

Beyond Business as Usual: Aligning Business Strategy and Climate Action with the SDGs

Webinar 19 July 2017



Introducing Our Panel



Mike Tuffrey
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Corporate Citizenship
Moderator



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Natural Capital Partners



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Sustainability Consultant
ING



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Gold Standard



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Sustainability Consultant
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About Corporate Citizenship

- Global management consultancy specialising in sustainability and corporate responsibility.
- Established in 1997, now with teams based in London, Melbourne, New York, San Francisco, Santiago and Singapore.
- We help companies to achieve their commitments to responsible and sustainable business.
- Published more than 40 thought leadership papers.
- Host regular sustainability and CR events, webinars and seminars.



Research and Thought Leadership



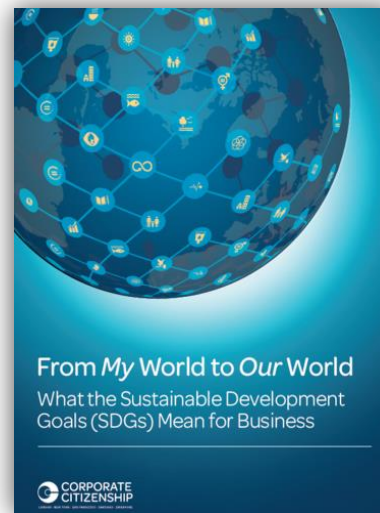
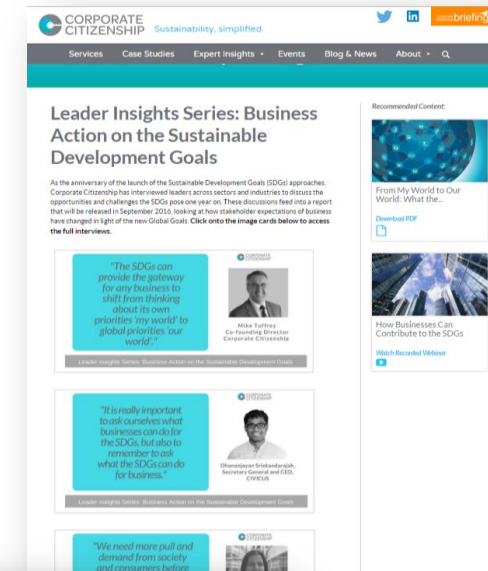
- Services
- Case Studies
- Expert Insights
- Events

Global Goals Blog Series: Introduction and Overview

- From 8 MDGs by 2015 to 17 SDGs by 2030
- Background and overview of the post-2015 agenda

The 17 Sustainable Development Goals

- Goal 1: End poverty in all its forms everywhere
- Goal 2: End hunger, achieve food security and improve nutrition and promote sustainable agriculture
- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



<http://corporate-citizenship.com/sdgs-2015/>



Client Example: Vision and Roadmap for Sustainable Development



How does the USLP contribute to the Global Goals?

Within our own activities we have identified where Unilever has the biggest potential to contribute to the Global Goals, given the nature, scale and reach of our business, and how this will add value to our business.

The following table is not an exhaustive list of every Global Goal which relates to the USLP but rather a broad overview.

Global Goals	Related USLP pillars
GOAL 1: NO POVERTY	Fairness in the workplace Inclusive business Opportunities for women
GOAL 2: ZERO HUNGER	Improving nutrition Inclusive business Opportunities for women Sustainable sourcing
GOAL 3: GOOD HEALTH AND WELL-BEING	Fairness in the workplace Health & hygiene Improving nutrition
GOAL 4: QUALITY EDUCATION	Inclusive business Opportunities for women Sustainable sourcing

The Global Goals: Research Findings on Progress to Date



- 68% of companies publicly support the SDGs

- 70% have not changed what they do to support the SDGs

- 38% of companies have set new targets for their contributions to the SDGs
- 52% of companies communicate their activities and impacts
- A third of companies report their impact to the SDGs but have not set new targets

- 28% of companies have created new internal programmes
- 34% of companies have created new external programmes

