SDG STOCKTAKE
THROUGH THE EYES OF THE PRIVATE SECTOR
Unless we act now, the 2030 Agenda will become an epitaph for a world that might have been.”

António Guterres
United Nations
Secretary-General
An appraisal of private sector contributions to the Sustainable Development Goals (SDGs) in the first half (2015-2022), and a clear path forward for the second half (2023-2030).

In partnership with the International Organization of Employers, International Chamber of Commerce, and World Business Council for Sustainable Development.

**CONTENTS**

- Overview 13
- Individual Analysis of all 17 SDGs 29

**Charting the Path to 2030: Blueprint for Private Sector Action on the SDGs (2023-2030)**
- Overview 99
- Pathways for Change 101
- Policymaker Asks 143

**Appendix**
- 147

**References**
- 172

**Acknowledgments**
- 184
At the halfway point to 2030, the world is not on track to achieve the Sustainable Development Goals (SDGs) agreed in 2015. We are at a critical moment, and the world must change course to put sustainable development back on track.

The United Nations Global Compact-Accenture Global Private Sector Stocktake report finds that while the private sector remains confident in the SDGs as a vision for the future, it is losing confidence in our ability to achieve the SDGs in the remaining time.

Despite strong, positive contributions to economic growth and job creation by the private sector, these impacts are countered by powerful detriments to climate, nature, water and waste - exacerbating net negative impacts on global health, poverty and hunger. Rescuing and accelerating progress on the SDGs will require us to simultaneously expand the benefits of capitalism to more people, transform its basis to be more sustainable and scale up new incentive systems that shift our focus to the long-term balancing of risk, return and SDG impact.

The UN Secretary-General has made a strong call for accelerated, accountable and credible business action in line with the SDGs. In this report, we propose 10 pathways for businesses to take action on the 17 SDGs, recognizing the importance of the private sector focusing its actions where it can have an outsized impact.

This shift for our future is only possible if all stakeholders from the private, public and non-profit sectors work together more closely with a clear plan in mind. Business leaders are calling on stakeholders from the public sector and throughout supply chains to step up ambition and enable change through policy and partnerships.

In compiling this report, we are grateful to many colleagues at the UN Global Compact, especially Sue Allchurch, Sean Druse and Bo Yang. We also recognize the leadership of our Accenture collaborators, in particular Michael Hughes, Emilia Hull, Evin Hipple, Noah Spector and Daniel Shropshall, for their insights and contributions. Furthermore, this report is a testament to our partnership with the International Organization of Employers, International Chamber of Commerce, World Business Council for Sustainable Development and UN Department of Economic and Social Affairs. The strength of our global partnership will be a critical determinant of future success.

Finally, on behalf of the UN Global Compact, we would like to express our profound gratitude to the business leaders and other stakeholders who participated in forming the findings of this report.

We are moving ever closer to 2030, and the stakes are high. It is time for the private sector to take bold, ambitious actions to move us forward faster.
FOREWORD: ACCENTURE

The private sector is a critical stakeholder in achieving the SDGs – and, at the half-way point to delivering them, business leaders want to rise to the occasion.

Businesses contribute to all 17 SDGs and their actions will be key to meeting – or missing - the goals by 2030. However, most private sector contributions today are not properly measured, and as result the business community struggles to understand, report, and manage their impact on the SDGs.

But this is changing. Just five years ago, using multiple large data sets to answer the key question of the private sector’s impact on the SDGs would have been impossible. Today, with advances in technology and data analytics, we are able to explore new ways of measuring the SDG impact of thousands of individual companies in consistent ways, and explore this relationship with ESG reporting.

This unlocks exciting possibilities. This report is a good example of what can be achieved, on how these new tools can be used to get a better understanding about the strongest contributions and also negative impacts companies are driving. It is also a tool to articulate plans like the 10 key pathways developed in the report to accelerate the ambitious action needed of the private sector.

We would like to thank the three data providers ESG Book, Impaakt, and Util for their efforts in pioneering impact measurement, providing access to their data, and supporting our analysis. We’re thrilled to have continued our long-standing partnership with the UN Global Compact, and thank their teams for collaborating so well. In a world where partnerships are key to creating outsized impact, we are excited to continue to be able to work closely with the UN Global Compact to help accelerate change in the private sector.

This analysis is a taste of what digital innovation is now making possible – the integration of risk, return, and SDG impact. At Accenture, our purpose is to deliver on the promise of technology and human ingenuity. If the world can realize this promise, it is possible to attain the sustainable future the SDGs represent.
Based on a combination of innovative data sources, this report measures the global private sector's impact on the SDGs for the first time. Strong positive contributions to economic growth and job creation are countered by powerful detriments to climate, nature, water, and waste—exacerbating net negative impacts on global health, poverty, and hunger.

At the midpoint between 2015 and 2030, 85% of all SDG indicators are off track and none of the SDGs are on track for achievement by 2030, according to the 2023 Sustainable Development Report.

The United Nations Global Compact-Accenture Private Sector SDG Stocktake report examines the impact of the private sector on the SDGs thus far, and how they can accelerate action moving forward. The first part of the report provides a detailed look into the private sector’s contribution across all 17 SDGs. By combining new measures of SDG impact analysis with ESG reporting, earnings call transcript analysis, economic impact assessments, and a survey of over 2,800 business leaders, this report produces a comprehensive look into how the private sector has contributed to the SDGs so far.

