

## Examples of Corporate Reporting Practices

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# The Company's Leadership Refers to the SDGs in Their Opening Statement



## Business Reporting on the SDGs

### About This Series

[Integrating the SDGs into Corporate Reporting: A Practical Guide](#) — developed by the United Nations Global Compact, GRI and partners — outlines how businesses can measure and disclose their contribution to and impact on the Sustainable Development Goals (SDGs) through a three-step approach and in alignment with recognized principles and reporting standards. The examples featured in this series help businesses and interested stakeholders identify select current corporate SDG reporting practices. The examples focus on one or a few elements of the broader corporate reporting process and steps outlined in the Practical Guide, which should be consulted for best practices on SDG reporting. The inclusion of company names in this series of examples is intended strictly for information and learning purposes and does not constitute an endorsement of the individual companies by the UN Global Compact or GRI.

This paper showcases how the leadership, the CEOs or Chairmen of Safaricom, CEMEX and Iberdrola highlight the relevance of the SDGs for their companies in the opening statements of the company's report.

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## EXAMPLE 1

**COMPANY:** Safaricom Limited

**COUNTRY:** Kenya

**SECTOR:** Telecommunications

**YEAR OF REPORT:** 2018

[LINK TO REPORT](#)

### **Safaricom's CEO Mentions the Company's Prioritized SDGs**

Safaricom's report includes a letter from the company's CEO to its stakeholders, where the CEO discloses when the organization began to integrate the SDGs into its business strategy and gives an update on the progress the company has made since setting objectives the year before.

The CEO refers to business activities within the reporting year and links these to the corresponding SDGs. [Figure 1](#) displays the first half of the CEO's letter in which the CEO explains the company's policy on waste in the "Zero waste to landfill" program and relates this to Goal 12 on Responsible Consumption and Production. Other SDGs the company has prioritized, including Goal 3 on Quality Education, Goal 4 on Good health and Wellbeing, Goal 8 on Decent Work and Economic Growth, Goal 9 on Industry, Infrastructure and Innovation and Goal 10 on Reduced Inequalities, are also referred to.

### **CEO Comments on Safaricom's Sustainability Performance**

Safaricom's CEO outlines the areas where the company's sustainability performance was positive but also where the company can improve. For example, when disclosing the company's objective of becoming a "net-zero carbon-emitting company by 2050", the CEO recognizes the "real threats posed by climate change" and outlines their disappointment of the "increase in our carbon footprint" alongside initiatives to improve the company's performance in this area.

**FIGURE 1: OPENING SECTION OF THE CEO'S STATEMENT FROM SAFARICOM'S SUSTAINABILITY REPORT<sup>1</sup>**

## MESSAGE FROM THE CEO



### **USING INNOVATION TO CREATE SHARED VALUE**

Our approach to innovation is simple: use technology to create relevant products and services that transform lives and empower communities.

Based on this premise we launched our innovation hub, Alpha, whose objective is to focus on innovating for long-term initiatives in health, education, agriculture

and payments, as well as capture insights that will help the business tap into the full range of opportunities offered by Big Data.

Prior to the creation of Alpha, we had been incubating and piloting a number of innovative solutions in the same priority sectors. I am delighted to report that some of these solutions have been successfully transitioned into our commercial business units and are now being scaled by the business. Among these are M-TIBA and Digifarm, two services that are successfully leveraging the power of mobile technology to drive sustainable growth while addressing local challenges in healthcare and agriculture.

While these two represent some of the significant wins we have enjoyed this year, we admit that not all our ideas and experiments are instant successes. Innovation is about taking risks, and sometimes the only payoff from risks is the lessons learned.

Some of the biggest lessons we have learned in the last year are a result of the failure of products and services such as M-PESA 1Tap and Masoko to take off as planned. Both have offered valuable lessons in agility, putting the customer first and building a business that is fit for the future.

### **MIXED RESULTS ON OUR SDG INTEGRATION JOURNEY**

In 2016 we began the process of integrating nine of the 17 Sustainable Development Goals (SDGs) into our business strategy. A year later, we have made considerable progress in aligning our business objectives to these goals, in line with our commitment to creating viable responses to the challenges faced by society. Some of the areas in which we have recorded progress include Good Health And Wellbeing (SDG 3), Quality Education (SDG 4), Decent Work And Economic Growth (SDG 8), and Industry, Infrastructure And Innovation (SDG 9).

