

One Stone Advisors

How to report on the SDGs





How to report on the SDGs

A year and a half after the adoption of the UN Sustainable Development Goals (SDGs), companies are making inroads in how to manage and report on the 2030 Agenda.

There's a wide range of approaches—so what can we learn from early adopters on how to deliver and communicate effectively on the Goals? For those just starting out on the SDG journey, the following tips will help you connect the dots, make a strong business case and put the right building blocks in place. For organisations already actively engaging with the SDGs, our best practice examples will inspire new ways to craft an effective and compelling SDG leadership story. Our SDG work with leaders from a range of sectors—including banking & finance, food & beverage, tourism & travel, healthcare and ICT (information communications technology)—identifies three key steps to help you manage and report better on the SDGs:

1 Map your contribution

The entry point for most companies is to scope their contribution to the Goals. This can take many forms—from exploring how existing activities align with particular SDGs, to charting the organisation's positive and negative impacts across all 17.

2 Set priorities

Once you know how you impact the Goals, it's time to prioritise. That doesn't mean just grabbing the low-hanging fruit. Be honest about where you create value and what you need to mitigate. Use evidence-based thinking to pinpoint where global action is urgent. And actively engage partners and stakeholders to make sure you address what really matters.

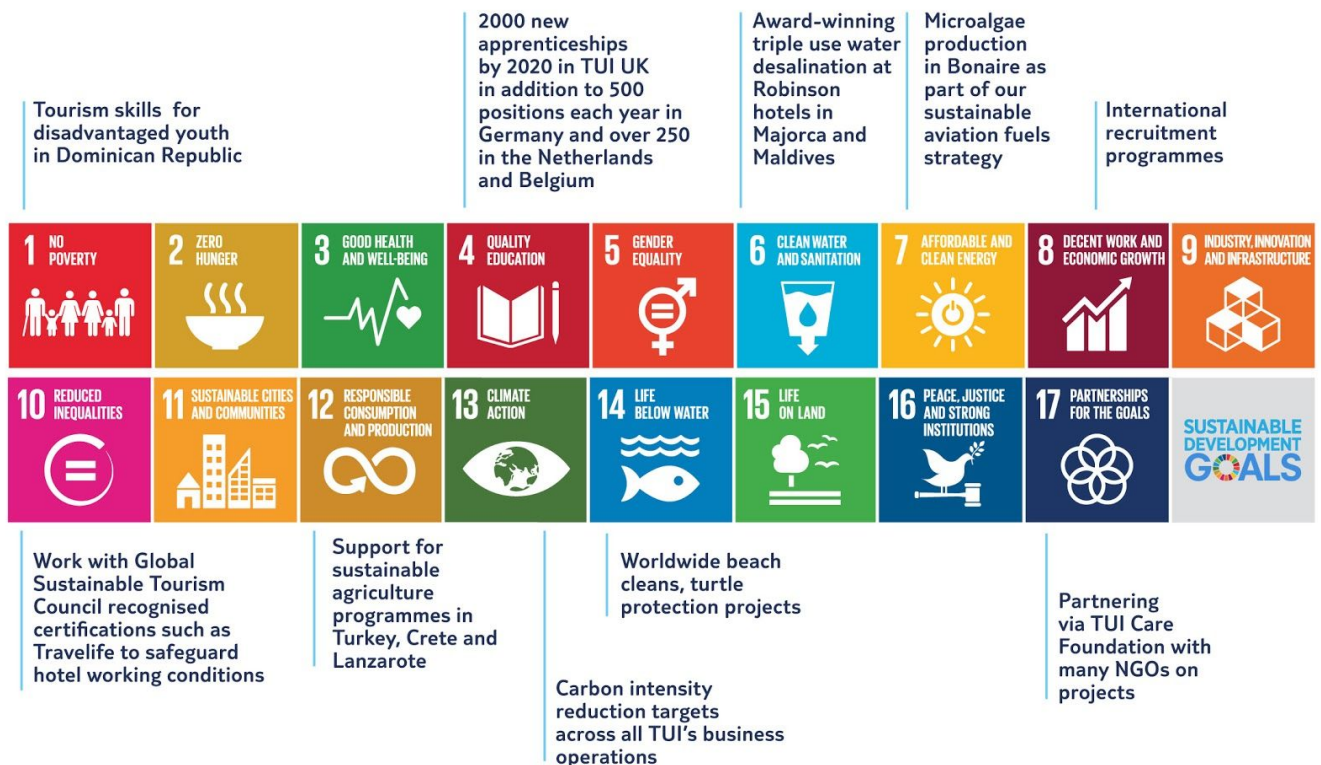
3 Measure & report on progress

The SDGs offer a roadmap for responsible business out to 2030 and a US\$12 trillion business opportunity so it's worth investing now in scoping what you can do and how to measure success. To go the distance, your SDG strategy should encompass areas where you can add value, aspects to mitigate and the actions and alliances that will help you deliver.

Map your contribution

1.1 Plot existing activities

