

Aligning CSR Efforts with UN Sustainable Development Goals

December 2017



Introduction

- Focuses on pre-assurance and assurance services for corporate sustainability reporting
- US representative for global PwC support with GRI and the UN Global Compact to publish *Business Reporting on the SDGs: An Analysis of the Goals and Targets (September 2017)*
- Part of the PwC Conflict Minerals Core Team since 2012
- Led the PwC scoring team for CDP Climate Change questionnaires in 2013; held debriefs with companies on scoring and methodology from 2011-2014



- Manager, Sustainability Services and Risk Management at PwC
- Jessica.z.gehl@pwc.com
- Twitter [@jessica_gehl](https://twitter.com/jessica_gehl)

The SDGs were adopted in Sept 2015 by the 193 UN member states

- 17 goals integrating economic, environmental and social impacts
- Underpinned by 169 targets to help define progress
- Designed to be a blueprint for good growth nationally and internationally by 2030
- Expected to frame agendas and policies of member states until 2030 - possibility of new regulation or taxes
- Specifically developed with business in mind – expectation of active involvement
- Implementation of the EU Non-financial Reporting Directive in 2017 may further boost client focus in SDGs as a framework



Governments are likely to want to measure and monitor the effectiveness of their interventions – business needs to be aware of its contribution

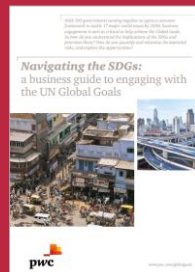
PwC Sustainability are focusing on private sector engagement – seeing the SDGs as a game changer for long term business prosperity



- Research insights from survey of business intentions, combined with CEO survey findings



- Diagnostic tool to identify most relevant SDGs, opportunities and value at risk



- Detailed guide on implications for business and how to engage with each of the goals



- Interactive “app” combining results from survey, diagnostic tool and business guide

<https://dm.pwc.com/SDGSelector/>

Why do the SDGs matter for business?

A new direction for government and business

193 UN member states have signed up to the SDGs - **they will look to business to help achieve them**

Business engagement

Contribution

CEOs will want to know how their business supports or detracts from government's goals.

Fair regulation

Especially if they want to be on the receiving end of 'fair' regulation and a welcoming licence to operate.

Goal congruent

It's not about business implementing the SDG's - it's about business having a strategy that, at the national level, is goal-congruent with government ambition....

Consumers want business to engage



***Make it your business research results –
PwC SDG survey with UNGC, WBCSD and GRI***

How is business engaging with the SDGs?

- 1 What are they doing?
- 2 What steps they are taking?
- 3 What are their ambitions?
- 4 What help do they need?

- Business: 986 responses from **90** countries
- Citizen: 2,015 responses from **37** countries

It makes commercial sense to embed the SDGs in operations and strategy, but how ready is business to support governments achieve these global goals?

Make it your business:
Engaging with the Sustainable Development Goals



71%
of businesses say they are already planning how they will engage with the SDGs

13%
of businesses have identified the tools they need to assess their impact against the SDGs

41%
of businesses say they will embed SDGs into strategy and the way they do business, within five years

90%
of citizens say it's important for business to sign up to the SDGs

 www.pwc.com/sdg

Priorities

- little alignment between corporates and citizens

Business has
the greatest
impact

Business sees
the greatest
opportunity

Citizens
prioritise the
importance



We talked to business: views on planning

Business has already started to take action:

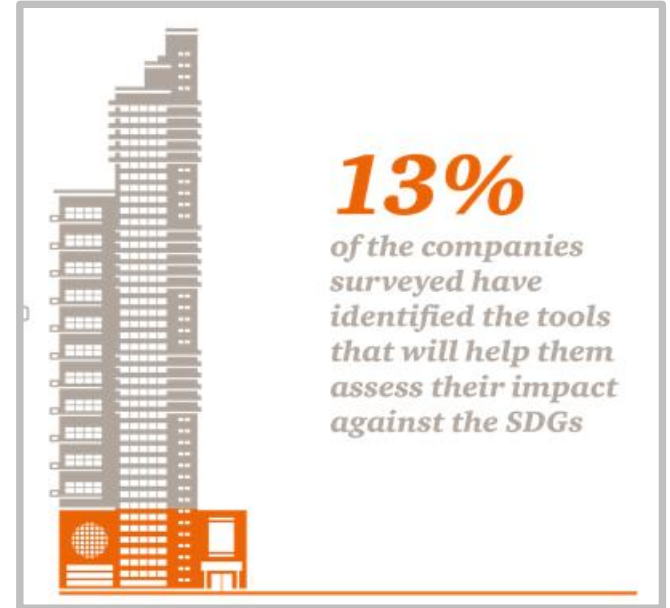
71%

Despite only 10% business responders ranking business with prime responsibility, 71% business say they are already planning how they will respond to the SDGs.

but
only

13%

of the companies surveyed have identified the tools that will help them assess their impact against the SDGs



Why do the global goals matter for business?



