KPMG

How to report on the SDGs

What good looks like and why it matters

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kpmg.com/sdgreporting

Contents

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What this study is about and who it is for

SUSTAINABLE DEVELOPMENT GOALS

Four in ten of the world's largest companies already reference the UN Sustainable Development Goals (SDGs) in their corporate reporting, suggesting that business interest in the SDGs has grown quickly since their launch in September 2015.[1]

However, there is not yet an established process, benchmark or standard for reporting on the SDGs, even though many organizations are developing tools and communities to help companies respond.[2,3] Sustainability professionals at KPMG member firms have found that many of their clients are unsure about how to report on the SDGs, where to start and what good SDG reporting looks like.

This KPMG study aims to help by proposing quality criteria for SDG reporting which readers can use as a guide for their own organization's reporting. Also, by analyzing how reporting from the world's largest companies measures up against these criteria, this study will help readers to benchmark their own reporting against this global leadership group. As KPMG's long-standing series of surveys of corporate responsibility reporting has shown, the reporting behavior of the largest companies often predicts trends subsequently adopted by businesses worldwide.

This study will be valuable to sustainability, corporate responsibility and communications professionals with responsibility for shaping their company's SDG reporting. It will also help investors, asset managers and ratings agencies with an interest in environmental, social and governance (ESG) information to understand what SDG reporting they should be looking for and requesting from the companies they invest in.

Readers of this study will learn:

- What good SDG reporting looks like at this early stage
- How the world's largest companies are performing
- Which companies are doing it well and what they can teach others that are embarking on their SDG reporting journey

[1]KPMG (2017) The road ahead: Survey of Corporate Responsibility Reporting 2017
[2]UN Global Compact (UNGC), UN Development Programme (UNDP), World Business Council for Sustainable Development (WBCSD), Global Reporting Initiative (GRI), World Economic Forum et al
[3]University of Cambridge Institute for Sustainability Leadership (2017) Towards a sustainable economy. The commercial imperative for business to deliver on the UN sustainable development goals

How to use this document

To understand what good SDG reporting looks like according to KPMG's 9 quality assessment criteria go to What does good SDG reporting look like?

For an overview of how the world's largest companies are currently performing see the Executive summary.

For a more detailed look at how companies are currently performing, examples of good practice, advice from leading companies and KPMG's recommendations for readers, see the three themed sections:

Understanding

Prioritization

Measurement

To see a breakdown of the research sample and understand more about the research process, see the Methodology.

What does good SDG reporting look like?

KPMG's nine quality criteria for SDG reporting

For the purpose of this study, KPMG professionals established a robust set of nine criteria to analyze and compare the maturity of SDG reporting by large companies (see Figure 1).

The criteria are grouped into three themes:

1 **Understanding**

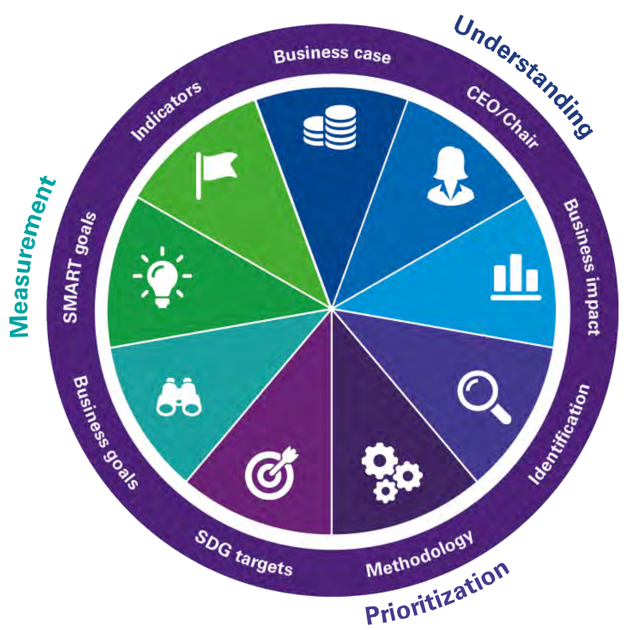
2 **Prioritization**

3 **Measurement**

They are based on the insights of KPMG Sustainability Services professionals combined with key elements of the SDG Compass[4] and guidance from the International Integrated Reporting Council (IIRC).[5]

Researchers adopted a straightforward assessment process by awarding one point to each company for each of the nine criteria satisfied, resulting in a maximum score of three under each theme and a maximum score of nine in total. This was considered sufficient data to provide a base level view of reporting maturity among the G250 sample.

Figure 1: Nine assessment criteria for SDG reporting maturity



SDG Compass and <IR>

The SDG Compass was developed by the Global Reporting Initiative (**GRI**), the **UN Global Compact** and the World Business Council for Sustainable Development (**WBCSD**), and is widely recognized as a leading strategic tool to guide business action on the SDGs.

Guidance from the International Integrated Reporting Council (**IIRC**) identifies a similar framework for contributing to the SDGs through the integrated reporting <IR> value creation process.

[4] https://sdgcompass.org/
[5] https://integratedreporting.org/tag/sdgs/

1 Understanding

Does the reporting demonstrate the business case for taking action on the SDGs?

Reporting should convince investors and other stakeholders that the company's SDG activity is based on a thorough assessment of the business risks and opportunities of the SDGs. By doing so, a company can generate confidence that its SDG activity is well planned and both relevant to, and aligned with, its business strategy.

Does the CEO and/or Chair's message talk about the SDGs?

Reporting should demonstrate leadership commitment to the SDGs as part of the company's long-term strategy. Discussing the SDGs in the CEO or Chair's message not only sets out the company's direction in relation to critical global issues but also gives a clear signal that the company's action on the SDGs is driven from the very top of the organization.

Does the reporting assess the business's impact on the SDGs?

Reporting should clearly communicate the positive and negative impacts a company has on the SDGs, showing how the company is both contributing to global problems, as well as helping to solve them. Transparency leads to trust - if a company does not demonstrate that it fully understands its impacts, its efforts to address those impacts can lack credibility.

2 Prioritization

Does the reporting identify priority SDGs for the company?

Reporting should identify the specific SDGs the company considers most relevant to its business and stakeholders, and on which it can have the most impact. Not all the SDGs and their underlying targets are of equal relevance to every company, sector or geography. Companies are encouraged to focus their action on the goals on which they can have the greatest actual and potential impact.[6]

Does the reporting explain the methodology the company used to prioritize the SDGs?

Reporting should explain the method or process the company has used to identify the most relevant SDGs and prioritize them for action. Doing this provides all stakeholders with a window into how comprehensively and credibly a company has evaluated the goals and on what basis it has selected those on which it will take action.

Does the reporting identify specific SDG targets that are relevant to the business?

Reporting should disclose which of the UN's 169 targets that underlie the SDGs are relevant to the business. Focusing on specific SDG targets helps a company to define its SDG-related business priorities more clearly and to implement more effective action. It can also help the company identify new business and innovation opportunities that may not be immediately apparent when looking only at the 17 SDGs.

[6] https://sdgcompass.org/

3 Measurement

Does the reporting disclose SDG performance goals for the company?

Reporting should clearly identify any SDG-related performance goals the company has set for its business. Setting goals demonstrates to external stakeholders that the company is serious about growing business value by meeting global needs. It can also strengthen relationships with business partners such as suppliers, by bringing them on board to support the company in achieving its goals.

Does the reporting set SDG performance goals that are SMART?

Companies should report what impact they seek to have on the SDGs by ensuring that the SDG performance goals they disclose are SMART, i.e. specific, measurable, achievable, relevant and time-bound (all the SDG targets set by the UN are time-bound). By putting SMART goals in place, a business can measure, monitor and communicate its contribution to achieving the SDGs in a convincing and compelling way.

Does the reporting detail the indicators the company is using to measure the progress of its SDG activities?

Reporting should define the indicators the company has selected in order to collect data and report on its performance against its SMART SDG goals. Defining appropriate indicators focuses business decision-making and supports better management of SDG-related activity. Measuring and reviewing progress internally against key performance indicators (KPIs) is a prerequisite for effective management and continuous improvement. Committing to recognized indicators of progress also helps to generate more accurate, consistent and comparable data, which is particularly useful for analysts and investors.

Given that the SDGs are still relatively new, there is as yet no benchmark or framework that is widely accepted as the standard for SDG reporting. There are, however, many and various initiatives that seek to establish such frameworks. Standard or common practice will no doubt emerge over time.

In the meantime, the nine criteria we have developed for this analysis provide companies with a simple but useful framework to guide their SDG reporting. Many of these criteria reflect core principles of good business reporting.

Our analysis for this study shows that not even the leading companies are yet satisfying all these criteria in their reporting, so while the bar may be raised higher in future, I believe these criteria offer a comprehensive picture of what good SDG reporting looks like right now.

