

Scoping a Vision Towards Accomplishing the Sustainable Development Goals (SDGs)

Summary of expert perspectives from ENEL-GRI Collaboration Forum 2

December 2019



Facilitated by:

GLOBESCAN

evidence and ideas. applied

Forum 2 project impact



389
participants from
59 countries



16 expert guest
contributors from
14 organisations



Online & text
discussion



Individual
contributions

Table of Contents

| | |
|--|----|
| Project overview | 4 |
| Introductions from Enel and GRI..... | 5 |
| Executive Summary | 6 |
| Part 1- Strengthening the link between reporting and SDG contributions | 7 |
| 1.1 Key summary | 7 |
| 1.2 Making reporting on SDG contributions more meaningful | 7 |
| Part 2- Types of partnerships to deliver the SDGs | 10 |
| 2.1 Key summary | 10 |
| 2.2 Encouraging business and government collaboration | 11 |
| 2.3 Enabling meaningful business/business partnerships..... | 13 |
| 2.4 Collaboration through business associations and multi-stakeholder coalitions | 16 |
| Part 3- Corporate leadership and scaling-up business models to deliver impact | 18 |
| 3.1 Key summary | 18 |
| 3.2 Corporate Leadership on the SDGs..... | 19 |
| 3.3 Scaling up sustainable business models | 20 |
| Part 4- Financing SDG projects..... | 23 |
| 4.1 Key summary | 23 |
| 4.2 Financing SDG projects | 23 |
| Part 5- Accountability and monitoring..... | 26 |
| 5.1 Key summary | 26 |
| 5.2 Strengthening accountability and monitoring | 26 |
| Appendix 1: List of expert guest contributors | 29 |
| Appendix 2: Shared examples and resources..... | 30 |
| Appendix 3: About GRI, Enel and GlobeScan..... | 32 |

Project overview

In July 2019, GRI, the global sustainability reporting standard setter, and Enel, a global power company, announced a partnership to explore how the private sector can actively contribute to the Sustainable Development Goals (SDGs).

Forum 2 consisted of two 90-minute, global, real-time, online, text-based discussion sessions, held on 14 November 2019, and was moderated by global insights consultancy GlobeScan. The event attracted 389 participants from 59 countries around the world, and included 16 expert guest contributors from 14 organisations, who were invited as multi-stakeholder panellists to help ground the discussion.

This report summarises learnings across the discussions from Forum 2. A list of examples and resources relevant to this forum can be found in Appendix 2.

Introductions from Enel and GRI

The Sustainable Development Goals (SDGs) were established by the United Nations as the ambitious roadmap toward a sustainable future. The success of the SDGs hinges on the ability to engage the private sector and unleash their innovative power.

From the inception of the SDGs, GRI has championed the participation of the private sector in measuring and achieving progress. And it is clear that by engaging in SDG reporting and embedding this within corporate disclosures, businesses can change their ways of working through embracing sustainable practices.

This exciting partnership between our two organizations will help us understand how this is happening in practice and what we can do to encourage more companies to get on board. The project also aims to trigger new national and global collaboration initiatives.

Our first forum in this series explored the current state of play on the role of reporting and partnerships to drive corporate change in accomplishing the SDGs. [The summary report](#) shares the learnings from this discussion and identifies key challenges and initial priorities for action.

In this second forum, our discussion built on the outcomes of the first and explored developing a vision on what needs to be done to strengthen the role of future SDG reporting; to enhance sustainable business practices and actions; and to stimulate new partnerships and business models to accelerate corporate SDG action.

The outcome of both of these forums will inform Enel and GRI's development of solutions and allow us to continue the dialogue around the world in regional events throughout 2020. These forums are only the starting point for future work centred on the SDGs.

We would like to thank GlobeScan for their expertise and moderation of the forums. Their proprietary platform provides a space for expert stakeholders to come together to learn, inspire fresh thinking and share best practice examples to turn ideas into collective action.

A special thanks to all the contributors for taking the time to join us and for sharing their experience and wisdom.

Marina Migliorato, Head Sustainability Stakeholder Engagement, Enel
Peter Paul van de Wijs, Chief External Affairs Officer, Global Reporting Initiative

Executive Summary

Sustainability reporting provides an important foundation for achieving the transformational change and progress needed towards the Sustainable Development Goals (SDGs). **Strong reporting can play a role in stimulating new partnerships, scaling sustainable business models and enabling new financial models.**

Our forum discussion started with participants highlighting how to make reporting on SDG performance more meaningful. Three key requests of business emerged: (1) prioritise SDGs based on material issues and link Goal selection to corporate strategy; (2) report progress, where possible, against sector-specific benchmarks; and (3) monitor and report on SDG impact regularly to stakeholders.

Participants agreed that progress on Goal 17 “Partnerships for the Goals” must be accelerated to deliver on the other SDGs. Partnerships can take many forms including business-government collaboration, direct business-business relationships, and multi-stakeholder coalitions and business associations. A key first step to ensuring the effectiveness of all of these types of partnership is articulating clear objectives on each side, so that shared goals can be established. Reporting on an organisation’s vision and pathway towards achieving the SDGs provides a solid foundation.

Scaling up new sustainable business models is another crucial area where we need to see more progress if we are to achieve the Goals by 2030. The discussion highlighted several interconnected factors that will help accelerate new models, starting with the need for more long-term perspective, both within companies and in the wider financial landscape. Meaningful reporting on the SDGs can help shift the focus from short-term profit to long-term environmental, social and economic impact. In addition to reporting, this move towards long-term perspective within the current system – which is inherently designed to reward short-term performance – requires bold leadership from business. Furthermore, we need businesses to embrace new finance models, such as social impact bonds, and other actors within the finance sector to shift their thinking. For example, pension funds engaging more deeply on the long-term potential of their investments, and governments specifying long-term commitments against which companies can plan.

A theme running through the discussion was the need for overarching reporting systems, frameworks or sets of benchmarks to guide organisations in reporting progress on the SDGs. The benefits of this would be numerous. Adherence to the same standards would allow businesses to benchmark progress while enabling greater accountability and allowing investors and governments to compare the performance of companies and sectors. Participants further suggested that there needs to be third-party monitoring or auditing of reporting against the SDGs, and highlighted the opportunities afforded by next generation technology such as blockchain and artificial intelligence.