Source: Corporate Citizenship research of largest 50 FTSE100 companies

Corporate Engagement with the SDGs

THINK

ACT

MEASURE

ENGAGE

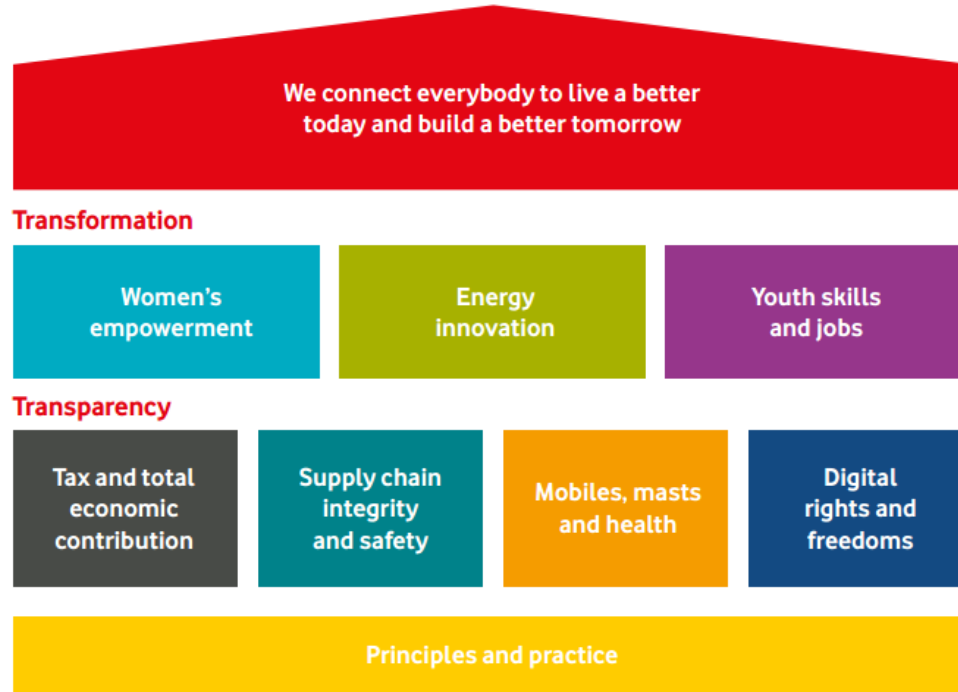
Companies Taking ACTION: Through Strategy



Vodafone's focus on five SDGs

We believe our business can have the greatest impact on five of the UN SDGs through our networks, products and services and through the work of the Vodafone Foundation.

Our transformation pillars represent the three specific areas where we aim to deliver positive change on a global scale



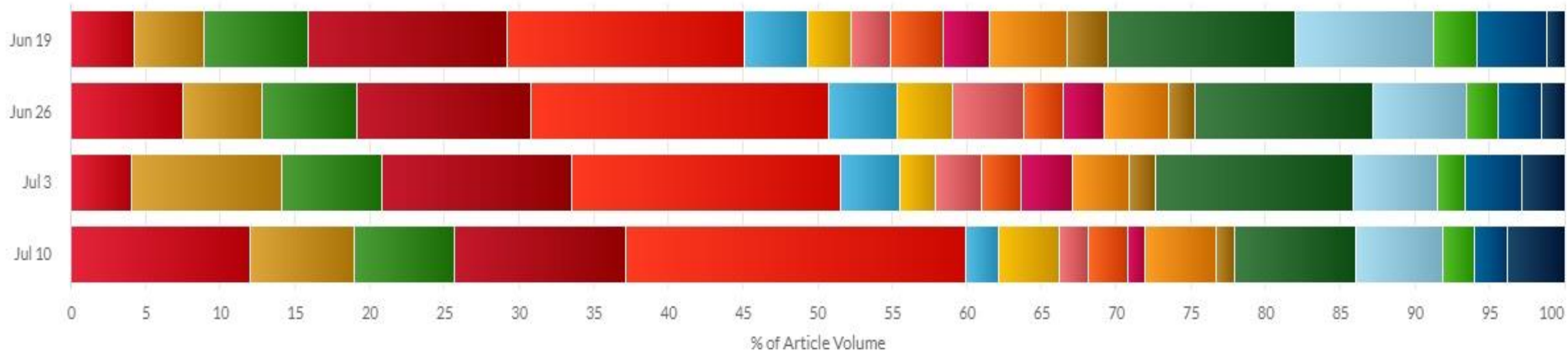
Supporting the remaining UN SDGs

Through our networks, products and services, responsible operations and the Vodafone Foundation we also contribute to the remaining 12 SDGs.