Additionally, we have introduced various initiatives in an effort to achieve SDG 12 (Responsible Consumption And Production), including the introduction of our internal 'zero waste to landfill' programme, which is already ensuring that 97 per cent of the waste generated within our administrative buildings in Nairobi is recycled or reused. This initiative is buoyed by the continued success of our e-waste programme, which has collected 855 tonnes of electronic waste since its inception in 2013, and complements the replacement of single use plastic bags at our retail shops with eco-friendly, reusable carry bags. This move alone is expected to replace up to 7 million plastic bags distributed per annum.

While our performance in these areas is reason for celebration, it is unfortunate that these gains are somewhat overshadowed by the increase in our carbon footprint.

We are cognizant of the very real threats posed by climate change, and have committed to becoming a 'net zero' carbon-emitting company by the year 2050.

To get us there, we have reduced the number of sites running solely on diesel-powered generators, and are exploring ways in which we can do more, including: compensating for our emissions through carbon offsets, embracing hybrid or renewable power solutions and introducing science-based carbon reduction targets.

<sup>1</sup>Safaricom, Our Shared Value 2018 Sustainable Business Report (2018), p. 12.

## The Opening Letter Discloses Safaricom's Sustainability Targets and Their Connection to the SDGs

In the opening letter, Safaricom's CEO sets out company targets and connects them to the SDGs. Figure 2 (below) displays the second half of the letter, in which the company pledges to increase the "the number of staff with disabilities" by 2020 and links this to Goal 10 on Reduced Inequalities. The CEO details other initiatives through which

the company will work towards achieving the SDGs and the business units responsible for it within the company. This includes collaboration and working groups with external parties to achieve the SDGs, such as the "B Team – Africa," and the impact this can have in achieving the SDGs.

**FIGURE 2: CONCLUDING SECTION OF THE CEO'S STATEMENT FROM SAFARICOM'S SUSTAINABILITY REPORT<sup>2</sup>**

### GENDER, DIVERSITY AND INCLUSION

In the past year, we have reflected deeply on what true diversity and inclusion mean to our business. While we are proud of our overall gender equality as a company, we cannot be content with the lack of equal gender representation in senior management and the executive leadership, which remain 68 and 75 per cent male, respectively.

So we have committed to matching the number of women to men in senior management by 2020. To do so, we have put in place a number of initiatives aimed at creating more growth opportunities for women at Safaricom, including our Women in Leadership and Women in Technology programmes.

We are also making headway in relation to achieving SDG 10 (Reduced Inequalities), through our pledge to increase the number of staff with disabilities from the current 1.7 per cent to 5 per cent by 2020.

"We cannot succeed in isolation. We need a 'coalition of the willing' to address these challenges."

To achieve this goal, we have provided various business units with specific hiring targets to open up more opportunities for qualified Kenyans with disabilities over the next three years. We are also working with organisations such as the Kenya Union for the Blind and the Kenyan Paraplegic Organisation to form a network through which we can identify suitable candidates.

By doing this, we hope that we can influence others in the public and private sectors to work towards the full inclusion of people with disabilities.

### THE B TEAM – AFRICA

The private sector has a responsibility to drive conversations around sustainability, not only because we have a lot to gain from running sustainable businesses, but also because by doing so we can empower and uplift communities.

To achieve this, we need a 'coalition of the willing', and B Team – Africa is that very coalition. The B Team – Africa is an alliance of progressive business leaders who are dedicated to empowering Africans by creating more sustainable and just economies across the continent. The alliance was formally launched in March 2018, with the purpose of creating a network of people and resources who can catalyse the adoption of the SDGs, and create shared value.

### CREATING SHARED VALUE

At Safaricom, we like to say that business is not just business any more. Over and above innovating and selling relevant products and services, our business exists to transform lives. That is our purpose, and that is what we believe will guide us as we seek to create shared value not just for our shareholders, but for stakeholders including the communities we operate in.

