

# SDG Commitment Report 100: Tracking companies' efforts to contribute to the Sustainable Development Goals

- 82% of 100 analyzed blue chips disclosed their commitment to the SDG in their 2016 annual reports.
- Volvo wins; Novartis second, Sainsbury ranks 3rd. Aetna, AT&T and Apple are low performers.
- Finding solutions for Climate Change, Gender Equality, and Reduced Inequality are the top SDG priorities for corporations



Analysts categorized for this report:

100 blue chip companies with a combined market cap of **\$9.781 trillion USD**;

286,869 statements in annual reports issued by leading corporations;

1,843,410 reports in international business print media;

1,149,782 quoted financial analyst statements in international business print media

# The UNGSII Rankings and Indices provide data to understand and move the markets



## The problem so far:

Only 30-60% of a company's full value is disclosed in its annual report. A consistent framework for global investors remains missing as reliable non-financial performance indicators have seemed impossible.

according to Professor Bob Eccles of Harvard Business School & PWC "The Value Reporting Revolution," „One Report."

This has led to poor investment decisions that repeatedly result in financial crises. The 2008 crash caused a major trust meltdown due to poor governance and lack of standards. Without providing facts and metrics, corporate actions do not receive trust.

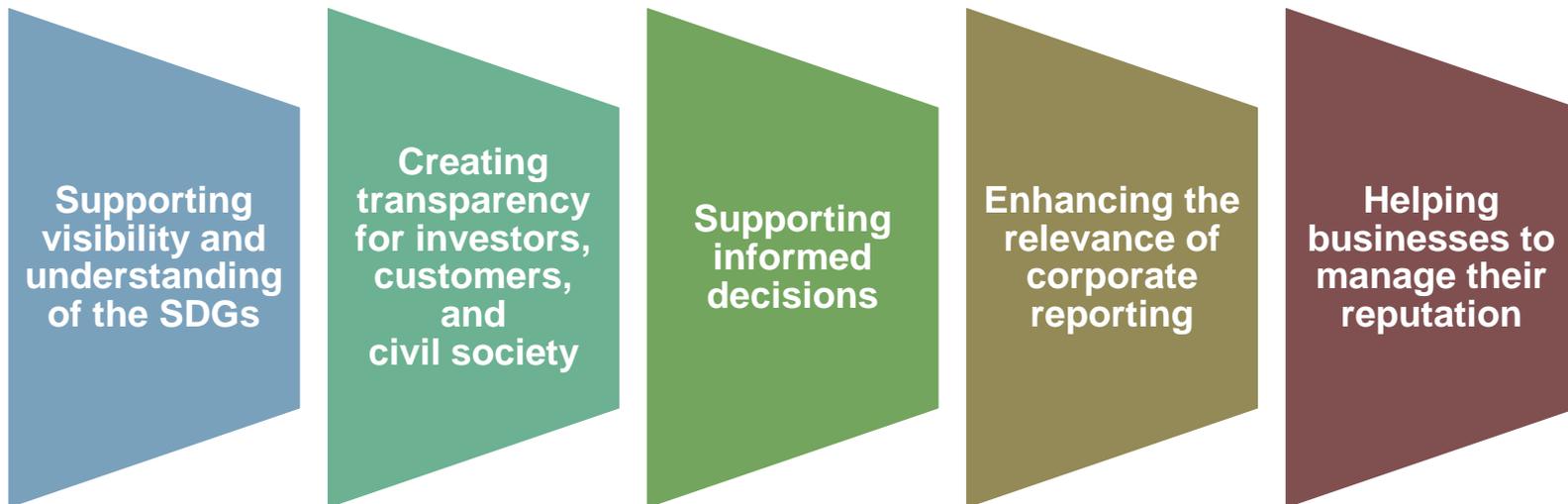
## The solution:

In Sept. 2015 all Heads of State at the UN in New York signed the SDGs on behalf of all stakeholders, including public and private companies. In Feb. 2016 UNGSII was founded by experts representing all stakeholders to provide transparency by creating rankings and indices.

More background see page 31. All research published at [www.ungsii.org](http://www.ungsii.org)

# Purpose of UNGSII Rankings:

**Creating unique transparency on the  
SDG-related disclosed commitment of  
the top 100 companies**



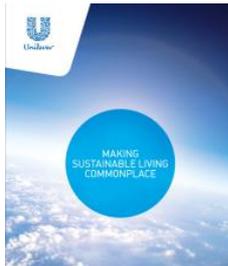
# UNGSII: Company selection criteria



By September 2017, the SDG Commitment Report will look at the top 100 of the largest companies on each continent. In order to select the first 100 companies for this preliminary report released April 19 2017 in New York, the following factors were considered.

- The most profitable 50 global companies in 2015. Those with available 2016 annual reports issued by March 31, 2017 are included in this report.
- The largest companies by revenue on each continent (The Americas, Europe, Africa, and Asia-Pacific) were also selected.
- The largest family owned companies (50% held by family for private companies; 32% held by family for public companies).
- Presence on Fortune's Most Admired Companies list

# Corporate disclosure vs. assessment by stakeholders



## Self Declaration

- Analysis of annual reports
- Direct/indirect references to the Sustainable Development Goals

## Business Media

- Analysis of business media
- Direct/indirect references to the SDGs
- Journalists/other stakeholders vs. analysts

## Analysts

- Analysis of analyst quotations in key financial publications (WSJ, FT, etc).
- Perception of financial and non-financial value drivers

## Performance

- Stock prices
- Bond prices
- Sales
- Net Promotor Score™
- Employer rankings
- and more

# (1) Findings from SDG analysis of annual reports

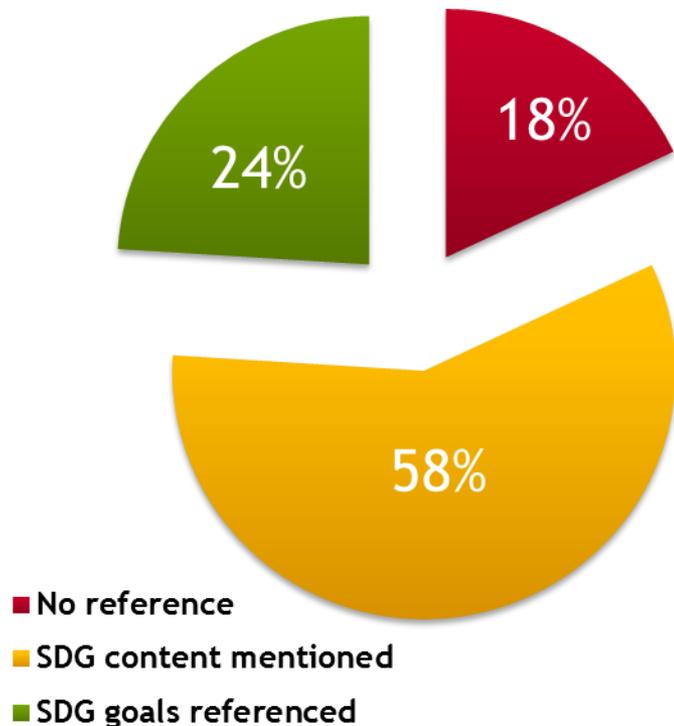


## SUSTAINABLE DEVELOPMENT GOALS

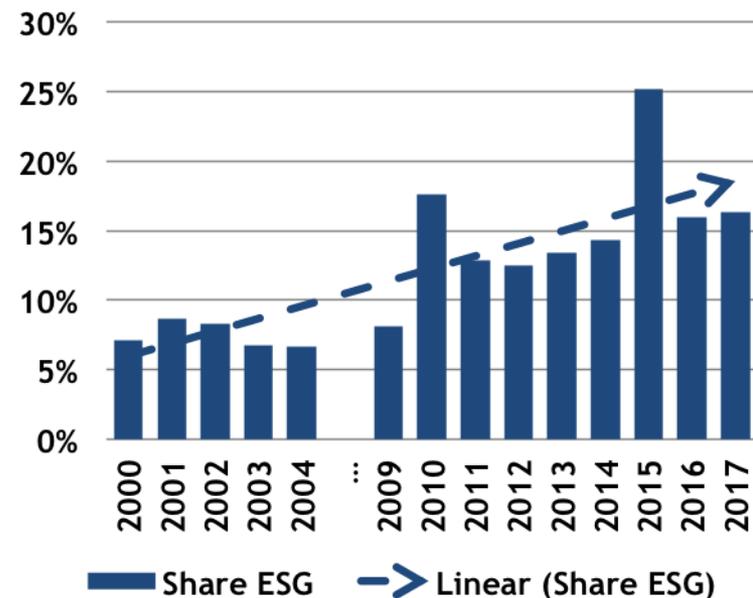
17 GOALS TO TRANSFORM OUR WORLD



# In their Annual Report 2016 over 80% of the companies recognize importance of the SDGs



### Visibility of quoted financial analyst statements on ESG topics



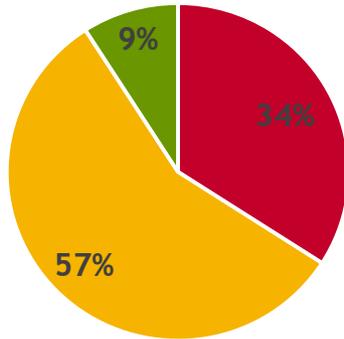
ESG = Environment, Sustainability & Governance

In the first annual reports after ratification of the SDGs, companies with a combined market cap of \$ 9.781 trillion recognized the importance of providing data on sustainability. One factor: The increased interest from financial analysts on ESG-topics from 6% (2000) to 16% (2017).

