Network Sweden

GLOBAL COMPACT NETWORK SWEDEN

ÅRSMÖTE 2020

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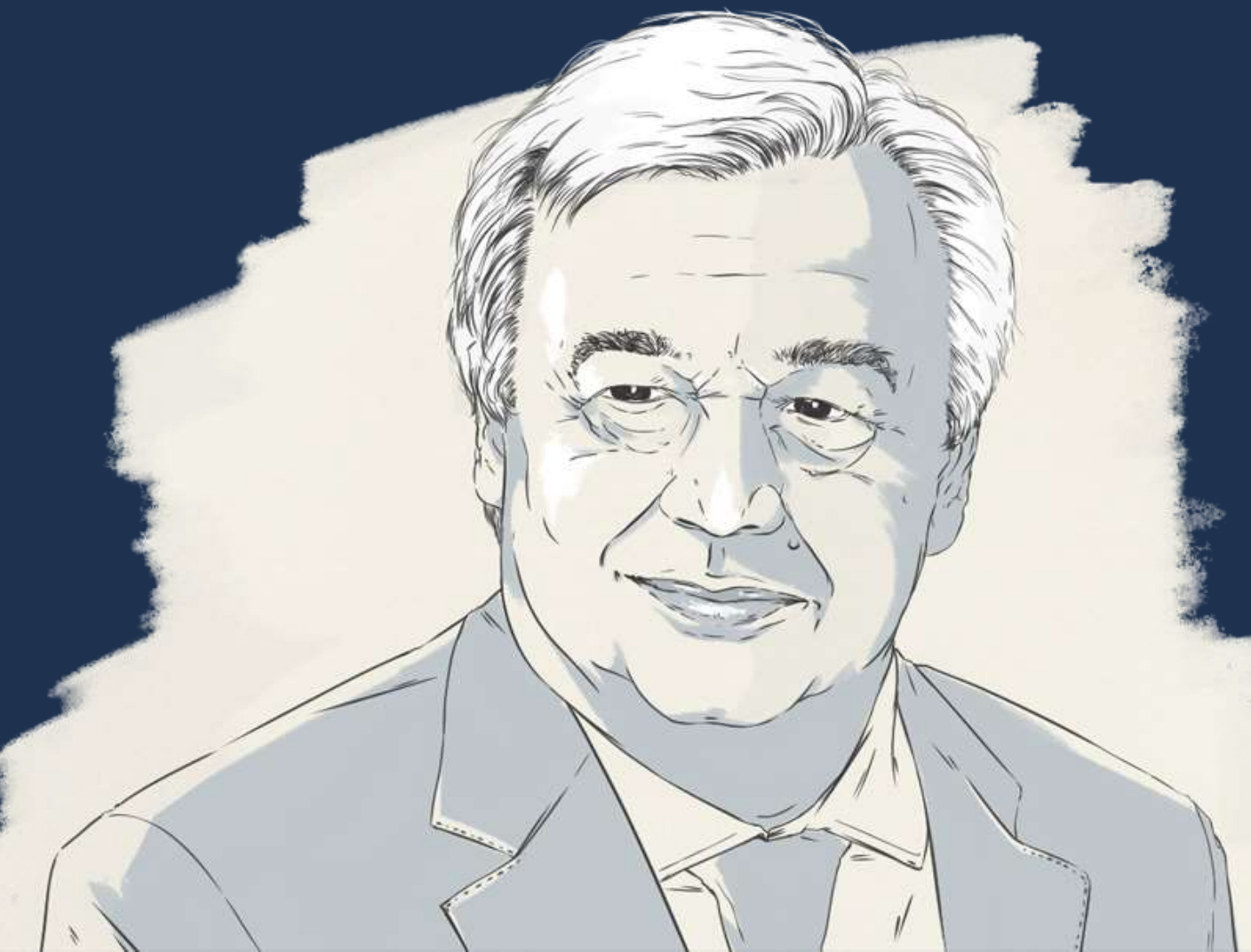
SDG AMBITION
Introduction

Ole Lund Hansen
Chief, Global Operations and Local Networks



”It’s abundantly clear that a much deeper, faster and more ambitious response is needed to unleash the social and economic transformation needed to achieve our 2030 goals”

United Nations Secretary-General, António Guterres

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The Decade of Action – A Call to Business Action

Today we confront multiple global challenges. When we get past the current crisis, we will face a choice – go back to the world we knew before or deal decisively with those issues that make us all unnecessarily vulnerable to this and future crises.

- In the first part of 2020 alone, we experienced major social, environmental, and economic upheaval and faced massive threats to our communities and economies. People continue to die and suffer from water scarcity, climate change, human rights violations etc., and leaders need to be able to address both short-term and long-term priorities at the same time.