An easy starting point is to highlight which Goals you already deliver on. Global travel giant TUI Group identifies specific targets on tourism and shows which Goals align with its Corporate Social Responsibility (CSR) initiatives and Better Holidays, Better World 2015–2020 strategy.



Source: TUI Group Better Holidays, Better World Summary Report 2016

1.2 Map your contribution Rethink materiality

Australian bank Westpac and Japanese IT company Ricoh are both examples of companies using risk management tools to align their material issues with the Goals. In future Ricoh will also set targets and KPIs for each issue, in line with the SDGs.

Sustainable Development Goals mapped to Westpac Group's material issues

Conduct and Trust Conduct and culture Changing regulatory landscape Financial and economic performance Governance, risk and remuneration			This table shows the six Sustainable Development Goals we have prioritised. As we respond to our most material issues, Westpac's actions will support the achievement of these priority goals, while also considering the role we can play to support the remaining 11 goals.	
Service leadership Customer experience, support and access Financial capability and empowerment				
Digital innovation Digital product and service transformation Information security and data privacy				
Workforce of the future Talent attraction and retention Workforce wellbeing Inclusion and diversity				
Positive societal impact Supporting communities in need Positive impact finance Climate change transition and opportunities Societal diversity and prosperity				
Value chain risk Our direct environmental footprint Value chain sustainability risks				

Source: Westpac Group 2016 Sustainability Performance Report

Map your contribution

1.3 Go the full Monty

Maersk’s benchmark standalone report on the SDGs shows where it can deliver positive change at scale, whether impacts are direct or indirect and which negative outcomes it needs to mitigate. It drills right down to target level and goes the extra step of highlighting where policy or framework conditions must change for the company to make a difference.