*“Now is the time to **mobilize the global business community as never before**. Trillions of dollars in public and private funds are to be redirected towards the SDGs, **creating huge opportunities** for responsible companies to deliver solutions. ”*

Business has a fundamental role in the delivery of a thriving society in a thriving environment



84% of CEOs said
that they are
expected to address
wider stakeholder
needs



76% of CEOs say
business success is
about more than just
financial profit



52% of CEOs say
creating value for
wider stakeholders
drives profitability



Key questions for business ...

1

SDGs are complex.
And so is your business.
Where do you start?

3

Governments will
look to the business
community to support
their goals. Will you
be ready?

2

Consumers have high
expectations. Real
pressure to perform.
How will you match up?

4

Business impact on
SDGs will shape long
term strategy. What
does your board think
about the SDGs?

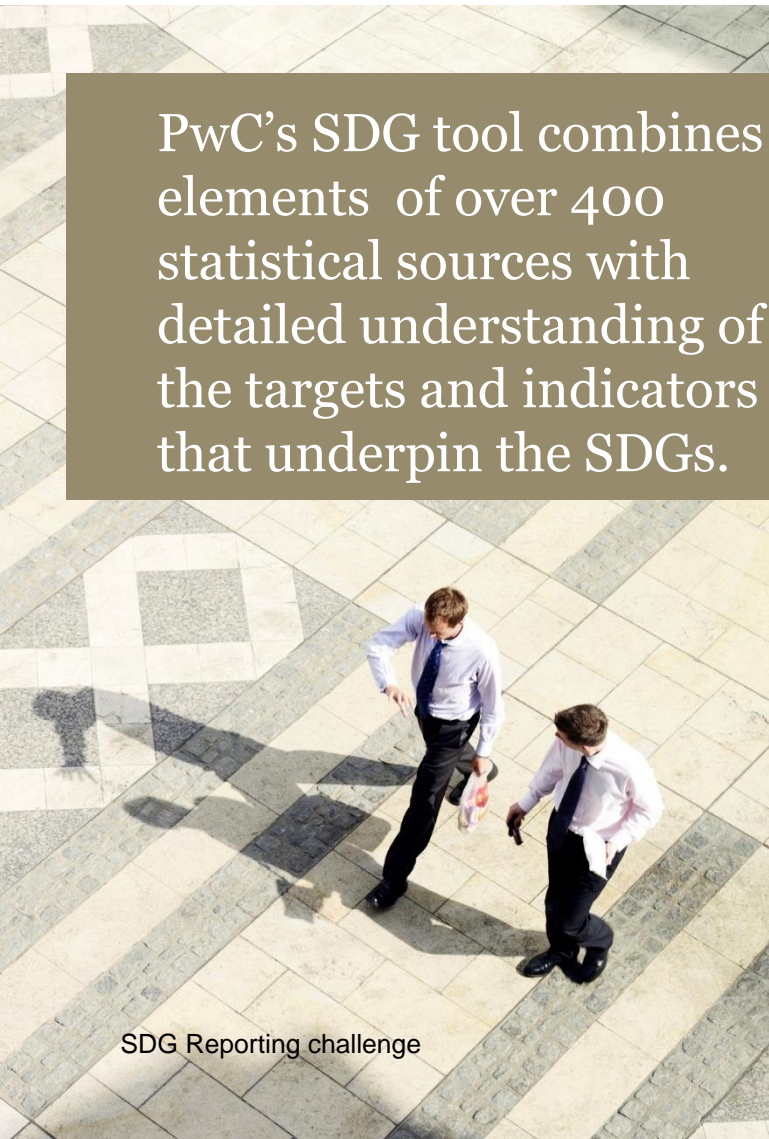


Global Goals Business Navigator

... the PwC tool kit

Global Goals Business Navigator

Overview



PwC's SDG tool combines elements of over 400 statistical sources with detailed understanding of the targets and indicators that underpin the SDGs.

The tool will allow a business to:

- **Evaluate which SDGs** they can best contribute to
- **Identify the significant risks** (i.e. where business activities hinder governments more than help) in relation both to core products and activities and more broadly across the supply chain, on a country by country basis
- **Identify the potential opportunities** (i.e. where business activities could help significantly more) in relation to core products and activities and the wider supply chain, on a country by country basis.

Global Goals Business Navigator

3 step process

1

Diagnostic tool

- **Run our SDG diagnostic tool** using data from detailed information provided, for the latest financial year available.
- *Our standard approach is based on an organisation's global revenue, employment costs and EBITDA by geography, but this can be adapted to suit.*

2

Interviews

- **Identify policies and practices relevant to the SDGs** throughout the organisation, which will impact the potential value at risk of host countries not achieving their SDG goals.
- This will be done through a series of **short interviews** with up to 5 key members of a company's management.

3

Outputs

- **Provide outputs** from the Global Goals Business Navigator (e.g. including SDG world heat maps, bubble charts and value at risk charts) to discuss with the Board and for companies to use in further discussions with senior management.