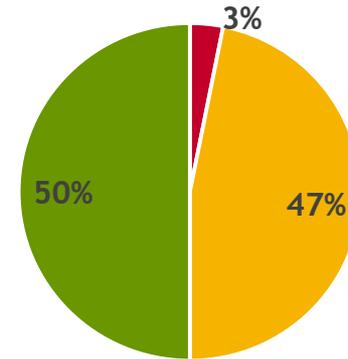
# 100% of analyzed UK companies show commitment to the SDGs while US lags behind



North America

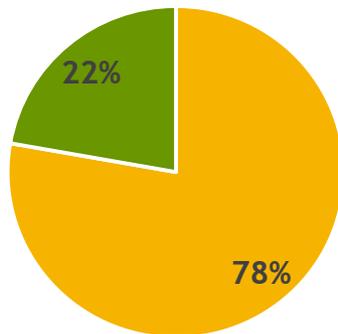


Europe

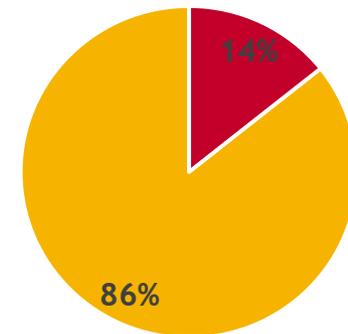


"While a global sustainability Index may be only one small element of many to meet this challenge, it is an essential one because it helps to structure the investment flows of the future." -Dr. Joachim Faber, Chairman, German Stock Exchange, Frankfurt

UK



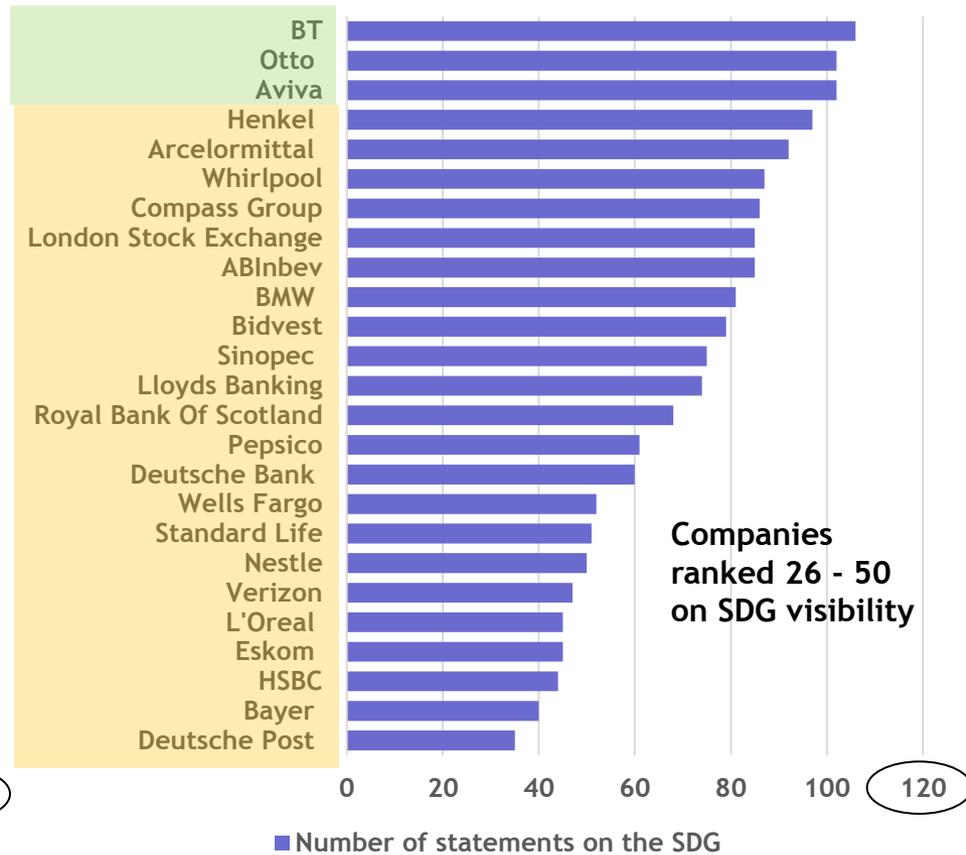
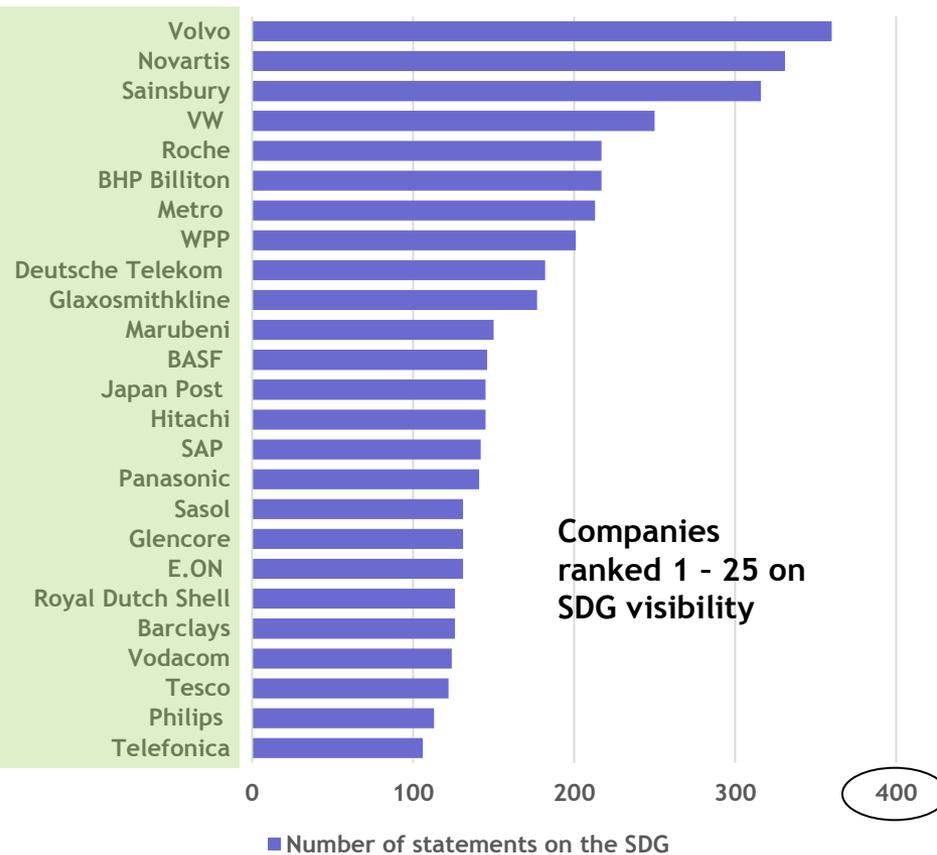
Asia



- No reference
- SDG content mentioned
- SDG goals referenced

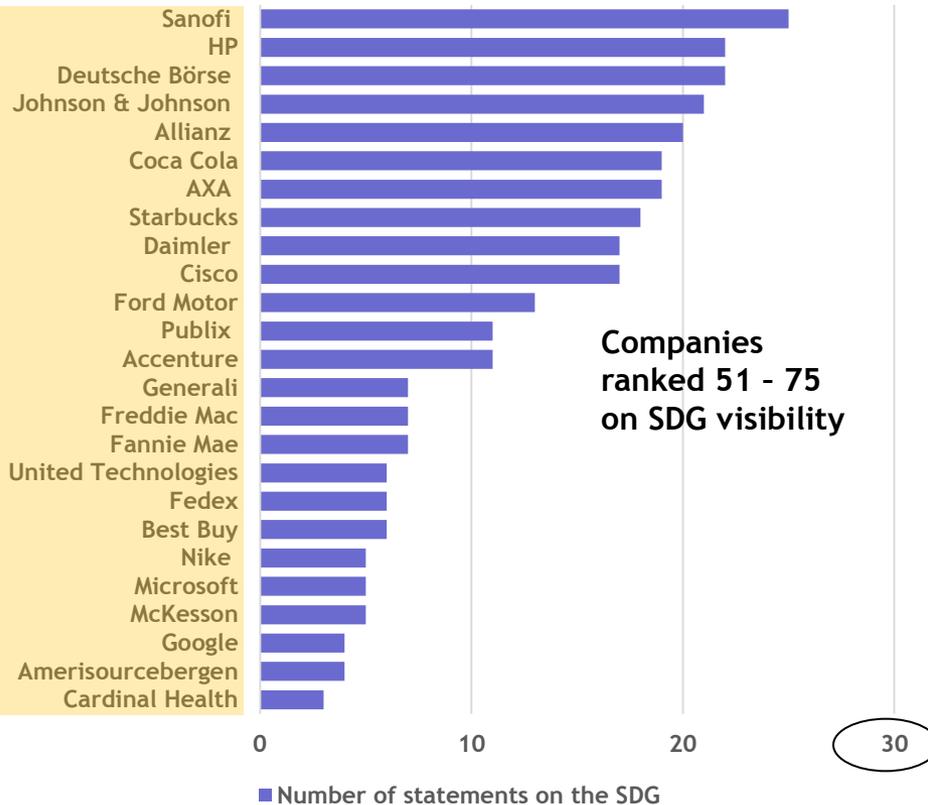
European companies also performed exceptionally, with 97% demonstrating commitment to the SDGs. Only 66% of North American companies analyzed demonstrated commitment to the SDGs through either explicit statements about the goals or implicit actions that support them.

# Companies disclose their SDGs commitment at varying levels



Companies with over 100 statements in their annual reports related to the SDGs were broad communicators that provided significant information to stakeholders. Those with lower visibility have built a positive foundation.