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The second half of the report outlines a blueprint for action looking ahead to 2030. Building on the United Nations Global Compact Forward Faster priorities, the report presents a practical framework for business leaders to create an outsized impact. The report concludes by exploring business attitudes to a collection of important public policy interventions that could accelerate SDG action.

Analyzing SDG impact data uncovers that the private sector’s greatest contribution to the SDGs has been through creating employment opportunities and advancing economic growth. However, this growth has come at a cost, namely to the environment. Negative environmental factors are also further driving social disruption in poverty, hunger, health care, and global peace.

This report finds that business leaders’ attention on the SDGs has fallen in recent years. Furthermore, confidence in the viability of achieving the SDGs is waning. While nearly all (94%) business leaders believe in the vision of the SDGs, only half (49%) of them believe that the world will achieve the SDGs by 2030.

The private sector needs to step up. While the majority (81%) of business leaders believe their businesses are doing enough to contribute to the SDGs, fewer (62%) feel that their industry is doing enough, and only half (48%) state that the private sector is doing enough. Furthermore, almost half (44%) of business leaders look to governments as the key stakeholder they would like to engage more when it comes to SDG action.

Accelerating progress on the SDGs will require the private sector to simultaneously expand the benefits of markets to more people, transform economies to be more sustainable and scale up new incentive models that shift our focus to the long-term balancing of risk, return and SDG impact.

To chart the path to 2030, we recommend 10 key pathways forward:

1. Recommit to the basics
2. Provide a living wage
3. Promote gender equality
4. Innovate responsibly
5. Accelerate climate action
6. Improve water resilience
7. Protect and restore nature
8. Invest in circularity
9. Commit to sustainable corporate finance
10. Strengthen sustainability leadership

Disclaimers: (1) we recognize many actions can be taken to advance the SDGs. We focus on cross-industry actions only. (2) this report is biased towards businesses based in the Global North based on survey respondents and data availability. Our analysis is intended to be relevant to businesses of all sizes across all countries, and we recognize that the Global South is especially vital to achieving the SDGs.
SDG BUSINESS REPORT:
OVERVIEW OF THE PRIVATE SECTOR’S CONTRIBUTIONS TO THE SDGS (2015-2022)
At the current rate of change, 85% of SDG targets are off track and none of the SDGs are on track to achieve by 2030, according to the 2023 Sustainable Development Report. Global shocks such as the COVID-19 pandemic, the war in Ukraine, high levels of inflation, and extreme weather events have dramatically slowed or reversed progress on the SDGs. Millions of people have been pushed into extreme poverty and hunger, experienced disruptions to education and lost access to routine health services.

Assessing the private sector’s contribution to achieving the SDGs since 2015 requires a comprehensive research approach. First, it is important to define the role that the private sector plays in achieving the SDGs to understand how businesses contribute to the SDGs. Second, and once roles are defined, it is critical to identify the areas where businesses have focused and the barriers that they face in creating a positive impact on individual SDGs.

The private sector is a critical contributor to SDG progress. This report is dedicated to assessing the private sector’s contributions thus far, and how action can be accelerated moving forward. Businesses also recognize their role and responsibility when it comes to the SDGs. When determining how they can best contribute positively in the remaining time, they look to double down on their key strengths.

KEY ROLES BUSINESS PLAY IN CONTRIBUTING TO THE SDGS

<table>
<thead>
<tr>
<th>ROLE</th>
<th>ILLUSTRATIVE STATISTICS</th>
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<tbody>
<tr>
<td>Innovator</td>
<td>$16 trillion will be added to global GDP by 2030 due to artificial intelligence (AI) adoption3</td>
</tr>
<tr>
<td>Employer</td>
<td>90%+ of all jobs in LMICs are created in the private sector4</td>
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<tr>
<td>Engine of Growth</td>
<td>Over 60% of $106 trillion global GDP is driven by private sector activity4</td>
</tr>
<tr>
<td>Environmental Steward</td>
<td>40% of GHG emissions6 come from listed companies and 70% of water7 is used by farms</td>
</tr>
<tr>
<td>Investor</td>
<td>Under 1% of liquid assets are in sustainable investments: we need a 50X increase by 20304</td>
</tr>
<tr>
<td>Producer of Goods &amp; Services</td>
<td>Over 80% of production in LMICs is private sector driven9</td>
</tr>
<tr>
<td>Policy Influencer</td>
<td>$4 billion is spent on lobbying annually in USA alone; up from $3.2 billion in 201510</td>
</tr>
<tr>
<td>Skill-Builder</td>
<td>70%+ of businesses globally started spending more on skilling since the pandemic11</td>
</tr>
<tr>
<td>Supply Chain Influencer</td>
<td>80-90%+ of environmental impacts are not in direct operations but in supply chains12</td>
</tr>
<tr>
<td>Tax-Payer</td>
<td>$10 trillion is paid every year in payroll-, value added-, property- and corporate taxes13</td>
</tr>
</tbody>
</table>

*Survey Question: Between now and 2030, how can your company make its greatest contribution to the SDGs? Rank 1-3. Percentages reflect the number of responses that selected each as #1.
Despite high confidence in their own contributions to the SDGs, business leaders are less confident in their peers’ contributions. This could potentially showcase a ‘shift the blame’ mentality. Furthermore, optimism in actions sharply contrast with reality, where 85% of the 169 SDG targets are off track. Leaders could therefore be showing an optimism bias.