This year's theme, Shared Value, is therefore very fitting. Not only does it speak to our purpose, it brings to life our brand promise of Twaweza, which is that when we come together, great things happen. What we have been able to achieve since our inception in the year 2000 is testament to the power of coming together. It is that same spirit that informs our positive outlook for the coming years as we work towards creating shared value, in line with our belief that when we put purpose and people before profits, then the profits will naturally follow.



**Bob Collymore**  
Chief Executive Officer  
Safaricom PLC

<sup>2</sup>Safaricom, Our Shared Value 2018 Sustainable Business Report (2018), p. 13.

## EXAMPLE 2

**COMPANY:** CEMEX

**COUNTRY:** Mexico

**SECTOR:** Construction

**YEAR OF REPORT:** 2018

**[LINK TO REPORT](#)**

### **CEMEX's Chairman of the Board and the CEO Mention Priority SDGs**

The opening letter of CEMEX's report discloses how the company has integrated the UN's Sustainable Development Goals into its business strategy. [Figure 3](#) displays the second half of the opening statement by the Chairman of the Board and the CEO, where they disclose how the company chose the prioritized SDGs, focusing on those SDGs which "directly related to our company's business and represent our greatest opportunities to contribute further to the United Nations established 2030 Global Goals."

The statement mentions the five prioritized SDGs: Goal 8 on Decent Work and Economic growth, Goal 9 on Industry, Innovation and Infrastructure, Goal 11 on Sustainable Cities and Communities, Goal 13 on Climate Action and Goal 15 on Life on Land. The letter also reports on the 2030 objectives the company has set for itself, building upon the "2020 Sustainability Goals" from its previous reports. The letter then makes reference to the relevant activities of the company which contribute to the prioritized SDGs and their corresponding objectives.

**FIGURE 3: SEGMENT FROM THE COMPANY'S CEO OPENING STATEMENT<sup>3</sup>**

Moreover, through our shared value projects, we continued to bring together our communities and local authorities to tackle critical social issues such as housing, land ownership, access to basic services, employment, and financial inclusion through micro credits. To date, we have worked together with more than 16 million community stakeholders globally, positively impacting their well-being and improving conditions in their communities and cities.

Aligned with our commitment to the United Nations Sustainable Development Goals (SDGs), we prioritized five SDGs that are directly related to our company's business and represent our greatest opportunities to contribute further to the United Nations' established 2030 global goals. These five goals are focused on the promotion of decent employment and economic growth (SDG 8); innovation and infrastructure development (SDG 9); climate change mitigation (SDG 13); environmental and ecosystem conservation (SDG 15); and the advancement of sustainable cities and communities (SDG 11). Moreover, aligned with our previously defined 2020 Sustainability Goals, we have broadened our vision and defined our new 2030 Sustainability Ambitions—which we now make public in this integrated report. By partnering within and outside of our company, we know we can make systemic change for the benefit of all of our stakeholders.

In a world of finite resources, we continually invest and innovate to become an environmentally friendly, sustainable leader—enabling a low-carbon and resource-efficient circular economy. Among our results for the year, we achieved an alternative fuel substitution rate of 27%, our highest rate in the past four years. Together with our other mitigation efforts, this allowed us to reduce our net CO<sub>2</sub> emissions per ton of cementitious products by more than 21%, compared with our 1990 baseline—equivalent to the emissions generated by 1.4 million homes' electricity consumption in a year. Additionally, 98% of our clinker was produced at plants with continuous emissions monitoring systems, nearing our target of 100% by 2020. Furthermore, we renewed our global partnership with BirdLife International for three years to achieve our shared goal of implementing Biodiversity Action Plans across the totality of our active quarries in high biodiversity areas by 2020.

The profound changes brought about by the advancement of the digital economy, along with the growing global attention given to the importance of promoting the sustainable development of cities and communities, opens up enormous business opportunities for us. To make the best of them, we are further exploring value-added initiatives in the construction ecosystem through CEMEX Ventures, our open innovation and corporate venture capital unit.

All of our actions, taken together, will position our company to become a stronger competitor and global leader in the building materials industry. We are committed to proactively managing our business to drive value for all of our stakeholders, and we remain confident in both CEMEX's outlook and ability to grow.