The Enel-GRI-GlobeScan collaboration forum “Scoping a Vision Towards Accomplishing the SDGs” highlights the central role of reporting in enabling transformational system change. The examples and ideas in this report, from a wide range of influential stakeholders, provide a foundation from which we can map out a pathway towards 2030.

Part 1

Strengthening the link between reporting and SDG contributions

1.1 Key summary

Businesses are still struggling to make the link between sustainability reporting and meaningful contributions towards the Sustainable Development Goals (SDGs). Some argue that adding the SDGs to the mix has complicated the reporting which also needs to reflect a company's material issues and business strategy. A common approach to reporting on the SDGs is not established and difficulty in collecting accurate data and measuring impact are some of the challenges listed. Somehow that gap remains to be bridged.

The forum discussion indicated a variety of ways to make the reporting on SDG performance more meaningful, which include: (1) outlining SDG-related goals that link to key performance indicators (KPIs); (2) using SDG-sector specific baselines; (3) disclosing SDG prioritisation based on materiality assessments; and (4) monitoring progress and reporting on SDG impact regularly.

Overall, participants agreed that SDG selection and reporting must be aligned to a business's sustainability strategy, focused on material issues and, where possible, benchmarked against sector-specific goals. An ongoing challenge, however, is how frequently a business can report on its SDG progress to stakeholders and investors.

1.2 Making reporting on SDG contributions more meaningful

Reporting on SDG contributions can be strengthened by:

Outlining SDG-related goals that link to KPIs. A clear response towards sustainability is where a business aligns the SDGs to overall business strategy and KPIs. This will help businesses better communicate to stakeholder and investor communities the SDGs they are contributing towards and how they will measure progress.

“Companies should choose a few priority SDGs that they can make the biggest impact on. SDGs should be aligned with a company’s KPIs and reporting on them should follow. It is important that companies report on the impact they are making, so we can understand better their contribution to the society.”

Vanja Genetello, UCB

Nearly one third of the forum participants who responded to our first online poll said that good reporting must outline and disclose SDG-related performance goals that are SMART – specific, measurable, achievable, realistic, and timely (see chart 1).

Chart 1

Good reporting on the SDGs needs to outline, disclose, or report on:

Number of participants: 207



Setting SDG, sector-specific baselines. To make reporting on SDG progress more meaningful, business associations and reporting institutions (such as the Dow Jones Sustainability Indices (DJSI), and GRI) should establish sector-specific baselines. This will give businesses something to benchmark against and provide clarity and direction on what reporting against the SDGs should look like.

“Industry-specific guidelines will help in the possible prioritisation of SDGs and topics”

Juliette Gaussem, Signify

Prioritising SDGs based on materiality assessments. Materiality helps businesses and stakeholders to understand the most strategic, important issues of relevance to a business that are linked to sustainability. Prioritising SDGs based on materiality can strengthen the selection, demonstrating a business has thought about where they can make a net positive contribution, linked to the business’s most material issues and aligned to SDG targets.

“I think it is critical to first get your priority topics identified (materiality) then link this to the SDGs. It can then be explained to management about how specific materiality items tie to the SDGs. Sometimes the SDGs seem very broad and may make people stand off versus accepting that a portion of their business must address several SDGs”

Daniel Paterra, Paterra Management, LLC

“When the company uses materiality, not just for reporting but to plan/strengthen the sustainability strategy, they succeed and get more impact. In this process the company links its programs and defines indicators against the SDGs”

Cecilia Mora, RS Sostenibilidad

Monitoring progress and reporting on SDG impact more regularly. Businesses must understand how to use the data collected on SDGs and equip themselves to report progress to stakeholders in a more regular and relevant way.

“It would be more meaningful if we could track the progress and report regularly to our stakeholders, so we could walk our sustainable journey towards the SDGs with everyone”

Vanja Genetello, UCB

Part 2

Types of partnerships to deliver the SDGs

“ We recognise that the SDGs cannot be achieved unless there is ownership and shared responsibility between all actors in society

Tim Mohin, GRI

2.1 Key summary

The majority of participants agreed that both business/government and business/business collaboration on the SDGs is extremely important and that more partnership is needed to scale impact.

“I believe there is an opportunity to leverage the SDGs. There is evidence to demonstrate that the corporate and governmental world are impacted by the same environmental and economic risks. Instead of competing for resources (through capitalism or regulation), they can align and work towards responsible management and care for resources (human, financial, and environmental)”

Kari Solomon, Keolis America Inc

A key first step to ensuring the effectiveness of all of these types of partnership is articulating clear objectives on each side, so that shared goals can be established. Reporting an organisation’s vision and pathway towards achieving the SDGs provides a solid foundation from which to start.

Specifically looking at how business works with government, the forum discussion revealed three key factors to enable effective partnerships to achieve the SDGs: (1) devise a common understanding between business and government of which SDGs are the priority at national or regional level; (2) traditional government mechanisms such as tax or other financial incentives; and (3) clear and robust impact measurement.

When discussing the potential for business/business partnership, forum participants highlighted some ideas for how to ensure they are effective and meaningful: (1) leverage new systems and technology that provide easier ways to identify SDG partners, through certification or data sharing; (2) establish shared or complementary goals and a strong business case on both sides; and (3) share training and education programmes.

2.2 Encouraging business and government collaboration

To deliver on the SDGs, business and government collaboration can take the following forms:

Devising a common understanding between business and government of which SDGs are the priority at national or regional level and measure progress. The SDGs are context-dependent and different countries will inevitably prioritise different Global Goals according to the situation in their country.

“There is no one-size-fits all answer to this question, because there are such different business and government contexts in different regions of the world. It is all dependent on the context”

Tammy Mayer, MyImpact2101

Knowing the priorities of a government can help businesses get involved in specific SDG-projects that are aligned with their business strategy and have the most impact potential in each location.