Overall, while individual actions are needed to achieve the SDGs, there needs to be greater collaboration and engagement across the ecosystem.

**THE PRIVATE SECTOR BELIEVES IN THE VISION OF THE SDGs, BUT CONFIDENCE IN ACHIEVING THEM IS WANING**

Business leaders believe in the world view imagined by the SDGs. Yet despite growing focus and incremental progress, business leaders are not confident in the global population’s ability to follow through and achieve the SDGs by 2030.

**BUSINESS BELIEVES IN THE VISION OF THE SDGs**

- 94% of business leaders believe that the SDGs represent a unifying global vision
- 96% of business leaders believe that the private sector plays a crucial role in achieving the SDGs

**BUT CONFIDENCE IS LOW**

- 49% of business leaders believe the world will achieve the SDGs by 2030

**BUSINESS LEADERS LOOK TO PEERS TO STEP UP**

Despite high confidence in their own contributions to the SDGs, business leaders are less confident in their peers’ contributions. This could potentially showcase a ‘shift the blame’ mentality.

Furthermore, optimism in actions sharply contrast with reality, where 85% of the 169 SDG targets are off track. Leaders could therefore be showing an optimism bias.

Overall, while individual actions are needed to achieve the SDGs, there needs to be greater collaboration and engagement across the ecosystem.

**BUSINESS LEADERS’ CONFIDENCE IN POSITIVE CONTRIBUTION ACROSS THE PRIVATE SECTOR**

<table>
<thead>
<tr>
<th></th>
<th>The Private Sector</th>
<th>My Industry</th>
<th>My Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence (%)</td>
<td>48%</td>
<td>62%</td>
<td>81%</td>
</tr>
</tbody>
</table>

*Survey Question: How much do you agree or disagree with the following statements on the SDGs?

*Survey Question: How much do you agree or disagree with the following statements on the SDGs? (___ is doing enough to contribute to the SDGs)
However, there are underlying structural problems that are preventing companies from prioritizing the SDGs. Namely, a lack of (1) incentives, as payback periods are long and supportive policies are insufficient, and (2) ability to use data to drive key decisions and influence supply chains into taking action.

**Investor Attention on the SDGs Rose Between 2015 and 2021, But Has Since Shifted Due to COVID-19 and the War in Ukraine**

Increasing focus on the SDGs in business leaders' discussions with investors is reflected in earnings call transcripts. Between 2015 and 2021, the number of mentions of the SDGs increased sevenfold. Yet focus has fallen by more than one third, as a combination of global challenges including the pandemic, the war in Ukraine and rising inflation have distracted business leaders' scarce attention from the SDGs at precisely the time when greater focus is urgently needed.

**Prioritization of the SDGs Is Not on Par with Emerging Technologies**

Despite growing focus on the SDGs, they are still not a priority for many business leaders. When compared to the latest slate of emerging technologies, the SDGs register significantly less interest in earnings calls. More specifically, digital transformation has received almost 18 times more attention and blockchain has received nearly four times more attention than the SDGs in investor conversations. If the private sector is to make any contribution to the SDGs, business leaders must meaningfully prioritize the SDGs in strategic conversations.

**Mentions of ‘SDG’ on Earnings Calls, 2015-2022**

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</tr>
</thead>
<tbody>
<tr>
<td>Mentions</td>
<td>34</td>
<td>32</td>
<td>56</td>
<td>44</td>
<td>155</td>
<td>189</td>
<td>277</td>
<td>175</td>
</tr>
</tbody>
</table>

**Mentions of Technologies & SDGs During Earnings Calls, 2015-2022**

- **Digital Transformation**: 5000 mentions in 2022, 3000 in 2020, and 1000 in 2018.
- **Artificial Intelligence**: 4000 mentions in 2022, 3500 in 2020, and 2500 in 2018.
- **Blockchain**: 2500 mentions in 2022, 2000 in 2020, and 1500 in 2018.
- **Metaverse**: 1500 mentions in 2022, 1000 in 2020, and 500 in 2018.
- **SDG**: 500 mentions in 2022, 400 in 2020, and 300 in 2018.

**Inflation**: The rise of concurrent crises is affecting the economy worldwide. As inflation and interest rates rise, leaders face competing priorities that are drawing attention away from the SDGs.

**Competition Priorities**: Geopolitical Instabilities

**Geopolitical Instabilities**: 71%

**Inability to influence supply chain**: 87%

**Long payback periods**: 85%

**Lack of SDG impact measurement & data**: 82%

**Lack of policy incentives**: 80%

*Source: UNGC Private Sector Stocktake Survey (n = 2,859)
BUSINESSES STRUGGLE WITH THE SDGs

Despite the rise of sustainability, business leaders have struggled to measure and understand their businesses’ impact on the SDGs. Private sector focus on sustainable development is predominantly centered on ESG regulation. This is reflected in earnings calls, during which the term ‘ESG’ is mentioned 46 times more than ‘SDG.’ Business leaders need the tools and education to understand how their businesses impact the SDGs.

THE RISE OF ‘SDG-WASHING’

With no clear business metrics tied to the SDGs or standardized reporting on SDG impact, there has been a rise in ‘SDG washing’.

Misallocation of impact could be due to a deeper misunderstanding on the part of the business community of how actions relate to the SDGs, as well as the inability to properly track and measure impact data.

