

INSIGHTS FROM CDP DATA TO ASSESS PROGRESS AND DRIVE ACTION ON THE SUSTAINABLE DEVELOPMENT GOALS



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Prepared by

Sandra Bernick,
SDG Consultant

Petra Sarapatkova,
SDG Consultant

Pietro Bertazzi,
Director,
Policy Engagement and
External Affairs

Helen Finlay,
Senior Global Policy
Manager, Forests

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INTRODUCTION

The landmark report ‘Transforming our World: the 2030 Agenda for Sustainable Development’ was adopted on 25 September 2015 by Heads of State and Government at a special UN summit. The Agenda is a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide. Its adoption was an important achievement, providing for a shared global vision towards sustainable development for all. The Agenda includes 17 Sustainable Development Goals (SDGs), which are further broken down into 169 targets and 230 indicators to facilitate monitoring of progress.

Achieving sustainable development cannot rely on governments alone; active involvement of businesses, sub-regional authorities, capital markets and other non-state actors is vital. There is a growing appetite to engage with the SDG agenda among the business community. The UN Global Compact found that almost all CEOs in their 2019 study believed that sustainability is crucial to their future success, up from 93% a decade earlier. CEOs also understand the importance of the SDG agenda specifically: 71% of CEOs interviewed in the same study agreed that business had a key role to play in achieving the SDGs¹. Similarly, in 2019, PwC found that among 1,141 global companies, 72% mentioned the SDGs somewhere in their annual reporting, though other analyses estimate this figure to be as low as 40%².

Insights regarding tangible actions that businesses take on the SDGs are scarce and it appears that too few are translating their promises into action; only 14% of the businesses in the PwC analysis had set specific targets for their contributions to the SDG³. Many observers have also

raised concerns that companies could SDG-wash⁴ or cherry-pick what to report on, focusing only on those SDGs that put them under a favourable light⁵. Knowing where companies really stand with regards to their sustainability performance is therefore of key importance. CDP, through its disclosure platform used by over 9,600 companies worldwide, is uniquely positioned to assess progress towards the SDGs, identify progressive policy to activate businesses, as well as governmental authorities, and drive corporate, city and regional government engagement with this agenda more broadly.

This briefing summarises the key insights gathered from a recently completed exercise, which mapped CDP questionnaires onto SDG indicators. It provides an overview of all the indicators for which CDP data can be readily used, identifies opportunities for a fuller exploitation of CDP data and concludes with several examples of successful corporate engagement with the SDG agenda.

CDP DISCLOSURE AND THE SDGs

CDP has been actively involved in the SDG agenda since 2015, when the **SDG compass** was launched by the Global Reporting Initiative, the UN Global Compact, and the World Business Council for Sustainable Development, culminating in the report titled, **'Business Reporting on the SDGs: An Analysis of the Goals and Targets'**.

CDP's recent mapping exercise of the SDG indicators against its disclosure data aims to assess business contribution and progress towards the SDGs, understand gaps and inform policy action. As CDP's data collection currently focuses primarily on environmental sustainability, this was restricted to the 66 indicators corresponding to the six environmental goals⁶.



The mapping methodology consisted of linking each individual data point from the four CDP questionnaires (Climate Change; Forests; Water Security; and Cities, States and Regions (CStaR)) to the most appropriate SDG indicator. This was accomplished through an




iterative approach, where questions and related data points were first sifted through a set of exclusion criteria, with those retained then reviewed in a stepwise manner against SDG goals, targets and, finally, indicators. The mapping at the final, most granular level was complemented with a rating of the strength of the link, with a scale between a strong, direct relevance (3) to a given indicator to tangential, indirect relevance (1) on the other.

The main finding is that CDP data provides insights on the most business-relevant SDG indicators across the six environmental SDGs.



Table 1: SDG indicators where CDP data is almost entirely aligned

SDG	Indicators matched at relevancy level 3		Forests	Climate change	Water security	Cities, States and Regions
 Clean water and sanitation	Ensure availability and sustainable management of water and sanitation for all					
	6.1.1	Proportion of population using safely managed drinking water services			✓	
	6.2.1	Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water			✓	✓
	6.4.1	Change in water-use efficiency over time			✓	
	6.4.2	Level of water stress: freshwater withdrawal as a proportion of available freshwater resources			✓	
	6.5.1	Degree of integrated water resources management				✓
	6.6.1	Change in the extent of water-related ecosystems over time			✓	
 Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all					
	7.2.1	Renewable energy share in the total final energy consumption		✓		✓
 Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable					
	11.2.1	Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities				✓
	11.6.1	Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated, by cities				✓
	11.6.2	Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)				✓
	11.b.2	Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies				✓