On behalf of CEMEX's Board of Directors, our management team, and our employees, we thank you for the opportunity you give us and for your confidence in CEMEX, as we continue our efforts to build a better future for all of our stakeholders.

Sincerely,

**ROGELIO ZAMBRANO**  
Chairman of the Board of Directors

**FERNANDO A. GONZÁLEZ**  
Chief Executive Officer

<sup>3</sup>CEMEX, Building a Stronger CEMEX: 2018 Integrated Report (2018), p. 7.

## EXAMPLE 3

**COMPANY:** Iberdrola S.A.

**COUNTRY:** Spain

**SECTOR:** Energy

**YEAR OF REPORT:** 2018

[LINK TO REPORT](#)

### **Iberdrola's CEO Discloses the Company's Prioritized SDGs**

[Figure 4](#) displays the section from Iberdrola's opening statement in which the CEO discloses how the company has integrated the SDGs into its Corporate Governance system. The opening statement mentions how the company primarily has an impact on two SDGs, due to operating in the energy sector and uses this as the basis for its business strategy. The SDGs that were prioritized within the company's business strategy at the Goal level are Goal 7 on Affordable and Clean Energy and Goal 13 on Climate Action.

The opening statement also discloses other SDGs which the company seeks to contribute to, and which have been prioritized within its business strategy including Goal 5 on Gender Equality, Goal 8 on Decent Work and Economic Growth, Goal 9 on Industry, Innovation and Infrastructure, Goal 11 on Sustainable Cities and Communities and Goal 17 on Partnerships for the Goals.

### **Iberdrola's CEO Mentions Business Activities which Correspond with the Prioritized SDGs**

Iberdrola's CEO discloses business activities which contribute to the prioritized SDGs. For example, in relation to Goal 5 on Gender Equality, the CEO reports that there is "no gender-based salary gap at the Iberdrola group." Specific figures and contextual information are used throughout the opening statement to support each disclosed business activity.

#### FIGURE 4: SECTION FROM IBERDROLA'S CEO STATEMENT FROM THE COMPANY'S REPORT DISCLOSING THE PRIORITIZED SDGS<sup>4</sup>

##### Increase in social dividend

In 2018, we reformed our corporate governance system in order to formalise and develop Iberdrola's commitment to compliance with the United Nations Sustainable Development Goals (SDGs), which have been fully integrated into the company's sustainability policies and By-Laws as part of our Social Dividend.

Of note in this regard is the fundamental contribution that our work as an electricity company makes to SDGs 7 (affordable and clean energy) and 13 (climate action), among others. In 2018, we continued to increase our emission-free installed capacity up to approximately 33,000 MW, 68 % of our total capacity, and we recorded a CO<sub>2</sub> emission intensity of 82 grams per kilowatt-hour in Spain, well below that of other Spanish companies and approximately 75 % less than the average for European companies.

As a socially responsible company, we also contribute actively to the other SDGs, including those relating to decent work and economic growth (SDG 8), gender equality (SDG 5), industry, innovation and infrastructure (SDG 9), sustainable cities and communities (SDG 11) and partnerships for the goals (SDG 17).

We continued to promote the creation of high-quality employment in 2018, with around 3,500 new hires and more than 1,400 recruitments of young trainees. Our workforce today amounts to 34,000 people, to whom we can add the other 390,000<sup>1</sup> people that Iberdrola provides with employment through its worldwide activities. And we have continued to encourage the professional development and training of our team, with more than one-and-a-half-million hours of training given (47 hours per employee, four times more than the European average) and 2,700 internal promotions.

At the same time, we have kept firm in our commitment to equality between men and women in all areas. For example, there is no gender-based salary gap at the Iberdrola group, and we are also the Ibex-35 company with the largest number of women on its Board of Directors, with 50 % of the external directors being women.

We have also reinforced our commitment to the economic development of all the countries in which we operate, through our purchases from local suppliers (close to 8,000 million euros in 2018) as well as our tax contribution (7,939 million euros). Overall, for every euro of profit that Iberdrola makes, the company has generated more than 10.3 euros in the GDP of these countries<sup>1</sup>.



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