However, it could also be the product of the current system. Incentives in the private sector are often oriented on short-term profitability and do not encourage long-term impact. The tendency to over-value short-term profits over long-term impact is a structural and psychological barrier to meaningful contributions to the SDGs. This can lead to businesses over-stating the importance of relatively small positive impacts, while ignoring their lack of measurement and significant investment to tackle larger negative impacts.

WIDER UNDERSTANDING AND MEASUREMENT OF SDG IMPACT WILL UNLOCK FUTURE PROGRESS

To ensure clear measurement and reporting, it is imperative that leaders begin to complement ESG metrics, which focus on reducing sustainability risks to business, with SDG impact metrics, focused on optimizing positive contributions.

Bridging the gap between ESG and SDG will enable for rapid adoption and better impact measurement and reporting. Leveraging the progress in ESG metrics will allow for more accurate estimation of SDG progress and provide businesses with clear, measurable goals which can ultimately be integrated into accounting and taxation systems.

Many organizations are now working on not only ESG measurement, but also the tie-in to the SDGs. This has lead to a rise of a new industry around sustainability measurement, with multiple innovative new players. This report is just a preview of what is becoming possible, transitioning to a ‘risk, return and SDG impact’ mindset across the global private sector.
NEW APPROACHES TO SDG IMPACT MEASUREMENT ARE EMERGING, ENABLING DATA-DRIVEN INSIGHTS ON PRIVATE SECTOR SDG CONTRIBUTIONS

In this report, we combine three data sources to derive insights and form a composite picture of SDG impacts, recent trends and how this links to ESG metrics.

Provider

<table>
<thead>
<tr>
<th>Description</th>
<th>Approach</th>
<th>Example</th>
<th>Key Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>impaakt</td>
<td>Crowdsourced ratings of SDG impact based on sustainability and business themes.</td>
<td>What is the balance of positive and negative impact?</td>
<td>Based on human experts scoring themes, which consider impacts of employment, products, processes, philanthropy and tax on SDG 1, the net impact of the private sector is ‘very positive’.</td>
</tr>
<tr>
<td>Util</td>
<td>AI-powered scan of peer-reviewed journals to quantify the impact of revenue on the SDGs.</td>
<td>What is the balance of positive and negative revenue?</td>
<td>Based on algorithms scoring product impacts and weighting this by where revenue is generated and where SDG 1 needs are greatest, net revenue alignment is ‘somewhat negative’.</td>
</tr>
<tr>
<td>esgbook</td>
<td>Mapping of ESG metrics to the SDGs to uncover how well ESG reporting covers SDG impact.</td>
<td>How many relevant items are reflected in ESG metrics?</td>
<td>Based on Accenture analysis to map a standard set of 200+ ESG metrics to the 17 SDGs, only six relate to SDG 1 (i.e. it gets little focus relative to other SDGs).</td>
</tr>
</tbody>
</table>

**Example**

1. What is the balance of positive and negative impact?
   - **Impaakt**
   - **Util**
   - **esgbook**

2. What is the balance of positive and negative revenue?
   - **Impaakt**
   - **Util**
   - **esgbook**

3. How many relevant items are reflected in ESG metrics?
   - **Impaakt**
   - **Util**
   - **esgbook**

**Key Insights**

- **Impaakt**
  - Investments in upskilling employees are driving a positive impact in education.
  - Education impacts are mostly driven by ICT (EdTech) & Financials (student loans).
  - Four key sectors – Extractives, Infrastructure, Manufacturing, and Transport – are driving positive impacts on infrastructure and clean energy, yet air pollution is negatively affecting cities.

- **Util**
  - All sectors contribute to work and growth.
  - Progress on wages, employee safety and human rights are significant focus areas in ESG reporting (with 51 metrics).
  - There is limited focus on education and skilling (with only 8 metrics), despite the criticality of these topics to long term business sustainability.

**Exhibit**

A table summarizing the balance of positive and negative impact and revenue, and the number of relevant items in ESG metrics, with insights from the three providers.
**GROWTH HAS BEEN ACHIEVED AT UNSUSTAINABLE COSTS – THE PRIVATE SECTOR’S MOST NEGATIVE IMPACTS ARE EVIDENT ACROSS CLIMATE, WASTE, WATER AND NATURE**

<table>
<thead>
<tr>
<th>WHAT IS THE BALANCE OF POSITIVE AND NEGATIVE IMPACT?</th>
<th>WHAT IS THE BALANCE OF POSITIVE AND NEGATIVE REVENUE?</th>
<th>HOW MANY RELEVANT ITEMS ARE REFLECTED IN ESG METRICS?</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 - Sustainable Water and Waste Management</td>
<td>↓</td>
<td>22</td>
</tr>
<tr>
<td>12 - Responsible Consumption and Production</td>
<td>↓</td>
<td>74</td>
</tr>
<tr>
<td>13 - Reduced Inequalities</td>
<td>↓</td>
<td>37</td>
</tr>
<tr>
<td>14 - Climate Action</td>
<td>↓</td>
<td>28</td>
</tr>
<tr>
<td>15 - Affordable Housing</td>
<td>↓</td>
<td>35</td>
</tr>
</tbody>
</table>

**Key Insights**

- For all five SDGs – many positive impacts (e.g. products that cut water use or GHG emission reductions) are being offset by the scale of damage being caused.
- Almost all revenue, which represents products and services, is negatively aligned due to the lack of pricing of externalities, leading to negative SDG impacts.
- All these SDGs are fairly well represented in ESG measurement, showcasing the progress in environmental sustainability reporting.
- Responsible consumption and production in particular stand out as a key SDG for the private sector.

