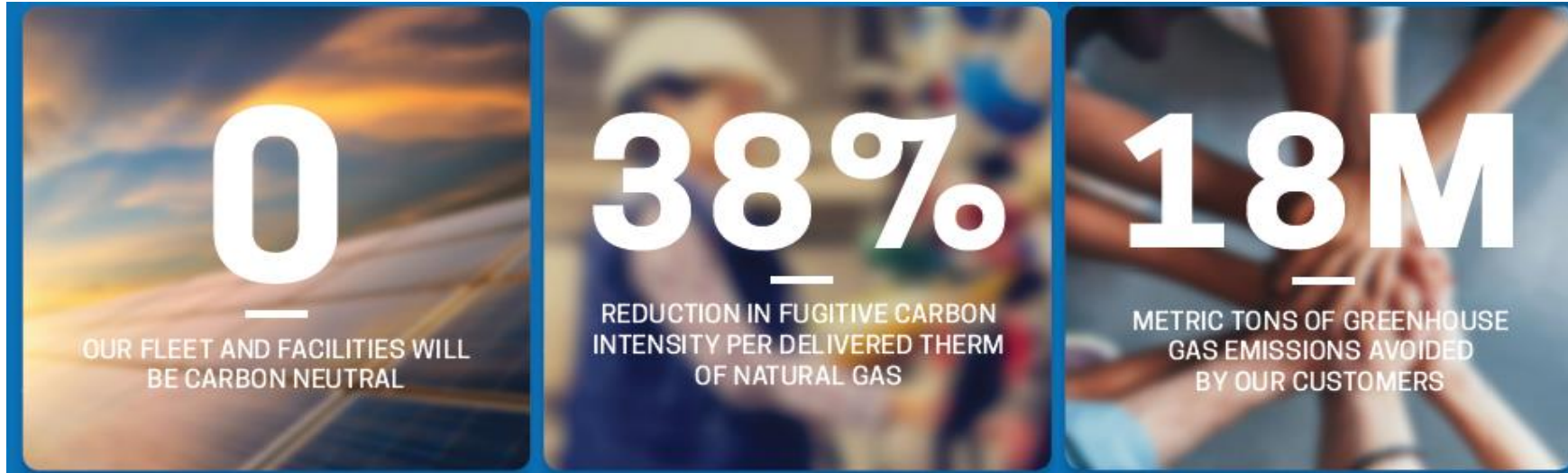
**The energy we supply is dependent on the infrastructure that brings it to our customers. We have adopted practices that include replacing older pipeline materials with newer, modern and lower-emitting pipelines.**

**With support from legislators and regulators, we have approved accelerated pipe replacement programs in all of our service jurisdictions, allowing us to accelerate our investment in the infrastructure upgrades that will benefit our communities for decades to come.**



## AND WE HAVE SET AGGRESSIVE TARGETS

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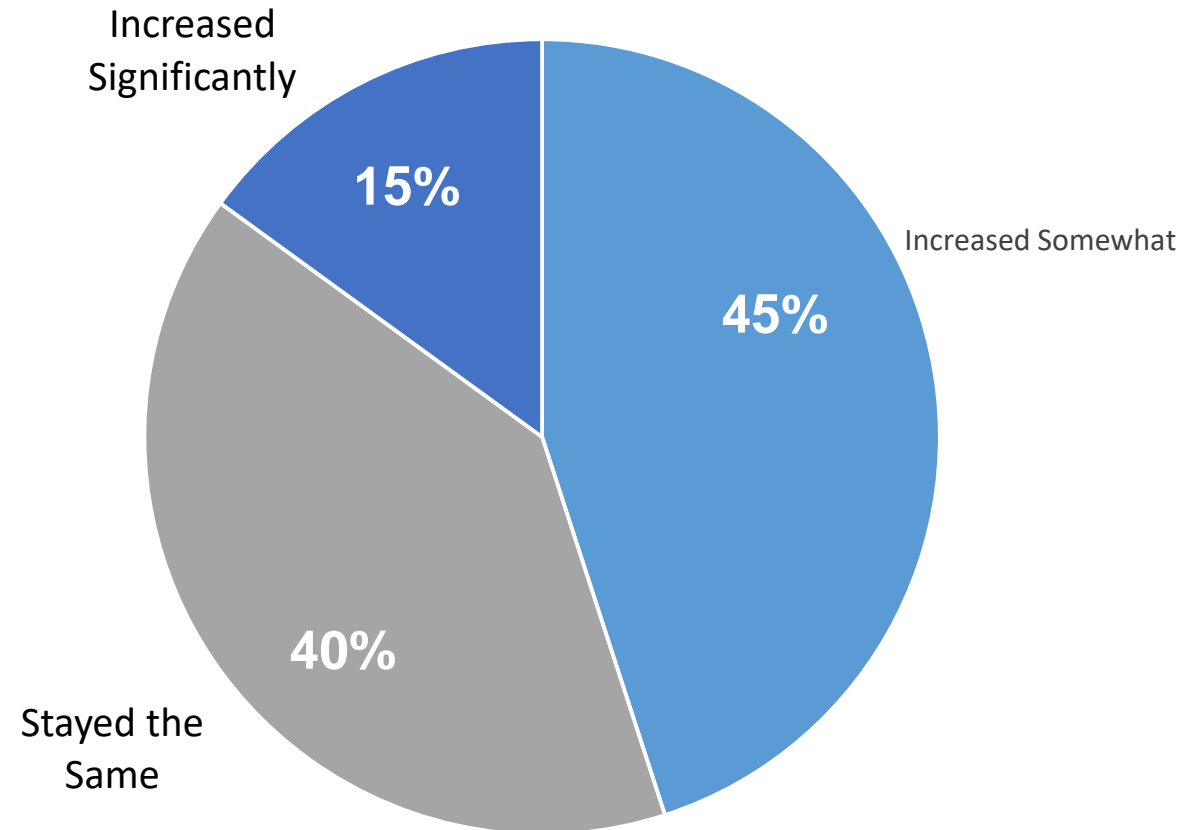
Using our own sites & fleet as a demonstration

Decarbonizing the natural gas – just as electricity is also modernizing

Measurable impact for our customers (and hence our community)



## Social issues: Expectations on business are increasing





# Public Affairs Council

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**MANAGE YOUR WORLD**