“The SDGs are interrelated, and the impacts are broad, but real partnership and innovation comes from focusing; where companies and governments define clear objectives, aligned with an SDG, they are more likely to make a meaningful (measurable) contribution”

Josh Bayly, PepsiCo

“I think governments should turn their voluntary national reviews (VNRs) into SDG road maps and make clear where they need support from companies and investors”

Kris Douma, PRI

Government-led consultations with businesses can also help clarify material issues, and what the context-dependent Global Goals are for a country; actionable plans can then be established for accelerating progress.

“There needs to be a taxonomy that indicates SDGs that are material to specific countries and those material to companies operating within those countries, alongside those material to certain industries”

Emily Matthews, Arabesque S-Ray

“I have experienced that city governments hold sustainability summits, inviting residents, businesses, and other government entities at various levels and they all commit to building actionable plans for SDG-tied impacts. They first share in the understanding of the risks and opportunities, then build direction together to determine common goals and resourced (particularly funding strategies)”

Kari Solomon, Keolis America Inc

Traditional government mechanisms such as tax and financial incentives, and corresponding measurement of progress. Financial incentives such as tax breaks and other mechanisms, coordinated by different levels of government, can be offered to the private sector to incentivise SDG progress.

“SDG projects should have tax exemption and/or subsidies linked to them”
Mario Svigir, Financial Markets, Policy and Foresight Advisory (FMPFA)

“Top-down and bottom-up incentives (taxes or financing mechanisms) and coordination between all government bodies from ministries, regions and municipalities is needed”
Aurelien Reynolds, Global Real Estate Sustainability Benchmark (GRESB)

Tax incentives can encourage businesses to collaborate on SDG-linked projects; this is particularly important for SMEs and entrepreneurs.

“Government could show more support by rewarding companies that are actively addressing the SDGs in their operations. It could come in the form of exemption from tax or other meaningful incentives”
Olusegun Otitoju, Ampak Nigeria Limited

“Especially for smaller companies with less resources, monetary incentives could help in undertaking SDG-related initiatives”
Daniel Howley San Sebastian, Nexio Projects

Clear and robust impact measurement. It is important to measure overall social impact and report progress on the SDGs. Some argue that third-party audits would help to measure progress.

“There must be an SDG audit system in place, required by regulation from the government, to ensure the full implementation of private sectors actions on the SDG goals”
Chanchhaya Chhom, Green Move Consulting

Others suggested the local and global reporting institutions, like GRI, can act as an auditor to help measure progress and advise on how to scale impact in specific countries.

Business and government consultations could help set and define what national and regional SDG metrics, and private sector metrics, to use to measure social impact. This could further help make reporting on the impact delivered more robust.

“The government and the corporations should have a framework in place to monitor progress made. I would like to see real impacts from the implementation of the SDGs that goes beyond reporting”
Mercy Denedo, Consultant.

“In the Netherlands governments have metrics regarding Social Return that they put forward in their contracts with companies”
Ada Knol, ADP

2.3 Enabling meaningful business/business partnerships

“I think in terms of designing for sustainability, companies across sectors can collaborate and innovate in order to bring products to the market that are designed with the SDGs in mind”
Grace Lövquist, Sustainto2030

“We often only think in terms of market or state solutions. Some SDGs require industry collaboration such as sustainable sourcing. Elinor Ostrom (Nobel Prize winner) shows how sustainability issues (land use, water scarcity, over-fishing) can be solved through a ‘cooperative approach’ between all stakeholders”
Kris Douma, PRI

To deliver on the SDGs with impact, business/business collaborations could be enhanced by:

Easier identification of potential SDG business partners through certification or data sharing. Establishing a universal SDG-labelling system would help identify potential partners. An SDG certification-style approach could help businesses detect sustainable investment opportunities by validating potential partners operating in the sustainability domain.

“An SDG label will be as viable as it is universally recognised and accepted in the same way that government financial reporting and international financial reporting standards are recognised”
Mario Svirg, Financial Markets, Policy and Foresight Advisory (FMPFA)

The World Benchmarking Alliance (WBA) has begun to develop a sector specific, transformative benchmark that compares companies’ performance on the SDGs for instance.

“Some initiatives, like the World Benchmarking Alliance, are going ahead with formulating performance metrics for companies, via multi-stakeholder consultations, and then scoring companies on their performance”

David D’Hollander - ISEAL Alliance

The B-Corp certification system is another mechanism that could be developed to include a ranking for business performance against the SDGs.

“We have seen more and more large companies interested in becoming Certified B Corps. This would help drive that type of transformation”

Dan Osusky, B Lab

Another approach that could facilitate businesses to easily identify partners is an open-access global database using social network analysis, based on big data and artificial intelligence (AI). A platform where businesses could identify potential matches for an SDG-related project, could help make the partnerships formed more relevant.

“Leverage AI and big data to identify relevant partnerships, facilitate engagement and encourage knowledge sharing”

Keren Bitan, Tandem Impact

An open-access global database is particularly important from a financial perspective to help smaller organisations and NGOs connect with others.

“At EGLA (European Green Lean Association) we have tried to create a global-access database platform, but it takes time and a lot of effort for a small NGO like ours”

Panu Hamari, European Green Lean Association

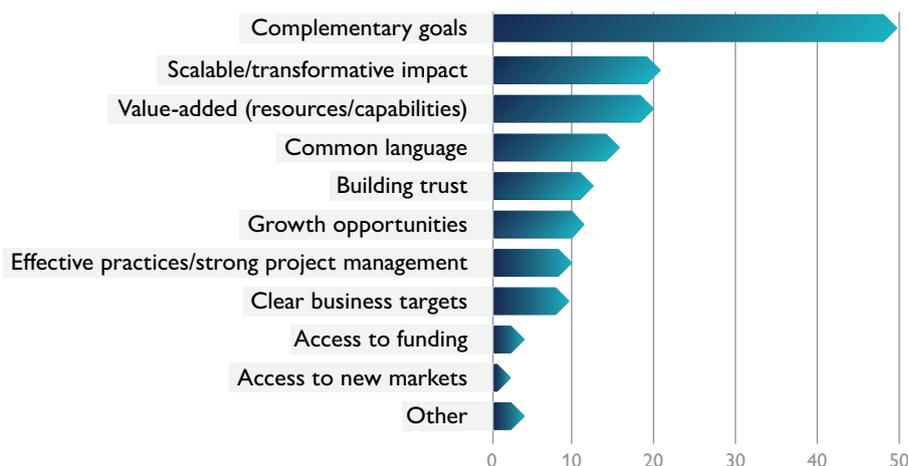
Establishing shared or complementary goals and a strong business case on both sides.