Adrian King

KPMG Global Lead,
Sustainability Reporting & Assurance Services

Executive summary

Key statistics on SDG reporting by the world's largest companies:

Four in ten (40%) of the world's 250 largest companies currently discuss the SDGs in their corporate reporting

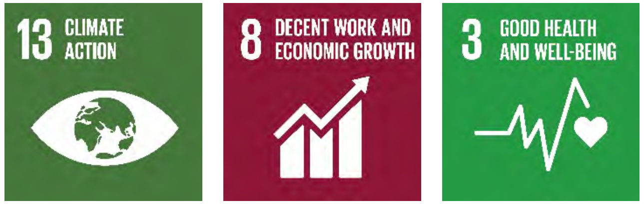
Large companies in Germany, France and the UK are significantly more likely to report on the SDGs than companies in other countries[7]

- 83% **Germany**
- 63% **France**
- 60% **UK**
- 46% **Japan**
- 31% **US**

Large companies in consumer facing sectors such as Utilities and Automotive are more likely to report on the SDGs than those in heavy industry sectors like Manufacturing and Oil & Gas[8]

- 58% **Utilities**
- 58% **Automotive**
- 57% **Retail**
- 56% **Technology, Media & Telecommunications**
- 47% **Healthcare**
- 37% **Financial Services**
- 30% **Industrials, Manufacturing & Metals**
- 28% **Oil & Gas**

Companies are paying the most attention to the following three SDGs (prioritized by 55 percent or more of reporting companies):



Companies are paying the least attention to the following three SDGs (prioritized by 26 percent or less of reporting companies):

SUSTAINABLE DEVELOPMENT GOALS

[7,8]KPMG Survey of Corporate Responsibility Reporting 2017

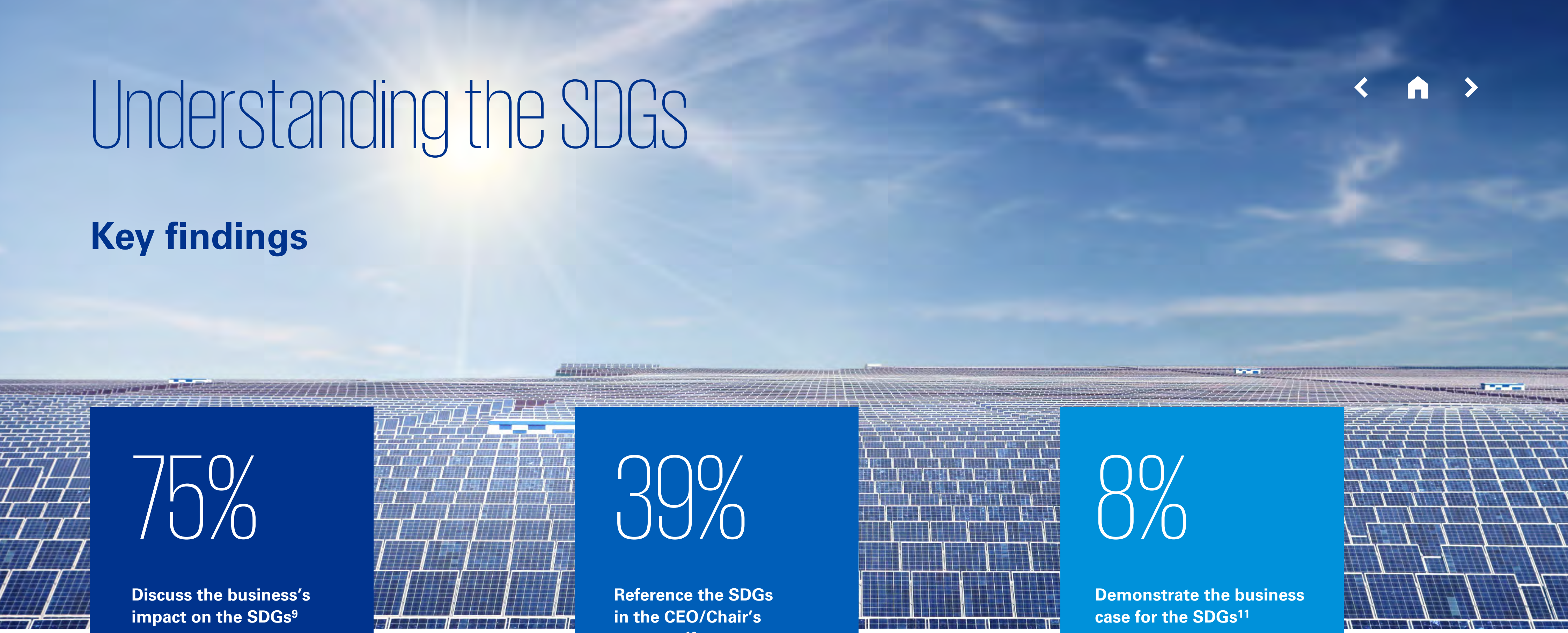
Executive summary

SDG reporting by the G250: a report card

	Reporting quality criteria	Grade	Comments
Understanding the SDGs *Further information, examples of good practice and recommendations* Page 8	Reporting the business case for SDG action	D	This is an important area for improvement – less than one in ten reporting companies currently makes the business case
	Discussing the SDGs in the CEO/Chair's message	C	Discussing the SDGs in leadership messages is still some way from being standard practice. This is a relatively simple way for many companies to improve their reporting.
	Assessing the business's impacts on the SDGs	A (-)	Most reporting companies discuss their SDG impacts but reporting is largely unbalanced, focusing on the positive but not the negative. Credible reporting requires better balance, hence the A minus grade.
Prioritizing the SDGs *Further information, examples of good practice and recommendations* Page 13	Prioritizing the most relevant SDGs for the company	A	A majority of companies do prioritize the SDGs they consider most relevant to their business. However, a quarter identify all 17 SDGs as priorities. It can be challenging for businesses to plan and implement meaningful action on such a wide range of goals. KPMG professionals encourage clients to focus attention on a smaller number of SDGs where they can have the biggest impact.
	Disclosing the method used to prioritize the SDGs	B	Just over half the reporting companies explain how they prioritize the SDGs so there is room for improvement here.
	Identifying specific SDG targets relevant to the business	D	Only one in five companies has gone beyond the 17 overall SDGs to identify the underlying targets they will focus on.
Measuring SDG performance *Further information, examples of good practice and recommendations* Page 21	Setting SDG performance goals for the business	C	Reporting cycles may account to some extent for the lower performance in this area. However, the research suggests that many companies are finding it challenging to translate well-intentioned support for the SDGs into specific, actionable and measurable business goals.
	Setting SMART performance goals	D	
	Disclosing the indicators used to measure SDG performance	D	

A = done by 70 percent or more of reporting companies, **B** = done by 50 percent or more, **C** = done by 30 percent or more, **D** = done by less than 30 percent

Understanding the SDGs



Key findings

75%

Discuss the business's impact on the SDGs[9]

39%

Reference the SDGs in the CEO/Chair's message[10]

8%

Demonstrate the business case for the SDGs[11]

This seems a positive result, but the study found that current reporting is largely unbalanced. Almost all the companies reviewed in the study talk about their positive impacts on the SDGs but not the negative impacts. Companies that give a one-sided view of how they contribute to the SDGs could have the credibility of their reporting called into question.

Talking about the SDGs in the CEO and/or Chair's message is a relatively simple and easy way to improve the quality of a company's SDG reporting.

The study shows that CEOs and/or Chairs of companies in certain countries are most likely to reference the SDGs in their messages: Japan (55 percent), Germany (53 percent) and the UK (50 percent). On a sectoral level, the automotive industry leads with almost three quarters (73 percent) of CEOs and/or Chairs highlighting their company's commitment to the SDGs.

The number of companies that report a clear business case for taking action on the SDGs is currently very low. This should be a key focus for companies that want to improve their SDG reporting. Of those that do report a business case, the majority are based in Europe although the numbers are currently too low to draw meaningful regional or sector conclusions.