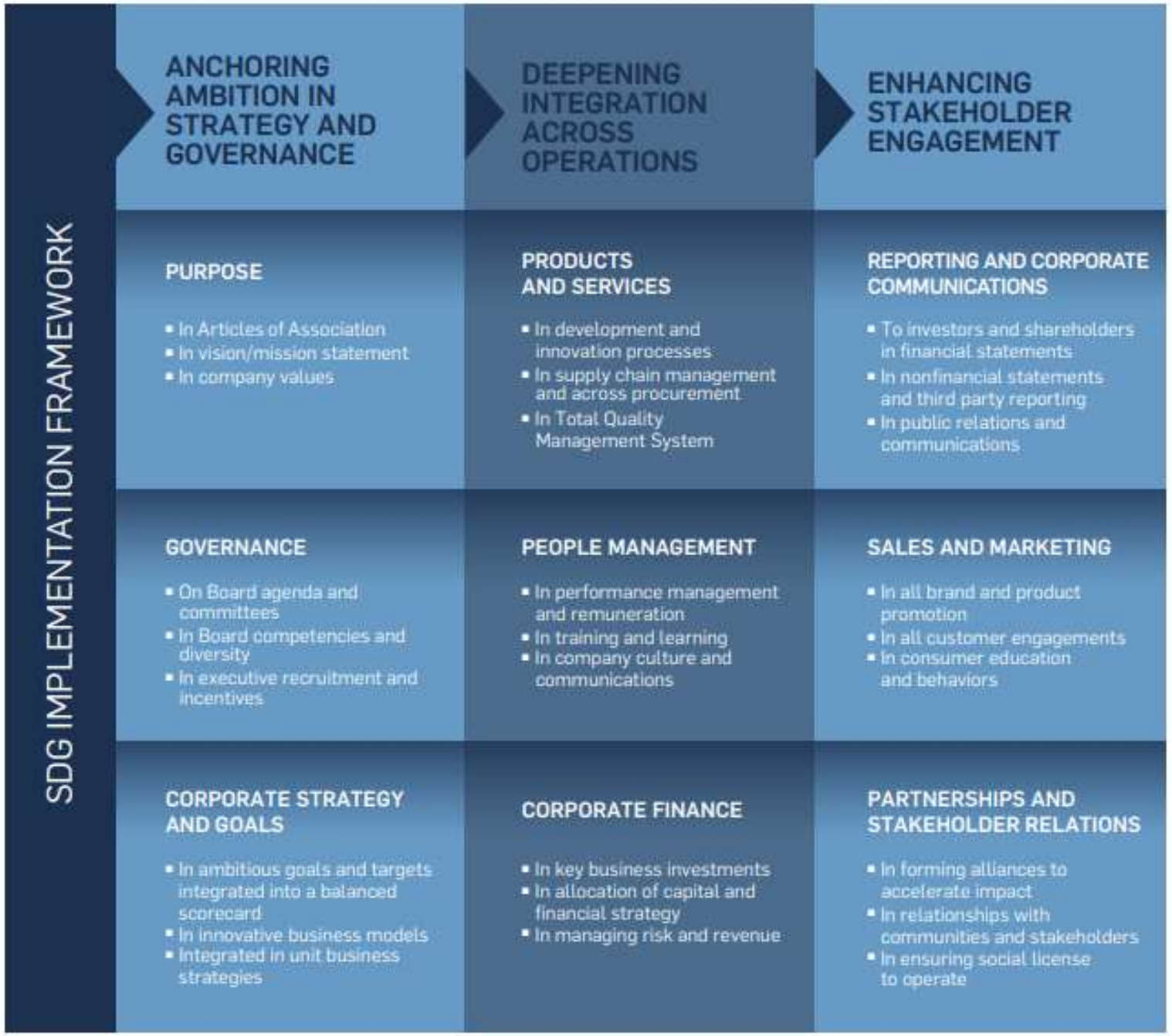
The world is not on track to deliver the Sustainable Development Goals (SDGs) by 2030:

- The 2019 Progress towards the SDGs: Report of the Secretary-General finds that progress is slow, and pathways to meet the SDGs are "not yet advancing at the speed or scale required"

The next few months provides a **window of opportunity** to make sure that **post-COVID19 strategies, goals and plans fully integrate the SDGs** and hence contribute to the building of more equal and sustainable societies, which will be more resilient to global challenges in the future.

- To step up in the Decade to Deliver, CEOs are calling for greater action from themselves and their peers
- 71% of CEOs believe that – with increased commitment and action – business can play a critical role in contributing to the Global Goals

SDG AMBITION: KEY COMPONENTS


SDG IMPLEMENTATION FRAMEWORK
ANCHORING AMBITION IN STRATEGY AND GOVERNANCE
DEEPENING INTEGRATION ACROSS OPERATIONS
ENHANCING STAKEHOLDER ENGAGEMENT
PURPOSE
In Articles of Association
In vision/mission statement
In company values
PRODUCTS AND SERVICES
In development and innovation processes
In supply chain management and across procurement
In Total Quality Management System
REPORTING AND CORPORATE COMMUNICATIONS
To investors and shareholders in financial statements
In nonfinancial statements and third party reporting
In public relations and communications
GOVERNANCE
On Board agenda and committees
In Board competencies and diversity
In executive recruitment and incentives
PEOPLE MANAGEMENT
In performance management and remuneration
In training and learning
In company culture and communications
SALES AND MARKETING
In all brand and product promotion
In all customer engagements
In consumer education and behaviors
CORPORATE STRATEGY AND GOALS
In ambitious goals and targets integrated into a balanced scorecard
In innovative business models
Integrated in unit business strategies
CORPORATE FINANCE
In key business investments
In allocation of capital and financial strategy
In managing risk and revenue
PARTNERSHIPS AND STAKEHOLDER RELATIONS
In forming alliances to accelerate impact
In relationships with communities and stakeholders
In ensuring social license to operate

SDG AMBITION | Upcoming Deliverables

SDG Ambition Program Guide

Description: Overview of key program elements, framework, and project timeline
Completion: January 23rd, 2020
Document Location: Link

Illustrative

Performance Integration

Description: Technical architecture mapping thresholds to key business processes and technology platform elements
Completion: Anticipated July/August 2020

Illustrative

Corporate Targets & Ambition Guide

Description: Defined targets across all 17 SDGs and detailed description of SDG Implementation Framework
Completion: Anticipated June 2020

Illustrative

Industry Perspectives

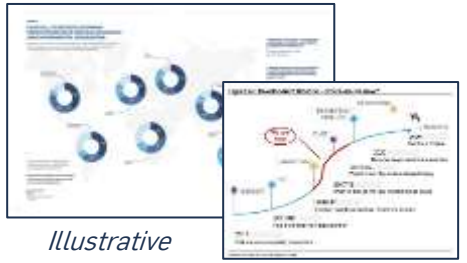
Description: Industry-specific analysis for 4-5 industries with tailored recommendations and targets based on their relative impact
Completion: TBD

Illustrative

UNGC Goal-Setting Platform

Description: To accelerate progress and deliver transformational change, companies will share goals aligned with global benchmarks on a UNGC-hosted platform. To be integrated with participant profile and COP.