Companies Taking ACTION: Through Products/Services



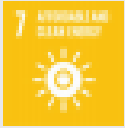



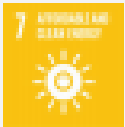


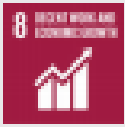
SDG Trends in News Articles (30 days)



- 1 No poverty ● 2 Zero hunger ● 3 Good Health and Well-Being ● 4 Quality Education ● 5 Gender Equality ● 6 Clean Water & Sanitation ● 7 Affordable and Clean Energy
- 8 Decent Work & Economic Growth ● 9 Industry, Innovation & Infrastru... ● 10 Reduced Inequalities ● 11 Sustainable Cities & Communities ● 12 Responsible Consumption & Produc...
- 13 Climate Action ● 14 Life Below Water ● 15 Life on Land ● 16 Peace, Justice and Strong Instit... ● 17 Partnerships for SDGs

Companies Taking ACTION: Through Measuring Targets



Aspiration	Target	Timeline
Pillar 1: Contributing to sustainable economic growth	We'll work with our clients to:	
<p>Infrastructure – Everyone should have access to safe, reliable and affordable power and infrastructure which transforms lives and strengthens economies</p>    	<p>Provide advisory, financing, debt structuring services and policy advice for \$25 billion of infrastructure projects, including \$4 billion toward clean technology</p>	<p>Jan 2017 – Dec 2019 (infrastructure) Jan 2016 – Dec 2020 (clean technology)</p>
<p>Climate – Climate change is one of today's greatest challenges and addressing it is essential to promote sustainable economic growth</p>   	<p>Introduce criteria to assess alignment to a 1.5 degree climate scenario for energy sector clients and transactions</p> <p>Expand this climate assessment criteria to other high-emitting sectors</p>	<p>May 2016 – Dec 2017 Jan 2018 – Dec 2018</p>
<p>Entrepreneurs – Entrepreneurs are the heart of local economies, creating jobs and empowering people</p> 	<p>Provide \$6 billion to Business Banking clients</p> <p>Grow our lending to smaller business clients in our Commercial Bank by 20%, as measured by assets</p>	<p>Jan 2017 – Dec 2019 Jan 2017 – Dec 2019</p>

Companies Taking ACTION: Through Engagement



CEO's Office

Bob Collymore, Safaricom LTD

"We are committed to Transform Lives through the Sustainable Development Goals"



Consumer Business Unit

We will leverage our products and services to meet the needs of our customers, from connectivity to value added services such as health or education....

Risk

We will manage our business responsibly and fight corruption in all its forms and shapes to ensure we have strong foundation for our business and society to thrive.

Strategy And Innovation

...We will develop business strategies that deliver connectivity and drive innovation to meet the needs of our country and build the future that we want.

Corporate Affairs

We will empower the business to fully understand, embrace and deliver on this agenda and ensure Safaricom remains a local and global leader in this area. We shall also inspire and mobilise the broader business community in Kenya to adopt this mission.

Financial Services

We will drive innovation and financial inclusion by developing products and services that will transform lives and spur economic growth.

Poll Question

Which of the following options is your organisation pursuing with regard to the SDGs? (Select all that apply)

- THINKING: Mapping corporate responsibility & sustainability strategies to SDGs
- ACTING: Developing strategies or programmes that can contribute to the SDGS
- MEASURING: Setting targets and/or measuring impact of contributions to the SDGs
- ENGAGING: Engaging internally with wider business or externally with stakeholders
- Wait and see

Carbon Finance: Enabling Businesses To Achieve SDG Targets

Rebecca Fay



Working with Clients to Deliver Positive Environmental Impact that Aligns with the Goals of the Business

- Working with more than 300 clients in 34 countries
- 20 years' experience in sourcing high quality environmental instruments to deliver immediate positive impact
- Ensuring risk mitigation and high quality
- Solutions for positive impact on renewable energy, carbon emissions, water stewardship, forestry protection, biodiversity and communities
- A global team of experienced professionals based in the US and the UK



The Evolution of Carbon Finance Projects

Meeting a
GHG target

Linking to
CSR through
co-benefits

Delivering impacts
that align with
business strategy



Research by Imperial College London to Evaluate the Socio-economic Impact of Carbon Finance Projects