SDG	Indicators matched at relevancy level 3		Forests	Climate change	Water security	Cities, States and Regions
<div>12</div> <div>  </div> <div>Sustainable consumption and production</div>	Ensure sustainable consumption and production patterns					
	12.3.1	(a) Food loss index and (b) food waste index				✓
<div>13</div> <div>  </div> <div>Climate action</div>	Take urgent action to combat climate change and its impacts					
	13.1.3	Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies		✓		✓
	13.2.2	Total greenhouse gas emissions per year				✓
<div>15</div> <div>  </div> <div>Life on land</div>	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss					
	15.1.1	Forest area as a proportion of total land area	✓			✓
	15.2.1	Progress towards sustainable forest management	✓			



KEY INSIGHTS FROM THE CDP DATASET

In the following section, the key contributions that CDP data can bring to the SDG agenda are highlighted.



1 Considerable potential for filling in SDG data gaps

For some SDG indicators, data is still not reported. CDP data can potentially help address some of these gaps, given the number of businesses now disclosing through CDP.

Almost six years on from the launch of the SDG agenda, only 22 out of the 93 (23%) environment-related indicators show [good progress](#). For the other 77% of environment-related SDGs indicators, there is either insufficient data to assess progress (68%) or it is unlikely that the target will be met without scaling up action (9%). CDP data on private sector progress on the SDGs has the potential to help close these gaps and bridge new partnerships between the public and private sector.



2 SDG indicator gaps exist, mostly for good reasons

SDG indicators most closely matched in the CDP data are those that are defined in simpler terms and at the right level.

While the CDP data covers all six environmental SDG goals, not all indicators that belong to these goals are covered equally well. This is related to the complexity of the SDG indicators and the granularity with which they are measured. What this means is that often an indicator will be a composite of many data points and not all are available. Indicators are often defined as pertaining to a municipal government, or the indicator is implicitly measuring at the country level, for example indicators that cover signatures of specific treaties. Goals that have more of these types of indicators are generally harder to match. SDG 6 indicators, for example, are not defined at a specific level and are particularly well matched by CDP data (see Table 1).



3 Learning from top performers

CDP data offers unique insight on the actions of companies that are leaders on integrating sustainability and addressing SDG indicators.

A variety of corporate approaches to sustainability (and to SDG engagement, specifically) exist. CDP data offers an opportunity to learn about the way in which different companies addressing SDG indicators “get there”. CDP captures both qualitative and quantitative data, producing deeper insights and understanding on company behaviour and trends.

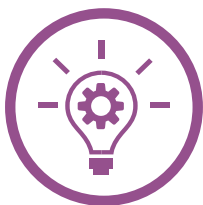


4

Understanding inaction

CDP data can enable policymakers to better understand business inaction around the SDGs. For many relevant indicators, the CDP questionnaires capture the reasons businesses do not follow best practices.

Many businesses already disclose which SDGs they act on. Yet, for many businesses there are gaps, or they do not act at all. Understanding why businesses do not act on specific SDGs can bring important insights to policymakers interested in supporting businesses in contributing to the SDGs. This is particularly true for indicators where progress has been slow or stagnating, or even reversing, as we have recently seen as a result of the Covid-19 pandemic⁷. The CDP data can thus offer an opportunity to learn about barriers and challenges in reaching the SDGs. Fostering an understanding of why businesses de-prioritise certain issues, what type of support they may require, or where specifically the roadblocks are by looking at the types of businesses or sectors that are lagging behind.



5

Converting insights to actions

CDP data can provide policymakers with insights on what it takes for business to move from inaction to action. CDP collects data relevant to SDG indicators that allow businesses to report intentions to act and the long time series of CDP data allows analysts to trace whether these pledges are realised.

Research has shown that businesses are aware of the importance of the SDG agenda and often even communicate intentions to integrate the SDGs into their strategies⁸. Yet, actions often remain elusive. A unique strength of CDP data is that many SDG relevant questions often include options beyond the binary “yes” and “no”. Normally binary questions in the CDP questionnaires also include options such as “in progress” or “planning to do so within two years”. These data points allow CDP to analyse how many businesses are gearing up for action, adding an important dimension to the overall picture of progress towards the SDGs. The time series available for many companies also allows analysts to understand whether companies actually follow through on their pledges.