Completion: Q1 2021



Illustrative

Design of In-Country Programme

Description: Phased rollout plan with support documentation including marketing materials, facilitation guides, workshop materials, and key messages
Completion: October 2020

Country Program - Themes

Understanding the Ambitions

Oct Nov

What is SDG Ambition and what are the core Ambitions?

- Discover Cross-Sector and Sector-Specific Ambitions, as well as Essential Practices
- Understand methodology used to develop final target list
- Companies complete necessary onboarding activities

Supporting Materials: Ambition Guide, SDG Action Manager

Prioritization & Goal-Setting

Dec Jan

How might a company increase its ambition?

- Share leading goal-setting and prioritization practices
- Review Ambition scenarios and interim milestones to deliver
- Prioritize areas of focus depending on organization maturity and industry
- Add goals to Goal-Setting Platform

Supporting Materials: Ambition Guide, Industry POVs, Goal-Setting Platform

Integration & Enabling Technologies

Feb Mar

How will the targets be built into the business?

- Exploring the integration of targets into core business
- Share market enabling technologies and techniques
- Engagement of cross-organization functions and technology platforms

Supporting Materials: Performance Architecture Integration Guide

Company Support

Beyond

How are companies doing

- Are they setting goals in line with the Ambitions and sharing on the goal-setting platform?
- How are they navigating the integration into core business?
- Is collaboration happening in the community or industry?
- Collection of case studies and best practices

Country Program - Activities

Understanding the Ambitions		Prioritization & Goal-Setting		Integration & Enabling Technologies		Company Support
Oct	Nov	Dec	Jan	Feb	Mar	Beyond

What is SDG Ambition and what are the core Ambitions?

Related Activities (On-boarding)

- 3 Global on-demand sessions on understanding SDG Ambition
- 1 half day Introductory Workshop
- Opportunity to use SDG Action Manager

How might a company increase its ambition?

Related Activities

- 2 global sessions on prioritization and goal-setting
- 2 half day capacity building workshops

OUTCOME: Establishing & identifying ambitious goals within organization

How will the targets be built into the business?

Related Activities

- 2 global sessions on integration
- 2 half day capacity building workshops

OUTCOME: Defining responsibility of goals across organization; Use of technology to manage and track progress

How are companies doing

- COP submissions demonstrate higher level of ambition
- Increased number of goals on goal-setting platform aligned with Ambitions
- Best practice to share

EXPECTED OUTCOMES

SDG Ambition will challenge and support companies to:

1. **Understand baseline impacts** across the business to facilitate the creation of a comprehensive sustainability strategy
2. **Undertake strategic prioritization** based on an inclusive understanding of their positive and negative impacts across the value chain and operations
3. **Set ambitious goals** aligned with proposed Ambitions aimed at galvanizing business actions on the SDGs to change the current trajectory
4. **Integrate and mainstream ambitious sustainability goals** across business units pioneering a performance integration approach that utilizes enabling technologies developed by our strategic partners
5. **Commit and track progress over time** aligned with the Communication on Progress

"With less than 4,000 days remaining until the 2030 target, business leaders are not content with current progress and are calling for their sectors and peers to step-up and turn commitment into action"

- Lise Kingo
CEO & Executive Director UN Global Compact

Ambitions & Performance Integration

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We are developing a set of proposed absolute benchmarks aimed at galvanizing business SDG ambition

DUAL ANALYSIS

- SDG/sub-target level looking at the target progress gap and business potential
- Major thematic areas not explicitly stated in the sub-targets
- Example: LGBTQ+ added to topics of equality

Analysis Drivers

BUSINESS CONTROL & IMPACT

- **Key Question**: Where can companies have the greatest impact through core business?
- Example: 13 companies control up to 40% of the largest and valuable fish stocks

CONSENSUS STANDARDS

- Key Question: Is there a sufficiently mature, measurable absolute target?
- Example: 1.5°C Science-Based Target

Future-Fit Business

Additional mapping against Future-Fit benchmarks is underway

The analysis builds on existing thought capital and verified examples (non-exhaustive)