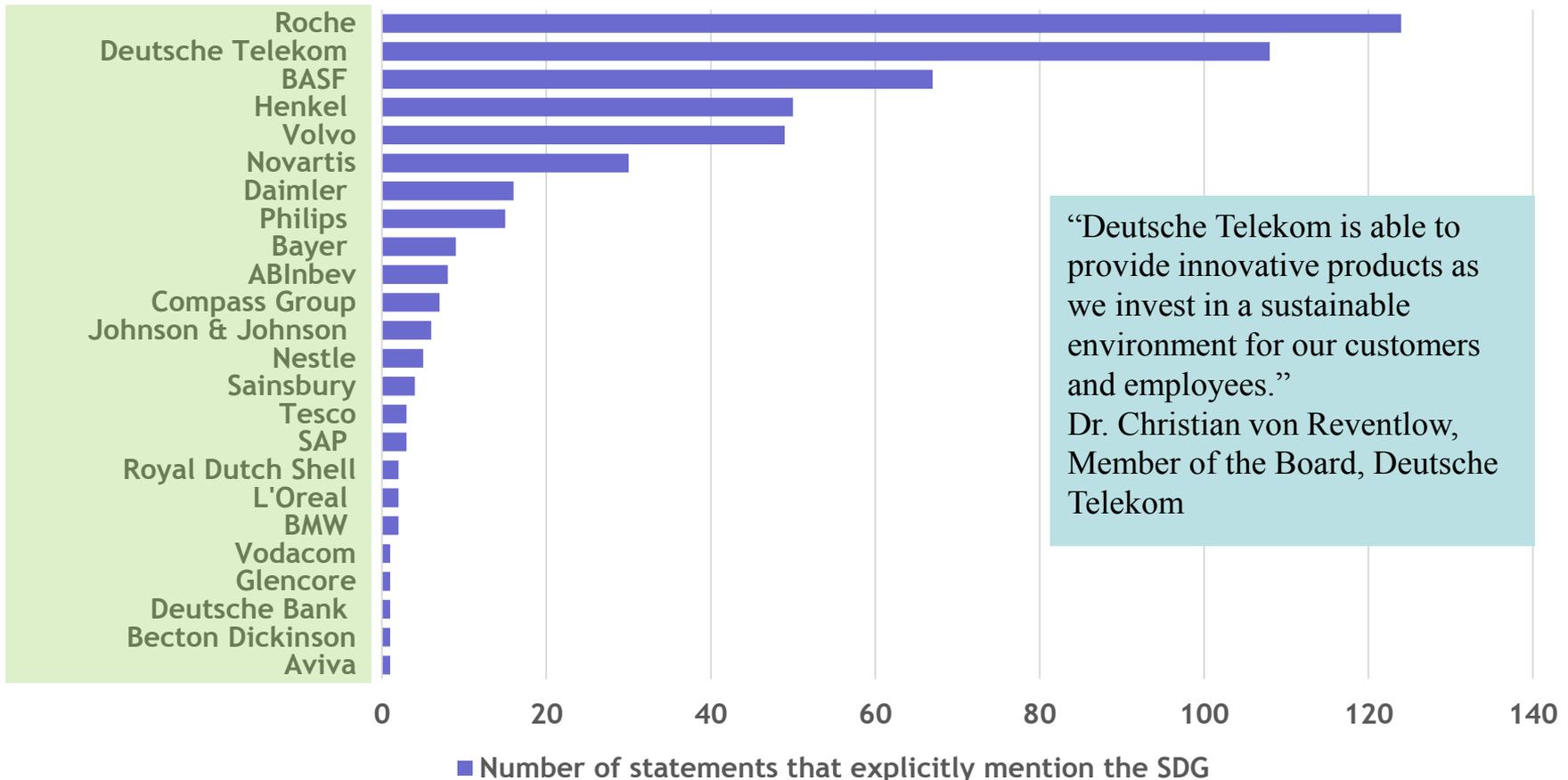
# Others are just beginning to communicate on their SDGs commitment



**"ISO will support this relevant Index."  
Robert Steele, former General Director International Standard Organization, ISO, Geneva**

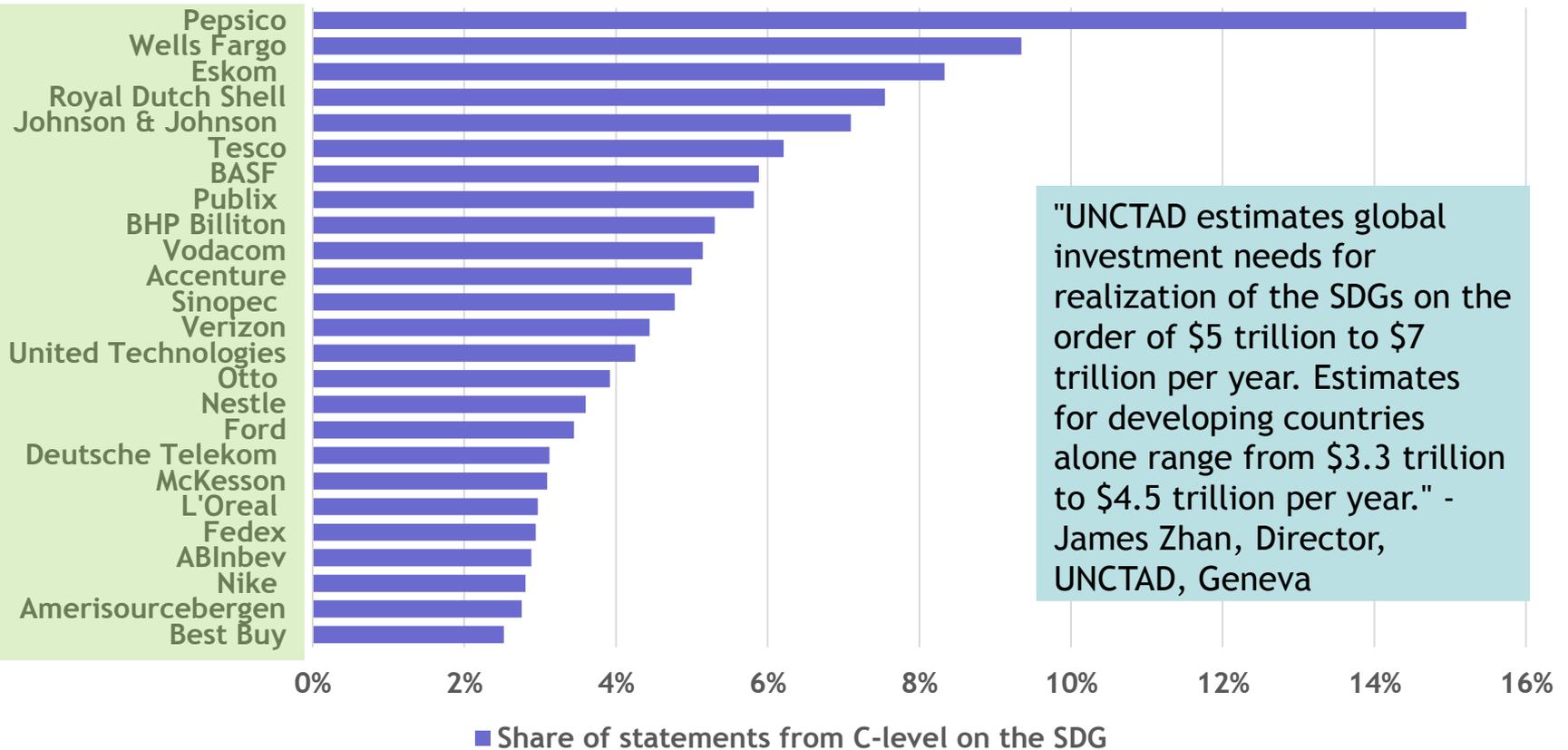
Just because a company is not yet communicating on the SDGs, doesn't mean they aren't focused on sustainability. Rather, they may be leaving positive image opportunities on the table by not communicating on their commitment to the Goals.

# Select group of high-achieving companies explicitly disclose their SDG commitment



Currently, fewer than 25% of companies explicitly reference the SDGs (a much higher percentage address the goals without naming them). The companies that do represent some of the most effective communicators on ESG issues, highlighting their interest to investors.<sup>11</sup>

# Communication on SDGs is enhanced by statements from C-level executives



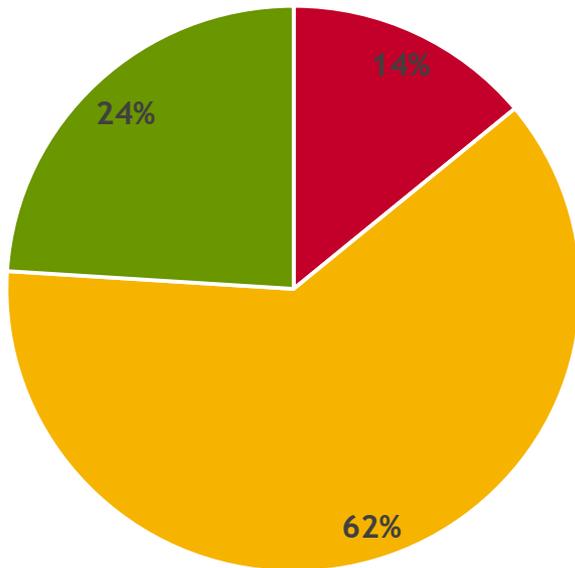
"UNCTAD estimates global investment needs for realization of the SDGs on the order of \$5 trillion to \$7 trillion per year. Estimates for developing countries alone range from \$3.3 trillion to \$4.5 trillion per year." - James Zhan, Director, UNCTAD, Geneva

64% of companies included statements related to the SDGs in C-suite letters to shareholders in their annual reports, emphasizing the importance of the Goals. The top 25 companies (above) offered a detailed overview.