SDG selector



SDG Selector

It's easy to think that the SDGs are something for governments to deliver, after all it was 193 governments that agreed to them. But delivering the goals will have an impact on business - governments will introduce new policy, regulation, incentives and taxes to drive new behaviours. So expectations are high that business will play a key role in helping to achieve the Goals. CEOs will want to know how their business helps or hinders the SDGs being delivered and identify opportunities too.

Which SDGs are relevant to you and your business? Please select by one of the following: industry OR country OR theme

Industry Impact:

(business has the greatest impact on these SDGs)

Industry Opportunity:

(business sees the greatest potential opportunity)

Country:

Theme:

We're the official knowledge partner at the Responsible Business Forum on Sustainable Development 2016. If you're attending, [click here](#) to confirm your workshop choice.

At PwC, we believe that the Global Goals are a game changer for the planet and that business can make a significant contribution to help achieve them. You may find some results surprising and unexpected, but they are driven by complex data sets aligned to the underlying targets - talk to [Louise Scott](#) or your local PwC team to discuss. Or [Find out more](#) about how we are helping business to understand the risks and opportunities.



What drives the SDG Selector? In our 2015 readiness research for "[Make it your business](#)", we asked business leaders which SDGs they thought their business had an impact on and which might be an opportunity for them going forward – their responses drive the industry SDG selections. Our [Global Business Navigator tool](#) takes over 200 data sources to score countries performance against each SDG target - this data drives the country SDG selection. We've also cut the SDGs by theme – people, prosperity, planet, peace and partnership.

SDG Selector: <https://dm.pwc.com/SDGSelector/>

Sustainable Development Goals

Global SDG Challenge



What did our research cover?

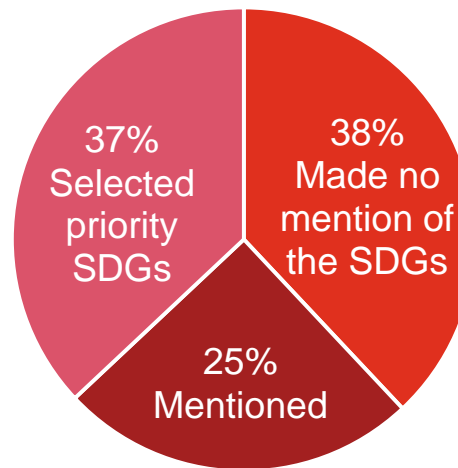
470 companies

17 countries

Analysis of corporate and sustainability reports

SDG prioritization, reporting quality and performance benchmarking

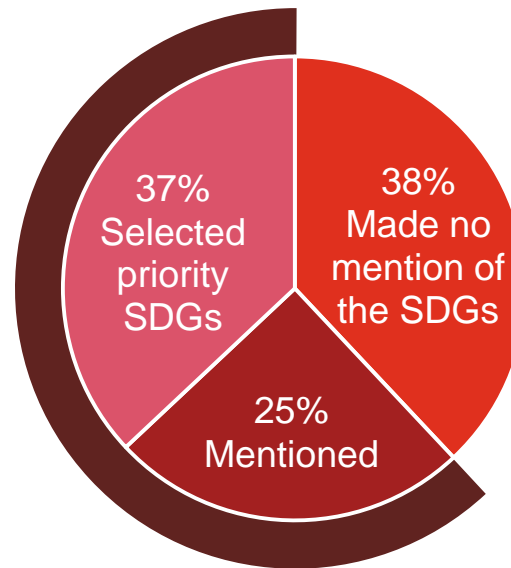
The SDGs are on the business radar...



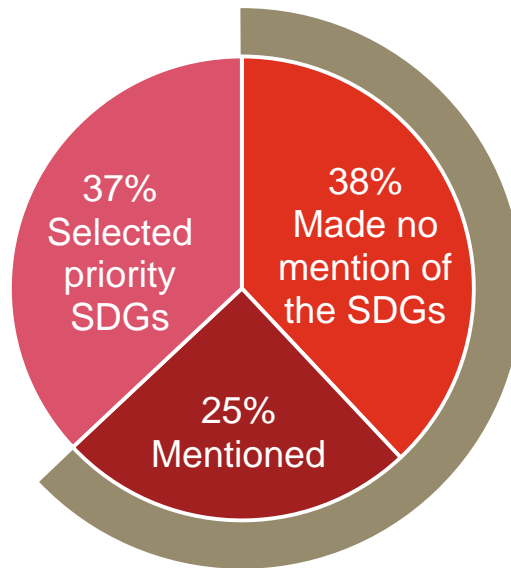
The SDGs are on the business radar...

62%

of companies mentioned the
SDGs in their reporting



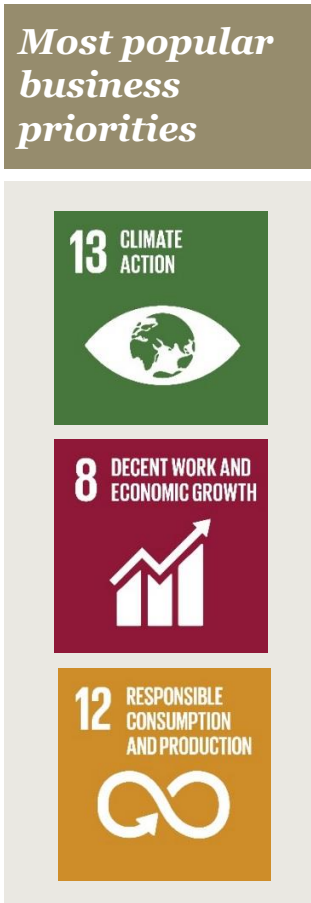
The SDGs are on the business radar...