Maersk and the SDGs



STRONG POTENTIAL FOR POSITIVE IMPACT AT SCALE



POTENTIAL DIRECT / INDIRECT POSITIVE IMPACT



RESPONSIBILITY TO MITIGATE POTENTIAL NEGATIVE IMPACT

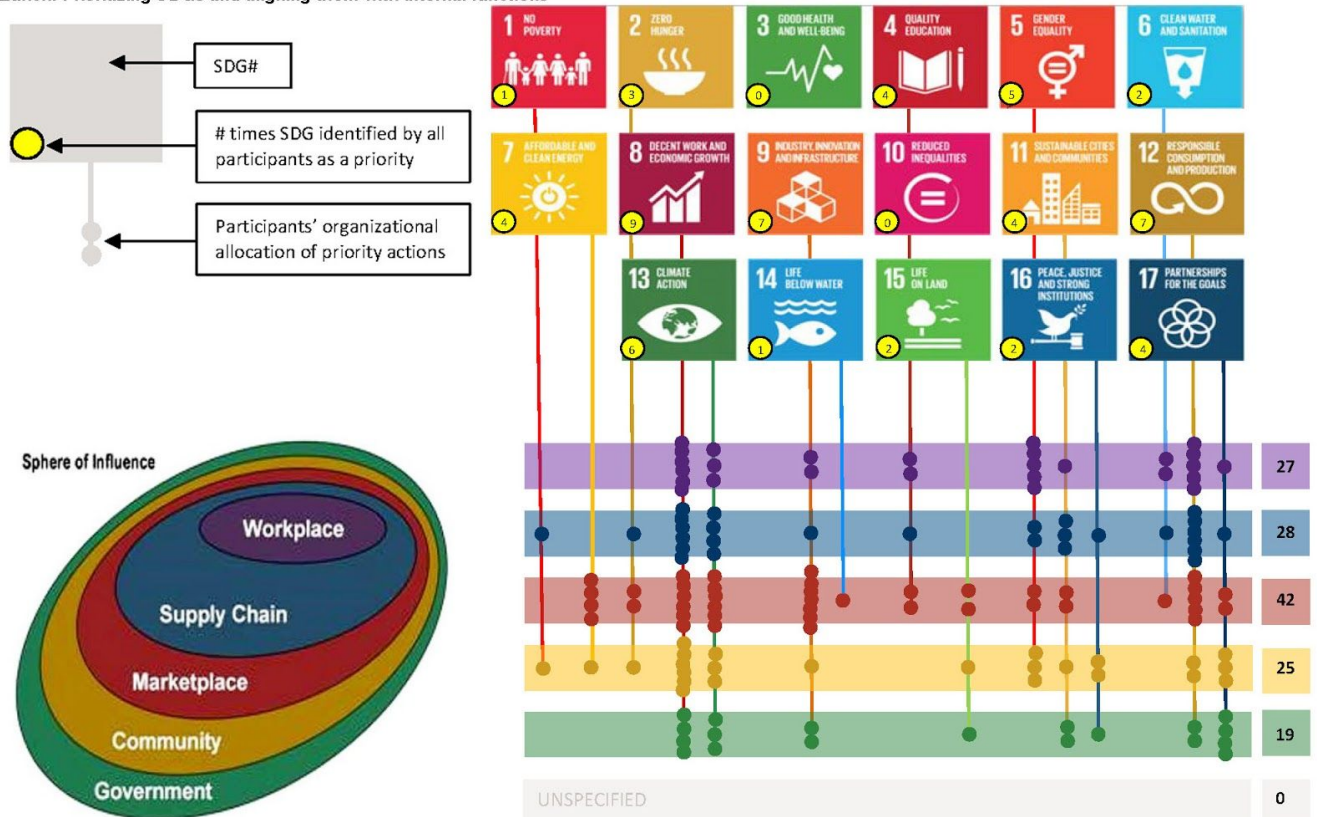
Source: Maersk and the Sustainable Development Goals

Set priorities

2.1 Engage stakeholders

Credit Suisse held workshops in two key markets to determine which Goals to focus on. The result: three priority SDGs, 5, 8 and 13 made the top five in both markets. Stakeholders also recommended where in the bank's sphere of influence to focus action on each Goal.

Zurich: Prioritizing SDGs and aligning them with internal functions



Source: Credit Suisse Workshop Report 2016

Set priorities

2.2 Align your strategy

Dow Chemical’s seven 2025 Sustainability Goals were developed with the emerging 2030 Agenda and draft SDGs in mind. They are a powerful way for the company to incorporate sustainability into business strategy and move beyond business as usual by ensuring resources are directed towards sustainable value creation.

	Leading the Blueprint	Delivering Breakthrough Innovations	Advancing a Circular Economy	Valuing Nature	Increasing Confidence in Chemical Technology	Engaging Employees for Impact	World-Leading Operations Performance
1		●			●	●	
2		●			●		
3		●		●	●		●
4	●					●	
5	●					●	
6		●					●
7		●					●
8	●					●	
9		●	●				
10	●	●		●		●	
11	●	●			●		
12	●	●			●		
13		●					●
14			●	●			●
15			●	●			●
16	●					●	
17	●						

Source: Dow 2015 Sustainability Report

Set priorities

2.3 Target Action

Those eye-catching, candy-coloured icons give the headline Goals instant appeal, but it's at the target level that the SDG rubber hits the road. Danish brewer Carlsberg cuts to the chase, correlating its four Group priority areas directly to four key targets where it can make a measurable difference.

