The Stock Exchange of Thailand

The UN Sustainable Development Goals (SDGs): Implications for business

8 February 2016
SET SD Forum
Objectives

To answer the questions:

• What are the UN Sustainable Development Goals (UN SDGs)?
• What do the UN SDGs mean for business?
• How can businesses practically engage with the UN SDGs?
Section 1
What are the UN SDGs?
What was the United Nations created for?

“The United Nations was founded to take action on the issues confronting humanity in the 21st century...”

Today, the UN has 193 members (from original 51 member states) and is made up of:

- **6 Organs**: General Assembly, Security Council, International Court of Justice, Secretariat etc.

- **17 Specialised Agencies**: World Bank, World Health Organisation, UNICEF, ILO etc.

What are the UN SDGs?

United Nations Sustainable Development Summit
25 – 27 September 2015, New York

- The UN Sustainable Development Goals are **goals for countries to implement by 2030**
- Official adoption of the United Nation’s Sustainable Development Goals (UN SDGs) by member states took place at this summit
- Over 150 world leaders attended the event to discuss adoption, prioritisation and action for the UN SDGs
The UN SDGs were developed to continue and expand upon the Millennium Development Goals to focus on sustainable development - and for the entire world.

**September 2000:**

8 Millennium Development Goals were primary for developing countries

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

**September 2015:**

17 Sustainable Development Goals for all countries

- 1. No poverty
- 2. Zero hunger
- 3. Good health and well-being
- 4. Quality education
- 5. Gender equality
- 6. Peace and justice
- 7. Clean water and sanitation
- 8. Affordable and clean energy
- 9. Good health and well-being
- 10. Innovation and infrastructure
- 11. Responsible consumption and production
- 12. Sustainable cities and communities
- 13. Climate action
- 14. Life below water
- 15. Life on land
- 16. Peace and justice
- 17. Partnerships for the goals
PwC was heavily involved in the lead-up to the UN Sustainable Development Goals and COP21

**Sustainable Development Goals**

PwC conducted surveys among companies and citizens to check the level of awareness on the SDGs and how companies were planning to engage with them. **This survey was done by PwC to share with the UN Private Sector Forum in September 2015.**

In addition, there is a specific survey conducted with 300 companies in South East Asia.

**PwC Low Carbon Economy Index 2015 and other COP21 analyses**

PwC examined the ambition of national targets and asked if they are adequate in terms of delivering the decarbonisation required to limit warming to 2 degrees – and considered the implications of these targets for business and the scale of investment required to achieve them. We have also produced a wide range of other analyses related to COP21.
1. What are the UN SDGs?

The UN Sustainable Development Goals (SDGs)

1. NO POVERTY
2. NO HUNGER
3. GOOD HEALTH
4. QUALITY EDUCATION
5. GENDER EQUALITY
6. CLEAN WATER AND SANITATION
7. RENEWABLE ENERGY
8. GOOD JOBS AND ECONOMIC GROWTH
9. INNOVATION AND INFRASTRUCTURE
10. REDUCED INEQUALITIES
11. SUSTAINABLE CITIES AND COMMUNITIES
12. RESPONSIBLE CONSUMPTION
13. CLIMATE ACTION
14. LIFE BELOW WATER
15. LIFE ON LAND
16. PEACE AND JUSTICE
17. PARTNERSHIPS FOR THE GOALS

For Sustainable Development
The 17 UN SDGs can be classified into 5 areas:

1. No Poverty
2. No Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice
17. Partnerships for the Goals


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Each of the 17 UN SDGs have specific targets:

Ensure **inclusive** and **equitable quality education** and promote **lifelong learning opportunities**

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality **primary and secondary education** leading to relevant and effective learning outcomes

4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Source: https://sustainabledevelopment.un.org/sdgs
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Section 2
What do the UN SDGs mean for business?
The survey reveals that some SDGs have higher impacts on business than others

Q. Please rank the five SDGs where you believe your business (and your value chain) has the greatest impact (mean index score).

Source: PwC SDG Engagement Survey 2015

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Citizens think it is very important that business signs up to SDGs

Source: PwC SDG Engagement Survey 2015
87% of SEA citizens believe it is important for businesses to sign up to the SDGs

Citizens: How important do you think it is that businesses sign up to the SDGs?

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey.
**SEA citizens would be 80% more likely to use an organisation’s goods and services if it were signed up to the SDGs**

Citizens: If you knew that an organisation had signed up to the SDGs, would that make you more or less likely to use their goods or services?

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*SDGs Paving the Way Towards Market Leadership (2015)* explores how businesses and citizens in South East Asia are supportive of SDGs.

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey.
SEA citizens believe it is important for businesses to adopt the SDGs and embed them into their strategy.

Citizens: What actions do you think businesses should be taking to support the SDGs?

1. Our Corporate Social Responsibility team will be engaging with the SDGs (58%)
2. Businesses should embed the SDGs into its strategy and the way it does business (58%)
3. Businesses should identify the SDGs that are relevant to their business (55%)

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals, PwC - DC2 - Authorised Restricted Use
Some SEA businesses have plans to implement SDGs – and a smaller number will assess their impacts to the SDGs

Businesses: What actions is your business taking to prepare for the launch of the SDGs?