According to our online poll, 29 percent of participants said that complementary goals are important for attracting new partners (see chart 2).

Chart 2

Successful multi-sector coalitions depend on:

Number of participants: 150



CEO or senior leadership can play a role to create the buy-in needed and communicate how goals are strategic in nature.

“It needs CEO involvement and must be linked to business strategy, performance and profitability”

Deborah Webster, AMANlcircle

“I think that the perception, attitudes, and behaviours (values of leaders) directly affect the promotion of sustainability. If sustainability is something a leader values, they will embrace the concept and ensure it cascades to lower level leaders in the business”

Rosley Sibanda, Organic Waste to Energy (Pty) Ltd

Businesses must have an awareness of their worth; they must understand their own capabilities and communicate these effectively to attract the right type of partners. The sharing of best practice case studies is one way to create awareness and help to elevate the business case.

Sharing SDG training or educational programs. Entrepreneurs and SMEs may have the capabilities required by a business to implement programmes but lack specific knowledge of the SDGs. Businesses could offer sponsored SDG training or educational programs to attract partners in these cases.

“Encourage and sponsor training within companies about the Sustainable Development Goals, and how these companies can identify opportunities along their value chain. Although there is a will, it is difficult to move forward without training”

Cesar Vargas, San Vicente Fundación

2.4 Collaboration through business associations and multi-stakeholder coalitions

“I think that government and people involved in sustainability (entrepreneurs, advisors, NGOs etc.) who join together and share ideas, best practices and KPIs can lead the way to succeed on the SDGs”

Alessandra Guatteri, Impresa Sostenibile

Business associations. Associations have an enabling role to encourage multiple companies across a sector to commit to act and drive large-scale change in line with the SDGs. Through consultation that includes research and technical know-how, they can identify landscape issues and clarify what SDG issues are material to a sector.

“Associations could identify material SDG indicators and require all members to report on these SDGs, similar to being a signatory to the PRI, but also now having to report to the PRI to maintain signatory status”

Aurelien Reynolds, Global Real Estate Sustainability Benchmark (GRESB)

They can also lead on developing voluntary industry guidelines to help with SDG target setting and on how to report SDG impact.

“Consider industry specific guidelines to assist business on what to link to, as not all content is equal in terms of what is relevant to business, depending on where they are located and which SDGs may be relevant”

Elmien Ballot, Coronado Curragh

Multi-stakeholder coalitions and initiatives. A cooperative approach, driven by umbrella organisations, can scale commitment to act on global issues (like plastics and the SDGs) among multiple actors – businesses, organisations, institutions and the general public.

“Many interesting partnerships involve companies from different sectors and geographies but look at specific issues or SDGs. For example, the Natural Capital Impact Group and Natural Capital Coalition help combine know how, influence and impact, and leverage this across global value chains”

**Aris Vrettos, University of Cambridge,
Institute for Sustainability Leadership (CISL)**

“On plastics for example, there has been a step change in the last couple of years with NGOs and businesses working together to create common approaches to tackling the issue”

Josh Bayly, PepsiCo

Multi-stakeholder coalitions can take many forms including those between businesses (KnowTheChain), businesses and unions (The Bangladesh Accord Foundation), NGOs and businesses (The Alliance to End Plastic Waste), or government and academia (Ellen McArthur Foundation).

“KnowTheChain is a great example of multi-stakeholder coalition targeting the eradication of forced labour in the supply chain. Through a partnership model KTC has developed, and published corporate benchmarks, and has helped companies and investors identify supply chain performance gaps and best practices among leading global buyers”

Heather Lang, Sustainalytics

“The Bangladesh Accord Foundation and what they managed to achieve for the ready-made garment factories in Bangladesh (a.k.a. safety for millions of workers) is impressive. The agreement was designed by Bangladeshi and international unions, together with other labour groups, making it unique in being supported by all key labour rights stakeholders, and signed by over 50 international brands and retailers - they agreed on a five-year commitment to invest in safer factories”

Juliette Gausem, Signify

“The Alliance to End Plastic Waste is a cross-sector effort including 40 corporations across chemical, packaging, consumer goods, food and waste removal sectors to help end plastic waste through infrastructure, innovation, education, and clean up. This can only be achieved in a multi-sector partnership”

Mario Svirg, Financial Markets, Policy and Foresight Advisory (FMPFA)

“The Ellen McArthur Foundation has done some really good work in developing toolkits for sustainability across a range of industry, especially to promote circularity”

Grace Lövquist, Sustaino2030

Part 3

Corporate leadership and scaling-up business models to deliver impact

“ A business model that considers all stakeholders (environment, society, governance) will be more likely to benefit from goodwill and reciprocity. When every decision at a company is made with CSR in mind, employees and customers engage with the company in a more integral way

Keren Bitan, Tandem Impact

3.1 Key summary

The recent boom in registered B-Corps reflects a growing number of businesses stepping up to leadership roles in the SDG space. Forum participants for instance, acknowledged large brands like Unilever, Patagonia, Kering, Natura, ABN AMRO bank, The Body Shop, Tata Steel, Novozymes and UBS bank are leading on the SDGs. Nevertheless, participants stated that demonstrating sustainable leadership is not simple, especially for smaller organisations.

So, what makes a business a leader in the SDG space and how can leadership be made visible? Our discussion revealed that a leading company in sustainability: (1) articulates a clear purpose and sets long-term goals towards this purpose (2) integrates the SDGs into the corporate strategy aligned to key material themes (3) has an adaptable approach to deliver on sustainability, and (4) links SDG performance to individual compensation. Robust and transparent sustainability reporting underpins each of these attributes of leadership.