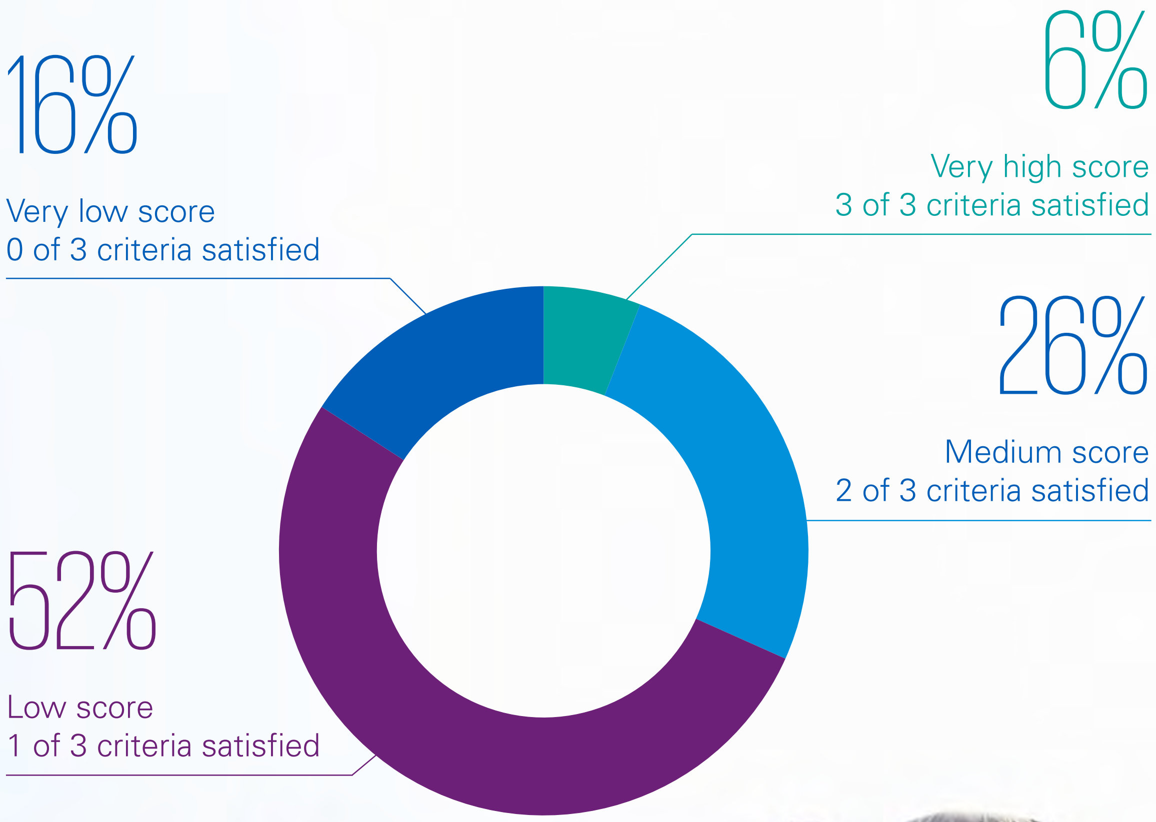
[9,10,11]Base: 101 companies that discuss the SDGs in their corporate reporting

Understanding the SDGs

Overview of G250 reporting performance

Demonstrating a good understanding of the SDGs is the foundation for quality SDG reporting. However, few of the G250 companies reviewed in this study scored highly for this theme. Only around one third satisfied two or more of the SDG understanding criteria, suggesting that this is a key area for improvement of reporting by the world's largest companies.

Figure 2: Understanding scores for SDG reporting companies



Base: 101 G250 companies that discuss the SDGs in their reporting
Source: How to report on the SDGs: What good looks like and why it matters

What does good look like?

Referencing the SDGs in the CEO/Chair's message

Example: BHP Billiton

Australian-headquartered resources company BHP Billiton is one example of a company that has, so far, included references to the SDGs in the Chief Executive's review in its sustainability reports.

In 2016, CEO Andrew Mackenzie wrote:

> We know our licence to operate also carries a responsibility to contribute to the development of our host countries. The United Nations Sustainable Development Goals (SDGs) represent the world's agenda for equitable, socially inclusive and environmentally sustainable economic development.
> We agree the resources industry has the opportunity to advance the SDGs and this report demonstrates our dedication to the important objectives embodied in the SDGs.[12]

Chief Executive Officer's review

In 2017, he wrote:

> Extensive consultation with experts both inside and outside of BHP has informed our new five-year sustainability performance targets, which begin in FY2018. For the first time, these targets include long-term environment goals, framed around global sustainability agreements and frameworks. The goals are consistent with our commitment to the Paris Agreement and the United Nations Sustainable Development Goals.[13]

Chief Executive Officer's Review

[12] 2016 report: https://www.bhp.com/-/media/bhp/documents/investors/annual-reports/2016/bhpbillitonsustainabilityreport2016.pdf

[13] 2017 report: https://www.bhp.com/-/media/documents/investors/annual-reports/2017/bhpsustainabilityreport2017.pdf

What does good look like?

Reporting business impact on the SDGs

Example: Samsung Electronics

In its 2017 sustainability report, Samsung Electronics puts the SDGs at the center of its Sustainability Strategy Framework. The company says: "We pinpointed goals that are highly relevant to our businesses conduct, and are analyzing our impact in achieving these goals."[14]

Samsung has identified 13 of the 17 SDGs as most relevant to its business and in its report provides a comparative level of relevance for each of these goals. Samsung also identifies its potential impacts on these SDGs - both positive and negative – as well as describing what it is doing now and plans to do in the future to increase its positive impacts and improve the negative (see Figure 2).

For example, for UN SDG 10 (Reduced Inequalities), Samsung states that it can "contribute to addressing income inequality by reducing poverty in local communities through job creation, etc." while also noting that the company could potentially "exert an indirect impact on income inequalities and poverty within developing nations."

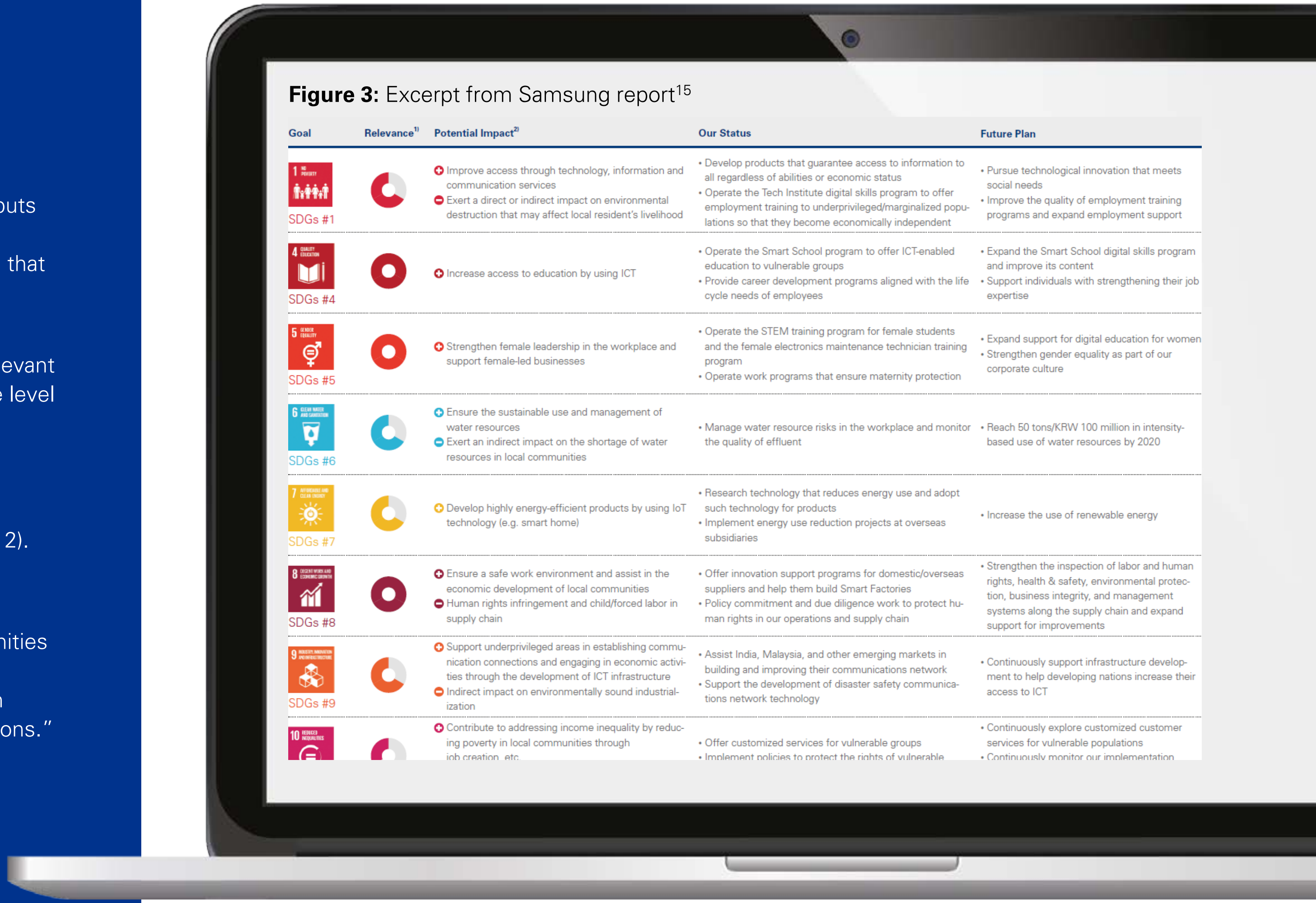


Figure 3: Excerpt from Samsung report[15]