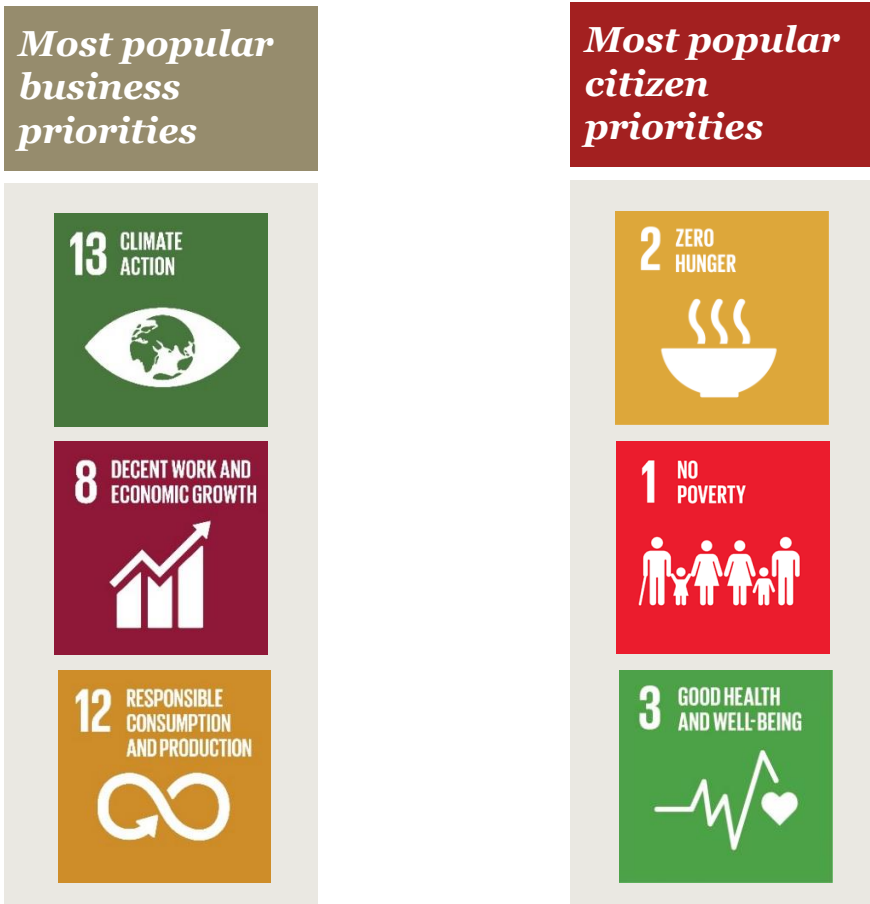
63%

aren't offering any
meaningful level of
engagement with the goals

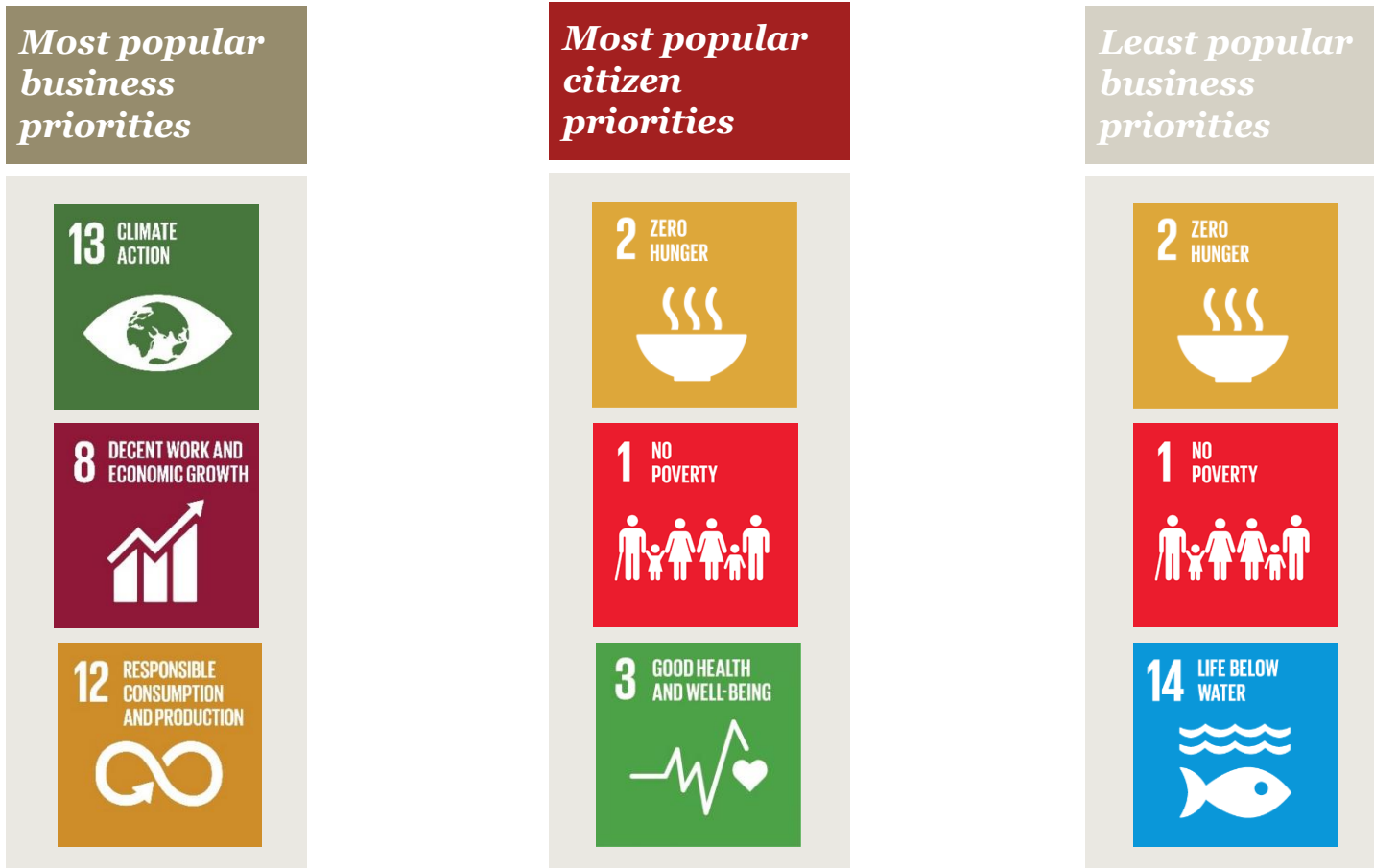