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**ENVIRONMENTAL DAMAGE IS DERAILING PROGRESS ON SOCIAL GOALS AND THE PRIVATE SECTOR’S IMPACTS ON POVERTY, HUNGER, HEALTH CARE AND PEACE ARE MIXED**

<table>
<thead>
<tr>
<th>WHAT IS THE BALANCE OF POSITIVE AND NEGATIVE IMPACT?</th>
<th>WHAT IS THE BALANCE OF POSITIVE AND NEGATIVE REVENUE?</th>
<th>HOW MANY RELEVANT ITEMS ARE REFLECTED IN ESG METRICS?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - No Poverty</td>
<td>↑</td>
<td>6</td>
</tr>
<tr>
<td>2 - Zero Hunger</td>
<td>↑</td>
<td>4</td>
</tr>
<tr>
<td>3 - Good Health</td>
<td>→</td>
<td>36</td>
</tr>
<tr>
<td>16 - Climate Action</td>
<td>↓</td>
<td>69</td>
</tr>
</tbody>
</table>

**Key Insights**

- Very positive impacts on poverty via job creation in low- and middle-income countries.
- Positive impacts on hunger due to agriculture.
- Mixed impacts on health between vaccines and R&D, and heat stress and air pollution.
- Somewhat negative impacts on peace and justice from lobbying, corruption, and bribery.
- Negative impacts on poverty, hunger and health are driven by climate change and effects such as air pollution and crop failures.
- Poverty gets relatively little focus as private sector action is limited.
- Peace and justice gets a very high focus, as this goal covers key governance topics including tax, bribery, corruption and human rights.

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**KEY**

- Very Positive
- Somewhat Positive
- Mixed
- Somewhat Negative
- Very Negative

Note: see Appendix for details on methodology and scoring thresholds.
THE BENEFITS OF GROWTH HAVE NOT BEEN SHARED EQUALLY – PRIVATE SECTOR IMPACT ON GENDER EQUALITY AND INEQUALITY HAS BEEN MIXED

What is the balance of positive and negative impact?

What is the balance of positive and negative revenue?

How many relevant items are reflected in ESG metrics?

13

36

Key Insights

Despite progress in gender, overall impact remains negative due to few women in management, limited access to flexible and remote work, and large and persistent gender pay gaps. Mixed impacts on inequality are due to persistent bias and harassment in work. Products are being designed more inclusively and with better accessibility standards. Health and Consumer Goods drive positive impacts on Gender by producing female hygiene and reproductive health products. ICT and Financial Services drive positive impacts on Gender and Inequality due to remote work, e-commerce, financial inclusion, microfinance, micro-insurance. Gender and Inequality gets moderate focus in ESG reporting with 13 and 36 metrics respectively. This is helping to improve the monitoring of critical challenges such as gender pay gaps, the portion of staff on minimum wages, the portion of female staff and portion of women in management etc. across the private sector.

PARTNERSHIPS ARE A BRIGHT SPOT – THE POSITIVE IMPACTS ACHIEVED IN THE FIRST HALF CAN BE BUILT UPON AND ACCELERATE PROGRESS IN THE SECOND

What is the balance of positive and negative impact?

What is the balance of positive and negative revenue?

How many relevant items are reflected in ESG metrics?

31

Key Insights

Partnerships are driving positive impacts overall, stemming from increasing cross-industry collaboration as well as multi-stakeholder coalitions. Corporate Social Responsibility (CSR) spending also drives positive impact. Financial sector drives positive impact via foreign direct investment, remittances, sustainability finance and responsible investing movements. ICT and Infrastructure sectors drive positive impacts due to expanding mobile network and internet coverage. Consumer Goods drives positive impact with supply chain and labeling initiatives. Partnerships are relatively well represented within ESG reporting – encouraging the private sector to improve their sustainability engagement with local communities, governments and suppliers (e.g. on climate and diversity targets).

82% agreed that their industry is collaborating for positive progress on the SDGs

80% said that their company is actively involved in cross-sector partnerships for positive progress on the SDGs

79% stated that their company is actively involved in multi-sectoral partnerships for positive progress on the SDGs

KEY

- Very Positive
- Somewhat Positive
- Mixed
- Somewhat Negative
- Very Negative
THE PRIVATE SECTOR HAS POWERED ECONOMIC GROWTH AND JOB CREATION AT THE EXPENSE OF ENVIRONMENTAL AND SOCIAL PROTECTION

INDIVIDUAL SDG ANALYSIS

We will deep dive into each individual SDG to better understand the private sector’s impact. Each analysis will include:
• The global outlook of the SDG
• The private sector’s key contributions
• A deeper analysis of the impact and revenue alignment