Goal	Relevance[1)]	Potential Impact[2)]	Our Status	Future Plan
SDGs #1		+ Improve access through technology, information and communication services − Exert a direct or indirect impact on environmental destruction that may affect local resident's livelihood	• Develop products that guarantee access to information to all regardless of abilities or economic status • Operate the Tech Institute digital skills program to offer employment training to underprivileged/marginalized populations so that they become economically independent	• Pursue technological innovation that meets social needs • Improve the quality of employment training programs and expand employment support
SDGs #4		+ Increase access to education by using ICT	• Operate the Smart School program to offer ICT-enabled education to vulnerable groups • Provide career development programs aligned with the life cycle needs of employees	• Expand the Smart School digital skills program and improve its content • Support individuals with strengthening their job expertise
SDGs #5		+ Strengthen female leadership in the workplace and support female-led businesses	• Operate the STEM training program for female students and the female electronics maintenance technician training program • Operate work programs that ensure maternity protection	• Expand support for digital education for women • Strengthen gender equality as part of our corporate culture
SDGs #6		+ Ensure the sustainable use and management of water resources − Exert an indirect impact on the shortage of water resources in local communities	• Manage water resource risks in the workplace and monitor the quality of effluent	• Reach 50 tons/KRW 100 million in intensity-based use of water resources by 2020
SDGs #7		+ Develop highly energy-efficient products by using IoT technology (e.g. smart home)	• Research technology that reduces energy use and adopt such technology for products • Implement energy use reduction projects at overseas subsidiaries	• Increase the use of renewable energy
SDGs #8		+ Ensure a safe work environment and assist in the economic development of local communities − Human rights infringement and child/forced labor in supply chain	• Offer innovation support programs for domestic/overseas suppliers and help them build Smart Factories • Policy commitment and due diligence work to protect human rights in our operations and supply chain	• Strengthen the inspection of labor and human rights, health & safety, environmental protection, business integrity, and management systems along the supply chain and expand support for improvements
SDGs #9		+ Support underprivileged areas in establishing communication connections and engaging in economic activities through the development of ICT infrastructure − Indirect impact on environmentally sound industrialization	• Assist India, Malaysia, and other emerging markets in building and improving their communications network • Support the development of disaster safety communications network technology	• Continuously support infrastructure development to help developing nations increase their access to ICT
10		+ Contribute to addressing income inequality by reducing poverty in local communities through job creation, etc.	• Offer customized services for vulnerable groups • Implement policies to protect the rights of vulnerable	• Continuously explore customized customer services for vulnerable populations • Continuously monitor our implementation

[14,15] http://images.samsung.com/is/content/samsung/p5/global/ir/docs/Samsung_Electronics_Sustainability_Report_2017.pdf

Understanding the SDGs

José Luis Blasco,

Global Head of KPMG Sustainability Services

Recommendations for readers

Start the conversation about the business case for SDG action

As this study shows, very few companies are effectively communicating their business case for action on the SDGs. Without a clearly defined business case, there is a risk that corporate action on the SDGs can be limited to philanthropic programs which, while helpful in building reputations and relationships, are often separate from core business. The lack of an SDG business case therefore represents a missed opportunity for many companies given the huge potential market for SDG-related products and services (according to the Business & Sustainable Development Commission the SDGs open up a market worth at least US$12 trillion).[16]

I encourage readers of this study to take a proactive role in starting and driving the conversation within their company about the business case for taking action on the SDGs. Such a conversation needs a senior champion, preferably the CEO, Chair or other Board member, and should engage the company's core functions in order to explore how the SDGs can shape investment strategies and risk management and generate returns to the bottom line.

Ensure the CEO and/or Chair's public support is consistent and ongoing over the long term

It's important to remember that the SDGs have a 15 year time frame to 2030. Achieving the goals, and reaping the business benefits of doing so, will require consistent and cumulative action over that period. Readers of this study should therefore ensure that their company's reporting continues to demonstrate that the SDGs are central to the CEO and/or Chair's long-term vision for the business. Failure to maintain public commitment to the SDGs from the top of the organization could expose the company to accusations of opportunistic greenwash, damage its credibility and affect relationships with strategic partners such as governments.

Explore options to quantify SDG impacts

We are seeing increased interest in the private sector's contributions to the SDGs not only from governments striving to achieve the goals in their own countries but also from investors. Many investors are increasing pressure on companies to substantiate their impacts on society and the effects of their long-term strategies. BlackRock chief Larry Fink's 2018 letter to CEOs is just one example of this pressure.[17]

Broad narrative descriptions of impacts won't be enough to satisfy these stakeholders for long, especially since methodologies to quantify societal impacts are maturing rapidly. My advice to readers is to start now in exploring how your company can use impact quantification methodologies to present a more sophisticated and convincing picture of its impacts.

[16] http://report.businesscommission.org/uploads/BetterBiz-BetterWorld.pdf

[17] https://www.blackrock.com/corporate/en-no/investor-relations/larry-fink-ceo-letter

Prioritizing the SDGs

Key findings

84%

Identify the SDGs most relevant to their business[18]

54%

Disclose the process used to prioritize the SDGs[19]

20%

Identify relevant SDG targets[20]

Although the research shows a majority of reporting companies identify relevant SDGs to take action on, there is no clear pattern in terms of the number of SDGs these companies choose to prioritize.

Around a quarter of the companies studied prioritized up to five SDGs; another quarter prioritized between six and ten SDGs; another quarter prioritized between 11 and 16 SDGs and the final quarter prioritized all 17 goals.

[18,19,20]Base: 101 companies that discuss the SDGs in their corporate reporting
[21,22,23]Base: 85 companies that disclose the process used to prioritize the SDGs

Reporters adopt various approaches to prioritize the SDGs. This study identified three commonly-used methodologies:

— mapping the SDGs to the company's primary business activities across the value chain (42 percent)[21]

— mapping the SDGs to the company's primary CSR activities (23 percent)[22]

— including the SDGs in the company's materiality assessment process (20 percent)[23]

One of the most striking results of this study is how few G250 companies currently report on any of the 169 targets that the United Nations has set in relation to the 17 SDGs.

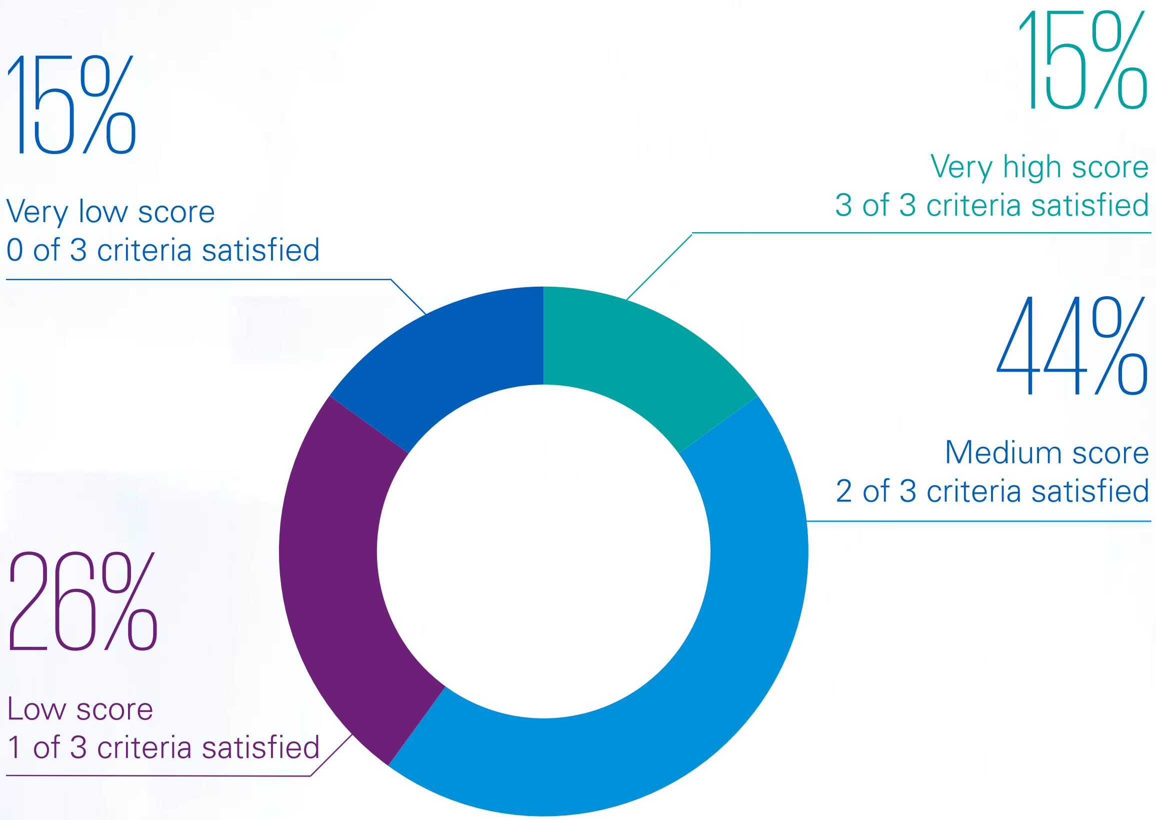
Prioritizing the SDGs

Overview of G250 reporting performance

Not all the 17 SDGs and their 169 underlying targets are universally relevant to every company, sector and geography. It is therefore expected that most companies will prioritize certain SDGs to act on.

The G250 companies as a whole score higher for reporting on their prioritization of the SDGs than they do for the other two themes (understanding and measurement), suggesting that this is an area where corporate practice is maturing rapidly. More than half the companies that report on the SDGs satisfy at least two of the prioritization criteria.