We found that business and citizens priorities are misaligned



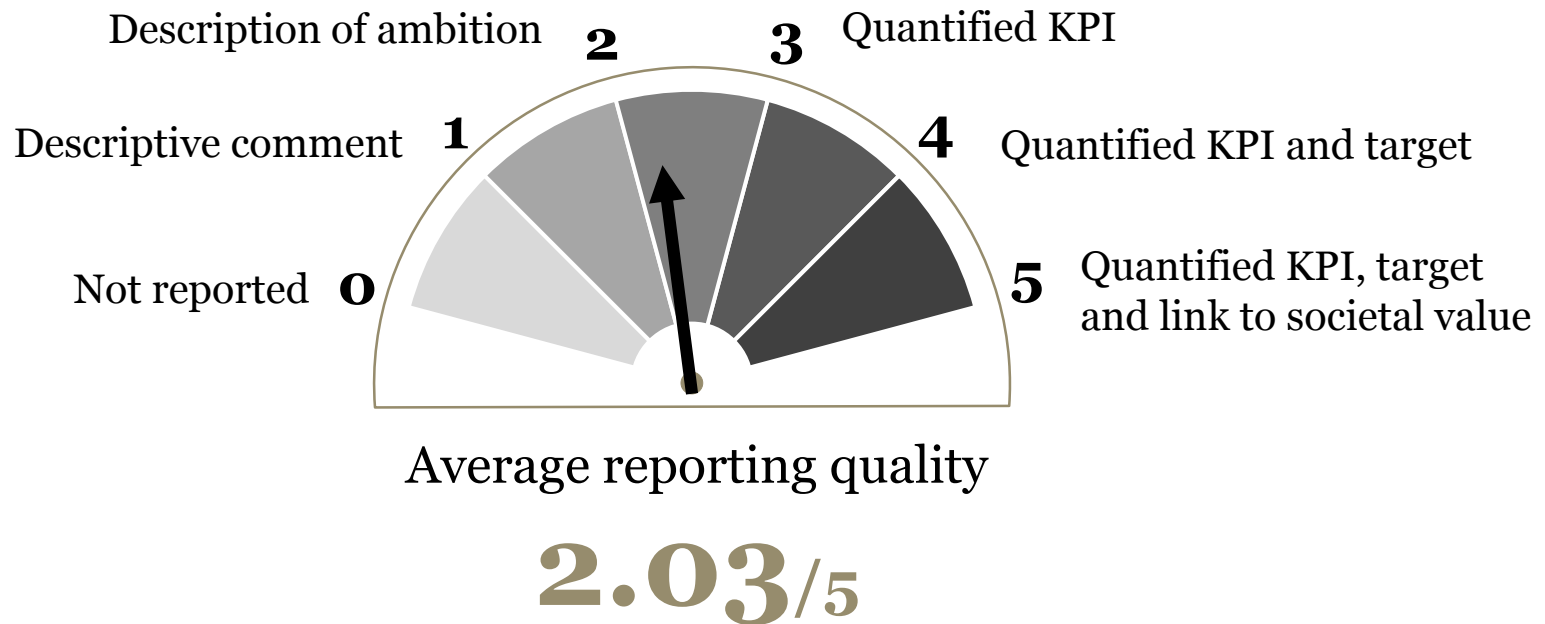
We found that business and citizens priorities are misaligned