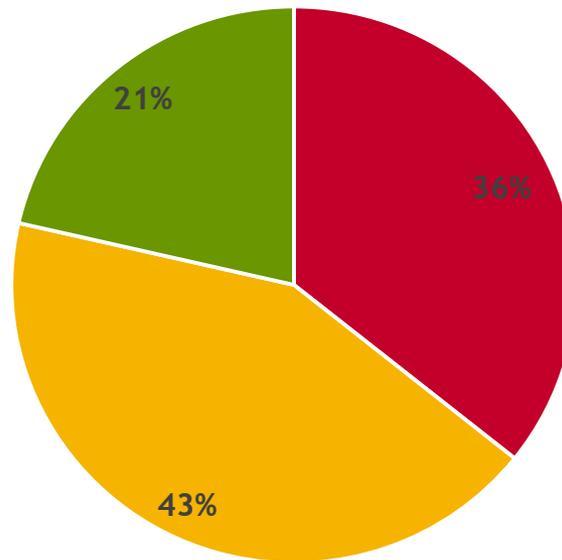
# 86% of the largest companies demonstrate commitment to the SDGs



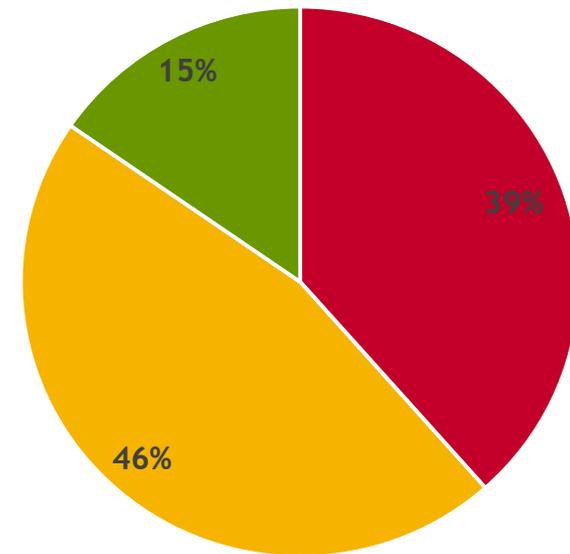
Largest by revenue



Family owned



Most admired



■ None ■ Implicit ■ Explicit

■ None ■ Implicit ■ Explicit

■ None ■ Implicit ■ Explicit

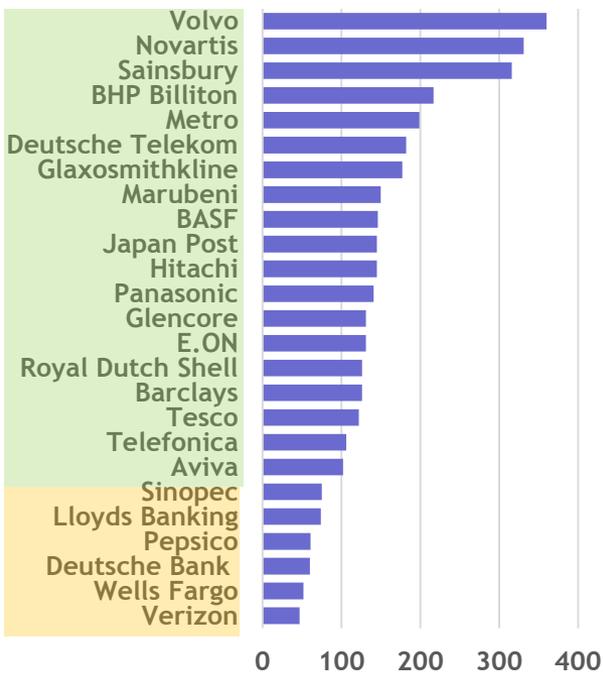
By comparison, family-owned companies are at 64% and Fortune's most admired companies are at 61%. This doesn't mean these company groupings aren't committed to the SDGs, but it does mean their communications on the SDGs has room for improvement in some cases.

# The largest companies consistently demonstrate commitment to the SDGs

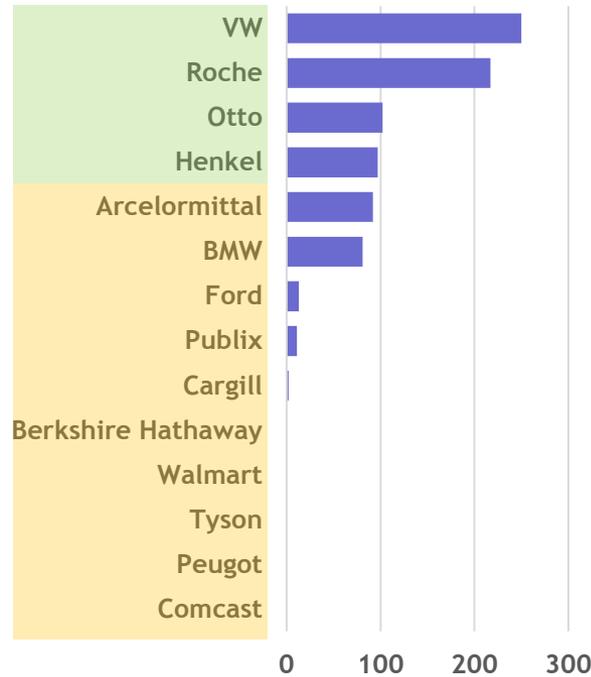


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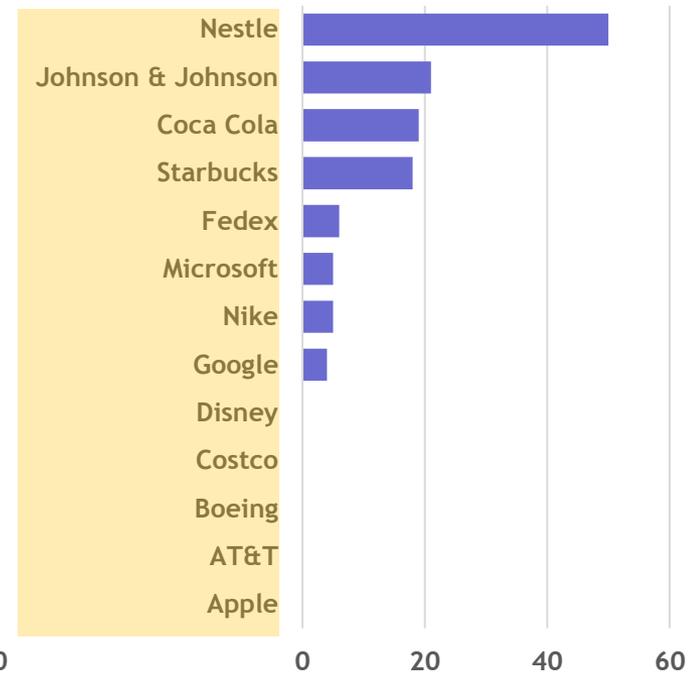
Largest by revenue



Family-owned



Most admired



■ Number of statements on the SDG

■ Number of statements on the SDG

■ Number of statements on the SDG

Fortune's most admired companies show the least communication on the SDGs in their annual reports. In some cases this may be because they are so confident in their reputation, but even these companies can benefit from making sure stakeholders see evidence of their commitment.

# Different types of companies demonstrate commitment to different SDGs

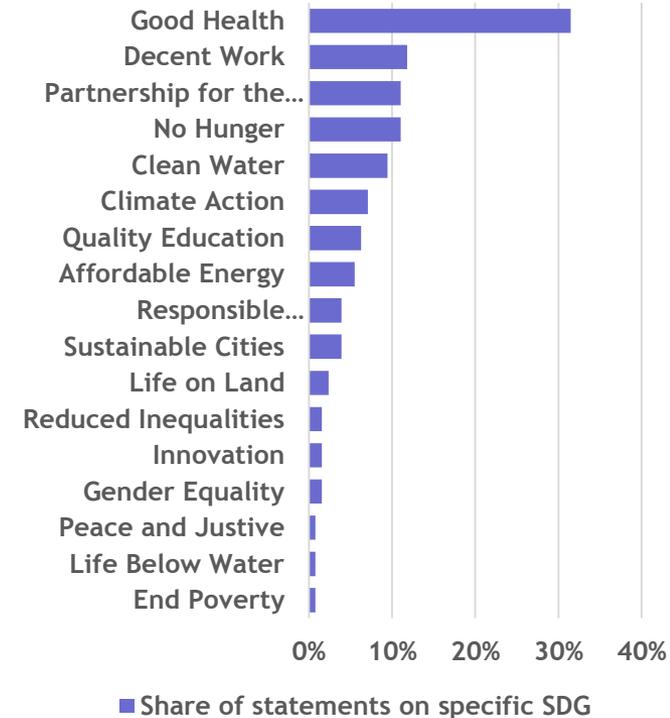
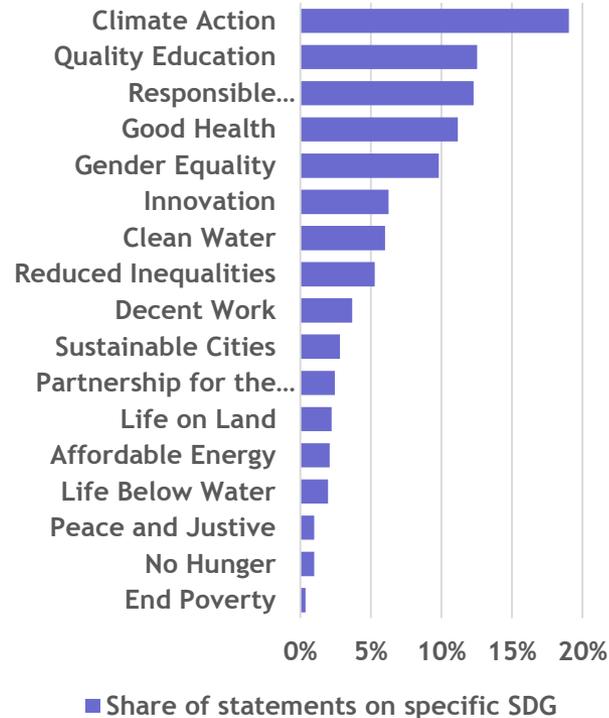
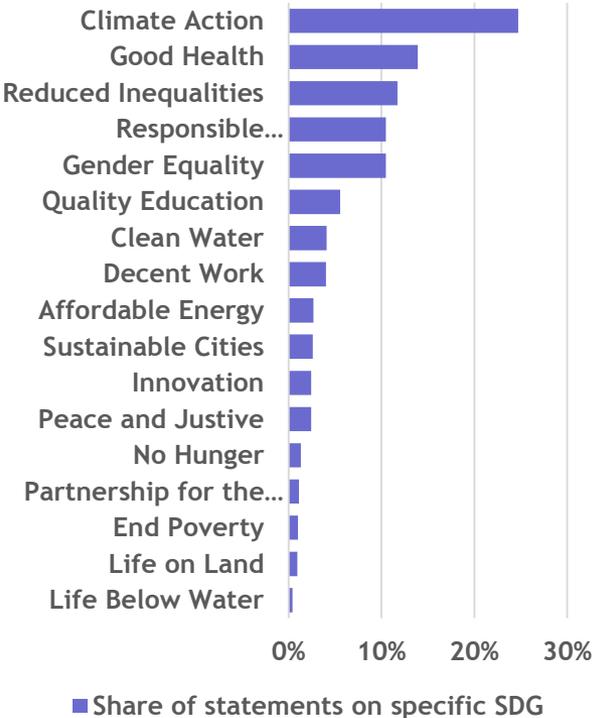