Figure 4: Prioritization scores for SDG reporting companies



Base: 101 G250 companies that discuss the SDGs in their reporting
Source: How to report on the SDGs, What good looks like and why it matters

Prioritizing the SDGs

Which SDGs are most and least prioritized by the G250?

Figure 5: SDGs prioritized by G250 companies

Most prioritized (by more than 50% of companies)	**Moderately prioritized** (30% - 50% of companies)	**Least prioritized** (by less than 30% of companies)
Climate Action 64%	**Affordable and Clean Energy** 48%	**No Poverty** 28%
Decent Work and Economic Growth 59%	**Industry, Innovation and Infrastructure** 48%	**Life On Land** 26%
Good Health and Well-being 55%	**Sustainable Cities and Communities** 46%	**Zero Hunger** 21%
Responsible Consumption and Production 54%	**Reduced Inequalities** 39%	**Life Below Water** 18%
Gender Equality 52%	**Clean Water and Sanitation** 34%	
Quality Education 51%	**Partnerships for the Goals** 34%	
	Peace, Justice and Strong Institutions 32%	

Base: 85 companies that disclose the process used to prioritize the SDGs
Source: How to report on the SDGs, What good looks like and why it matters

What does good look like?

Prioritizing the SDGs

Example: Pfizer

This study reveals that G250 companies in the healthcare sector are the most proactive when it comes to prioritizing the SDGs in their reporting. Of the healthcare companies that report on the SDGs, 100% prioritize them. One example is the US healthcare leader Pfizer.[24]

Pfizer has clearly identified SDG3: Good Health and Well-Being as its priority SDG, stating that SDG3 is "inextricably linked to our belief that every individual deserves to lead a long, healthy and productive life. Good health is fundamental to advancing all of the 17 SDGs, each of which directly benefits from or contributes to advances in public health."

Pfizer's reporting provides a narrative description of how the company is addressing SDG3 and goes on to set out clearly the company's progress against specific targets for SDG3.

In addition to identifying SDG3 as its top priority, Pfizer highlights a further six SDGs as closely aligned to its mission as an R&D-based biopharmaceutical company. Its reporting provides a rationale for each of those.

For example, for SDG5: Gender Equality, the company's report states: "We seek to empower and mobilize women around the world through partnerships aimed at ensuring access to quality health care, including newborn immunizations and family planning services."

For SDG6: Clean Water and Sanitation, the company reports: "Through public-private partnerships like the International Trachoma Initiative, as well as efforts to responsibly manage our water consumption and disposal, we aim to advance public health by improving water supply, sanitation and hygiene."

Figure 6: SDGs prioritized by Pfizer as closely aligned to its mission as an R&D-based biopharmaceutical company[25]

- Goal 3 **Good Health and Well-Being**
- Goal 5 **Gender Equality**
- Goal 6 **Clean Water and Sanitation**
- Goal 9 **Industry, Innovation and Infrastructure**
- Goal 11 **Sustainable Cities and Communities**
- Goal 12 **Responsible Consumption and Production**
- Goal 17 **Partnerships for the Goals**

[24,25] https://www.pfizer.com/files/investors/financial_reports/annual_reports/2016/our-business/sustainable-development-goals-sdgs/index.html

What does good look like?

Prioritizing the SDGs

Example: Teléfonica

Spanish broadband and telecommunications provider Telefónica prioritized the SDGs by using systems analysis to map a network of the goals most relevant to its business.

The company took a core business perspective on prioritizing the SDGs in line with its Global Responsible Business Plan which aims to innovate and address social and environmental issues and, in doing so, generate financial returns.

The resulting SDG network model (Figure 5 right) was developed with support from sustainability professionals at KPMG in Spain. It identifies 12 SDGs classified into three levels of priority (depicted by the size of the circles) and maps the direct and indirect relationships between them (signified by the solid and dotted lines). It also shows how Telefónica's business model and strategy contributes to the SDGs via a single SDG (SDG 9: Industry, Innovation and Infrastructure) and how SDG9 is related to other SDGs.

Case study continues on next page…

Figure 7: Telefónica's SDG network[26]

Advice on prioritizing the SDGs

- Start with your core business objectives and processes before you consider the SDGs from your CSR perspective. It improves internal buy-in
- Work with external organizations that represent your industry and review the SDG priorities they have identified as relevant for your sector
- Don't be too ambitious. Select one, two or a maximum of three goals as your main priority and place the others on a secondary level
- Study the underlying targets for each of the SDGs – they are all connected in one way or another and reviewing them carefully helps you to enhance your view of potential business opportunities
- Allow two to three months for the initial process of working out your main SDG priorities, but understand that it is a continuous process that needs reviewing regularly and improving over time.

José María Bolufer Francia

Head of Sustainable Innovation Strategy, Telefónica

[26]https://www.telefonica.com/en/web/responsible-business/sdg

Telefónica selected one SDG as its starting point

José María Bolufer Francia, Head of Sustainable Innovation Strategy at Telefónica, says: "At first, we started with a straightforward linear approach by mapping our impacts on society across the value chain in the way that many other companies do. However, as we dug deeper into our analysis of how our business relates to the SDGs, the linear perspective evolved into a network view which we feel better reflects Telefónica's vision of connectivity and our sustainable innovation strategy."

The starting point for Telefónica's prioritization process was SDG 9: Industry, Innovation and Infrastructure. Innovation and infrastructure in the telecommunications industry is Telefónica's core business and an area in which the company invests billions of euros. Therefore, SDG9 was clearly the most relevant of the 17 goals to Telefónica's business model and strategy, so the company placed SDG9 at the top of its network map and depicted it as the largest circle.

Using systems analysis to explore the relationships between the SDGs, the company identified second and third tiers of relevant goals with a significant level of potential impact and linked either directly or indirectly to SDG9. In its analysis, Telefónica considered both the impact the company could have on achieving the goals, as well as how risks and opportunities associated with these SDGs might affect Telefónica's business.

Through this process, Telefónica could see, for example, that SDG11: Sustainable Cities and Communities and SDG8: Decent Work and Economic Growth both have a direct influence on its sustainable business growth. SDG4: Quality education emerged as a priority when taking into account the views of professionals at the company's philanthropic foundation Fundación Telefónica.

Telefónica also reviewed the 169 SDG targets to help identify connections between the goals. For example, Telefónica's smart lighting customer solutions contribute to SDG11: Sustainable cities and communities as well as improving energy efficiency (SDG7: Affordable and clean energy), which is linked to its climate change commitments (SDG13: Climate action).

The company experienced both benefits and challenges from its network approach

According to José María Bolufer Francia, mapping Telefónica's priority SDGs like this has been an effective way to engage colleagues at all levels with the SDGs and relate the goals directly to people's work life, roles and responsibilities.

"Using the network, we can explain clearly and simply how SDG9: Industry, Innovation and Infrastructure relates directly to our core business and how our other priority SDGs are related to SDG9," he says. "This has helped employees to connect the company's SDG activities not only to our business objectives but also their own personal performance goals. That is very important.

"In this way, we are building understanding across the company that our action on the SDGs is not a charitable initiative but part and parcel of how we do business now and in the future."

The key challenge Telefónica faced in developing its network approach to the SDGs lay in securing internal alignment behind it from across the organization. The process involved consulting with various teams across 14 different operating countries, many of whom had different views on the SDGs and how the company should respond to them, shaped by their own personal preferences and cultural differences.

In addition, Telefónica worked with its industry organization, the Global Mobile Operators Association (GSMA), to analyze the SDGs from an industry point of view, as well as consulting with customers, suppliers, investors, NGOs and others that sit on the company's Responsible Business Advisory Panel.

"The initial prioritization took us around three months, but it is an ongoing process," says José María Bolufer Francia. "After prioritizing the SDGs, for example, we've been working on selecting the right targets and relevant KPIs.

"Our approach is different to what many other companies do and that seems to have attracted some attention. For example, the Spanish government has asked us to share our insights on SDG action with other companies. We're also working with Spain's National Association of Businesses to provide advice to SMEs on how to contribute to the SDGs."

What does good look like?

Identifying relevant SDG targets

Example: Mitsui & Co.

Japanese general trading company Mitsui & Co. presents a highly structured approach to its SDG activity which includes identifying specific SDG targets and detailing the activity the company undertakes to contribute to those targets.

The approach begins with the company's materiality process which has identified five key material sustainability issues: Protection of the Global Environment; Respect for Human Rights; Enhancement of Local Industrial Bases & Quality of Life, Stable Supply of Resources & Materials; and Corporate Governance and Human Resources.

For each of these five material issues, Mitsui & Co. then identifies a number of themes of activity. For example, for the material issue of Protection of the Global Environment, the company has identified the following themes of activity:

— enhancement of the company's environmental management system

— initiatives for the creation of environmental value

— initiatives to reduce environmental impacts including curbing global warming

— initiatives to preserve biodiversity

— addressing environmental issues through its contributions to society

In total, the company sets out 20 separate themes of activity that address its five key material issues.