CORE AMBITIONS

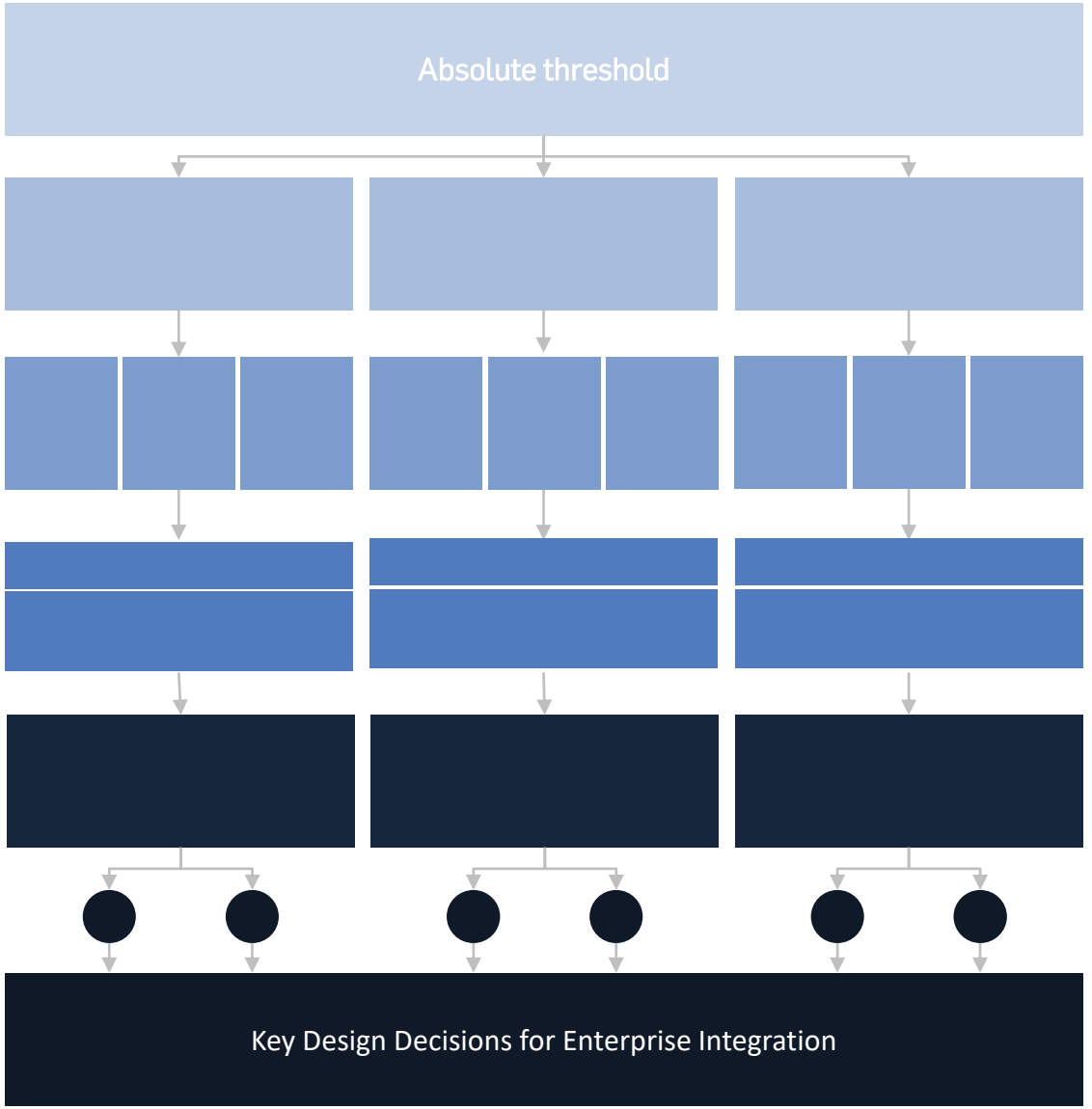
DRAFT as of 5 May

Proposed Ambitions	Additional Detail	SDG Impact		Sources	Scope		
		Direct	Indirect		Ops	Prod	VC
Living wages across the organization that meet basic needs	Applies to employees and contractors in direct operations and advocacy for employees across the supply chain, with wage increases in line with inflation	1	2, 3, 4, 5, 8, 10, 13	Living Wage Foundation, Economic Policy Institute	X		X
Gender balance across all levels of the organization	Includes equal pay for equal work across the organization, representation and equitable access to resources and opportunities	5	1, 8, 10, 16	UN, ILO	X		
100% responsible and sustainable sourcing	Verifiable sources for externally defined industry inputs that comply with international guidelines (e.g. Fair Trade, RSPO, RFA, BCI, FSC) or more rigorous criteria	9	1, 8, 12, 13	CIPS, ISO 20400, Unilever Sourcing Guidelines	X	X	X
Zero discharge of pollutants and hazardous chemicals	Includes chemicals and materials, wastewater, marine debris and pollution of all kinds from direct operations and the supply chain into the air, water and soil	6, 12, 14	3, 13, 15, 17	Greenpeace, ZDHC, UNEP	X		X
Net-positive water impact in water-stressed basins and regions	Applies to direct operations and the supply chain, including driving water resilience practices across the entire global value chain	6	8, 12, 13, 14, 17	UNGC	X	X	X
Zero deforestation and **net positive impact on land** and habitat	Includes preventing soil quality deterioration and erosion, loss of forests, woodland and natural habitat, and addition of regenerative agriculture and carbon-positive soils	15	3, 6, 8, 12, 13, 16, 17	United Nations CCD	X	X	X
Zero waste to landfill and incineration	Applies to operational waste reduction through prevention, reduction, recycling and reuse	12	6, 12, 13, 14, 15, 17	EPA	X		
100% of products are recovered and reused or composted	Applies to product and packaging; reuse includes recycling, resale, remanufacturing or composting	12	6, 7, 8, 12, 13, 14, 15, 17	Accenture, Ellen Macarthur Foundation	X	X	X
1.5°C science-based target, and ultimately move towards carbon-positive as soon as possible	Applies to all relevant scopes in line with the criteria of the Science Based Targets Initiative	13	14, 15	SBTi, IPCC	X	X	X

Ops = Operations Prod = Products VC = Value Chain

Performance Integration Approach

1. Adopt the **absolute threshold** to raise ambition for the SDGs
2. Identify the **pathways** which can be taken to achieve the target
3. Ideate the **actions** within each pathway to drive progress
4. Define the **Lead KPIs** and underlying **metrics** to track progress
5. Classify the functional **data sources** and **BU accountability**
6. Identify the **business system interactions** and **key design decisions** required to embed the target in core business tracking



Considerations

Maintain technology agnostic approach to reflect system and industry nuances

Not to override or add additional complexity to existing reporting

Keep the guidance practical and at a level where organizations can engage their technology partners