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Largest by revenue

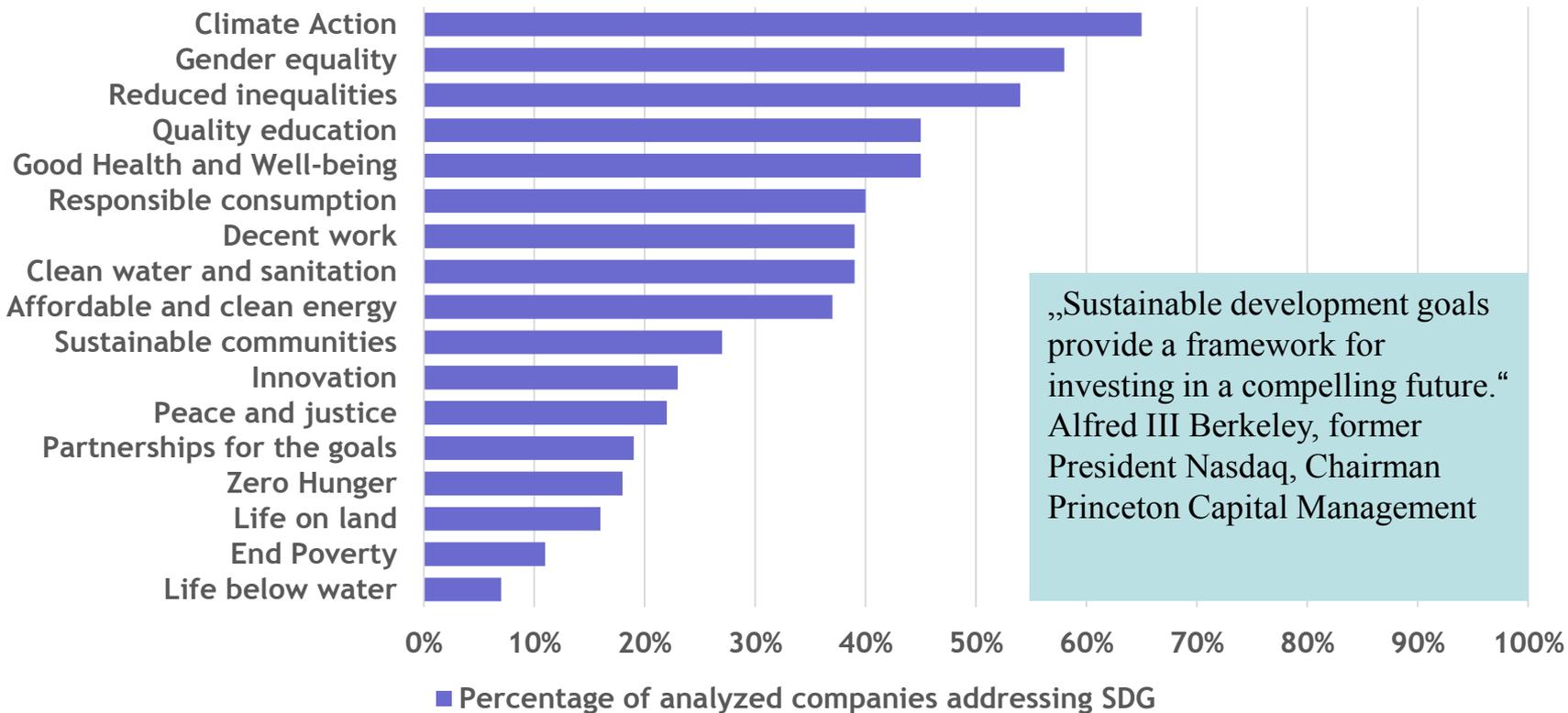
Family owned

Most admired



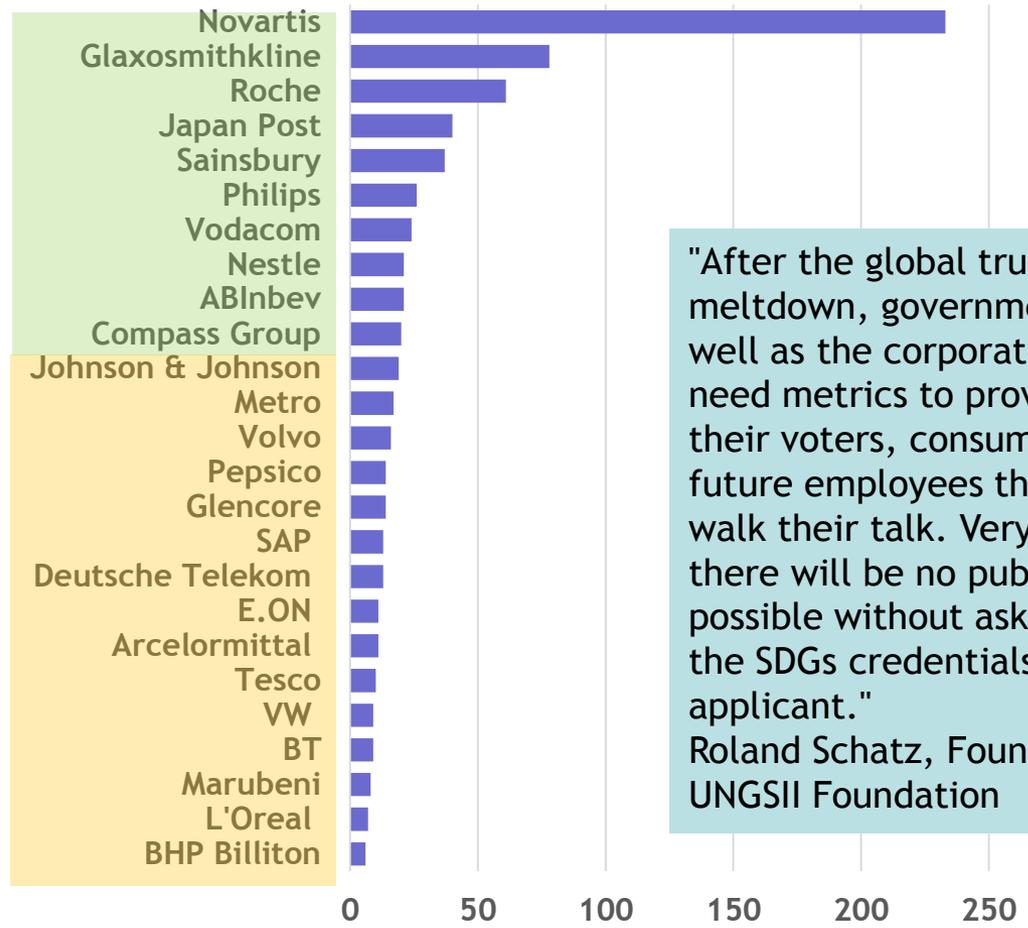
Companies on Fortune's Most Admired list focused most on Good Health, while companies in the other groups focused on Climate Action. This suggests a commitment to Good Health potentially has a particular benefits in winning over stakeholders.

# Visibility on the SDGs varies widely



Overall, some SDGs have visibility in more annual reports due to legal requirements in some markets to address these issues (specifically, Climate Action and Gender Equality). Others receive less visibility due to regional, cultural, and industry differences.

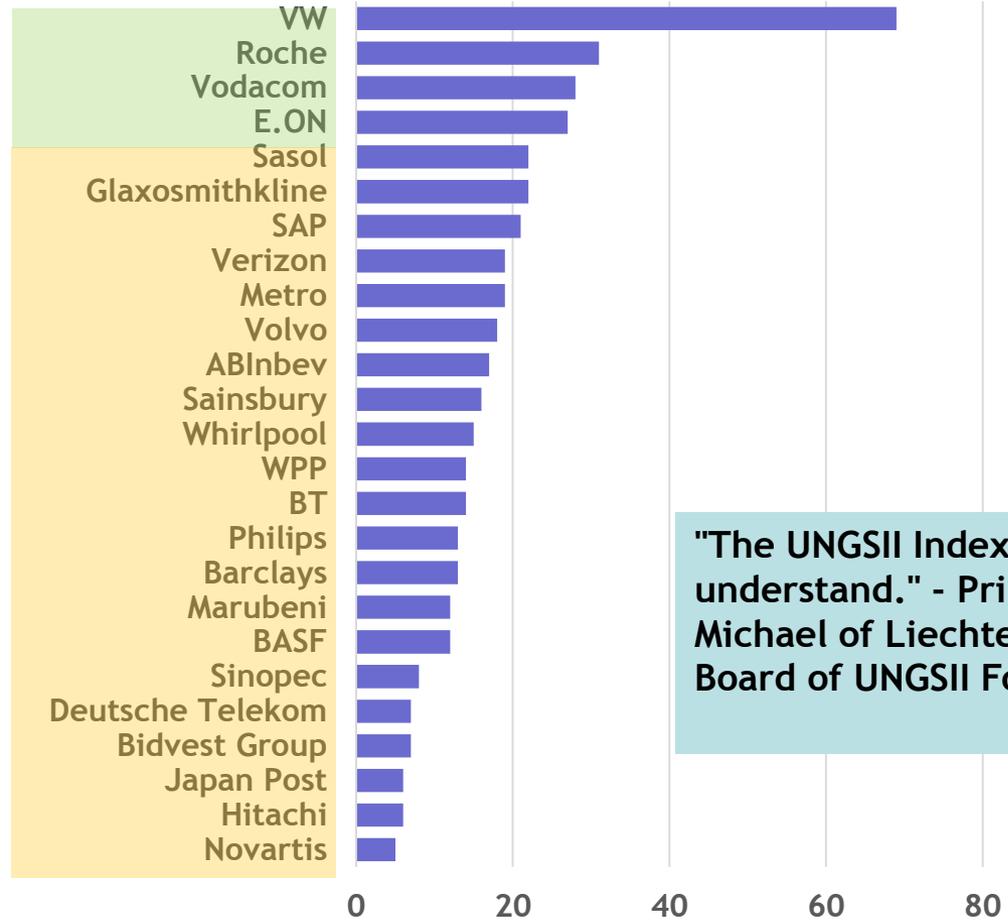
# Pharma companies lead on commitment to Good Health and Well-being