For each one of its themes of activity, Mitsui & Co. identifies both the related SDGs and the SDG targets that its activities address.

For example, for its "enhancement of the company's environmental management system" activity theme, the company identifies SDG12: Ensure sustainable consumption and production patterns and SDG13: Take urgent action to combat climate change and its impacts as related SDGs.

It then identifies the following SDG targets as relevant:

— SDG Target 12.8: By 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

— SDG Target 13.3: improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning

Finally, Mitsui & Co. details the action it takes in relation to these SDG targets, namely:

"We promote sustainable procurement by actively obtaining environment–related certification, such as FSC® certification for forests and ASC and MSC certification for fisheries. In particular, our company–owned forests "Mitsui's Forests" is the largest FSC® certified private–sector round wood supplier in Japan. In addition, all officers and employees regularly attend seminars and training about environmental laws and regulations, ISO14001, and other related topics."

In this way, Mitsui & Co. identifies all 17 SDGs as relevant to its business along with a total of 46 SDG targets and the action it is taking on them, and links these back to its own material issues and sustainability activity themes.

Figure 8: Mitsui & Co.'s prioritized SDG targets[27]

Materiality	Theme		Related SDGs (Target Numbers)
Enhancement of Local Industrial Bases & Quality of life	Development of the Social Infrastructure		Ensure healthy lives and promote well-being for all at all ages (3.8) Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (9.1, 9.4, 9.5, 9.a, 9.c). Make cities and human settlements inclusive, safe, resilient and sustainable (11.2)
	Provision of Safe, Reliable Products and Services		Ensure availability and sustainable management of water and sanitation for all (6.1)

[27] http://www.mitsui.com/jp/en/sustainability/philosophy/materiality/

Prioritizing the SDGs

Adrian King

Global Lead, KPMG Sustainability Reporting & Assurance Services

Recommendations for readers

It doesn't have to be "all or nothing"

For me, one of the most interesting findings of this study is that around a quarter of companies identify all 17 SDGs as relevant to their business and require action by the company. While it is possible to argue that all these issues are relevant, my personal view is that for every business, some SDGs are always more relevant than others.

Identifying the SDGs that present the business with the greatest opportunities and risks, and those on which the company has the greatest impacts, enables you to focus effort and resources most efficiently.

Sector-specific tools and resources can be helpful, such as the SDG Industry Matrices published by the UN Global Compact in association with KPMG[28], as well as materials produced by industry membership organizations. Many of these organizations have already identified relevant SDGs for their sectors.

Be prepared to "free style" when it comes to prioritization methods

When it comes to choosing the right methods for your business to prioritize the SDGs, there is no "one size fits all" answer. You should plan for some trial and error here to see what works for your organization and what doesn't.

I suggest starting with the primary approaches outlined in this study, including mapping the SDGs to your value chain and embedding the SDGs into your materiality process. Tools such as the SDG Compass[29] can help, as can professional advice which can bring a fresh perspective.

However, don't feel constrained by convention. As Teléfonica told us, a linear mapping approach did not work for them, but it was a useful exercise which helped them develop an innovative systemic view of how their business relates to the SDGs, and how the SDGs relate to each other. (See case study on page 17)

Exploring the 169 UN SDG targets can be rewarding

On the face of it, the 169 separate targets underlying the 17 SDGs can seem overwhelming. This may be why most companies, even among the leading G250, have so far steered clear of committing themselves to specific SDG targets.

However, I would encourage companies to deep dive into these targets. Doing so can reveal hidden business opportunities, or risks, related to the SDGs that might otherwise have been overlooked.

Useful tools include the SDG Compass online inventory which connects all the SDG targets to existing business indicators that companies will be more familiar with.[30] The GRI and UN Global Compact's publication Business Reporting on the SDGs: An Analysis of the Goals and Targets provides a comprehensive repository of information and actions that business can take in support of each of the 169 targets.[31]

[28] https://www.unglobalcompact.org/sdgs
[29] https://sdgcompass.org/
[30] https://sdgcompass.org/business-indicators/
[31] https://www.globalreporting.org/resourcelibrary/GRI_UNGC_Business-Reporting-on-SDGs_Analysis-of-Goals-and-Targets.pdf

Measuring SDG performance

Key findings

35%

Report SDG-related performance goals for the business[32]

10%

Set SMART performance goals for their SDG activities[33,34]

24%

Report the indicators they use to measure their performance on the SDGs[35]

The healthcare sector leads the way: over half (57 percent) of healthcare companies that report on the SDGs also set SDG-related goals. Oil and gas companies score poorly: none of the oil and gas company reports reviewed for this study disclosed any SDG performance goals.

The SMART model (specific, measurable, achievable, relevant and time-bound) is well established as a framework for setting appropriate business performance goals. Despite the fact that all the SDGs and the underlying targets set by the UN are time-bound, this study found that very few G250 companies are yet setting SMART performance goals for their SDG-related activity.

Once again, healthcare companies are ahead of the pack and oil and gas companies lag behind. More than half (57 percent) of healthcare companies that report on the SDGs also set SDG performance indicators, while none of the oil and gas companies did so.

[32,33,35]Base: 101 companies that discuss the SDGs in their corporate reporting
[34]Defined as half or more business goals related to the SDGs are SMART

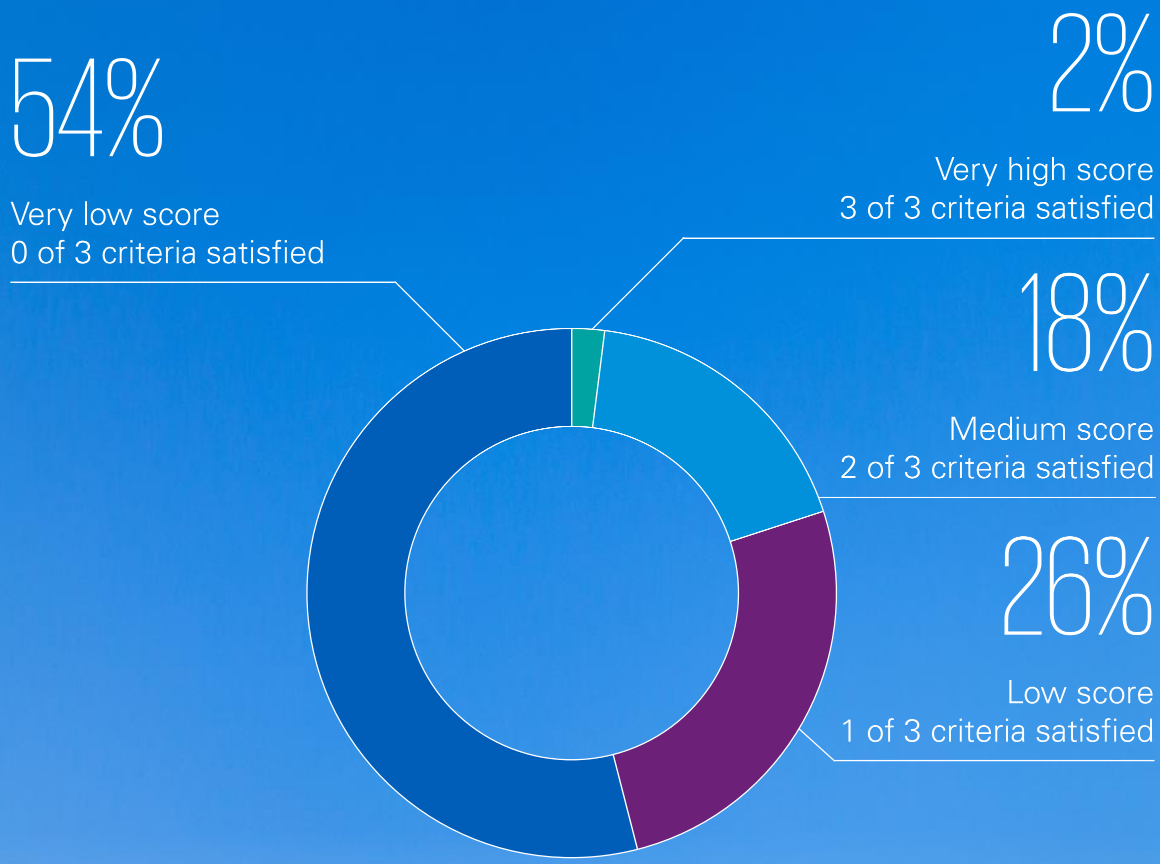
Measuring SDG performance

Overview of G250 reporting performance

Few G250 companies are yet advanced when it comes to setting business goals for the SDGs or selecting indicators by which to measure their performance. Just one in five (20 percent) satisfies two or more of the assessment criteria for measurement and more than half satisfy none.

This result may reflect the fact that many companies have focused first on prioritizing the most relevant SDGs before setting performance goals and indicators. Reporting cycles of the research sample may also have affected the result. However, it also suggests that many are finding it challenging to translate their well-intentioned support for the SDGs into specific, actionable and measurable business goals.