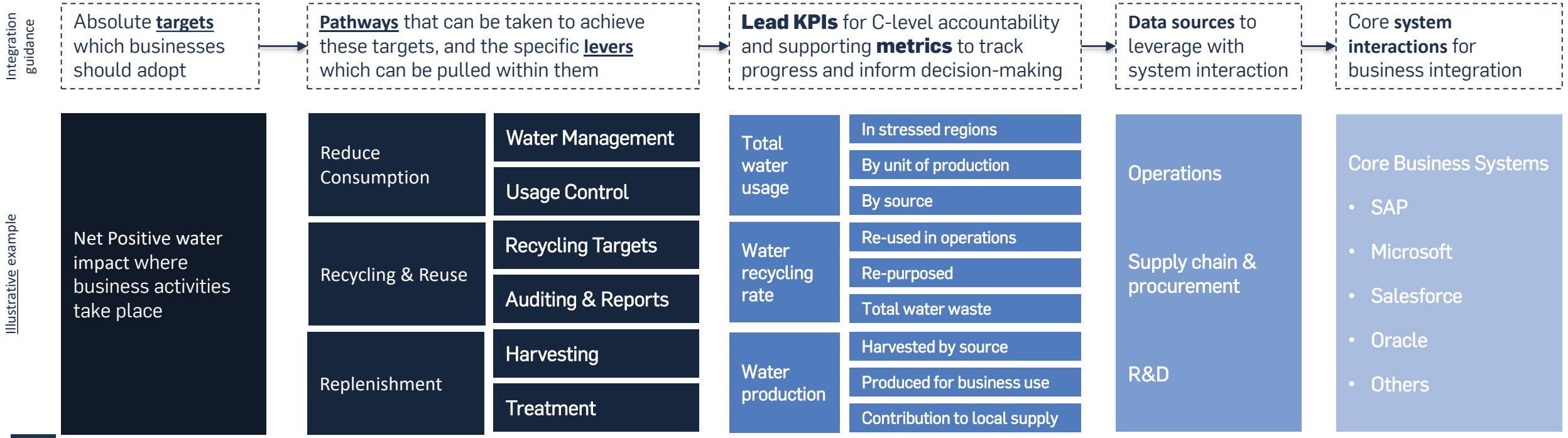
An enterprise mapping exercise is being conducted to provide a foundation for the Performance Integration

Performance Integration Objective:

Outline key data, processes, and metrics are to identify connection points in business platforms, agnostic of particular vendors, to enable CIOs and business leaders to integrate SDG Ambition into core business activities and reporting

Development Status:

- Preliminary enterprise mapping underway and in reviews with Accenture, SAP, and UNGC colleagues
- Joint-workshops are planned to advance overall methodology and refine deliverable outline



Questions?

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The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks.
www.unglobalcompact.org

Future-Fit
Business Benchmark

Making Sweden Future-Fit: Setting goals and targets in pursuit of the SDGs

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Future-Fit Foundation creates free tools to help companies and investors respond to today's biggest challenges in ways that
create long-term value for themselves and society as a whole.

What is future-fitness?

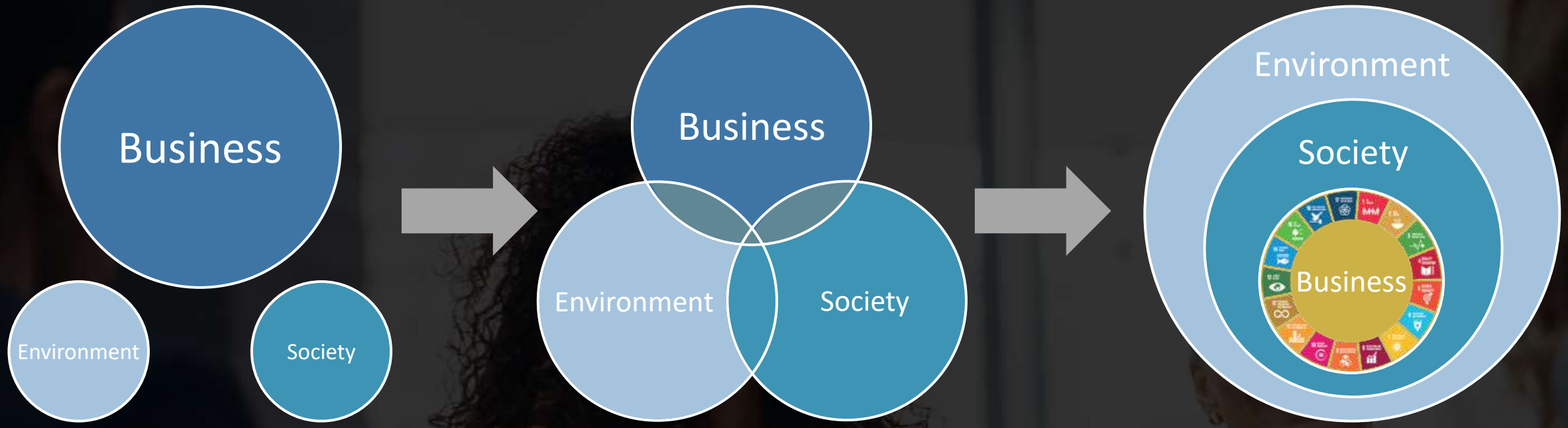
A Future-Fit® Society will protect the possibility that humans and other life can flourish on Earth forever.