Leadership was also a key theme once the discussion switched to focus on sustainable business models and how these can be scaled up for more impact on the SDGs. We asked forum participants this question and the vast array of ideas shared can be summarised into three themes: (1) a shift to more long-term perspective, both inside companies and in the wider financial landscape in which they operate, (2) new finance models, such as green bonds or social impact bonds, and (3) alignment of new business models with a company's core competencies.

3.2 Corporate Leadership on the SDGs

To lead successfully in the SDG space, businesses must be able to:

Articulate a clear purpose and set long-term goals aligned towards this purpose.

Sustainability leaders can articulate an awareness of the business's impacts on environmental, societal and economic areas, and define a clear business purpose beyond profit. Purpose-driven leaders articulate long-term vision of the business.

“Imagine, if regardless of size, companies were purpose-driven from the core v. bolted on goodness. I would challenge any company to dig deep to find a purposeful reason for being, and build from there” - Marilyn Johnson, Consultant.

“SDG action is evidenced by having a sound vision, mission, tools, mechanisms, and practical examples of collaboration. This demonstrates an ability to promote strong corporate leadership, commitments and alliances to achieve the SDGs” - Sashwin Pillai, Africa Vision Holdings.

“It must start with actions like top leadership purpose and embedding this across the supply chain and getting involved to deliver solutions, helping the business move away from short to long-term results” - Marcos Teixeira, VIZY Sustentabilidade e Compliance.

Integrate SDGs into corporate strategy and align with key material themes. This is important to keep a business focused and partners engaged; it conveys how a business will create value, and how the targets set are strategic in nature.

“Business can unlock and support the development of sustainable investment not through reporting, but through a strategic planification that embeds and prioritises SDG goals into new, inclusive and innovative business models”

Marina Migliorato, Enel

“Looking at SSE's recent sustainability report, I was really impressed with how they identified four SDGs which are highly material to its business, in the 2019 sustainability report, provided a 'Performance Summary' for each, including quantitative disclosure: the priority SDG Targets, KPIs for each and its performance against those over the last 2 years - it then follows below that with a qualitative description of its performance against the SDG targets”

Ian Woodcock, CERES

Corporate leaders must have an adaptable approach to deliver on sustainability. Within a company's overall strategy, they must be able to deliver impact on the Global Goals in changing contexts, which requires a flexibility of approach and implementation on the ground.

“An important key is flexibility. Each project is completely different from another, the context changes. A strong corporate leadership must be based on continuous adaptation and innovation”

Daniel Revuelta González, Gabinete de Recolocación Industrial

Linking bonuses to SDG performance. Some forum participants were of the opinion that businesses that link bonuses to SDG performance, are more likely to deliver and demonstrate a commitment to act on the SDGs.

“Linking executive pay to sustainability metrics of which some can be related to the SDGs is an important driver of action and performance”

Ian Woodcock, CERES

“Metrics at a company need to be tied to social responsibility for it to be fully integrated. A committed CEO taking this stance would make a huge difference for the culture at a firm”

Keren Bitan, Tandem Impact

3.3 Scaling up sustainable business models

A strong, sustainable business model that scales impact and delivers on the SDGs is facilitated by the following approaches:

A more long-term perspective, within companies and in the wider financial landscape.

Several participants pointed to the need for financial systems, stock exchanges and investors in particular to allow for more medium to long-term strategic planning and reporting by companies. Action needs to come from two sides to facilitate this change: stock exchanges and investors allowing more flexibility in areas such as quarterly results reporting, and companies themselves talking to investors and explaining the rationale for this change. The latter requires bold leadership from business and strong governance systems to help overcome the current short-term pressures.

“We'll only address sustainable development issues if business thinks longer term. Business needs to stand firm. Investors will and are changing”

Carol Adams, University of Durham

“Less focus on quarterly reporting, and a focus on integrated reporting - environmental profit and loss statements. It needs to be driven by investors and stock exchanges alongside companies and regulation (i.e. mandatory ESG/CSR report when being listed, corporate engagement by large asset owners, etc)”

Emily Matthews, Arabesque S-Ray

“A fit-for-purpose governance model with designated board oversight is another lever (v. bottom-up) to drive executive’s management toward ESG/SDG goals”

Helen Hu, H2E Inc

“I do not see management systems as part of the problem but the mindset and the view that results are always based on quarter instead of medium and long term”

Marcos Teixeira, VIZY Sustentabilidade e Compliance

Reporting on sustainability progress and the SDGs can help to support the shift to longer-term thinking by providing accessible information to investors and other stakeholders on ESG factors, beyond short-term financial data.

“The good news is that we at GRI are starting to make this happen. Across the world, from the Nasdaq to the Philippines stock exchange, reporting mandates are happening”

Peter Paul van de Wijs, GRI

Consistent with the need for bold moves by business to resist short term pressures, our poll question on this topic found that the most important factor for helping to scale up business models is responsive and responsible leadership (see chart 3).

Chart 3

Business models that drive action on the SDGs require:

Number of participants: 110



“There is such a need for strong leadership to drive progress toward the SDGs, and there is nothing better than to start at the top of the company hierarchy”

Tammy Mayer, MyImpact2101

New finance models, such as green bonds or social impact bonds. The need for businesses, both small and large, to have access to finance in order to scale new business models was mentioned frequently during the discussion. The most commonly cited examples of this were green bonds and social impact bonds. Microfinance was also posited as a potential option, although more at the entrepreneurial level.

“There is a tremendous opportunity for companies to open new revenue streams via innovative product and service offerings targeting sustainability challenges. Green bonds along with social/sustainable/SDG bonds are a great way for issuers to scale broader impact with investor demand exceeding supply”

Heather Lang, Sustainalytics

“There are many SDG-focused funds/bonds and other financial products being developed, such as that by Credit Suisse and Lombard Odier who have jointly launched a fund with a focus on responsible consumption”

David D’Hollander, ISEAL Alliance

“The more a long-term view a business takes, the better understanding they build of how their product or services impacts a variety of strategic considerations. This generates implications on funding strategies and opportunities (crowd-sourced, green bonds, etc)”

Kari Solomon, Keolis America Inc

Aligning new business models with a company’s core competencies. If a more sustainable business model is to scale, then it must play to the strengths of the existing business. This can be the case either by identifying new innovative solutions that complement current products and services or, conversely, through identifying new models that reduce risk.