Combining Carbon Neutrality with Supply Chain Resilience



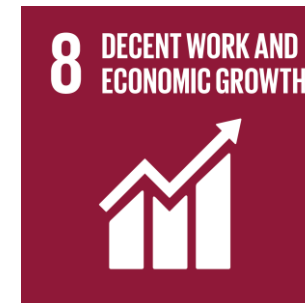
Improved Cookstoves, Kenya



The project employs women as cookstove entrepreneurs, with one third of distribution businesses owned by women



Forest Conservation in Indonesia



Training on the growth of cash crops such as fruit trees offers communities an alternative source of income



Clean Water in Guatemala



This dual project enhances the lives of Guatemalan families who now have access to clean water and cleaner air



Poll Question



**To what extent are your carbon reduction and social impact programmes linked?
(select all that apply)**

- They are strongly linked
- They are somewhat linked
- They are not linked at all
- We are interested in exploring this further

WHAT?



Gold Standard[®] for the **Global Goals**

A next-generation standard to quantify, certify and maximise impacts toward climate security and sustainable development



United Nations
Framework Convention on
Climate Change



WORLD BANK GROUP



SAFEGUARDS + SUSTAINABLE DEVELOPMENT PROVISIONS



Multiple
SDG impacts

Local +affected
stakeholder engagement

Environmental
and social safeguards
+ management
of trade offs

- Gender sensitive
- Water sensitive

APPLICATIONS OF THE STANDARD

Environmental
markets

Results-based
finance
for development

Corporate
climate + SDG
reporting

Large-scale climate
+ development



Gold Standard
improved cookstoves



Gold Standard
biogas energy



Gold Standard
wind energy



Gold Standard
forestry projects



Gold Standard
safe water access



Gold Standard
improved agriculture

SDG 7: RENEWABLE ENERGY CERTIFICATE LABEL



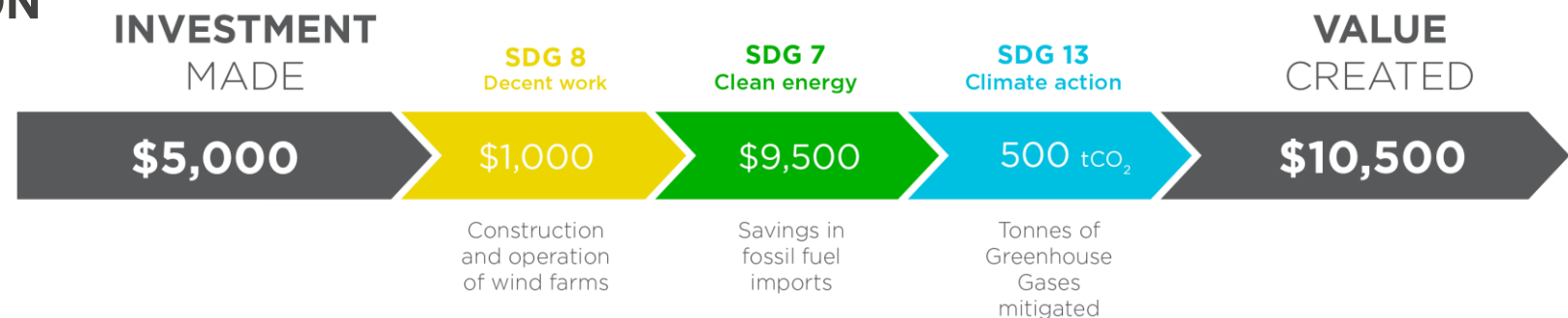
Gold Standard
certified **SDG impacts**



Differentiators

- Ensure that finance goes directly to the generation of new renewable energy
- Only from high quality projects with robust safeguards, stakeholder inclusivity
- Contributions to SDGs

NOW IN CONSULTATION



SDG 6: WATER BENEFIT CERTIFICATES



Gold Standard
certified **SDG impacts**



Water safeguards

Enhanced safeguards at the project design level, enabling relevant projects to be labeled “water aware.”

Water Benefit Certificates

Gold Standard Certified SDG Impacts quantifying the water purified, supplied or conserved

- Sustainable Sugarcane Initiative
- WASH



SDG 3: HEALTH IMPACTS - ADALYS



Gold Standard
certified **SDG impacts**



ADALYs

Averted Disability-Adjusted Life-Years, a unit for measuring health impact, representing the years attributed to premature death or disability due to a certain health impact. Effective in assessing the global burden of disease.

Cookstove projects

Future: WASH projects



SDG 5: GENDER EQUALITY



Gold Standard
certified **SDG impacts**



Gender safeguards

Enhanced safeguards at the project design level, enabling all projects to be labeled “gender sensitive.”