<table>
<thead>
<tr>
<th>SDG</th>
<th>IMPACT</th>
<th>REVENUE</th>
<th>ESG METRICS</th>
</tr>
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<tbody>
<tr>
<td><strong>ECONOMIC GROWTH</strong></td>
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<tr>
<td>04: Quality Education</td>
<td>↑</td>
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<td>8</td>
</tr>
<tr>
<td>07: Affordable and Clean Energy</td>
<td>↑</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>08: Decent Work and Economic Growth</td>
<td>↑</td>
<td></td>
<td>51</td>
</tr>
<tr>
<td>09: Industry, Innovation and Infrastructure</td>
<td>↑</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>11: Sustainable Cities and Communities</td>
<td>↑</td>
<td></td>
<td>38</td>
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<tr>
<td><strong>ENVIRONMENTAL STEWARDSHIP</strong></td>
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<tr>
<td>06: Clean Water and Sanitation</td>
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<td>22</td>
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<td>12: Responsible Consumption and Production</td>
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<td>14: Life Below Water</td>
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<td>28</td>
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<td>15: Life on Land</td>
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<td>35</td>
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<tr>
<td><strong>HUMAN WELLBEING</strong></td>
<td></td>
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<tr>
<td>01: No Poverty</td>
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<tr>
<td>02: Zero Hunger</td>
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<td>4</td>
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<tr>
<td>03: Good Health and Well-Being</td>
<td>↑</td>
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<td>36</td>
</tr>
<tr>
<td>16: Peace, Justice and Strong Institutions</td>
<td>↓</td>
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<td>69</td>
</tr>
<tr>
<td><strong>INEQUALITY</strong></td>
<td></td>
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<tr>
<td>05: Gender Equality</td>
<td>↓</td>
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<td>13</td>
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<tr>
<td>10: Reduced Inequalities</td>
<td>↓</td>
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<tr>
<td><strong>PARTNERSHIPS</strong></td>
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<tr>
<td>17: Partnership for the Goals</td>
<td>↑</td>
<td></td>
<td>31</td>
</tr>
</tbody>
</table>

**KEY**
- Very Positive
- Somewhat Positive
- Mixed
- Somewhat Negative
- Very Negative

Note: see Appendix for details on methodology and scoring thresholds
**ESSENTIAL PRODUCTS**

Globally, 7 billion people live on less than $30/day,\textsuperscript{23} including 5 billion people living on less than $10/day.\textsuperscript{24} These populations need greater access to basic products and services, including affordable food, electricity, education, connectivity and financial services. The private sector performs a critical role in serving these diverse needs, and in doing so has helped to lift hundreds of millions out of poverty since 2015. While great progress has been made, there is an urgent need to replicate successful business models and public-private partnerships to ensure no-one is left behind.

**LIVING WAGES**

The private sector creates 90% of jobs in developing countries,\textsuperscript{25} but businesses must go further to ensure workers and their families have a decent standard of living. Over one billion working people worldwide, representing 1/3 of all workers, earn less than they need to afford a decent standard of living.\textsuperscript{26} As the largest source of employment, the private sector plays an important role in improving working conditions for workers globally. Ensuring that all workers are paid a living wage that enables them to meet their basic needs is fundamental to ensuring a people-centered sustainability approach that leaves no one behind.

**GLOBAL OUTLOOK**

575 million people will still be living in extreme poverty if current trends continue. 97 million people were pushed into extreme poverty in 2020 by the pandemic.\textsuperscript{27} 2 of 3 countries will miss the critical goal of halving their national poverty levels by 2030 if current trends continue.\textsuperscript{30} 1 in 6 children are growing up in extreme poverty globally, greatly stunting their health, learning, social and economic opportunities.\textsuperscript{21} 350 new social protection measures across 105 countries were announced in 2022 alone. However, over 4 billion people worldwide still have no social protection.\textsuperscript{22}

**ACHIEVEMENTS & SHORTFALLS**

- In 2011, only 42% of people in developing countries had a bank account. By 2021, 71% did.\textsuperscript{27}
- While access to financial services has grown rapidly, indicators of financial product usage and financial resilience or health still lag notably.
- 40% of the world’s population remains offline because they can’t afford handsets, data chargers or face other barriers such as digital illiteracy.\textsuperscript{28}
- In remote rural areas and urban slums, vast populations are being left behind and specific solutions are often needed. One billion people live in slums\textsuperscript{29} and another billion live more than two kilometers away from all-weather roads.\textsuperscript{30}
- 1 in 3 people still cannot afford a healthy food intake.\textsuperscript{31}
- Food price volatility has had devastating impacts on the hundreds of millions living in extreme poverty.

**WHAT’S THE PRIVATE SECTOR MEASURING?**

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

| 6 Total standard ESG metrics that link to SDG 1 |
| 3 of 6 Average number of SDG 1 ESG metrics reported by companies in the ESG Book sample |

**SAMPLE ESG METRICS**

1. Employees earning minimum wage
2. Programs or initiatives to facilitate access to housing
3. Programs or initiatives to facilitate financial inclusion
PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on alleviating poverty is very positive, reflecting the private sector’s power of job creation, especially along supply chains.

Raising incomes by making products more widely accessible

From bicycles and electricity to loans and cell phones, a vast range of products and services has been made more accessible to people with low incomes to lift hundreds of millions out of poverty since 2015.

For example, the creation of drought resistant seeds, low-cost fertilizer, and affordable farm machinery has enabled smallholder farmers to raise their incomes. Smallholder farmers represent a large percentage of the global population living in extreme poverty.

The advent and growth of the internet has introduced another enabler for raising incomes globally. Since 2015, 300 million people per year were connected to the internet. Moreover, internet access in rural areas increased from 31% to 46% in the last three years alone, giving vast segments of the population access to new income opportunities.

