Examples of Corporate Reporting Practices

Disclosing Prioritized SDGs According to the Company’s Financial Outcomes Including Products, Services, Activities and Investments

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 AP Moller Maersk and Danone disclose SDG-related information in connection with their business strategy.

See step 1.2, Entry Point B for further information on how to report on this part of the reporting process: “Linking the prioritization process to the company’s financial outcomes, including: products, services, activities and investments.”
EXAMPLE 1

A.P. Møller – Mærsk Ranks the SDGs According to Its Business Strategy

When disclosing its impact on the Sustainable Development Goals (SDGs), A.P. Møller – Mærsk differentiates between having the potential to have a positive impact and its responsibility to mitigate the negative impact of its business activities. Accordingly, the report ranks five SDGs as having a “strong potential for positive impact at scale” and six SDGs as having “potential direct/indirect positive impact” (page 17). The report also includes the six SDGs where it believes it has the “responsibility to mitigate potential negative impact” (page 17).

Figure 1 provides an overview of how the ranked SDGs correspond with A.P. Møller – Mærsk’s business activities. The infographic looks at business activities which are ‘Shared Value Projects’ and links them with the SDGs where there is a potential positive impact. For example, for the activity ‘Contribute to halving food loss’ the company links this to SDGs 12 on Responsible Consumption and Production and Goal 17 on Partnership for the Goals. For the SDGs where the company feels it should mitigate potential negative impacts, the infographic displays these under ‘Responsible Business Practices’. Using the example of ‘Ocean Health’, the company links this activity to Goal 14 on Life below Water and Goal 17 on Partnership for the Goals.

A.P. Møller – Mærsk Links Its Services to the SDGs

The report discloses the services A.P. Møller – Mærsk offers and links these activities with the SDGs. The company reports on its contribution to “Making the case for open and inclusive trade” and the potential positive impact this has on the SDGs, as seen in Figure 2. The company identified that its services have a positive impact on more than one SDG, thus allowing to interlink the SDGs at the target level. For example, under “Trade and Sustainable Consumption,” the company provides context as to why this issue is important and proceeds to disclose its focus on this area. Under “In brief,” there is an overview of A.P. Møller – Mærsk’s ambition to address the topic and the corresponding positive impact this could have on six of the SDG targets prioritized under the company’s “Shared value Projects.”
FIGURE 1: INFOGRAPHIC FROM A.P. MØLLER – MAERSK’S REPORT DISCLOSING THE IMPACT DIFFERENT AREAS OF ITS BUSINESS HAVE ON THE SDGS

This balance differs from one country to another and requires a social contract within each. A modern rules-based trading system is one that accommodates the needs of different countries to strike a balance between opening up and leaving no one behind.

Trade and sustainable consumption
Past industrial revolutions that lifted the majority of mankind out of extreme poverty in just two centuries, were powered by fossil fuels. This is no longer sustainable. An emerging subject in trade debates is sustainable consumption, often defined as consumption patterns where human activities do not impact the natural environment beyond what this can accommodate.

The dilemma is that this cannot be at the expense of inclusive growth. Shifting consumption patterns, higher prices, and slower growth will affect some countries and some groups harder than others. If left unaddressed, such negative impacts may threaten the acceptance of policies to address climate change. This may particularly impact countries that already struggle with mass unemployment. 600 million new jobs are needed in developing countries alone by 2030 just to keep up with growing populations.7

The debate and ideas for reconciling the diverging dilemmas and trade-offs are hugely important to the world and to our company. For A.P. Møller – Maersk, the business imperative is clear: to be sustainable, the global trade and consumption patterns on which we base our business need to be compatible with nature. Shifts in mindsets and innovative solutions will be necessary to achieve sustainable consumption and growth. We are following the conversations closely and understand that we have to be ready to contribute to the solutions. Our work on climate change is a major part of this, as are the interventions and solutions being developed in our efforts to multiply the benefits of trade (see next pages).

FIGURE 2: SECTION FROM THE COMPANY’S REPORT DISCLOSING HOW ITS SERVICES CONTRIBUTE TO THE SDGS (PART 2)2

IN BRIEF

**AMBIITIONS**
We will use our global reach and position to multiply the benefits of trade by reducing complexity, empowering entrepreneurs and supporting a level playing field for global trade that is open, market-based and inclusive.

**TARGETS**
2018: Invest in digital solutions that facilitate trade. Provide support for implementation of the WTO Trade Facilitation Agreement.
2019: Connect 50% of global containerised trade to digital solutions that reduce supply chain barriers by 2025.

**GOVERNANCE**
Our commitment to multiplying the benefits of trade is owned by the Executive Board. A task force with key leaders from relevant parts of the business is responsible for setting and achieving the targets.

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<th>SDG TARGETS</th>
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<tbody>
<tr>
<td>8.2</td>
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<td>8.3</td>
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<td>8.5</td>
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2018 TARGETS MET?

- In full

DOMINANT DIMENSION OF MATERIALITY
- Responsibility
- Shared value
- Risk

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EXAMPLE 2

COMPANY: Danone
COUNTRY: France
SECTOR: Food and beverages
YEAR OF REPORT: 2018

Danone Links its Products to the SDGs

Figure 3 displays a section from Danone’s report, disclosing the products under the company’s “Grow Manifesto Brands” section of its business strategy. The section provides an overview of key figures and metrics for measuring progress on these products. Under “Performance Towards our Ambition,” the company outlines the performance of these products against the company’s business activities since 2017 as well as the company’s overall targets for these products for 2020.

The report discloses the potential positive impact and opportunities of these products under “2018 Key Highlights,” providing contextual figures to support Danone’s claims. The company identifies specific sustainability activities and ambitions, such as gender equality and lower impact on the planet, to be linked to the products being reported on. Danone proceeds to report Goal 12 on Responsible Consumption and Production as the prioritised SDG which is most relevant to these business activities and products.
FIGURE 3: SECTION FROM DANONE’S REPORT LINKING ITS PRODUCTS TO GOAL 12³

65% of our business has already embarked on a Manifesto Brand journey

MANIFESTO BRANDS ARE GROWING 3 TIMES FASTER THAN AVERAGE DANONE BRANDS

MANIFESTO BRAND

PERFORMANCE TOWARDS OUR AMBITION

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>TARGET</th>
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<tr>
<td>Brands embarked on Manifesto Brand journey</td>
<td>40</td>
<td>46</td>
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Manifesto brands are purpose-driven brands that act as true activists towards their point of view. They pursue a purpose-based social, health and/or environmental issue that matter to its consumers and communities, and are committed to creating a positive social impact whilst delivering sustainable, profitable growth.

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