Certified SDG Impacts

New methodologies in development to quantify and certify impacts, potentially:

- Women’s economic empowerment
- Reduction in time poverty
- Women’s voice and agency

NOW IN DEVELOPMENT

WHAT'S NEXT?

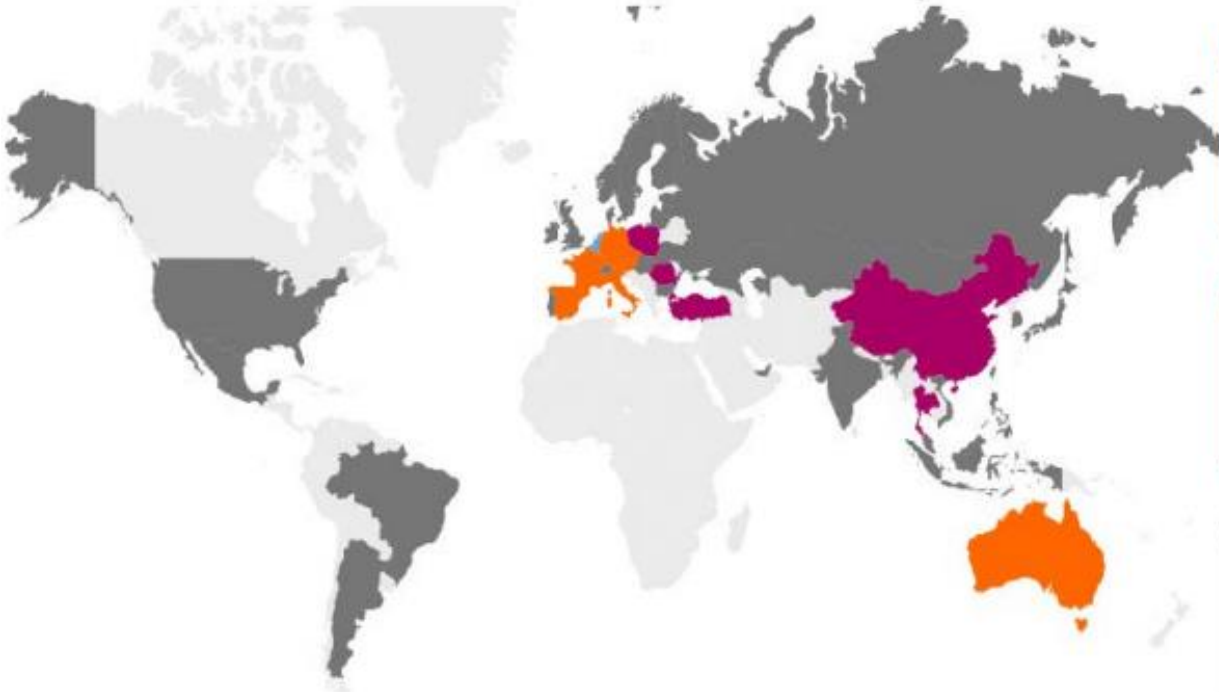
1. Additional SDG Impacts
2. SCALING SCOPE 3 GHG REDUCTIONS FOR SUSTAINABLE SUPPLY CHAINS
 - Same rigour in safeguarding principles
 - Climate impact quantification for reporting purposes
 - SDG impact quantification
 - Starting in agricultural sector

ING and the Sustainable Development Goals (SDGs)

#talkSDGs



ING – Who We Are



Market Leaders
Netherlands, Belgium, Luxembourg

- Leading retail and wholesale banks in the Benelux
- Evolving into 'direct-first' banks
- Improving operational excellence

Challengers
Germany, Austria, Spain, Italy, France, Australia, Czech Rep.

- Leading 'direct-first' banks
- Further integrating retail and wholesale banking capabilities
- Broadening lending capabilities

Growth Markets
Poland, Romania, Turkey and our stakes in Asia

- Strong positions in fast-growing countries
- Evolving into 'direct-first' banks
- Developing digital leadership capabilities

Wholesale Banking network and global franchises

- International network: more than 40 countries
- Extensive international client base across all regions
- Global franchises: Industry Lending and Financial Markets; Trade Finance and Cash Management

Disclaimer: Please note that ING Bank does not have a banking license in the US and is therefore not permitted to conduct banking activities in the US. Through its wholly-owned subsidiary ING Financial Holdings Corporation and its affiliates, ING offers a full array of wholesale financial products such as lending, corporate finance and a full range of financial markets products and services to its corporate and institutional clients.

