Examples of Corporate Reporting Practices

Engaging Stakeholders When Prioritizing 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 CEMEX, Iberdrola and PTT Global Chemical disclose information related to engaging stakeholders for the purpose of identifying their company’s SDG priorities. For more information on stakeholder engagement, please consult the ‘Practical Guide’, including Box 2 on page 11.
EXAMPLE 1

<table>
<thead>
<tr>
<th>COMPANY: CEMEX</th>
<th>YEAR OF REPORT: 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTRY: Mexico</td>
<td>LINK TO REPORT</td>
</tr>
<tr>
<td>SECTOR: Construction</td>
<td></td>
</tr>
</tbody>
</table>

CEMEX Discloses Five Prioritized SDGs Based on Stakeholders’ Expectations

Figure 1 displays the section from CEMEX’s report which introduces the company’s approach and contribution to the Sustainable Development Goals (SDGs). The company first disclosed its approach to the SDGs in 2017, when it analysed the underlying targets and indicators and selected eleven that it evaluated it could directly contribute to. In 2018, the company built upon this strategy, bringing together multidisciplinary groups from within the business in order to review its current sustainability strategy.

The company reports that it “connected stakeholders’ objectives, risks and financial and non-financial indicators to the SDGs” in order to meet their expectations on which SDGs to focus on. The result of this process is the company ranking the SDGs accordingly. The system ranks five SDGs as “Priority SDGs,” six as “Linking SDGs,” and another six as “Underlying SDGs.” The company reports that these are in line with the company’s 2030 sustainability targets and that it will measure its progress on each of these goals based on key indicators and disclosures.
Building upon our commitment to the United Nations Sustainable Development Goals (SDGs), we continue our journey to contribute even more to these global goals and unlock business opportunities for our company by creating shared value for society.

Since 2015, we made a clear commitment to tackle the world’s greatest challenges and identified those goals that are more connected to our company’s impacts, risks, and opportunities.

In 2017, we prioritized the SDGs by analyzing their underlying targets, indicators, and linked them to our materiality assessment, taking into consideration our stakeholders’ expectations. By identifying key indicators and targets to measure progress, we identified 11 SDGs to which CEMEX contributes directly.

During 2018, in collaboration with a multidisciplinary group within CEMEX, we connected stakeholders’ objectives, risks, and financial and non-financial indicators to the SDGs on a target level in a connectivity table that supported the identification of the focus goals. The result of this analysis is our set of focus SDGs (8, 9, 11, 13, and 16), upon which we can contribute even further to achieving the United Nations’ established 2030 goals.

These SDGs are connected to our company’s strategy and are reflected in our company’s 2030 Sustainability targets. We will continuously track and measure our progress toward these goals through key indicators and disclosures.

We are convinced that, by engaging in these global goals through our day-to-day activities, we are building a better future by tackling global challenges such as poverty, inequalities, climate change, environmental changes, and lack of proper education and capability development, among others.

We selected **FIVE SDGs** that represent our greatest opportunities to contribute further and to identify new business opportunities connected with our business strategy.
**EXAMPLE 2**

**COMPANY:** Iberdrola, S.A.  
**COUNTRY:** Spain  
**SECTOR:** Energy  
**YEAR OF REPORT:** 2018  
**LINK TO REPORT**

### Iberdrola Discloses Its Stakeholder Engagement Process

The report uses an infographic to disclose each stage of the stakeholder engagement process, starting with “Identify the Stakeholders” and concluding with “Monitor and Report.” In stages “7: Identify Relevant Issues” and “8: Identify Risks and Opportunities,” the company engages with stakeholders over its material issues and the potential risks and opportunities arising from them (see Figure 2 below).

### Iberdrola Discloses the Two SDGs It Has Prioritized

In Figure 3, Iberdrola discloses its “Commitment to the SDGs,” and presents its sustainability strategy and its contribution to the SDGs. This section of the report is used to disclose how the company connects its business activities to achieving the SDGs and frames its sustainability strategy “based on ongoing dialogue with its stakeholders” and considering “the clear economic, social and environmental impact of all of its activities.” The result of this process is the company prioritizing Goal 7 on Affordable and Clean Energy and Goal 13 on Climate Action.

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**FIGURE 2: INFOGRAPHIC FROM IBERDROLA’S REPORT DISCLOSING HOW IT ENGAGES WITH ITS STAKEHOLDERS**

![Infographic](image.png)

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Commitment to the SDGs

Based on ongoing dialogue with its Stakeholders, and aware of the clear economic, social and environmental impact of all of its activities, Iberdrola frames all of its business activities within a commitment to a Purpose and certain values, and within the context of respect for Human Rights. It thus promotes initiatives that contribute to achieving a more just, egalitarian and healthy society, and particularly the achievement of the SDGs, especially those relating to universal access to electricity (goal 7) and the fight against climate change (goal 13), but also others like the promotion of innovation, the development of education, the protection of biodiversity, gender equality, and particularly the empowerment of women, as well as the protection of disadvantaged groups.

Therefore, Iberdrola has linked the SDGs to its business strategy since 2015, and in 2018 revised its Corporate Governance System to include the company’s contribution to the SDGs as part of the company’s corporate philosophy.