We found that business and citizens priorities are misaligned



Most SDG reporting is still only qualitative



Companies that set SDG priorities have better quality reporting

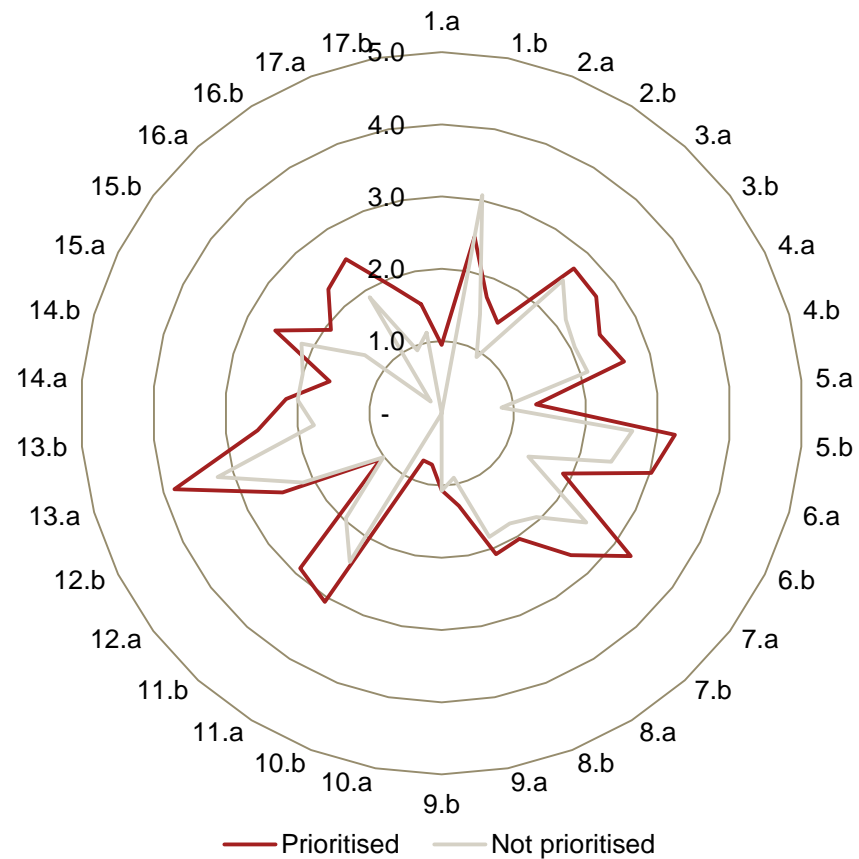
2.29/5

Average score for companies that prioritised the SDGs

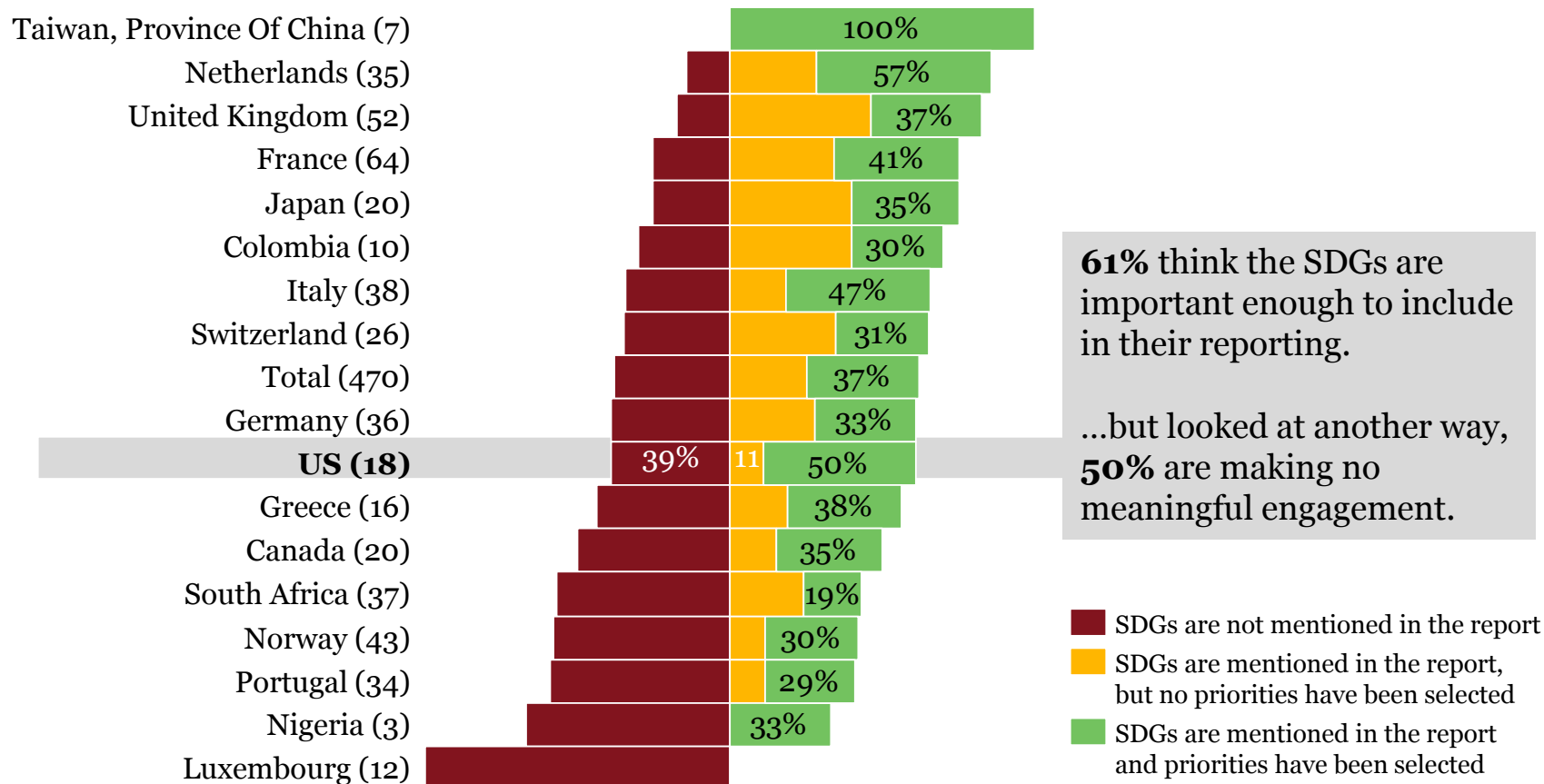
1.88/5

Average score for companies that **didn't** prioritise the SDGs

Global average reporting quality score



General observations are also true for the US



Source: PwC Analysis, numbers in brackets indicate number of companies analysed
SDG Reporting challenge

Business Reporting on the SDGs

A collaboration between the UN Global Compact and GRI, with support from PwC

Business Reporting on the SDGs



Business Reporting on the SDGs:

A partnership to co-create the mechanisms for global business transparency and reporting on the SDGs.