“Unless the company is a start up, the focus must be on the core competency of the business. When I worked in the tech sector, we looked at sustainability needs as a market. By applying our core competency, we prioritise issues like energy efficiency, internet access, circular economy tactics and supply chain responsibility”

Tim Mohin, GRI

“I worked in the supply chain at a tech company, and the initial business case that resonated at C-level was brand/reputation risk. It was only after getting them on board through the risk mitigation, that the door opened to dialogue on opportunity”

Jeff Keenan, Consultant

Part 4

Financing SDG projects

“ According to the Paris agreement, the finance system in the next five years should guarantee finance only for sustainable investments. The link between finance and enterprise should help create a sustainable business model towards the SDG achievements

Alessandra Guatteri, Impresa Sostenibile

4.1 Key summary

After talking about the importance of finance in scaling up sustainable business models, the discussion moved to focus specifically on financing SDG projects and how strong sustainability reporting can support this.

Forum participants suggested the following factors that would support more effective financing of SDG projects: (1) governments must specify long-term sustainable development commitments; (2) businesses should consider reporting funding assigned to SDG projects in a technically robust way; (3) traditional institutional investors should encourage businesses to invest in long-term SDG-linked projects.

4.2 Financing SDG projects

The following actions by different actors in the system would help to encourage more effective financing for SDG projects:

Governments should specify long-term sustainable development commitments. Businesses require the certainty of a government's commitment to act on sustainability related matters (such as green energy) if they are to finance country-specific SDG projects.

“Making public commitments and setting bold targets forces organisations to take action. For instance, 80 percent of electricity in Poland is generated from coal; this renewable energy agreement is not only significant for a business to operate in the country, but it plays a role in supporting Poland to reach its 2030 country goal (21% of overall energy consumed from renewable sources)”

Juliette Gaussem, Signify

Communicating the long-term vision on sustainability is particularly important for governments of developing countries to source finance for SDG projects; a long-term vision by such governments is often seen as lacking.

“I live and work in Brazil and Latin America. There are specific groups (companies, associations, NGOs) driving good projects and practices, but there is a clear lack of support from governments”

Marcos Teixeira, VIZY Sustentabilidade e Compliance

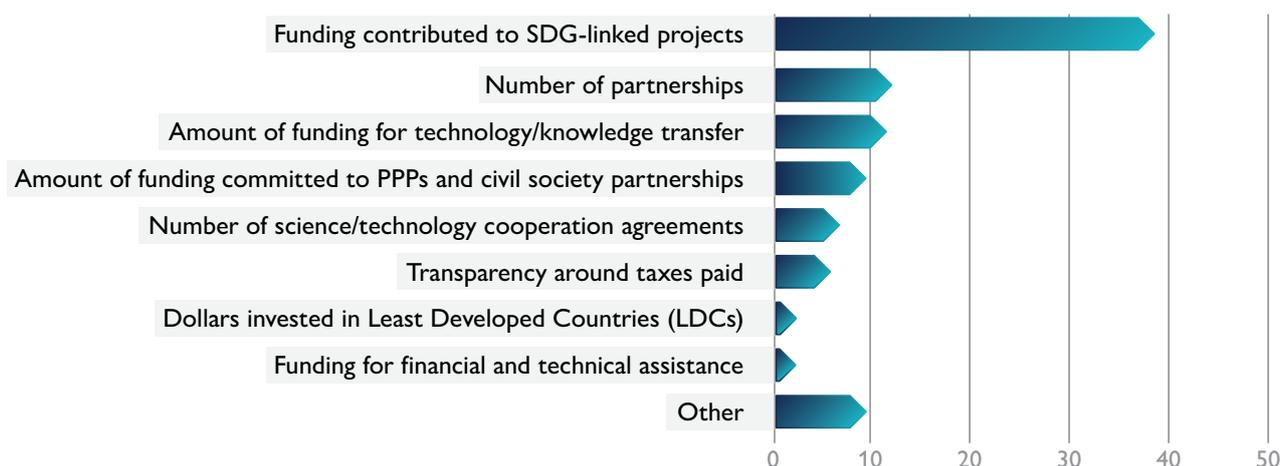
Businesses should consider disclosing funding assigned to SDG projects and ensuring that reporting is technically robust. Information on total spending aligned to SDG projects can act as a measure of a business’ commitment to the Global Goals and attract new partners. Participants voted this as key for a company reporting progress on Goal 17 (Partnerships for the Goals).

Chart 4

There are no clearly identified business indicators on SDG 17.

What indicators are most suitable to measure business contributions to this goal?

Number of participants: 91



Disclosing the overall financial value or return on investment of a businesses’ SDG performance could help to attract investment. The NYU Stern Center for Sustainable Business offers a methodology for businesses to use.

“The NYU Stern Center for Sustainable Business uses its Return on Sustainability Investment (ROSI). This applies a monetisation process to calculate monetary values for the intangible and tangible benefits of sustainability practices. This methodology could be used to measure the financial value of companies positive SDG performance”

Ian Woodcock, CERES

Investors need to be able to identify what SDG projects to fund from among the plethora of information out there. A consolidated metric system that discloses the financial implications or impact of an investment and is aligned to SDGs and corporate targets, is one way to achieve this.

“As investors, what we need most is reporting on comparable metrics, such as SASB. New forms of reporting may help a company to unlock business opportunities, but they won’t help investors compare a company to its peers if all the companies are reporting different metrics”

Sonya Hetrick, Wells Fargo

To improve the legitimacy of the data presented and attract finance, progress should be correlated against outcome-based impact indicators.