Creating jobs and improving standards in supply chains

Businesses have made great progress in reducing working poverty since 2000, but more efforts are needed to completely eradicate it. It is estimated that one-third of all workers are estimated to earn less than they need to afford a decent standard of living. While job creation and income contribution is positive, there is still a need for collective action to address living wages, child labor and modern slavery along supply chains.

Reducing the costs of goods and services

Solar panel prices fell 82% over the past decade, making off-grid electricity affordable for hundreds of millions more customers globally. In 2015, smartphones cost between $300 and $500; today they cost less than $50 in some instances and some handsets sell for less than $15. Continuing long term falls in the cost of agricultural inputs, network data charges, international money transfer fees and many other products and services has made raising incomes for people with low incomes to lift hundreds of millions out of poverty since 2015.

Designing tailored products for lower-income populations

Billion of people worldwide still do not have enough access to a wide range of life changing products because of avoidable design choices and restrictive features or exclusionary of other. For example, without fixed pricing, alternative credit scoring, local language support or micro-retail distribution channels, many products such as loans or insurance cover remain out-of-reach for people on lower incomes.

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

In contrast to net positive impact, revenue alignment with poverty is somewhat negative and stagnating, reflecting the role of climate impacts on increasing poverty.

### SECTOR

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market Size</th>
<th>% Revenue Associated with (+) and (-) Impacts</th>
<th>Trend 2015-2023</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>5.6%</td>
<td>2.3%</td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>3.2%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>15.9%</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>0.9%</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>1.0%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
<td>0.1%</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>8.8%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$71 trillion</td>
<td>5.2%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
<td>7.3%</td>
<td>1.6%</td>
<td></td>
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<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>0.3%</td>
<td>2.2%</td>
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</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>11.8%</td>
<td>0.3%</td>
<td></td>
</tr>
</tbody>
</table>

### TREND 2015-2023

- **Net revenue is within +/- 20% since 2015 levels**: Reflecting the role of climate impacts on increasing poverty.
- **Net revenue has increased by >20% since 2015**: Reflecting the role of climate impacts on increasing poverty.
- **Net revenue has decreased by <20% since 2015**: Reflecting the role of climate impacts on increasing poverty.

**COMMENTARY**

- **Food & Beverage**: There are 688 million family farms worldwide, and 78% of the world’s extreme poor live in rural areas. The World Bank estimates that improving growth rates in agriculture is 200%-400% more effective in raising incomes for the extreme poor compared to equivalent gains in other sectors.
- **Financial Services**: 1.7 billion people still have no bank account, so despite several hundred million people gaining access to financial services since 2015, there remains a long way to go. Going beyond improving access to financial services to increasing ‘usage’ metrics for under-served populations is a vital contribution the private sector is making to poverty eradication.

**Extractives, Transport, Infrastructure, Manufacturing, Services and Consumer Goods**

The effects of climate change (e.g. rising temperatures and sea levels, more extreme droughts and floods), water stress and biodiversity loss driven mainly by these six sectors are negatively impacting on wealth and income levels for hundreds of millions of the most vulnerable people in the world – and indirectly pushing many back into extreme poverty.
The world is severely off track to achieve SDG 2 and progress is stagnating

The world is not on track to end hunger by 2030. Between 2015 and 2023, the number of people experiencing hunger has risen from 589 million to 783 million. COVID-19, climate change, and geopolitical conflict have only made the challenge more complex. Achieving 2030 goals will require transforming food systems and investing in sustainable agricultural practices.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

GLOBAL OUTLOOK

783 million people face global hunger.43
3 billion people cannot afford a healthy diet.44
1/3rd of food produced for human consumption is lost or wasted globally.45
8 in 10 low- and middle-income countries experienced 5%+ food price inflation in 2023, with many facing double-digit rises driving up hunger.46

KEY PRIVATE SECTOR CONTRIBUTIONS

NUTRIENT FORTIFICATION

Leading food companies have made progress to improve nutrition. Large food providers and producers are committing to provide essential micronutrients and fortified foods including wheat, flour, edible oil, and rice to consumers around the world.

ACHEEEMENTS & SHORTFALLS

↑ Mainstreaming of nutrient supplementation and fortification and wider distribution of nutrient-dense food via initiatives such as RUTF and Impact4Nutrition.48
↓ Greater targeting of fortified products is needed to tailor accessibility to local micronutrient deficiencies.
↓ Larger companies across sectors can do more to incentivize micro-retailers and distributors to act on Zero Hunger.49

HEALTHY FOOD CAMPAIGNS

The private sector plays a critical role in re-shaping consumer demand towards more sustainable and nutritious foods. By making investments in R&D, marketing and advertising campaigns, transparent food labeling, and last-mile distribution, companies worldwide are contributing positively to zero hunger.

ACHEEEMENTS & SHORTFALLS

↑ Increased global standardization on labeling for ingredients and nutrient content is re-shaping demand.
↑ The alternative proteins market is forecast to grow to $290 billion by 2035 - but such optimistic estimates will only be realized if large-scale R&D and marketing investments are made and prove successful.50
↓ Traceability and transparency of sourcing and last-mile distribution in food supply chains remains limited despite new technological possibilities.

FOOD WASTE REDUCTION

Up to 35% of food is wasted, which negatively impacts food availability and prices.47 Most loss is due to pests, harvesting and irrigation, but inefficiency also remains high in storage, transport and consumption.