United Nations
Global Compact

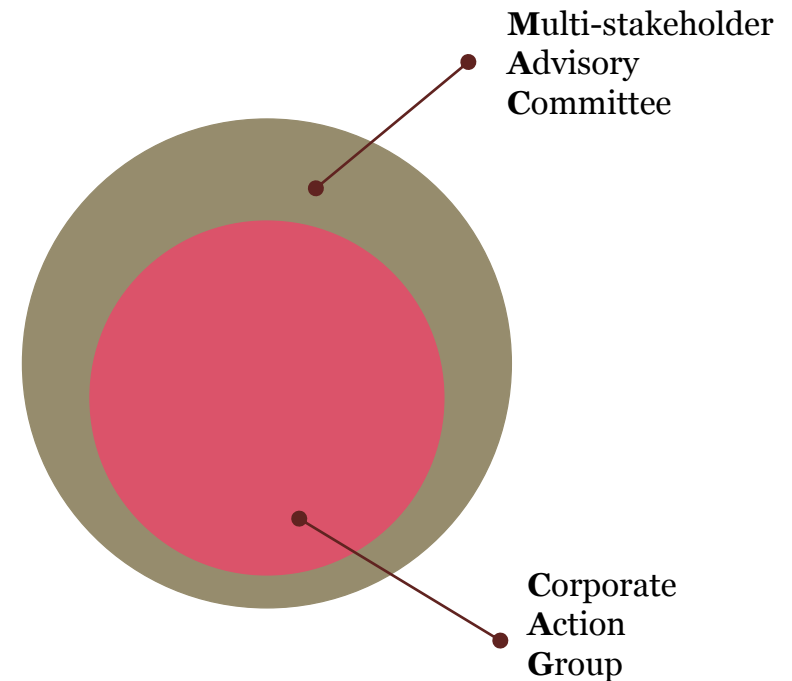
Supported by  **pwc**

Engaging leading businesses and non-corporate stakeholders

The Action Platform is built from two components:

The **Corporate Action Group (CAG)** serves as a business engagement and peer learning forum, where business representatives can demonstrate leadership by helping define and promote their contributions to the SDGs.

The **Multi-stakeholder Advisory Committee (MAC)** is comprised of the members of the CAG, plus representatives from other stakeholder groups: governments, international and civil society organizations, investors, trade unions, data users, statistical offices and academics. This committee will provide guidance for the research and analysis done by the UN Global Compact and GRI.