“Reporting on ESG actions/initiatives and its direct correlation to better performance on, say, water use, GHG emissions, energy consumption, shows active management at the company level and is bound to be attractive to investors”

Aurelien Reynolds, Global Real Estate Sustainability Benchmark (GRESB)

“Companies are now able to leverage their ESG ratings for capital-raising purposes (to support the credibility of a green bond issuance, to link ESG ratings to loan margins, etc)”

Heather Lang, Sustainalytics

Traditional institutional investors could push businesses to invest in long-term SDG-linked projects. Institutional investors like pension funds often own a majority share and have a broad stewardship role in getting businesses to curb excessive risk taking, given their beneficiaries’ interest in a longer-term investment return. They can help influence businesses to fund sustainable projects that deliver long-term value.

“Pension fund and institutional investors are key stakeholders. Their own reporting practices and thematic funds are tailored to the market and will contribute to making sustainability reporting better aligned to strategy in companies. They become the sustainable investment opportunity”

Martin Kruse - Copenhagen Institute for Futures Studies

Part 5

Accountability and monitoring

“Mandatory reporting and assurance have the potential to force companies to lay the reporting pipes which will help them make better informed decisions. Transparency will require a regulatory ‘nudge’ from the authorities
Guido Pieroth, Procter & Gamble

5.1 Key summary

One of the biggest challenges highlighted was the difficulty in monitoring the implementation of multi-sector partnership activities against agreed Global Goals; often, a large amount of time is required to conduct a sustainability audit and to collect data.

Subsequently the discussion turned to focus on how sustainability assurance and auditing can be strengthened. The following was suggested: (1) establish an overarching global reporting standard to improve accountability; (2) form a diverse multi-stakeholder SDG auditing body with academia at its core; and (3) integrate next-generation technology, like blockchain and artificial intelligence (AI), into the process.

5.2 Strengthening accountability and monitoring

Participants shared the following ideas as ways to enhance sustainability accountability and monitoring, focusing on assurance and auditing:

Establish an overarching global reporting standard to reduce fragmentation and improve accountability. Sustainability auditing is important to make businesses accountable for their SDG-impacts. Data that comes in from different audits should, however, be aggregated and reported on against a standardised, single standard.

“I think the key here is ‘standardised reporting’. Just as companies have to have financial audits there needs to be a sustainability audit”

Deborah Webster, AMANcircle

“Accountability would be enhanced if all organisations were accountable to the same reporting standard. This would help all governments, industries and businesses, large or small report effectively”

Leigh Carter, UL E&S

“In my opinion it is very important to measure performance with a common and global standard - one methodology for all stakeholders”

Nicoletta Dante, Enel Green Power

Form a diverse multi-stakeholder auditing body for the SDGs to strengthen sustainability assurance, with academia at its core. This is important for public transparency and keeping businesses vigilant and responsive throughout the process. Recommendations at the end of an auditing consulting process, should be based on the input from all groups involved.

“There are companies that have good intentions and motives, but we cannot rely on them alone to make the transition towards achieving the SDGs. An auditing body to assess the progress made on the SDGs could be a starting point”

Daniel Howley San Sebastian, Nexio Projects

Some suggested that universities could play a greater role given their expertise in the subject matter; they can help define how businesses should report on ethical practices and SDG progress. Their involvement is particularly important to reduce the associated costs of auditing, especially in the fieldwork stage which smaller organisations and suppliers tend to struggle with.

“Working in a multi-stakeholder environment - universities and schools of management can offer this - a collaborative learning environment can raise the bar and drive the need and culture for honesty and transparency”

Manuela Brusoni, SDA Bocconi School of Management

“I think it is costly just like financial audits. Sustainability audits require longer observations and fieldwork more than normal auditing. We need to help companies along the chain, some suppliers may lack the resources”

Yingru Li, University of Glasgow

Integrate next-generation technology, like blockchain and artificial intelligence (AI), into the process. Blockchain and AI can radically transform and scale sustainability auditing and assurance processes (e.g., reduced costs, improve procurement).

“The role of data, AI and technology cannot be overstated. Our path to addressing the SDGs requires us to move quickly, leveraging the power of data and technology is absolutely necessary”

Marilyn Johnson, Consultant

“I think experiments with innovative technologies (such as blockchain in supply chains) can help deliver data in a more efficient/real-time manner. Perhaps this can set us on the road of radical transparency”

Daniel Petrovics, GRI

It is also important to scale assurance, allowing businesses to closely track the activity of partners and identify those plagued with ethical issues, and those working on sustainable issues.

“In the food industry, there are companies starting to use blockchain in working to assure food quality”

Yingru Li, University of Glasgow

“This area could be a good use case for some emerging technologies such as blockchain. We’ve been exploring a personalised AI that proactively identifies ‘SDG-compliant’ companies, so we’ve had to look into how to build the data”

Deborah Webster, AMANcircle

Finally, it keeps auditors and assurance professionals informed of real-time developments and issues, which is particularly important in developing and rural locations.

“Wearable technologies with real-time monitoring from afar will be life-changing for many in rural areas”

Marilyn Johnson, Consultant

Appendix 1: List of expert guest contributors

Thank you to the expert guest contributors who joined us for the forum and contributed their invaluable insights and perspectives.

- › Aris Vrettos, Director, Open and International Programmes, University of the Cambridge Institute for Sustainability Leadership (CISL)
- › Carol Adams, Professor of Accounting, University of Durham
- › Cecilia Mora, CSR Specialist, RS Sostenibilidad
- › David D'Hollander, Associate Manager, Policy and Innovations, ISEAL Alliance
- › Dan Osusky, Director of Standards, B Lab
- › Heather Lang, Executive Director of Sustainable Finance Solutions, Sustainalytics
- › Ian Woodcock, Senior Manager, Company Network, CERES
- › Josh Bayly, Global Sustainability Strategy and Communications, PepsiCo
- › Juliette Gaussem, Sustainability Reporting Manager, Signify
- › Kris Douma, Director Strategic Projects, PRI
- › Marina Migliorato, Head of Sustainability Stakeholders Engagement, Enel Group
- › Martin Kruse, Futurist & Senior Advisor, Copenhagen Institute for Futures Studies
- › Nicoletta Dante, Head of Sustainability Planning, Performance Management & CSV, Enel Green Power
- › Peter Paul van de Wijs, Chief External Affairs Officer, Global Reporting Initiative (GRI)
- › Tim Mohin, Chief Executive, Global Reporting Initiative (GRI)
- › Yingru Li, Lecturer in Financial Accounting, Tax and Audit, University of Glasgow