Environmentally restorative

Socially just

Economically inclusive

For meaningful progress, we must rethink “value creation”



Shareholder Value

Financial returns are all that matters: companies privatize gains and externalise losses

Shared Value

Business comes first: negative impacts are often not sufficiently internalised – or are justified – by ‘doing good’ elsewhere

System Value

Business addresses societal challenges in a holistic way, while not hindering progress toward the SDGs and a Future-Fit Society

The 8 Properties of a Future-Fit Society

Environmentally restorative, socially just, economically inclusive…

Energy is renewable and available to all

Water is responsibly sourced and available to all

Waste does not exist

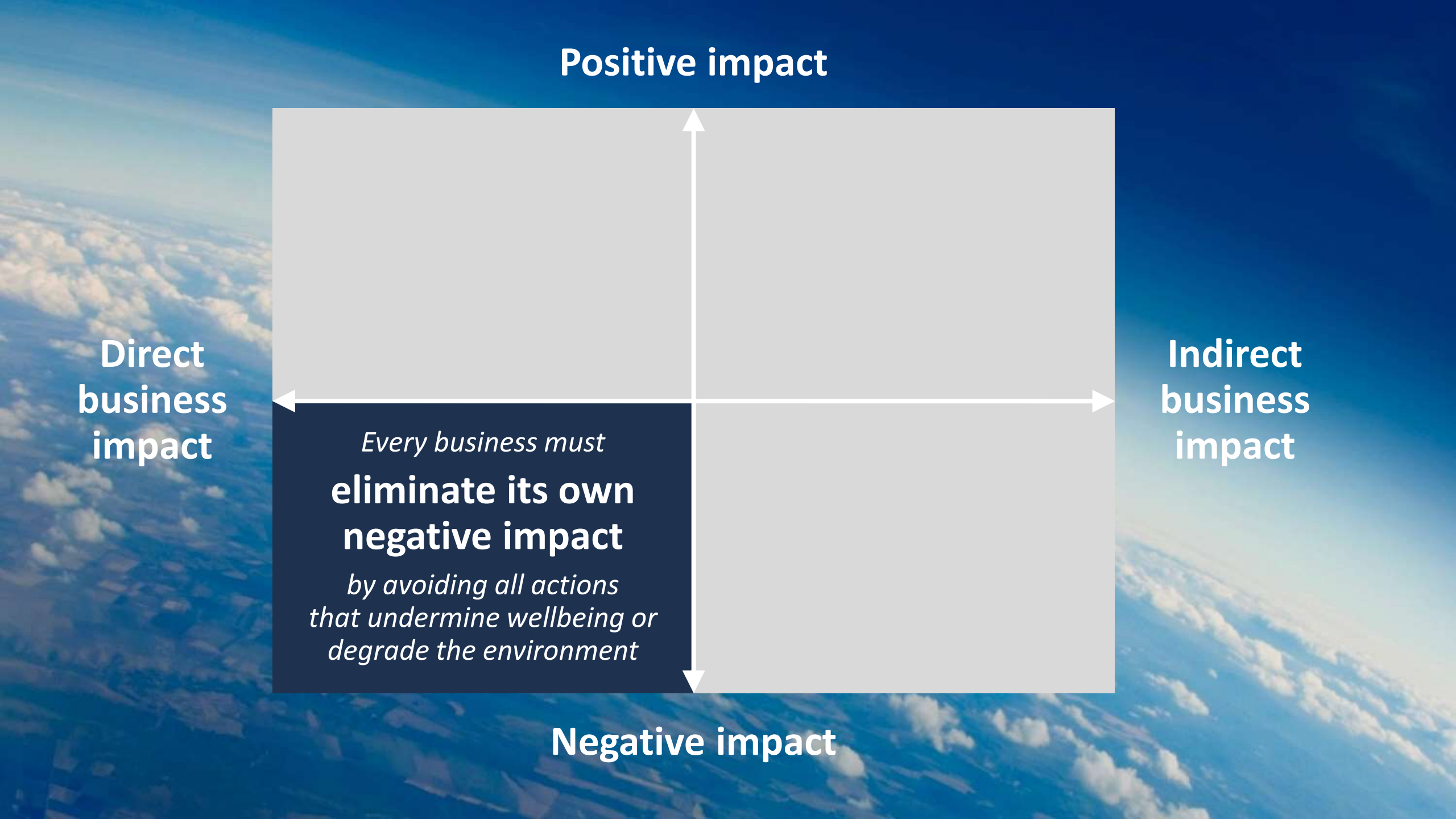
Natural resources are managed to safeguard communities, animals and ecosystems

The environment is free from ***pollution***

People have the capacity and opportunity to lead ***fulfilling lives***

Our ***physical presence*** protects the health of ecosystems and communities

Social norms, global governance and economic growth **drive** the pursuit of future-fitness