Figure 9: Measurement scores for SDG reporting companies



Base: 101 G250 companies that discuss the SDGs in their reporting
Source: How to report on the SDGs, What good looks like and why it matters

What does good look like?

Setting SDG performance goals

Example: Vodafone

Global telecommunications group Vodafone publishes a stand-alone report on its contribution to the UN SDGs. This report clearly discloses five SDGs on which it believes its business "can have the greatest impact…through our networks, products and services and through the work of the Vodafone Foundation."

For each of its five priority SDGs, Vodafone sets out clear commitments or performance goals.

For example, for SDG4: Quality Education, Vodafone commits that its Foundation "will enable up to 3 million young refugees, particularly girls, to access a digital education via our programmes by 2020."

For SDG5: Gender Equality, the company sets a goal to "connect an additional 50 million women living in emerging markets, enabling them to access the benefits of mobile"; and for SDG13: Climate Action, Vodafone says: "Our goal is to help our customers reduce their GHG emissions by two tonnes for every tonne of GHG we generate by March 2018."

[36]Vodafone Group plc (2017): Our contribution to the UN SDGs available via http://www.vodafone.com/content/index/about/sustainability.html#


Figure 10: Excerpt from Vodafone's SDG report[36]

UN SDGs		Vodafone's commitments
1 NO POVERTY	End poverty in all its forms everywhere	To contribute to the socio-economic development of our customers in order to help tackle some of the world's most pressing problems, with significant contributions in the areas of education, skills development and access to financial services.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	To help young people develop skills, discover new learning opportunities and enhance their ability to find work. The Vodafone Foundation will enable up to 3 million young refugees, particularly girls, to access a digital education via our programmes by 2020.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	To connect an additional 50 million women living in emerging markets, enabling them to access the benefits of mobile. To aim to improve the lives of millions of women by: • enabling greater access to financial inclusion; • improving health and wellbeing; and • building skills and entrepreneurship. To aim to become the best employer for women globally by 2025.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	To extend the coverage of our network to a greater percentage of the population in our markets of operation and further improve access to broadband services. To support the growth of the Internet of Things (IoT) and our mobile money service, M-Pesa.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	To minimise the energy required to run our networks and seek to increase the proportion of our energy that comes from renewable sources. To continue to ensure our IoT products and services play a significant role in helping customers to reduce their greenhouse gas (GHG) emissions. Our goal is to help our customers reduce their GHG emissions by two tonnes for every tonne of GHG we generate by March 2018.

Vodafone Group Plc: Our contribution to the UN SDGs

What does good look like?

Defining performance indicators

Example: Itaú Unibanco

Brazilian bank Itaú Unibanco has mapped the SDGs to its 22 material reporting themes in its integrated report.[37]

Its analysis of the SDGs was based on work by SDG Compass which cross-references the GRI G4 Sustainability Reporting Guidelines and GRI G4 Financial Services Sector Disclosure guidelines with the SDGs.

A notable feature of Itaú Unibanco's reporting is that it not only identifies the SDGs and SDG targets relevant to its material themes, but also specifies the performance indicators it considers appropriate for measuring the bank's performance on those SDGs and targets. In most cases these are GRI indicators.

For example, under its material theme of Financial Education and Inclusion, Itaú Unibanco specifies SDG1.4 (among others): "By 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance."

For this target, the bank has specified the GRI G4 Financial Services Sector Disclosure 15 (GRI G4 FS15) which relates to management policies for the fair design and sale of financial products and services.

In this way, Itaú Unibanco provides a comprehensive, structured and detailed view not only of which SDGs and SDG targets it is addressing but how it is measuring its performance in relation to the SDGs.

[37,38] https://www.itau.com.br/_arquivosestaticos/RI/pdf/en/Itau_RAC_2016_ing.pdf?title=Consolidated%20Annual%20Report%202016

Figure 11: Extract from Itaú Unibanco's Consolidated Annual Report 2016[38]

Financial education and inclusion

GRI 103-1 Financial education and inclusion

A way for us to contribute to the development of society is to understand the needs of people in order to offer proper financial knowledge and solutions so that they can have a healthier relationship with money.

Related matters

- Financial education programs
- Provision of products and services to the population with little access to financial services

GRI topics	Related initiatives and indicators	SDG*	Global Compact
-	Number of employees trained in financial education	-	-
-	Impact of financial education programs on employees	-	-
-	Number of clients impacted by financial education training programs	-	-
-	Impact of financial education programs on clients	-	-
-	Total amount financed in Microcredit operations	-	-
Local communities	GRI G4 FS13: Access points in low-populated or economically disadvantaged areas by type	**SDG 1:** Access to financial services – 1.4 **SDG 8:** Access to financial services – 8.10 **SDG 10:** Access to financial services – 10.2	-
	GRI G4 FS14: Initiatives to improve access to financial services for disadvantaged people	**SDG 1:** Access to financial services – 1.4 **SDG 8:** Access to financial services – 8.10 **SDG 10:** Access to financial services – 10.2	1

Measuring SDG performance

Example: Enel

This KPMG study identified Italian power utility Enel as one of the few G250 companies setting SDG-related performance targets that are "SMART" – i.e. specific, measurable, achievable, relevant, and timebound.

According to Giulia Genuardi, Head of Sustainability Planning and Performance Management, the company's SDG targets are SMART because this is how Enel sets all its other business performance goals. Likewise, Enel has not developed new reporting processes to monitor its SDG performance; instead, its SDG-related key performance indicators (KPIs) are part of its current reporting processes.

"SDGs are for us a business opportunity and, as such, they match the industrial actions stemming from our strategic business plan while underpinning their ESG reading," she says. "We prefer to adopt an integrated approach: it makes sense for us to rely on the same business approach when setting ESG targets and monitoring our ESG performance".

"Because our SDG targets and measures are covered by our existing processes, there are no internal silos. SDGs become business as usual for our company, rather than being classified in separate ESG targets and measures. This makes it easier for the whole group to understand, manage and evaluate SDG-related data and performance and to share our CEO's commitment to the SDGs." Enel's CEO, Francesco Starace, serves in the UNGC Advisory Board and Enel is one of the UNGC's LEAD companies.[39]

Enel sets its SDG goals on a three-year basis, consistently with its strategic plan timespan, and reviews them annually as all the other business goals. Such regular review allows the company to make adjustments where necessary. For example, Enel's original target for socio-economic development projects was 500,000 beneficiaries and it was reached ahead of time. It was therefore decided to increase the target to 1.5 million beneficiaries by 2020.

Enel points out that its SDG activity and related targets are not set in stone but will continue to evolve in line with its changing business priorities. "The rapidly evolving scenario offers the energy sector new challenges and opportunities," says Giulia Genuardi. "So SDG9: Industry, Innovation and Infrastructure innovation and SDG11: Sustainable cities and communities are becoming more important for us. The strategic plan and the sustainability plan clearly show the deployment, across the board of the 17 United Nations Sustainable Development Goals, of Enel's sustainable business model throughout its value chain."

Advice on target setting and performance measurement

- Define your priority SDGs according to your business plan, materiality and stakeholder expectations
- Integrate the SDGs into business as usual and set targets and KPIs in the same way as the company sets all goals and measures performance
- Capture ESG data in existing information systems – it's not realistic to build a completely new information system to monitor SDG-related activities
- Review targets regularly and revise them as necessary
- Keep communications and reporting simple – analyze the SDG sub-targets but, when talking to stakeholders, refer to the primary SDG level, using terms they can understand.

Giulia Genuardi

Head of Sustainability Planning and Performance Management, Enel

[39] https://www.unglobalcompact.org/take-action/leadership/gc-lead

Figure 12: Extract from Enel's 2016 sustainability report[40]

ENEL'S COMMITMENT WITH SDGs

	PILLARS						BACKBONES				
	Engaging the local communities	Engaging the people we work with	Aiming at operating efficiency & innovation	Decarbonizing the energy mix	Customer focus	Digitalization	Occupational health and safety	Sound governance	Environmental sustainability	Sustainable supply chain	Economic and financial value creation
1 NO POVERTY	□										
2 ZERO HUNGER	□	□									
3 GOOD HEALTH AND WELL-BEING	□	□					□				
4 QUALITY EDUCATION	■	□									
5 GENDER EQUALITY	□										
6 CLEAN WATER AND SANITATION									□		
7 AFFORDABLE AND CLEAN ENERGY	■		□	□	□						

[40]http://sustainabilityreport2016.enel.com

Measuring SDG performance

Santhosh Jayaram

Partner, Sustainability Services, KPMG in India

Recommendations for readers

Base SDG targets on a thorough understanding of impacts

Every company affects people and the environment differently depending on the nature and location of its operations, supply chain and sales structure. SDG targets, if they are going to be meaningful and effective, must be the product of in-depth and granular understanding of the company's impacts. I encourage readers to explore the rapidly maturing methodologies for analyzing and quantifying social and environmental impacts. These approaches offer real potential as a base from which to build SDG strategies and targets. After all, if you don't know how you affect the world now how are you going to change it in future?