The same data also allows CDP to see the contexts within which intentions are converted to action. For example, whether certain types of businesses or sectors are more likely to be ramping up action compared to others, or whether sub-national governments in specific geographies are supporting specific parts of the SDG agenda.

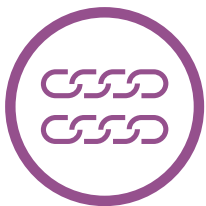


6 Forecasting progress on SDGs

CDP questions that allow companies to state actions they intend to undertake would allow the preparation of forecasts on potential progress towards relevant goals.

The international community aims to make ambitious strides towards reaching the SDGs by 2030. Data on most indicators exists which allows the tracking of progress to date. However, little exists in terms of projections⁹. CDP data allows to partially fill this gap by allowing to assess the near-term progress businesses will likely make. Many questions in CDP surveys enquire about plans rather than the current state of affairs and could be used to create some forward-looking indicators or forecasts.

These indicators could help understand where progress is most likely to come from, before it happens, and where businesses are lagging. For indicators where this is feasible, this could help engage with or support the groups and issues where most impact can be achieved. Few organisations can offer these types of forward-looking indicators as intentions are infrequently captured in similar surveys and few have the reach of the CDP disclosure¹⁰.



7 Highlighting linkages between SDGs

Mapping CDP data to SDG indicators shows clearly that many data points are related to multiple goals, illustrating the interconnections between different SDGs and highlighting potential synergies in addressing them.

Much of the SDG conversation focuses on contributions to specific indicators, targets or even just goals. Discussions rarely consider the linkages between indicators belonging to different goals¹¹. Mapping the CDP data to SDG indicators had the side effect of highlighting the interlinkages between different goals, targets and even indicators. For example, in the forest questionnaire, questions often fit well with indicators under goals 12 and 15. Of course, such content then, for the most part, maps perfectly only to one. However, it is clear that links between 'Sustainable Consumption and Production' and 'Life on Land' are strong, and tackling a specific indicator under goal 15 often also requires actions on indicators grouped under 12. This relationship repeats across other goals, targets and indicators.

CASE STUDIES

Case study 1 showcases how CDP data can contribute to the United Nation's work on assessing SDG progress.

CASE STUDY 1

CDP data used in UN-Water report



In the SDG 6 Synthesis Report on Water and Sanitation (2018), UN-Water used CDP's data to examine five aspects related to the availability and sustainable management of water and sanitation for all:

1. Means of implementation (Mol) in line with SDG target 6.2: to achieve access to adequate and equitable sanitation and hygiene for all, by assessing whether the private sector can provide the access for water, sanitation, and hygiene (WASH) to their employees.



2. Mol in line with SDG target 6.4: to increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity, providing data revealing:
 - (i) risks of water scarcity and how they might lead to the supply chain disruption.
 - (ii) insights on water quality and quantity, indicating that companies reported good-quality water as a vital element for their direct operations.
 - (iii) that the private sector faces water challenges and solutions that align with the 2030 SDG agenda.
3. Mol in line with SDG target 6.5: to implement integrated water resources management at all levels, including through transboundary cooperation as appropriate, and target 6.b: to support and strengthen the participation of local communities in improving water and sanitation management. CDP data shows how companies have begun to initiate investment in mitigating and adapting to water scarcity by engaging suppliers, public policy makers and other stakeholders (i.e., creating projects for farmers to teach good agricultural practices including the enhancement of irrigation techniques).
4. Estimate financial cost impacts in relation to poor water quality on industry due to constant declining water. CDP's survey was the first systemic linkage between water and financial information, relevant data to measure and disclose water-related information to institutional investors.
5. Provide insights regarding the top five water-related risk drivers (increased water scarcity, flooding, drought, increased water stress, and climate change) and top five water-related risks (higher operation costs, supply chain disruption, water supply disruption, constraint to growth, and brand damage).

There are different approaches to bring sustainability to the core of business strategy. Some companies focus on their internal operations, embedding sustainability deeply within their business logic, while others leverage their comparative advantage to engage in external projects, sometimes in partnership with other actors, such as NGOs, business alliances or local government. The following two case studies illustrate how two large multinational firms engage with SDGs.