"After the global trust meltdown, governments as well as the corporate sector need metrics to prove to their voters, consumers, and future employees that they walk their talk. Very soon there will be no public tender possible without asking for the SDGs credentials of each applicant."  
 Roland Schatz, Founder  
 UNGSII Foundation

■ Number of statements related to SDG 3

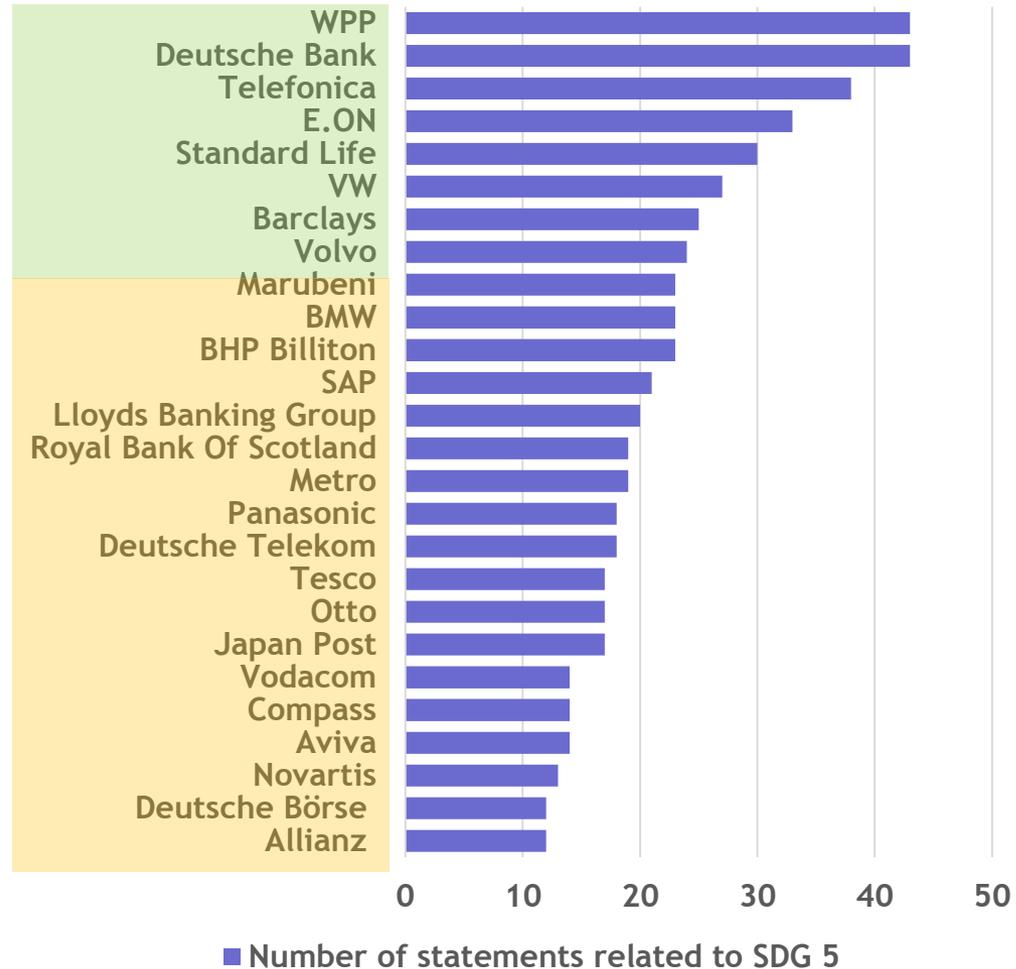
# Commitment to education clear from companies across multiple sectors



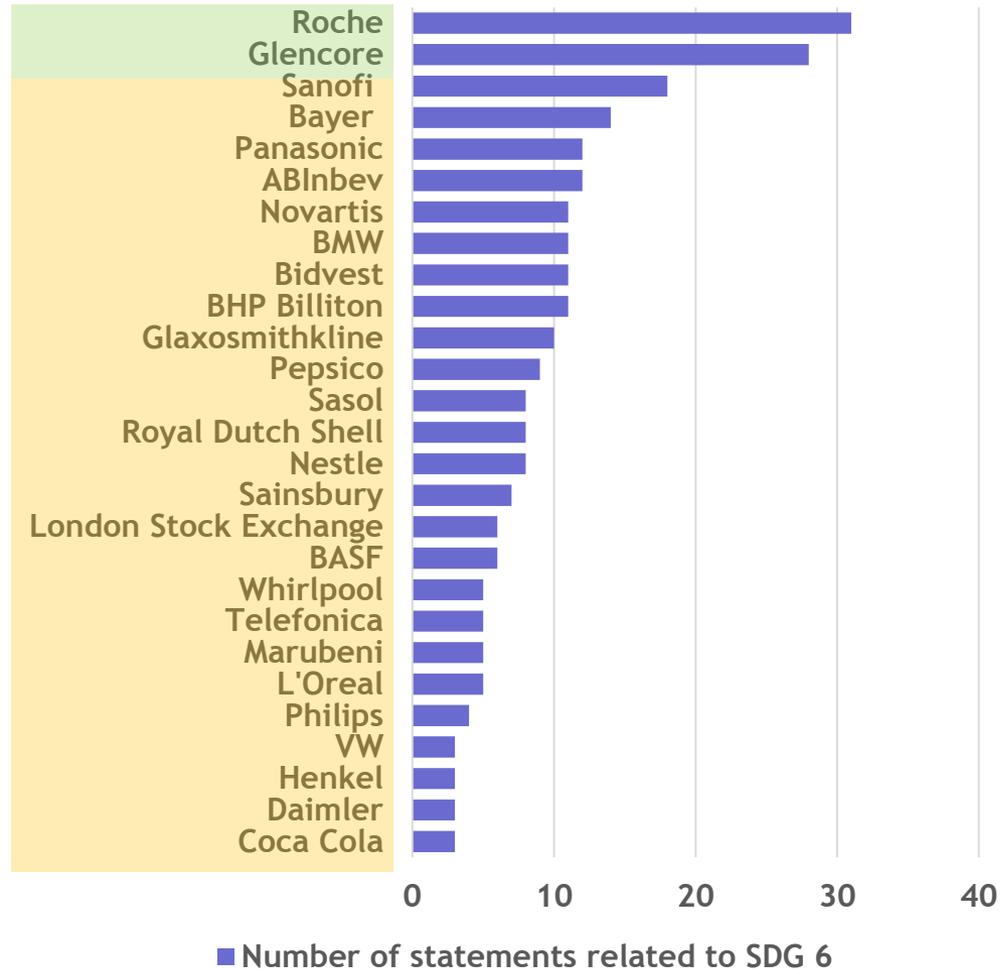
"The UNGSII Index is easy to understand." - Prince Michael of Liechtenstein, Board of UNGSII Foundation

■ Number of statements related to SDG 4

# Regulations on gender parity help boost SDGs commitment in some regions



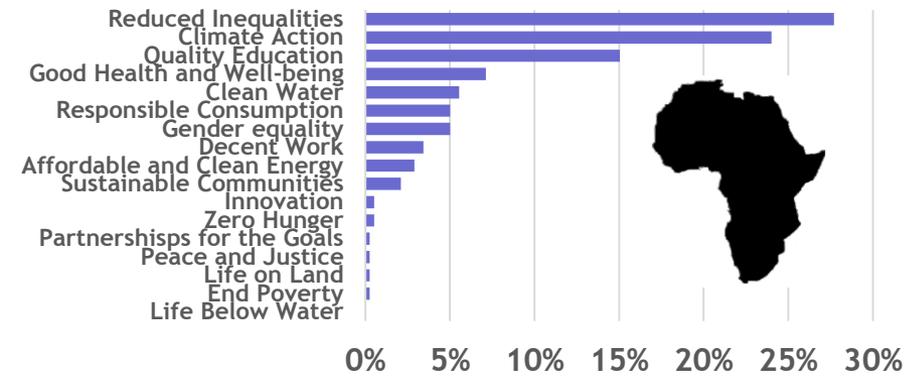
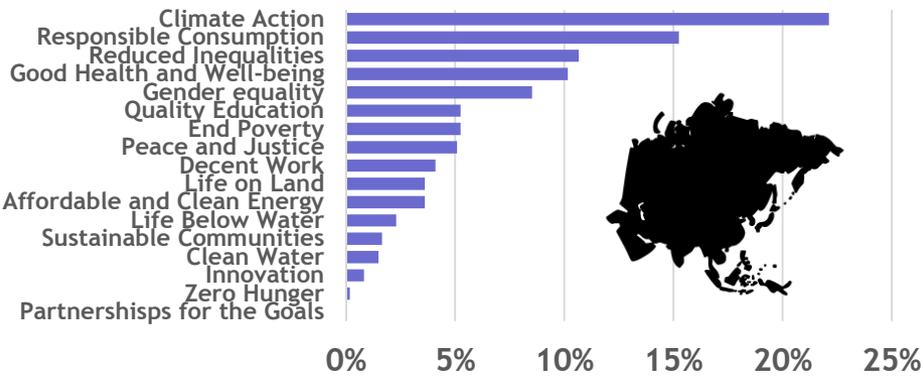
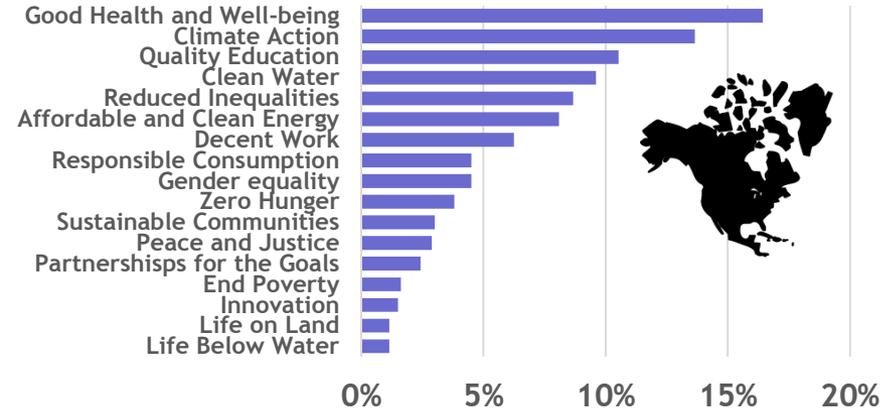
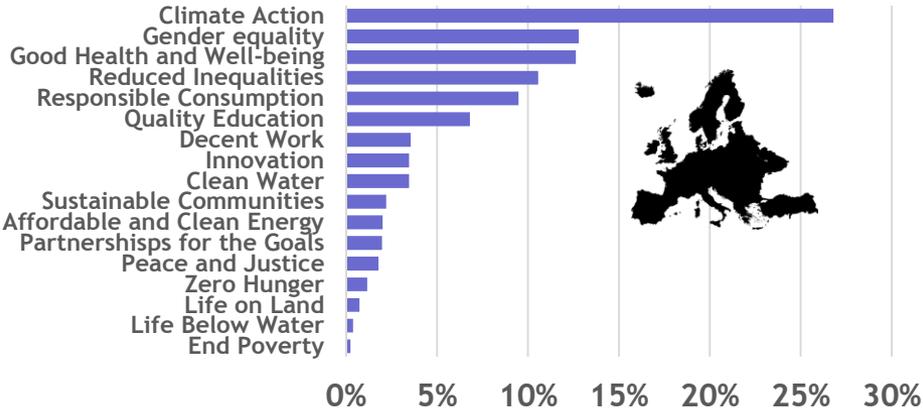
# Commitment to Clean Water widely seen but overshadowed by other SDGs