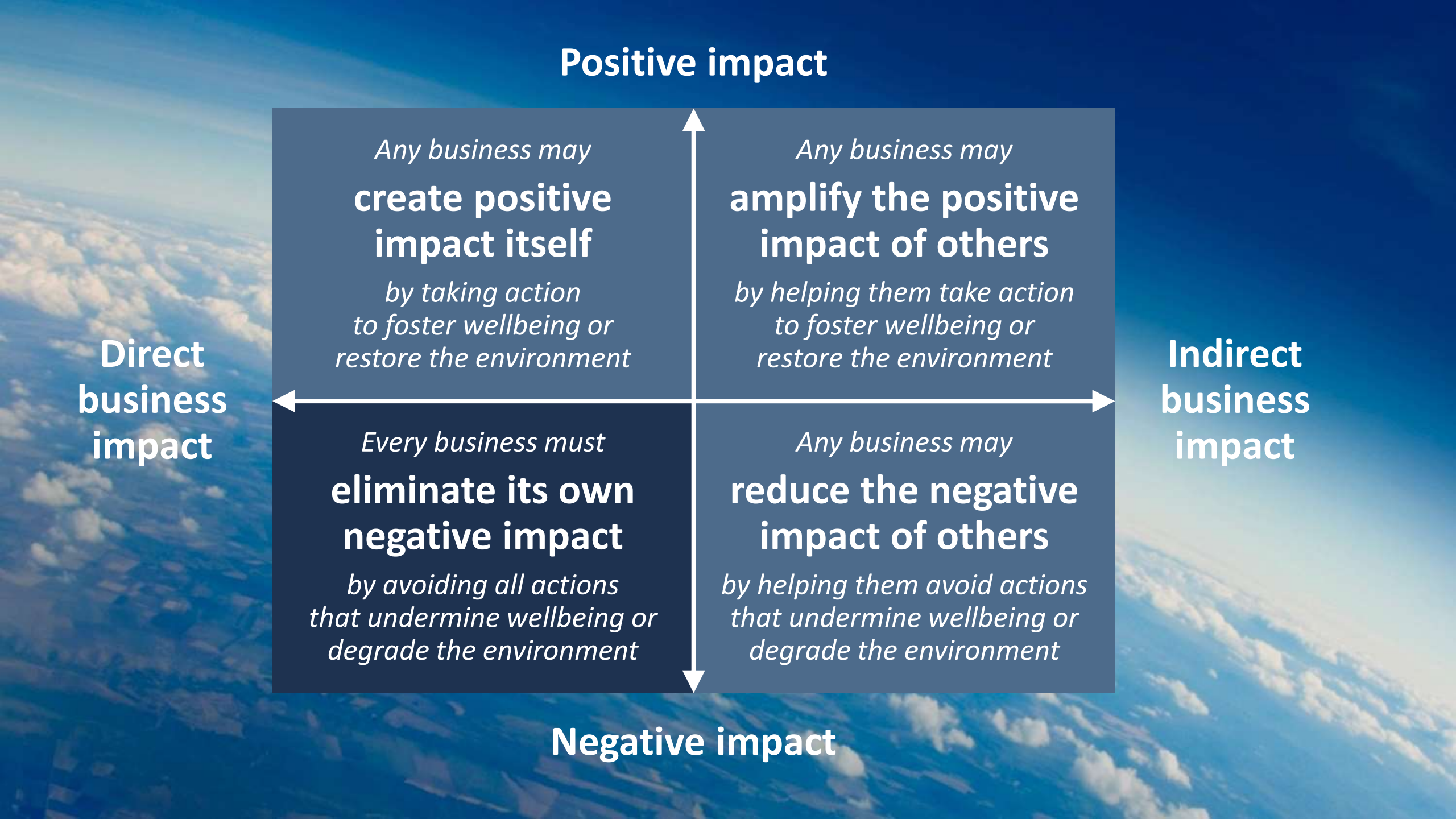

Positive impact
Direct business impact
Indirect business impact
Every business must
eliminate its own negative impact
by avoiding all actions that undermine wellbeing or degrade the environment
Negative impact

Future-Fit
Business Benchmark

Break-Even Goals

What every company *must* strive to do to *avoid slowing down* society's progress toward future-fitness

Energy	**Energy** is from renewable sources
Water	**Water** use is environmentally responsible and socially equitable
Natural Resources	**Natural resources** are managed to … ecosystems, people and animals
Pollution	**Operational emissions** do not **harm** people or the environment
	Operations emit no **greenhouse gases**
	Products emit no greenhouse gases
	Products do not **harm** people or the environment
Waste	**Operational waste** is eliminated
	Products can be **repurposed**
Presence	**Operations** do not **encroach** on ecosystems or communities
People	**Community health** is safeguarded
	Employee health is safeguarded
	Employees are paid at least a **living wage**
	Employees are subject to **fair employment terms**
	Employees are not subject to **discrimination**
	Employee concerns are actively solicited … transparently addressed
	Product communications are honest … promote responsible use
	Product concerns are actively solicited … transparently addressed
Drivers	**Procurement** safeguards the pursuit of future-fitness
	Financial assets safeguard the pursuit of future-fitness
	Lobbying and advocacy safeguard the pursuit of future-fitness
	The right **tax** is paid in the right place at the right time
	Business is conducted **ethically**


Positive impact
Direct business impact
Indirect business impact
Negative impact
Any business may
create positive impact itself
by taking action to foster wellbeing or restore the environment
Any business may
amplify the positive impact of others
by helping them take action to foster wellbeing or restore the environment
Every business must
eliminate its own negative impact
by avoiding all actions that undermine wellbeing or degrade the environment
Any business may
reduce the negative impact of others
by helping them avoid actions that undermine wellbeing or degrade the environment