CASE STUDY 2

Nestle: addressing deforestation along supply chains¹²

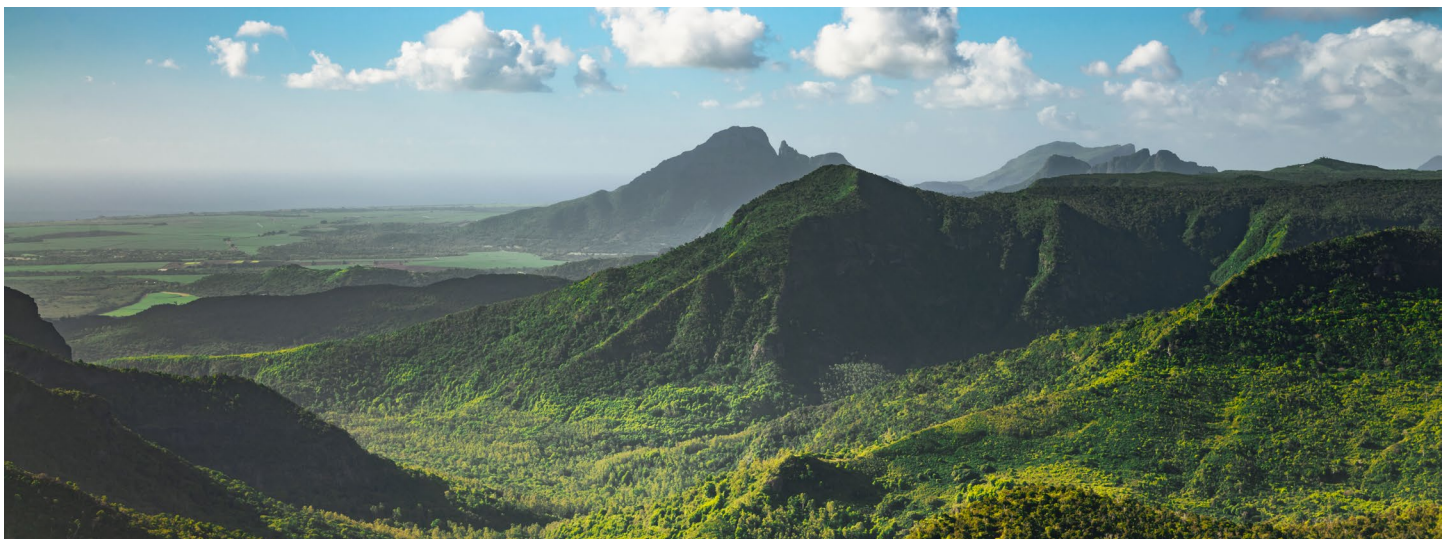


Like many companies in the food sector, Nestle's operations risk supporting deforestation through increased demand for commodities such as cocoa or palm oil. Supply chains for these commodities are long and complex and this makes it difficult to ensure that they do not originate in deforested areas. Tracing their origins throughout the full supply chain can be very difficult and thus deforestation may be unwittingly supported.

Nestle has been one of the companies in the food sector at the forefront of tackling this issue. Aligning their actions with SDG 15, 'Life on Land', the company made a no deforestation commitment by 2010. Tackling deforestation is a long journey – from understanding where in the supply chain problems exist, to devising monitoring frameworks and finally excluding bad actors from supply chains. To do so effectively, Nestle employs a Satellite-backed monitoring tool, Starling. Starling allows the company to spot deforestation for palm oil, pulp and paper, and is particularly well-suited to spot

deforestation of smaller patches, which account for 57% of palm oil driven deforestation. In 2019, Nestle reviewed 388,047 Starling alerts for deforestation within 50 km of its mills. They then use these reports to identify offending suppliers. They apply a firm rule: when further investigation reveals offending behaviour by a supplier, they are banned within sixty days. Nestle has banned 14 suppliers since 2018 this way and also makes this public via a transparency dashboard on their website.

Now, ten years on from their deforestation commitment, the company is moving from a more passive approach (responding to deforestation), to a more active one by implementing a forest-positive policy. This involves actively seeking out suppliers that “are conserving and restoring forests while promoting sustainable livelihoods and respecting human rights”, according to the company. A first pilot period for this is under way in Aceh province in Indonesia.



CASE STUDY 3

Multi Bintang engaging with SDG 6 Clean Water & Sanitation



Multi Bintang is one of the largest beer producers in Indonesia, owned by HEINEKEN N.V. As part of the Brew A Better World strategy, working towards healthy watershed especially in water-stressed area is a core priority, where the brewer needs to look into internal efficiencies and promote external water security to support healthy watershed. Water stress is an important issue in many parts of the country and operating breweries in these conditions is an on-going challenge. Multi Bintang launched series of Water Stewardship Programmes since 2014, which aim to protect water resources and preserve them for future generations. These programmes focus on both internal and external efforts. Internally, operational water efficiency and efficient wastewater treatment, while externally source protection and water balancing at the respective sites watersheds are priority.