01
We are identifying the SDGs that are relevant to our business
56%

02
We are setting goals or preparing to set goals aligned with the SDGs that are relevant to our business
40%

03
Our Corporate Social Responsibility team will be engaging with the SDGs
38%

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals
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97% of SEA businesses plan to address the SDGs in the next five years

Businesses: What actions do you think your business will be taking within the next five years to implement the SDGs?

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals February 2016
However, only 45% of SEA businesses plan to assess their impact on the SDGs

Responses:

- 45%: Assess all 17 SDGs and indicators
- 36%: Have not thought through how to assess
- 29%: Assess all SDGs and indicators relevant to our business
- 16%: Assess all SDGs and indicators relevant to our business
- 6%: No intention to assess
- 5%: Other
- 8%: Don't know

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals, PwC - DC2 - Authorised Restricted Use
Climate Change remains the top concern in both SEA businesses and citizens’ viewpoints amongst other disparities

Businesses: What is the top SDG that you believe your business has the greatest impact?
Citizens: Which SDG is the most important to you?

| SDG 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 20% |
| SDG 7 | Ensure access to affordable, reliable, sustainable and modern energy for all | 13% |
| SDG 13 | Take urgent action to combat climate change and its impacts | 9% |
| SDG 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | 17% |
| SDG 13 | Take urgent action to combat climate change and its impacts | 10% |
| SDG 3 | Ensure healthy lives and promote well-being for all at all ages | 10% |

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals February 2016
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Section 3
How can businesses practically engage with the UN SDGs?
7 steps to successful engagement with the SDGs

Step 01
Agree which SDGs your business and its value chain have a direct and indirect impact in your countries of operation

Step 02
Agree on the methodology and measure the business impact across all SDGs

Step 03
Understand the positive and negative impacts of the business on each SDG

Step 04
Understand the priorities of the governments the business operates under

Step 05
Prioritise initiatives that reduce negative impacts and increase positive impacts according to what needs to be achieved by governments

Step 06
Incorporate this learning into business planning and strategy

Step 07
Evidence how you impact on the SDGs and your contribution

Source: PwC - SDGs Paving the Way Towards Market Leadership: South East Asia’s results on the SDGs engagement survey, SET | The UN Sustainable Development Goals
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### PwC’s diagnostic tool can help you understand which of the 17 goals are most relevant to your business

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<th>Understand, assess, prioritise</th>
<th>Set goals and tell your story</th>
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<td>Company analysis assessing your impact on the SDGs</td>
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<td>Understand different national SDG priorities and hotspots</td>
<td>Get a global view of your operations, supply chain and impacts with respect to each SDG area</td>
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#### Geographical analysis providing a set of global heat maps for each SDG goal
- **1.** Understand different national SDG priorities and hotspots

#### Company analysis assessing your impact on the SDGs
- **2.** Get a global view of your operations, supply chain and impacts with respect to each SDG area

#### Structured discussion and interviews refining the output and building consensus
- **3.** We work with you through a structured discussion of the output of the diagnostic tool to refine the results. Topics could include:
  - Strategic priorities and sustainability priorities
  - Identification measurement and management of risks and opportunities in relation to your key SDGs
  - SDG outcomes vs business benefits
  - Data and measurement capability

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### Source: PwC - Engaging with the Sustainable Development Goals: Achieving the ambition (2015)

**Comments**

- Uses external development and environmental indicators and PwC specialist knowledge.
- This data will be updated regularly to incorporate National SDG targets and indicators as they continue to be developed.

- **Our Business Navigator uses Input Output Modelling to distribute national SDG scores to constituent sectors – both to a company’s direct operations and their supply chain.**
- A weighting is applied based on expert research studies and surveys.
- Company specific value at risk is calculated on a global and country or regional basis.

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**Comments**

- **We work with you through a structured discussion of the output of the diagnostic tool to refine the results. Topics could include:**
  - Strategic priorities and sustainability priorities
  - Identification measurement and management of risks and opportunities in relation to your key SDGs
  - SDG outcomes vs business benefits
  - Data and measurement capability
Conclusion

• The UN Sustainable Development Goals (UN SDGs) are not ‘new’ but have been redesigned to better address the current, most pressing issues facing the world

• By addressing these goals, businesses can generate value for itself and society – a ‘win-win’ strategy

• Businesses in Thailand can start engaging with the UN SDGs now
PwC Sustainability Academy is our new platform to connect businesses, NGOs, government and academics - and share the latest developments in sustainability

Our courses and masterclasses include:

- Introduction to Sustainability Valuation
- Introduction to Supply Chain Sustainability
- Understanding Water-related Risks to Business
- Introduction to Business and Human Rights
- Introduction to Sustainable Development Goals (SDGs)
Any questions, please contact us..

Rosalind Yunibandhu  
Associate Director  
Sustainability & Climate Change  
PricewaterhouseCoopers Consulting (Thailand) Ltd  
Office: 66 (0) 2344 1326  
Rosalind.Yunibandhu@th.pwc.com

Wasan Chavalitvorakul  
Partner  
Strategy, Sustainability & Transformation  
PricewaterhouseCoopers Consulting (Thailand) Ltd  
Office: 66 (0) 2344 1044  
Wasan.Chavalitvorakul@th.pwc.com