The Carlsberg Group and the SDGs

Work in our four priority areas will strengthen our business, build resilience in the value chain and make a major contribution to global challenges and the Sustainable Development Goals.

The Carlsberg Group sustainability priority areas



Energy & carbon



Water



Responsible drinking



Health & safety

Most material SDGs with selected targets



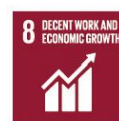
7.3 By 2030, double the global rate of improvement in energy efficiency.



6.4 By 2030, substantially increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity.



3.5 Strengthen the prevention and treatment of substance abuse, including harmful use of alcohol.



8.8 Protect labour rights and promote safe and secure working environments for all workers.

Sustainable Development Goals that cut across our operations

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships.

17.17 Encourage and promote effective public, public-private and civil society partnerships.

Source: Carlsberg Sustainability Report 2016

Measure & report on progress

3.1 Reframe the core business

For the enlightened, the Goals are already a new business frontier for winning by making a difference. Philips will link 95% of its revenue to the SDGs by 2025 and savings and investment products like BNP Paribas Aqua and the Solactive Sustainable Development Goals World index have been purpose-built to fund the Goals.



Improving people's lives

Philips, together with its partners, are delivering on our commitments to the United Nation's Sustainable Development Goals

As a leading health technology company focused on improving people's lives through meaningful innovation, it's only natural that everything we do is aligned with the Sustainable Development Goals (SDG).

We aim to improve the lives of **3 billion people** a year by 2025 and have **95% of Philips revenue** linked to the SDGs.

We will achieve this by continuing to focus on:



Source: Committed to the UN Sustainable Development Goals infographic

Measure & report on progress

3.2 Pin down how you'll deliver

As well as working out where to contribute, you need to show how. Rabobank has identified three key types of support it can leverage to deliver progress on the Goals—finance, knowledge and networks. Mobilising these resources or ‘means of implementation’ is the focus of SDG 17 and vital to achieve the Goals.

1 NO POVERTY

End poverty in all its forms everywhere

- Rabobank Foundation's activities to alleviate poverty impacted 4.7 million smallholder farmers in developing countries and 450,000 vulnerable people in the Netherlands (2015 data)
- Rabo Foundation invested a total of EUR 2.7 million. EUR 26 million is invested in rural cooperatives in developing countries and EUR 2.7 million in projects in the Netherlands
- Rabobank has several partnerships to strengthen and develop effective and inclusive financial systems. For example, we have a minority equity stake in 9 strategic partner banks in East Africa and Latin America, jointly serving over 7.1 million clients with a credit portfolio of over EUR 11 billion (2015 data). Also we participate for 25% in Arise, a partnership with EUR 619 million in assets
- 6,080 employees monthly donate a part of their salary and this amount is doubled by Rabobank to support the Rabo Foundation Employee Fund that helps sustainable projects in developing countries with a focus on water and education.

Banking for Food
 Banking for the Netherlands
 Finance
 Knowledge
 Networks

2 ZERO HUNGER

End hunger, achieve food security and improved nutrition; promote sustainable agriculture

- Rabobank contributes to food security by investing EUR 102 billion worldwide to stimulate a sustainable food supply for all
- Rabo Food and Agri Research has shared over 200 knowledge reports and over 200 articles/blogs with clients and relations. Also we supported nearly a 100 multinationals with specialized Food and Agri sector knowledge
- we connect clients throughout the entire food & agri value chain by organizing events like Foodbytes! and the Farm2Fork Summit (together with over 2,300 attendees), bringing together leading farmers, international agribusinesses, start-ups, innovations and investors
- We participate in the Farm to Market Alliance which aims to link 1.5 million smallholder farmers to markets (output, input, financial markets and knowledge)

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

- Rabobank financially supports 21,468 business clients in the primary care sector and invests EUR 8 billion in hospitals, youthcare and assistance for elderly
- Rabobank helped to realise the Princess Maxima Children's Oncology Centre through funding
- The Care category of the Herman Wijffels Innovation award is in place to stimulate smart innovations for better and affordable care in the Netherlands.