Multi Bintang quantifies its water usage targets in terms of clear quantified indicators which can be linked to SDG indicators. The company declared that it wants to reduce water usage in production to 2.35 hectolitres of water per hectolitre of beer brewed by 2022. As of June 2019, the level reached is 3.06 hectolitres of water per hectolitre of beer, and the company claims it is on track to reach the target. Moreover, it aims to be 100% water balanced

by 2023, which implies returning of 1.5 hectolitres to the environment for every hectolitre of water used for beverage production.

In terms of watershed action, Multi Bintang is involved in a range of projects. One involves the building of biopori holes, which are narrow, meter-deep pits dug into the soil and filled with vegetable scraps and compost material. By slowing rainwater runoff, they preserve water and prevent flooding. Other key projects include large scale reforestation and river restoration. Watershed protection requires collective action. In line with this, the brewer organised targeted stakeholder engagement in support of United Nations Industrial Development Organization (UNIDO), which led to the founding of two local watershed water alliances in Brantas and Cisadane. Multi Bintang's efforts in water resource protection earned it a special recognition at the Sustainable Business Awards by Global Initiatives in collaboration with PwC five times in a row. In 2021, the watershed health protection of the Brantas and Cisadane will be accelerated through a new multi-stakeholder partnership, the Indonesia Water Coalition. Members include local and international NGOs and six other multinational companies aiming to promote water security in Indonesia.



REFERENCES

- 1 [United Nations Global Compact \(2019\) The decade to deliver – a call to business action](#)
- 2 KPMG found only 40% of businesses surveyed in their 2017 Survey of Corporate Responsibility Reporting.
- 3 [PwC \(2019\) Creating a strategy for a better world](#)
- 4 SDG washing is a term equivalent to greenwashing. It describes a practice of corporate reporting where the company focuses on its intentions and its activities that align well with the SDG agenda but fails to integrate sustainability into its business practices.
- 5 [GRI and UN Global Compact \(2018\) Integrating the SDGs into corporate reporting: a practical guide.](#)
- 6 The environmental SDG goals are: SDG 6 Clean Water and Sanitation, SDG 7 Affordable and Clean Energy, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action and SDG 15 Life on Land.
- 7 [UNDESA \(2020\) The Sustainable Development Goals Report 2020](#)
- 8 For example, the 2017 UN Global Compact SDG report singled this problem out as a key issue. [UN Global Compact \(2017\) Progress report – Business solutions to sustainable development.](#)
- 9 A couple of early efforts in this direction exist. These are often very high-level assessments that focus on establishing whether certain goals can feasibly be met or should be adjusted. An example is a report from the Overseas Development Institute that focuses on changing the agenda. [ODI \(2015\) Projecting progress- Reaching the SDGs by 2030.](#) Others, such as a quantitative modelling exercise from DNV GL, also fall short – they only cover the SDGs at goal level and focus on progress at the region level. [DNV GL \(2015\) Future of Spaceship Earth – Will the sustainable development goals be reached?](#)
- 10 Of course, these measures may be compromised if businesses are prone to report intentions that are not followed through. CDP could consider their historical data to see how intentions translated into action in the past to understand how feasible or useful this would be.
- 11 Research that has explicitly focused on this tends to focus on how the environment underpins or enables other goals. For an overview see: [Scharlemann et al \(2020\) Towards understanding interactions between Sustainable Development Goals: the role of environment–human linkages.](#)
- 12 Based on the following sources: <https://www.nestle.com/csv/raw-materials/palm-oil/palm-oil-transparency-dashboard>, <https://www.starling-verification.com>, <https://www.nestle.com/stories/deforestation-learning-forest-footprint-pilot-palm-oil-supply-chain>, <https://www.nestle.co.uk/en-gb/stories/starling-nestle-deforestation-monitoring-system>, <https://www.nestle.com/csv/raw-materials/palm-oil/palm-oil-transparency-dashboard>, <https://www.nestle.com/csv/raw-materials/palm-oil>



For more information please contact:

CDP Policy Engagement

Pietro Bertazzi,

Director,
Policy Engagement and External Affairs
pietro.bertazzi@cdp.net

Helen Finlay,

Senior Global Policy Manager, Forests
helen.finlay@cdp.net

CDP Worldwide

Level 4
60 Great Tower Street
London EC3R 5AZ
Tel: +44 (0) 20 3818 3900
www.cdp.net

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