# Different regions demonstrate commitment to different SDGs



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■ Share of coverage on specific SDG

■ Share of coverage on specific SDG

European and Asian companies focused on Climate Action above all. African companies have demonstrated a commitment to Reducing Inequalities. North American companies highlight a strong commitment to Good Health and Well-being.

# Section 2: SDGs analysis of annual reports versus media perceptions



THE WALL STREET JOURNAL.

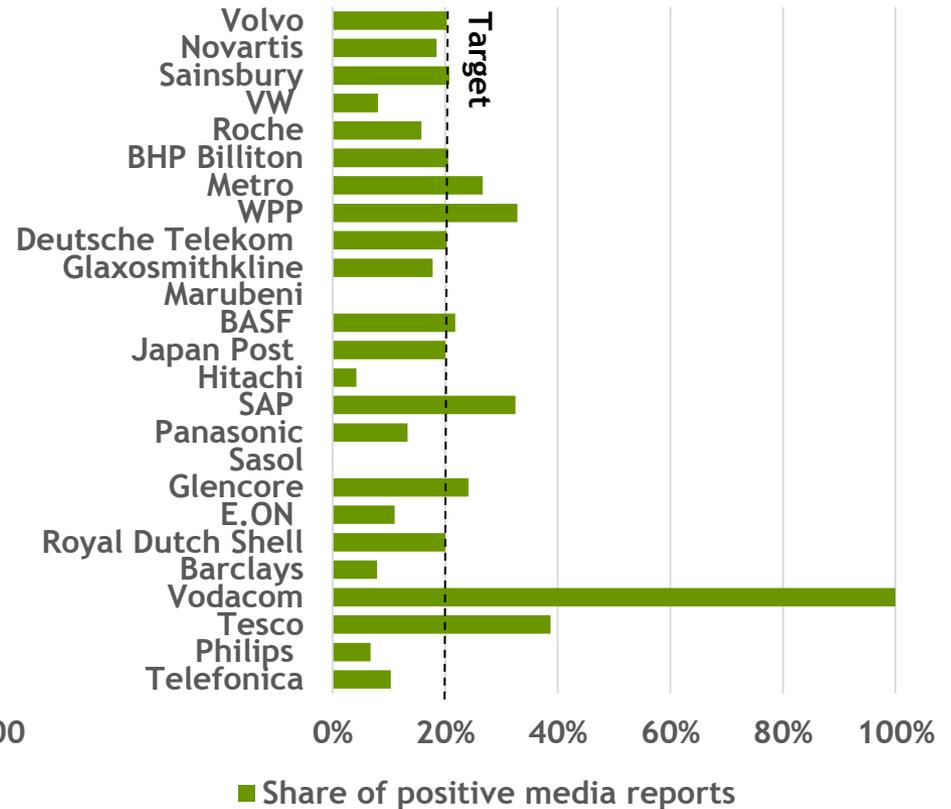
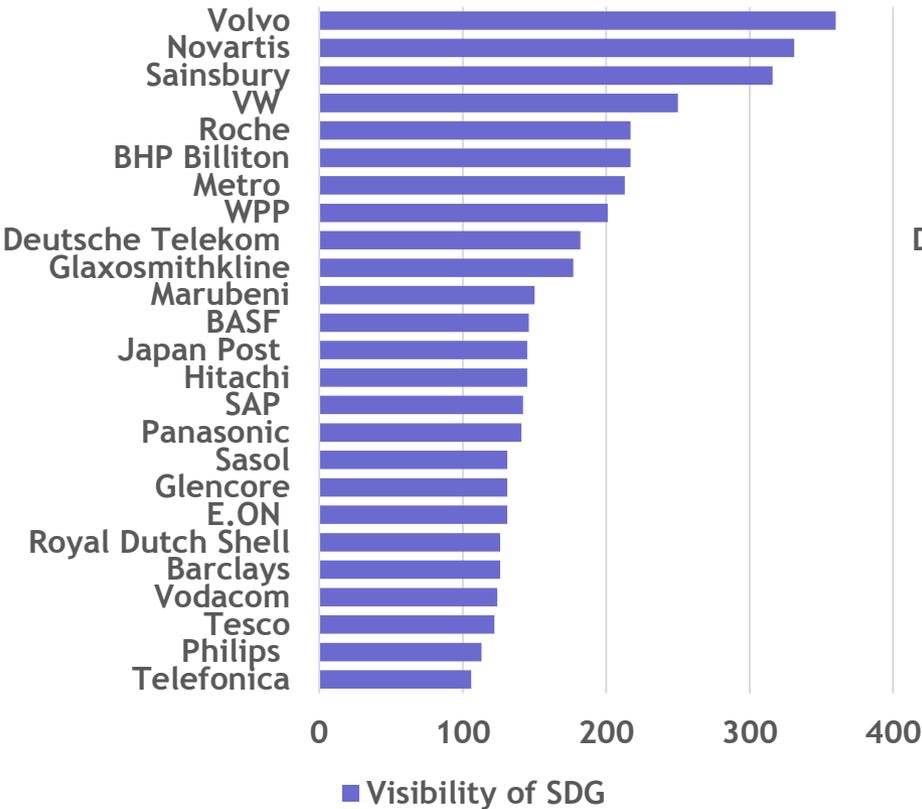


Handelsblatt

# Companies strongly committed to the SDG often meet important media image targets



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Those companies most visible on the SDG receive significant amounts of positive coverage in business media. Many of these companies exceed 20%, the recommended minimum for building a stable image.

# Section 3: SDG analysis of annual reports versus quoted financial analysts



THE WALL STREET JOURNAL.