Source: Rabobank Sustainable Development Goals Annual Report 2016

One Stone Briefing 2017
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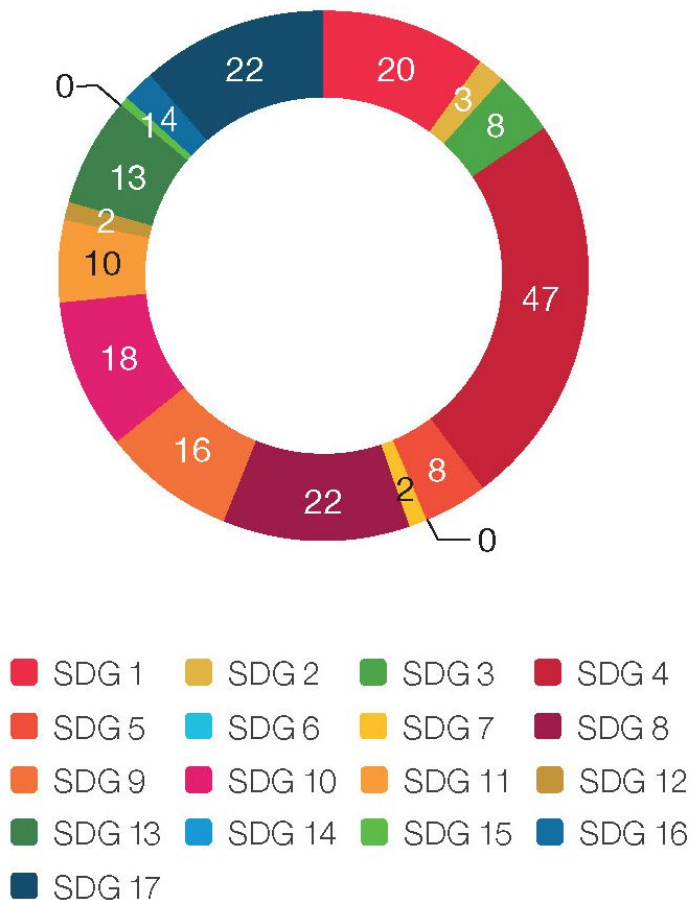
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Measure & report on progress

3.3 Track your impact

Good metrics are key to track progress on the 2030 Agenda. As well as enabling the SDGs by profitably providing Internet for All, ICT leader Ericsson has adopted the Goals as a lens for measuring societal impact. The volunteering programme connects every project with a corresponding SDG, showing at a glance how each activity impacts the Goals.

SDGs supported by employee volunteer projects



Source: Ericsson Sustainability and Corporate Responsibility Report 2016



Key takeaways

1 Map your contribution

Knowing how you contribute sets a baseline to measure your impact on the Goals. Start with easy wins and established material issues, but think about the big picture context too. Many SDGs require whole sector and system change that goes beyond traditional company boundaries.

2 Set priorities

Be inclusive—get stakeholders on-board in shaping strategic priorities—and dig right down to targets where you can really move the needle and drive transformational change.

3 Measure & report on progress

Tell a strategic story: develop a future value creation pipeline aligned with the SDGs. Work out which resources to leverage. Then use the Goals as a high-impact way to measure and communicate your contribution.

Next steps

Whether you're starting out or integrating the Global Goals more deeply into your core business, we hope this helps. We'll be sharing more great leadership examples and insights on the SDGs throughout 2017, so email us to make sure you don't miss out. And if you have other great examples to share, talk to us.

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