Multi-stakeholder Advisory Committee: Businesses (Corporate Action Group)



First deliverable: An Analysis of the Goals and Targets



Launched at the UNGC Leaders Summit in NY in September 2017

Contents:

- Analysis at target level for business in general
- Illustrative actions
- Existing, established disclosures
- Gaps

Analysis of Goals and Targets

09 SECTION 1: INTRODUCTION

- 10 I. What is this document about?
- 12 II. How to use this document
- 14 III. Corporate reporting on the SDGs: Why it matters and where we stand today
- 15 IV. The contents of this document: Business disclosures across SDG targets, indicators and gap analysis
- 16 V. How this document was produced
- 17 VI. Next steps

18 SECTION 2: BUSINESS DISCLOSURES PER SDG TARGET

19 SDG 1: NO POVERTY

- 20 **Target 1.1.** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
- 21 **Target 1.2.** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

28 SDG 2: NO HUNGER

- 29 **Target 2.1.** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
- 30 **Target 2.2.** By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting

208 SECTION 3: APPENDICES

- 209 I. Cross-cutting principles underlying the development of this publication
- 211 II. SDG target list
- 213 III. List of publications and other resources that informed this publication
- 218 IV. Criteria for selecting the disclosure and indicator sources
- 219 V. List of disclosure and indicator sources considered
- 220 VI. Examples of relevant UN Conventions and other key international agreements and other internationally agreed instruments
- 224 VII. Partners and contributors

Section 2 includes all targets from 17 SDGs

Structure

Target 3.1

By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births

Possible relevant business actions to help achieve this target:

- Supporting effective and inclusive national health systems by complimenting, rather than substituting government and public sector action. Paying fair share of taxes to help finance national health systems.
- Ensuring that company policies and practices respect reproductive rights. Supporting access to reproductive, sexual, maternal, newborn and child health services, for instance, by providing employees with a list of local trusted healthcare professionals, on-

Sources

(for more information, please see Appendices III & VI)

Examples of relevant UN Conventions and other key international agreements	UDHR, CEDAW, ICESCR, Declaration of Alma-Ata, Ottawa Charter, WHO/OCH/94.1, ILO C183, ILO C155, ILO C161, ILO C102
Publications and other resources on Business and the SDGs	5, 104

Disclosures 3.1

Business Theme	Available Business Disclosures	Units	Source
Access to medicines	Pregnant women receiving prenatal care (%).	% of pregnant woman workers	World Bank WDI (adapted)

Possible Gaps

- Women receiving post-natal medical care
- Maternal mortality rate in employees
- Access to health-care for women (employees and families) in supply chain
- Maternity/paternity leave offered to employees
- No discrimination against pregnancy and promote shared responsibility of childcare among the couple
- Effectiveness of existing health and safety policies and programs including sex-disaggregated data

← Illustrative examples of mostly non-sector specific actions:

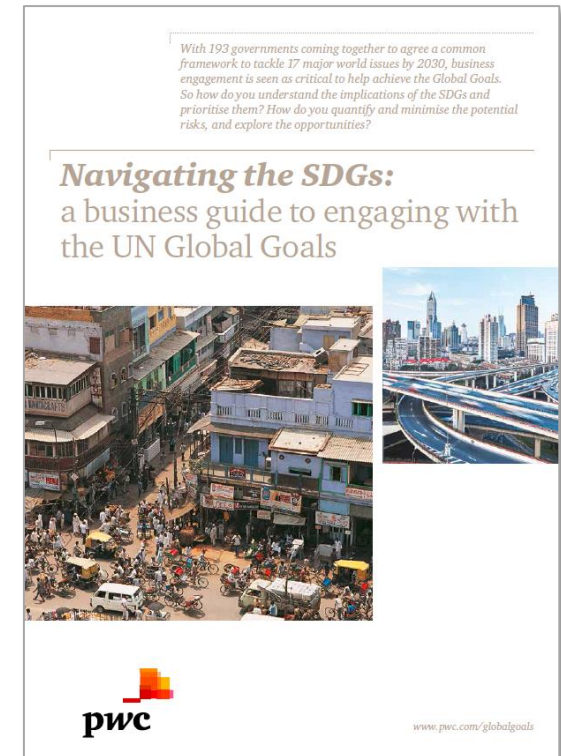
- Non-comprehensive list presented in bullet points;
- Non-prescriptive

Disclosures may be quantitative or qualitative, outcome-oriented or process-oriented, entity-specific or related to the value chain.

Top Tips for successful engagement with the SDGs

<i>Leadership</i>	<i>Employee engagement</i>	<i>SDG focus</i>
Is it from the top? Does it see value in long term investment?	Create awareness and encourage bottom up initiatives	Where is your impact? Consider materiality (by geography, by product, by sector)
<i>Understand relevance</i>	<i>Prioritise interventions</i>	<i>Incorporate this learning</i>
The key issues for the countries you operate in	Which work best to reduce negative and to increase positive impacts (in line with government targets)?	Embed into future business planning and strategy
<i>Measurement and reporting</i>	<i>Stakeholder engagement</i>	<i>Consider collaboration and align vested interests</i>
Evidence your contribution and impact on the SDGs	Create awareness and understanding	Suppliers, consumers, business partners, cross sector, government and NGOs

Thought leadership & publications



Find on: pwc.com/globalgoals

Thank you

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2017 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the United States member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.