Be bold and positive

The most effective SDG strategies increase a company's positive impacts on people and nature as well as reducing the negative. SDG target setting should reflect this balance. Ambitious targets focused on developing innovative products and services are inspiring and compelling for employees and shareholders alike.

Collaborate internally to make SDG goals relevant to personal performance goals

Setting the right SDG goals for the company is one thing, delivering on them is another. It's critical that everyone in the company understands what the SDGs are, why the company supports them and what their personal role and accountability is in delivering on the company's SDG commitment. That means finding powerful ways to motivate and incentivize people as well as making sure the right processes are in place to collect and analyze performance data. It's a complex challenge that has to be addressed cross-functionally; sustainability teams need to work alongside colleagues in HR, communications, operations, internal audit and others. Collaboration is key.

Conclusion and next steps for readers

This study paints a picture of early days for corporate reporting on the SDGs. None of the 250 companies researched yet meets all nine of the maturity criteria used for the analysis, although examples of good practice are multiplying and the bar will rise quickly.

Some readers may be unsure of what to do next to improve their company's SDG reporting and which criteria to focus on when. To help them, KPMG's sustainability reporting and assurance professionals recommend phasing the SDG reporting process as follows:

1 Phase 1: Develop a solid understanding within the company of the SDGs and their relevance to the business

- Engage senior leadership to secure support for the SDG program from the top of the organization
- Implement a cross functional working group to assess the business case for the SDGs. Focus on identifying:
  - potential growth opportunities for products and services that help to achieve the SDGs
  - potential benefits to relationships with critical stakeholders such as policymakers, regulators, customers, labor organizations, NGOs and others
  - risks to the business if the economic, social and environmental problems highlighted by the SDGs are left unsolved or the company is seen to be inactive on the SDGs
- Conduct a comprehensive program to fully understand the company's current impacts on the SDGs, in both positive and negative terms, and its likely future impacts on a business as usual basis

2 Phase 2: Reach agreement on which SDGs the company will focus on and which it will not

- Use the business case assessment and impact analysis as essential groundwork to inform the company's prioritization the SDGs. It does not make sense to prioritize the goals for action without a clear understanding of how the company already impacts them, and what opportunities and risks they bring to the business
- Decide on the most robust and efficient methodology to prioritize the SDGs: this may be a combination of existing methods such as value chain mapping and materiality assessment, or a new approach developed specifically for your own company's needs (see Teléfonica case study, Page 17)
- Look beyond the 17 umbrella SDGs and carefully consider which 169 underlying SDG targets it makes sense for the company to concentrate on. Doing this will add clarity and focus to your SDG program.

3 Phase 3: Design appropriate performance targets and measurement systems

- Set business performance targets that are ambitious but also SMART
- Define the indicators to be used to assess performance against these targets
- Implement effective systems to collect and analyze SDG performance data. Use existing processes where possible (see Enel case study, Page 25)
- Embed SDG performance indicators into the business's operating targets and personal performance targets of key people. Offer relevant and effective incentives.

4 Phase 4: Communicate the company's SDG programs and performance

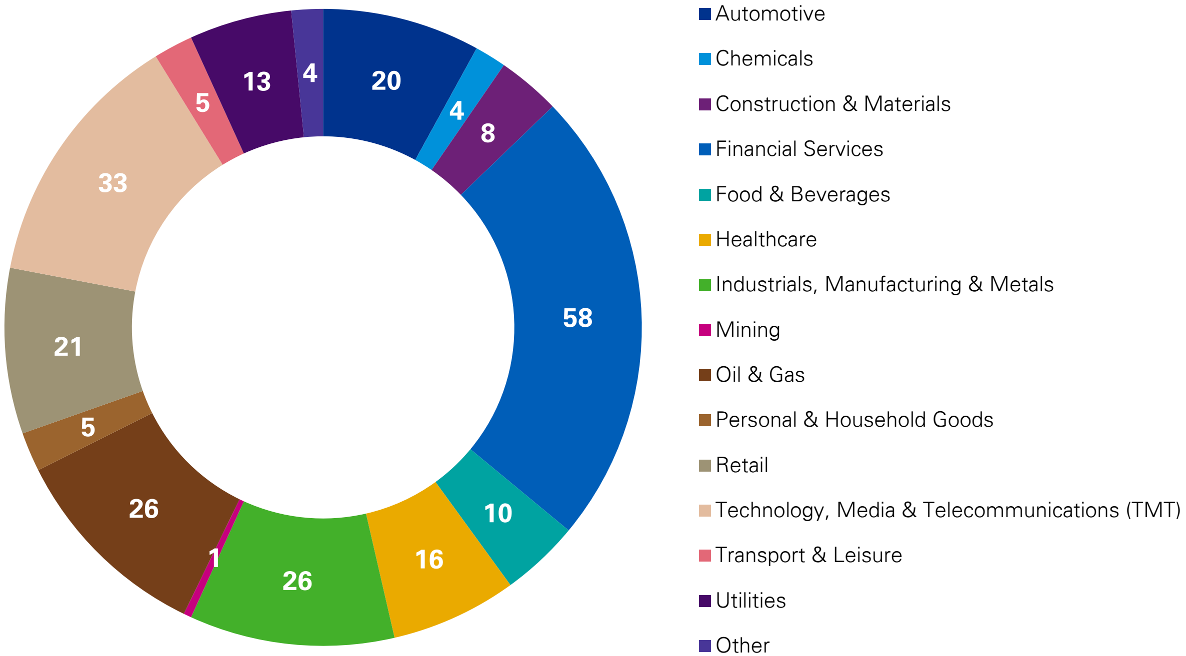
- Work with communications colleagues to analyze audiences and develop compelling messages and communications approaches to engage critical stakeholders (such as investors, customers and employees) on the company's SDG programs and performance

Methodology

The research sample

Together, the G250 represent the world's top 250 companies by revenue across 15 industry sectors, categorized according to the International Classification Benchmark (ICB) system. The research sample was taken from the Fortune Global 500 ranking of 2016.[41]

Figure 13: Number of G250 companies in each sector



Who carried out the research and how?

Initial research was carried out by sustainability professionals at 49 KPMG member firms who reviewed reporting by the top 100 companies in their country as part of the research for the KPMG Survey of Corporate Responsibility Reporting 2017 (published October 2017).10 Professionals at KPMG India subsequently conducted a deep dive analysis of the SDG reporting practices by the G250 using the nine quality criteria explained on pages 3 and 4 of this document.

The analysis was based on a review of public reporting in annual financial accounts, websites, corporate responsibility (CR) and sustainability reports and standalone SDG reports published between 1 July 2016 and 30 June 2017.

[41] http://fortune.com/global500/2016/

How we can help

Sustainability reporting and assurance experts at KPMG member firms around the world, can support you at every stage of the SDG reporting cycle.

Understanding the SDGs

We can help you to:

— build the business case for taking action on the SDGs by identifying SDG-related risks and opportunities for your business and helping to engage senior decision makers at your organization in decisions on SDG-related strategy

— develop appropriate messaging for your senior leadership that connects the SDGs meaningfully to your core business

— assess and communicate the impacts your business has on the SDGs and find appropriate and constructive ways to provide your stakeholders with a balanced view of both the positive and the negative

Prioritizing the SDGs

We can help you to:

— prioritize the SDGs that are most relevant for your business

— identify and implement the most appropriate prioritization methodologies including materiality analysis and consultation with internal and external stakeholders

— analyze the UN's 169 SDG targets and decide which of those them your company should address and report on

Measuring and reporting SDG performance

We can help you to:

— develop and implement the right SDG performance targets and reporting indicators for your business

— ensure that your SDG performance targets are SMART

— ensure you have the right systems and processes in place to capture SDG-related performance data

— build SDG performance into your company's operating targets and personal performance goals

— benchmark your SDG activities and reporting against your peers and competitors

— communicate your SDG activity in a way that engages investors and other stakeholders

To contact your local KPMG Sustainability Services team, see the contacts list on the back cover of this document.

For general enquiries, please contact the KPMG Global Center of Excellence for Sustainability Services at:

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Further KPMG insights

If you have found this publication useful, you may also enjoy these other insights from KPMG

SDG Industry Matrices

KPMG International and the UN Global Compact have published six industry matrices providing industry-specific examples and ideas for action on the SDGs with the potential to create value for both shareholders and for society. The SDG Industry Matrices are available for the following sectors: Financial Services; Food, Beverage & Consumer Goods; Healthcare & Life Sciences; Industrial Manufacturing; Transportation and Energy, Natural Resources & Chemicals.

The KPMG Survey of Corporate Responsibility Reporting 2017

This survey has monitored developments in corporate responsibility and sustainability reporting since 1993. The 2017 edition analyzed reporting from almost 5,000 companies worldwide and focused on key reporting trends including climate risk, human rights and science-based carbon targets.

Addressing human rights in business: Executive perspectives

This study helps executives understand and apply current good practice in managing human rights issues in business. It brings together the learning and experience of experts at 11 major corporations as well as the views of KPMG's own subject matter experts on business and human rights.

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