We Focus on Two Themes to Meet Societal Challenges



Global developments



Customer challenges



Our answer



ING and the SDGs



United Nations
Global Compact



SDGs 8 and 12 are Our Strategic Focus

Global societal trends

Global sustainability agenda

Regulatory developments



Global developments

Fintechs

Unemployment

Withdrawing governments

Decarbonization

Circular economy / resource scarcity

Human rights

Customer challenges

Financial anxiety

Future proof businesses

Our answer

Financial Empowerment

8
decent work & economic growth



2020 Ambition: 25 million people feeling financially empowered

YE2016: 23.9 million

Sustainable Transitions

12
responsible consumption & production

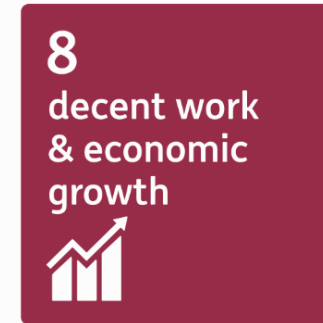


2020 Ambition: EUR 35 billion of Sustainable Transitions Financed (STF)

YE2016: EUR 34.3 billion

Financial Empowerment

Financial Inclusion - Impact Finance
A Billion to Gain



SDG target - 8.3

“Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services”

ING's Orange Circle

Circular Economy – From Ownership to Access

12
responsible
consumption
& production

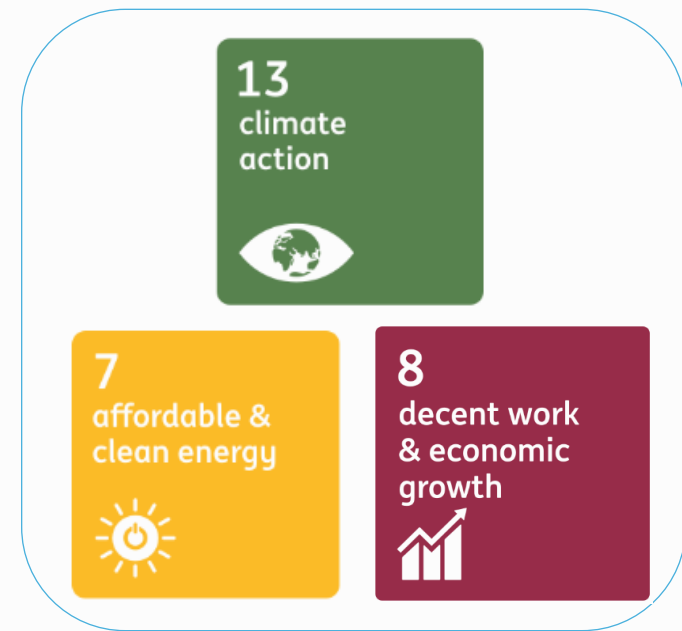


SDG target – 12.5

“By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse”

Carbon Offsetting

Through Natural Capital Partners and SELCO



We then Moved onto Communicating About More of the SDGs



What is it?

- **Interactive online reporting tool** accessible on ING.com.
- Communicates our contribution to our primary UN Sustainable Development **Goals of 8 and 12** and also **other goals**.



Suppliers



7. Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all

Through our sustainable procurement program 86% of total electricity consumption is from renewable energy. We aim to procure 100% green electricity for all ING buildings worldwide by 2020.

8. Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Decent Work and Economic Growth

ING contributes to the economies of more than 40 countries where we operate. The economic value that is generated and distributed amongst suppliers is 2,274 million euros.

How it works

- **Interactive elements** allow users to explore the SDGs.
- Contains drop down menus for each part of our **value chain**: Suppliers, Operations, Retail Banking and Wholesale Banking.
- **Dashboard** format allows for **continuous reporting**.

> Suppliers 

> Operations 

> Retail 

> Wholesale 

<https://www.ing.com/ING-in-Society/Sustainability/Stakeholder-engagement/ING-and-the-UN-Sustainable-Development-Goals.htm>

The Future for ING and the SDGs



We are working with partners to develop **Impact measurement** for the SDGs.



We want to focus on more on the **SDG targets**.



We aim to **Integrate** the SDGs more into business and increase our reporting.

Questions?

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