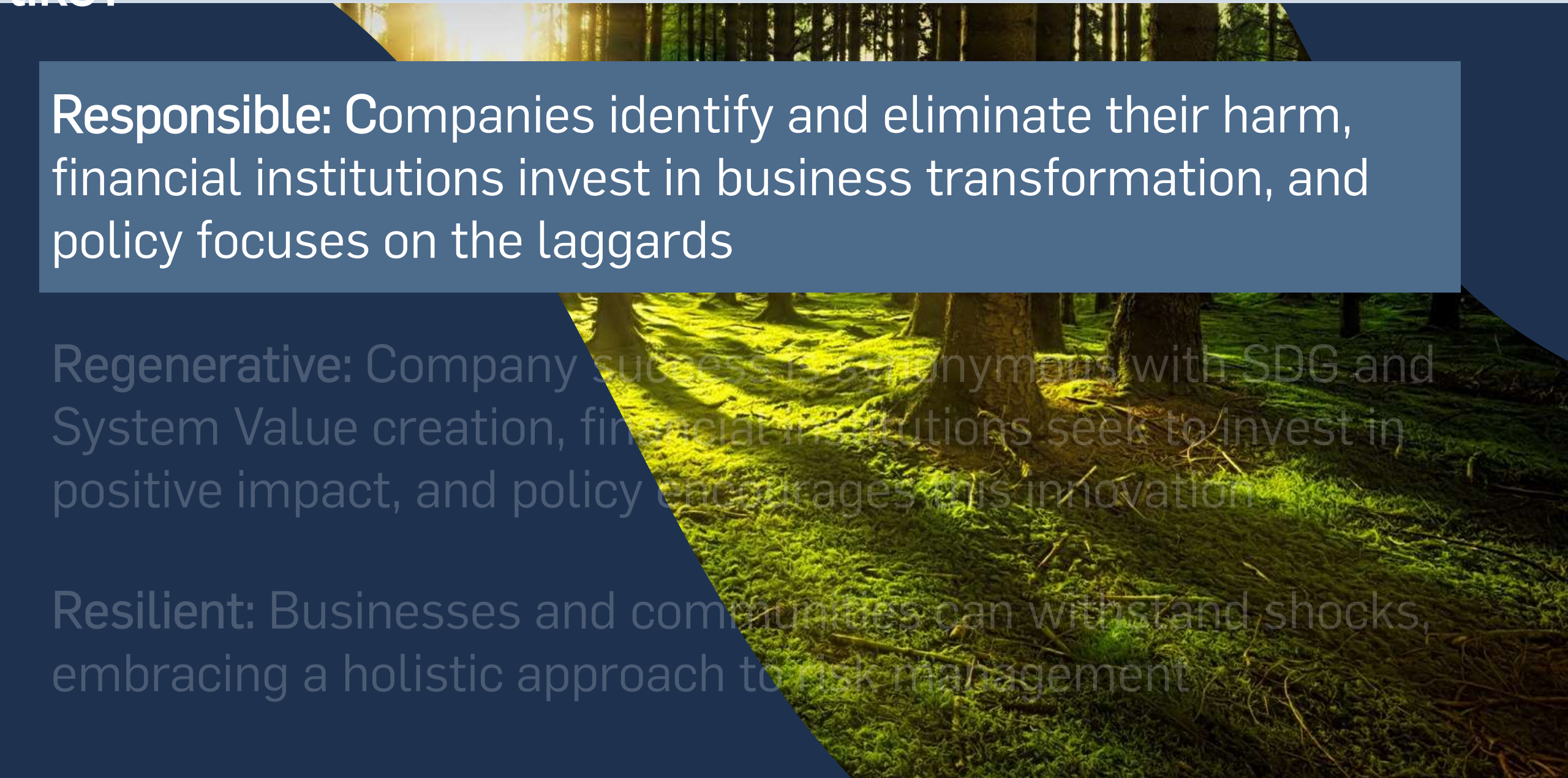
Future-Fit
Business Benchmark

Positive Pursuits

What any company *may* choose to do to *help speed up* society's progress toward future-fitness

Energy	Others **depend less on non-renewable energy**
	More people have **access to energy**
Water	Others **contribute less to water stress**
	More people have **access to clean water**
Natural Resources	Others **depend less on inadequately-managed natural resources**
Pollution	Others generate **fewer greenhouse gas emissions**
	Greenhouse gases are removed from the atmosphere
	Others generate **fewer harmful emissions**
	Harmful emissions are removed from the environment
Waste	Others generate **less waste**
	Waste is reclaimed and repurposed
Presence	Others cause **less ecosystem degradation**
	Ecosystems are restored
	Others cause **less damage to areas of high social or cultural value**
	Areas of high social or cultural value are restored
People	More people are **healthy and safe from harm**
	People's capabilities are strengthened
	More people have **access to economic opportunity**
	Individual freedoms are upheld for more people
	Social cohesion is strengthened
Drivers	**Infrastructure** is strengthened in pursuit of future-fitness
	Governance is strengthened in pursuit of future-fitness
	Market mechanisms are strengthened in pursuit of future-fitness
	Social norms increasingly support the pursuit of future-fitness

What does a Future-Fit Swedish business community look like?



Responsible: Companies identify and eliminate their harm, financial institutions invest in business transformation, and policy focuses on the laggards

Regenerative: Company success is synonymous with SDG and System Value creation, financial institutions seek to invest in positive impact, and policy encourages this innovation

Resilient: Businesses and communities can withstand shocks, embracing a holistic approach to risk management

What does a Future-Fit Swedish business community look like?

Responsible: Company [illegible] financial institutions [illegible] policy focuses on the [illegible]

Regenerative: Company success is synonymous with SDG and System Value creation, financial institutions seek to invest in positive impact, and policy encourages this innovation

Resilient: Businesses and communities can withstand shocks, embracing a holistic approach to risk management

What does a Future-Fit Swedish business community look like?

Responsible: Companies identify and eliminate their harm, financial institutions invest in business transformation, and policy focuses on the long-term

Regenerative: Company success is synonymous with SDG and System Value creation, financial institutions seek to invest in positive impact, and policy encourages this innovation

Resilient: Businesses and communities can withstand shocks, embracing a holistic approach to risk management

Workshop: Setting goals and targets in pursuit of the SDGs

Objective: Local Network members will explore how to set ambitious and business-relevant SDG commitments – and measure and report on achievements in a credible and compelling way – using the Future-Fit Business Benchmark.

Benefits: Participants will gain an understanding of how their business is contributing positively to, and how it is hindering, progress toward the SDGs. They will be empowered to continue developing a clear view of business priorities and steps required to align strategy with the SDGs.

Logistics: One-day workshop delivered in-person by the Future-Fit team in conjunction with local partners and the UNGC Local Network lead.

Workshop: Setting goals and targets in pursuit of the SDGs

Session	Duration	Session Overview
1. The journey ahead	1 hour	Learn key Future-Fit concepts, and how the approach is useful when responding to the SDGs.
2. Setting the right goals and targets	1 hour	Introduction to the Future-Fit Society concept, & the importance of considering the 'extra-financial break-even point' when responding to the SDGs in an authentic and ambitious manner.
3. Responding to the SDGs ambitiously	90 mins	Use the Future-Fit Positive Pursuits to identify where your business is contributing positively to the SDGs.
4. Responding to the SDGs authentically	90 mins	Use Future-Fit Break-Even Goals to understand the issues which need to be prioritized to ensure you are not hindering progress toward the SDGs.
5. Building a better business	1-2 hours	Identify how to frame core competencies in order to help engage key internal stakeholders and to build a business aligned with a Future-Fit Society and the SDGs.

Thank you!

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TACK TILL ALLA DELTAGARE!

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