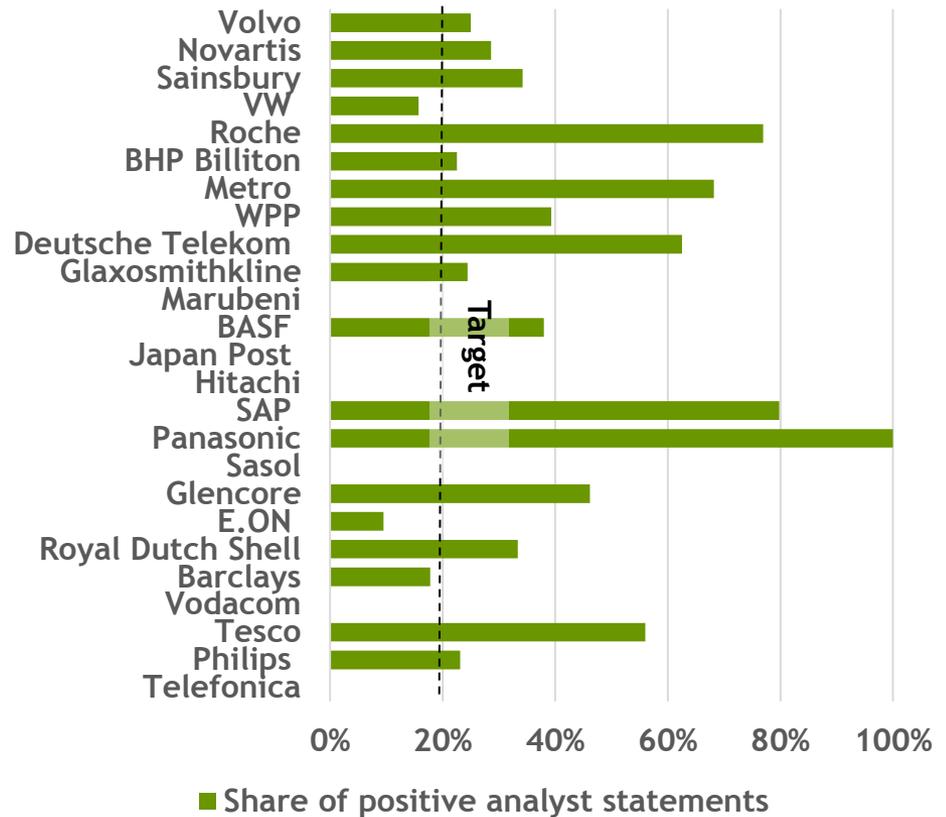
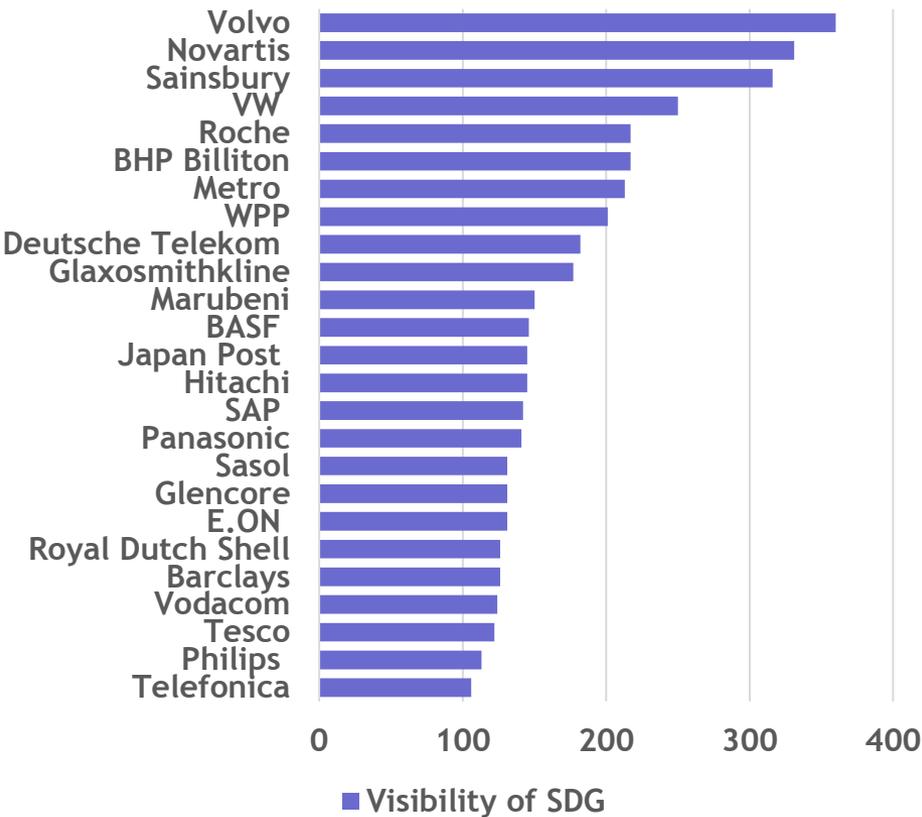


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# Quoted financial analysts are even more positive on companies with SDGs commitment



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32% of coverage from quoted financial analysts on the top 25 companies is positive compared with 25% for the group of 100 overall. This suggests that a greater commitment to the SDGs leads to a more positive reception from financial analysts quoted by the news media.

# Analyzed companies



ABInbev  
Accenture  
Aetna  
AIG  
Allianz  
Amerisourcebergen  
Apple  
Arcelormittal  
AT&T  
Aviva  
AXA  
Bank Of America  
Barclays  
BASF  
Bayer  
Becton Dickinson  
Berkshire Hathaway  
Best Buy  
BHP Billiton  
Bidvest  
Blackstone  
BMW  
Boeing  
BT  
Cardinal Health  
Cargill

Cisco  
Coca Cola  
Comcast  
Compass Group  
Costco  
Daimler  
Deutsche Bank  
Deutsche Börse  
Deutsche Post  
Deutsche Telekom  
Disney  
E.ON  
Eskom  
Fannie Mae  
Fedex  
Ford Motor  
Freddie Mac  
General Electric  
Generali  
Glaxosmithkline  
Glencore  
Google  
Henkel  
Hitachi  
HP  
HSBC

Humana  
Japan Post  
Johnson & Johnson  
Lloyds Banking  
London Stock Exchange  
L'Oreal  
Marubeni  
McKesson  
Metro  
Microsoft  
Monsanto  
MTN Group  
National Australia Bank  
Nestle  
Nike  
Novartis  
Otto  
Panasonic  
Pepsico  
Peugot  
Pfizer  
Philips  
Publix  
Roche  
Royal Bank Of Scotland  
Royal Dutch Shell

Sainsbury  
Sanofi  
SAP  
Sasol  
Sinopec  
Standard Life  
Starbucks  
Sysco  
Telefonica  
Tesco  
Trafigura Group  
Tyson Foods  
United Technologies  
Verizon  
Vodacom  
Volvo  
VW  
Walgreens  
Walmart  
Wells Fargo  
Whirlpool  
WPP

# Curated analysis of annual reports with regard to SDGs



## WE NEED TRANSFORMATIONAL CHANGE FOR THE GOOD OF SOCIETY AND BUSINESS.

2015 proved to be a pivotal year, with groundbreaking global agreements reached on both climate change and development. To realise the ambition 'zero carbon, zero poverty' will require the private sector, government and civil society to go beyond 'business as usual', working in partnership to achieve change at scale.

In September 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) – a roadmap to 2030 that will require concerted action and partnership between governments, civil society and business.

Unilever has been an early leader on the SDGs through both the UN High-level Panel and our engagement with the UN Global Compact LEAD group of sustainability leaders. We also partnered with Global Citizen and Project Everyone, campaigning organisations focused on motivating young people about sustainability, to raise public awareness about the SDGs. As the world looks towards the implementation of the SDGs, we are supporting the recently established Global Commission on Business and Sustainable Development which seeks to work with business leaders across sectors to broaden support for market-based solutions.

Trained human analysts from UNGSII partner institute Media Tenor International dissect annual reports for every statement that directly or indirectly refers to the SDGs, capturing topic, time reference, tone etc. In the same way they analyze Business Media.

Medium Name	840100067	Unilever NV (Eccles Project)	Mt-Archive	
Date	01 / 01 / 2016	01 Jan 2016	Article URL	
Headline	Annual Report			
Page Number	23			
Article Number	1			
Style	208	Annual Report	Section	1134 Report Management
Source/Journalist	10	0	No Journalist or initial with no i	Add More
Cited				
Cited Branch				
Cited Topic				Add More
Project	45	SDG		Add More
		No FSC	Finish	Cancel
	Select coding form	45	SDG	
Text Form	4	Text		
Protagonist	559	Unilever		
Business Field	0	Company		
Area	0	no country, unknown		
Time Reference	5	Past linked to Present		
Topic	1	SDGs in general		
Product Topic	0	No mentions of SDGs (only i		
Explicit Rating	0	Neutral(0) Positive(1) More Positive(2) Ambivalent(3) More Negative(4) Negative(5)		
Implicit Rating	2	Neutral(0) Agree(1) Agree More(2) Ambivalent(3) More Reject(4) Reject(5)		
Source	1	Self		
Remark				



In 2000, United Nations Secretary General Kofi Annan oversaw the successful launch of the 15-year Millennium Development Goals, focused on the eradication of poverty in developing countries. In September 2015, all heads of state signed the ambitious Agenda 2030: 17 Sustainable Development Goals (SDGs) were designed to include everyone – all nations, all companies, all media, and all people working together across sectors. First movers deploying the SDGs by 2030 will gain the most upside (profit, people, planet, and future generations).

Over the last decades, the UNGSII Foundation founder has developed a global network of experts to define criteria and metrics to measure *actual* corporate, financial, and national performance toward achieving the SDGs through its signature index on sustainability. It is not an UN entity, but works in strong support of the UN and in close cooperation with an number of UN Agencies and their senior officials in the global implementation of the SDGs.

The UNGSII offers its partners access to its results, provides a educational program and awards the success of top-performers during the future Global Goals Conferences and Award Shows. <sup>28</sup>

## Rankings and Indices: UNGSI Index



The UNGSII Foundation measures progress and success of SDG deployment amongst the world's largest 1,000 companies by evaluating and ranking each on an index of how they disclose their implementation of the SDGs in annual reports, Q10, and via business media.

Once compiled, these rankings and indices will be announced via opinion-leading global business media to help the financial sector trade on these data, both through evaluating trades and investment, and developing products and funds based on credible UNGSII data.

WEALTHBOOK, a new platform being developed by the UNGSII and Tangrim\* will allow corporate users to increase their impact and attract investors. Comparable to a Bloomberg Terminal, WEALTHBOOK gives every user access to the latest UNGSII data and indices in real-time. Instead of delivering share price colorized against performance, the name of the company itself is colorized against UNGSII's analysis of how these companies have communicated their SDG progress: green (best), yellow, and red (worst).

\*Tangrim is a software company operating in Chicago

## Become a Partner UNGSII Masterclass



The UNGSII's Senior Executive Education Master Classes offer asset managers, senior executives, members of family offices, and organizational leaders direct access to its data. Participants will have the possibility interact with UN agency senior officials and encouraged to leverage new relationships to accelerate corporate campaigns and partnerships.

The classes deliver the methodology behind the rankings and indices and train users to understand the latest trends and reports on the unfolding local, national, and global implementation of the SDGs.

The UNGSII Senior Executive Education Masterclass is offered once per quarter for one week at the United Nations offices in Geneva, New York, Bonn, and Vienna: During the morning sessions, eminent scholars from Harvard, Oxford, and other member universities of the UN Academic Impact network will teach participants the most recent research on, and protocols for, implementation of the SDGs.

During the afternoon, course participants will interact with senior officials of UN agencies and other international institutions that are working at the frontlines of measuring impact and deploying the SDGs. Masterclass participants are accompanied by their own tutor throughout the duration of the course.

## Celebrating the Best: Global Goals Conference



The Global Goals Conference will highlight the work being done across sectors to achieve the SDGs – and celebrate those who rank the highest in the Global Sustainability Index.

A highly curated guest list of participants will include: heads of state; CEOs from blue-chip corporations, family-run companies, start-ups, and social entrepreneurs; NGO sector leaders; university presidents; editors-in-chief; and various artists and entertainers working to advance the mission of the United Nations.

Together, we are working to raise awareness about the 2030 Agenda for Sustainable Development and foster collaborative partnerships that help stakeholders quadruple their bottom lines and bring back global trust.

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