The SDGs thus inspire or are included as a fundamental element in the following areas:

- By-Laws
- *Purpose and Values of the Iberdrola group and Code of Ethics*
- Corporate governance and regulatory compliance policies
- Sustainable development policies
- Governance rules of corporate decision-making bodies and of other functions and internal committees

Ultimately, it is an attempt to cause all Stakeholders to participate in the social dividend generated by its activities, or shared value, which is the sum of all the economic, social and environmental impacts that a company generates through its activity, within the environment in which it does business.

It should be noted that, among the various corporate policies that have been approved, those relating to **sustainable development** are intended to ensure the alignment of all conduct of the group with the bylaw-mandated commitment of the company to the social dividend and to the SDGs, as provided in the **General Sustainable Development Policy**.

This policy sets out the general principles and provides the basis for governing the group’s sustainable development strategy. The goal is to ensure that all its corporate activities and businesses are carried out while fostering the sustainable creation of value for society, citizens, customers, shareholders and the communities in which the group is present, equitably compensating all groups that contribute to the success of its business enterprise, with a long-term vision that achieves a better future without compromising present results, favouring the achievement of the SDGs and rejecting actions that contravene or hinder them.

The company’s commitment to contribute to the SDGs is supervised by the governance bodies. Thus, the **Sustainable Development Committee** of the Board (the composition and duties of which are described in the “Corporate Governance” section of Chapter II.7) is vested with the power to, among other things, “Monitor the group’s contribution to the achievement of the SDGs”.

The SDGs are cross-sectional within the group. For this reason, Iberdrola has an SDG Advisory Committee, a multidisciplinary team that meets on a quarterly basis in order to review the actions taken by Iberdrola and analyse the alignment thereof with the SDGs, in addition to proposing new challenges and encouraging actions that help to achieve the fixed goals. The SDG Advisory Committee held 4 meetings during 2018.
EXAMPLE 3

**COMPANY:** PTT Global Chemical Public Company Limited  
**COUNTRY:** Thailand  
**SECTOR:** Chemicals

**PTT Global Chemical Assigns a Ranking System for the SDGs**

PTT Global Chemical ranks the Sustainable Development Goals (SDGs) according to their importance to the company’s business and sustainability strategy. Figure 4 is taken from the company’s report and illustrates how the company displays its ranking system. The illustration highlights how the company has ranked three Goals (Goal 12 on Responsible Consumption and Production; Goal 13 on Climate action and Goal 14 on Life below Water) as “Major” and three Goals as “Supporting” (Goal 3 on Good Health and Wellbeing; Goal 6 on Clean Water and Sanitation and Goal 17 on Partnership for the Goals), and is also used to display the other eleven Goals, which the company has evaluated it still contributes to because it has assessed that all Goals are interconnected. The assessment is based on the use of the SDG Compass: The Guide for Business Action on the SDGs as a reference and the company’s strategy is evaluated and reviewed on an annual basis.

**PTT Global Chemical Discloses a Table Outlining the Relevant SDG According to Each Stakeholders’ Materiality Concerns**

The report discloses the SDGs that are linked to the business, corporate strategy, material sustainability issues and stakeholders’ expectations. In Figure 5, PTT Global Chemical discloses an overview of its materiality topics in a table, providing references to where information can be found on each topic. Under “Key Stakeholders and Impact Boundary” the company identifies the stakeholders that are impacted and have raised awareness of the materiality issue. Under the heading “SDGs”, the company identifies the SDG which relates with the materiality issues raised by stakeholders in cases where the company and stakeholders have evaluated that more than one of the Goals are affected by the business activity, the company interlinks them. For example, the company links the materiality topic “Supply Chain Management,” raised by the stakeholder group “Employees,” to Goal 5 on Gender Equality, Goal 8 on Decent Work and Economic Growth, Goal 12 on Responsible Consumption and Production, and Goal 16 on Peace Justice and Strong Institutions.
FIGURE 4: INFOGRAPHIC FROM PTT GLOBAL CHEMICAL’S REPORT DISCLOSING ITS RANKING FOR ITS PRIORITIZED SDGS

\[\text{FIGURE 4: INFOGRAPHIC FROM PTT GLOBAL CHEMICAL’S REPORT DISCLOSING ITS RANKING FOR ITS PRIORITIZED SDGS}^{4}\]
**FIGURE 5: TABLE FROM PTT GLOBAL CHEMICAL’S REPORT DISCLOSING THE SDGS THAT THE STAKEHOLDER GROUP “EMPLOYEES” PRIORITIZED**

<table>
<thead>
<tr>
<th>Chapter/Section</th>
<th>Material Topic to GC</th>
<th>Corresponding Material GRI Topics</th>
<th>Key Stakeholders and Impact Boundary</th>
<th>Importance to Capital, Effective Actions &amp; Controls, and Value Creation</th>
<th>SDGs</th>
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<tr>
<td>Strategic Plans</td>
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<td>Outside the Organization</td>
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<td>Indirect Economic Impact (GRI 103, GRI 203-1, GRI 203-2)</td>
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<td>Product and Services (GRI 103)</td>
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<td>Material (GRI 301-1)</td>
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<td>Customer Health and Safety (GRI 103, GRI 416-1)</td>
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<td>Supplier Environmental Assessment (GRI 103, GRI 308-1, GRI 308-2)</td>
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<td>Procurement Practices (GRI 103, GRI 416-1)</td>
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<td>Supply Chain Management</td>
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