Appendix 2: Shared examples and resources

Ways to improve the link between measuring and reporting on the SDGs:

- › Examples of frameworks and impact management tools that help businesses pick out the most relevant SDGs, and allow for measuring and reporting on progress against key indicators: [World Benchmarking Alliance](#); [PwC SDG Selection](#); [B Impact Assessment](#) (developed with the UNGC); [EFQM Model](#); [SDG Compass](#); GRI and SASBE [framework](#); GRI and UNGC [Practical guide](#); the [G&A Institute Inc.](#)

Governments scaling action on the SDGs with business:

- › Good examples of business/government dialogue and consultations corresponding to SDG development: Costa Rica Ministry of Planning [linked](#) its National Development Plan to the SDGs; The Colombian government [collaboration](#) with GRI improves sustainability reporting at the national level; The Spanish Network for Sustainable Development (REDS) [Report](#) outlines how action on sustainable cities was scaled; [Deprived Hoods](#) addressed socio-economic and ethnic segregation in neighbourhoods
- › Example of governmental based metrics to measure SDG impact: Netherlands government metric on [Social return on investment](#) (SROI); and [Minae](#) which is a National Plan integrating SDGs into business/government partnerships and contracts

Examples of business/business and multi-stakeholder collaborations leading the way on the SDGs:

- › Good case studies on business collaborations that have scaled action on sustainability issues: [End Plastic Waste](#); [Innovations for Poverty Action](#); and [Aliarse](#)
- › Good case studies of multi-stakeholder collaborations that have scaled action on sustainability issues: [UN Fashion Alliance](#); [CommonWealth Climate and Law Initiative](#) (CCLI); [RE100](#); [Responsible Media Forum](#); and [ChannelSight](#)
- › Good examples of businesses associations scaling action on sustainability: [CEPE](#) and [Enactus](#)
- › Example on CEO leadership and SDG lobbying is reported on by [CSR Europe](#)

Examples of good leadership on the SDGs:

- › [Businessfor2030](#) shares many examples of good SDG leadership
- › Examples of leaders with a clear purpose: [Global Fashion Agenda](#) (GFA); [BAC Credomatic](#); [Business Roundtable](#)
- › Examples of businesses integrating SDGs into corporate strategy: [Majid Al Futtaim](#); [Safaricom and SSE Plc](#); and [Kering](#)
- › Examples of businesses adapting to local contexts: [SYKES](#) scaled their SDG strategy from one county into fourteen

Examples of good sustainable business models:

- Examples of business models with a built in long-term perspective towards sustainability: [UNGC report](#) discusses how to implement inclusive business models; [The Ellen MacArthur Foundation](#) has built a framework for an economy that is restorative and regenerative by design; [Google Labs](#) focusses on regional business models to drive long-term sustainable change
- Examples of finance models: Credit Suisse and Lombard Odier launched a [fund](#) focussing on responsible consumption; [Xylem](#) provides funds using technology to solve global water issues; [Apple Green Bond Framework](#) is a good example of green bonds; ESG loans and the benefits are discussed in a Greenbiz [report](#)
- Examples of business models aligned to core competencies: [B Impact Assessment](#) (developed with the UNGC) guides companies to integrate the SDGs into their business strategy; [The Body Shop](#) is built on an ethical and sustainable business model

Examples of ways to encourage institutional investment:

- UN Global Compact launched the [CFO Network](#) to support SDG financing and advance the SDGs through corporate strategy investments
- An investment impact [framework](#) developed in cooperation between 'The Investment Leaders Group (ILG)' and The University of Cambridge Institute for Sustainability Leadership (CISL), helps quantify overall impact from SDG projects

Ways to improve accountability and assurance for reporting on the SDGs:

- Examples of reporting standards to reduce fragmentation and improve accountability: [Baldrige Excellence Framework](#) is an example of an accountability framework; [CSB ROSI™ Methodology](#), designed by the NYU Stern Center for Sustainable Business, measures the financial value of companies' positive SDG performance; An ESG Reporting [paper](#) provides a unified view on the convergence of standards to improve reporting on ESG data
- Examples of improving disclosure and assurance processes: GRI and UN Global Compact's [Action Platform](#) improves sustainability disclosure with a robust methodology to measure SDG progress; [CPA Canada](#) improved governance structures and assurance applications; The Association of Chartered Certified Accountants (ACCA) [consultation paper](#) discusses ways to improve SDG disclosure; [Corporate Human Rights Benchmark](#) improves auditing and assurance of business performance across a set of human rights indicators
- Examples of integrating next-gen technology: [Impact Cloud®](#) is a 'theory of change' driven platform for funders, mission-driven organisations, and sustainable organisations to measure and manage their social and environmental impact; [World Wide Generation's G17Eco](#) platform provides a combined monitoring and marketplace platform to collect and disseminate data to help accelerate financing and the delivery of the SDGs; [Microsoft](#) and its 'AI for Earth' uses AI technology and cloud software to assist those working to solve global climate issues

Appendix 3: About GRI, Enel and GlobeScan



About GRI

GRI is an independent international organization, based in Amsterdam with a presence around the world, that helps businesses, governments and other organizations understand and communicate their sustainability impacts.

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About Enel

Enel is a multinational power company and a leading integrated player in the global power, gas and renewables markets. It is the largest European utility by market capitalization and ordinary EBITDA and is present in over 30 countries worldwide, producing energy with around 90 GW of managed capacity. Enel is strongly focused on sustainability and innovation. Its renewables arm Enel Green Power manages over 43 GW of wind, solar, geothermal and hydropower plants worldwide.

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About GlobeScan

GlobeScan is an insights and strategy consultancy, focused on helping our clients build long-term trusting relationships with their stakeholders. Offering a suite of specialist research and advisory services, we partner with business, NGOs and governmental organizations to meet strategic objectives across reputation, sustainability and purpose.

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