ACHEEEMENTS & SHORTFALLS

↑ Innovations in drip irrigation, pest control, drought resistant seeds, storage, transport, and logistics including better packaging, cold chains and digitally enabled monitoring and optimization of inventories and routes have all reduced losses.51
↓ Farms with the highest losses during harvest and transport are also likely to be the least able to finance mechanization, irrigation and other efficiency drivers.

WHAT'S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

4 Total standard ESG metrics that link to SDG 2
2 of 4 Average number of SDG 2 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Community food support
2. Distribution of low-priced products and services
3. Microfinance lending
In contrast, revenue alignment with hunger is **mixed** and **stagnating**, reflecting on how a wide range of environmental harms are reducing crop yields and attributing to the rise of hunger.

### PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>REVENUE ALIGNMENT WITH SDG 2</th>
<th>TRENDS 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td><strong>Extractives</strong></td>
<td>$13.8 trillion</td>
<td>17.0%</td>
<td>0.5%</td>
<td><strong>Extractives, Infrastructure</strong></td>
</tr>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td>$5.7 trillion</td>
<td>3.4%</td>
<td>19.7%</td>
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<tr>
<td><strong>Financial Services</strong></td>
<td>$14.7 trillion</td>
<td>0.1%</td>
<td>5.9%</td>
<td></td>
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<td><strong>Health Care</strong></td>
<td>$5.6 trillion</td>
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</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>$6.8 trillion</td>
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<td>1.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>$7.1 trillion</td>
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<td>$4.7 trillion</td>
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<td></td>
</tr>
<tr>
<td><strong>ICT</strong></td>
<td>$10.7 trillion</td>
<td>&lt; 0.1%</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Transport</strong></td>
<td>$6.9 trillion</td>
<td>0.1%</td>
<td>3.5%</td>
<td></td>
</tr>
</tbody>
</table>

**KEY**

- Very Positive
- Somewhat Positive
- Mixed
- Somewhat Negative
- Very Negative

Data provided by Impaakt. For more information, please visit [www.impaakt.com](http://www.impaakt.com)

*Net revenue has increased by >20% since 2015*  
*Net revenue is within +/- 20% since 2015 levels*  
*Net revenue has decreased by >20% since 2015*

Data provided by Util. For more information, please visit [www.util.co](http://www.util.co)

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**PRIVATE SECTOR CONTRIBUTIONS: WHAT MATTERS MOST?**

The private sector’s impact on hunger is **somewhat positive**, reflecting the growth of food production and distribution, but the lack of stable prices during the COVID-19 pandemic and war in Ukraine have increased hunger.

**BUBBLE SIZE REFLECTS THE SCALE OF THE IMPACT**  
**AXIS PLACEMENT REFLECTS THE STRENGTH OF THE IMPACT**

- **Very Positive**
- **Somewhat Positive**
- **Neutral**
- **Somewhat Negative**
- **Very Negative**

Improving the productivity and sustainability of food systems

By optimizing production, reducing waste, and innovating in food processing and distribution, food producers, processors, and manufacturers contribute to meeting the ever-growing demand for food. Improving agricultural productivity and resilience to climate change in low- and middle-income countries is critical to feeding the population. Around 84% of all farms are under two hectares and they produce one-third of food globally. Low productivity and inefficient supply chains can cause high spoilage rates, reducing incomes for farmers and raising food prices.

**Making food more accessible**

The private sector plays an integral role in ensuring nutritious food is consistently accessible to everyone, including the world’s most vulnerable populations. Extensive supply chain networks, from food production to retail, create an essential contribution to sustaining population growth. Large and complex networks, involving private sector e-commerce platforms, payments systems and transport services now connect global corporates, formal small- and medium-sized enterprises, informal smallholder farmers, micro-distributors and retailers worldwide.

**Making food more affordable**

While improved productivity has contributed to long-term trends lowering many food prices, events such as the COVID-19 pandemic and the war in Ukraine have caused extreme price volatility globally. During such events, millions of people have been pushed into hunger and pressure to localize food supply chains has increased. The share of countries burdened by high food prices rose from 16% in 2019 to 47% in 2020. Increasing the resilience of low-income populations to price shocks is a critical area for corporates to partner with NGOs, multi-laterals and governments.

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**DATA PROVIDED BY IMPAAKT. FOR MORE INFORMATION, PLEASE VISIT [WWW.IMPAAKT.COM](http://WWW.IMPAAKT.COM)**

**DATA PROVIDED BY UTIL. FOR MORE INFORMATION, PLEASE VISIT [WWW.UTIL.CO](http://WWW.UTIL.CO)**

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**KEY**

- Very Positive
- Somewhat Positive
- Mixed
- Somewhat Negative
- Very Negative
GOOD HEALTH AND WELL-BEING

The world is severely off track to achieve SDG 3 by 2030. Childhood vaccination rates have seen the largest decline in three decades, and tuberculosis and malaria deaths have increased compared to pre-COVID-19 levels. In order to overcome setbacks from the global pandemic, the private sector must invest in health systems to support a resilient future.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org.

GLOBAL OUTLOOK

- 52% reduction in AIDS-related death between 2010 and 2021.\(^{56}\)
- 800 women died every day from pregnancy or childbirth in 2020, 70% of whom were in Sub-Saharan Africa.\(^{60}\)
- 381 million people were pushed further into extreme poverty in 2019 because of out-of-pocket health payments.\(^{41}\)
- 13.5 billion doses of COVID-19 vaccine doses administered globally as of August 2023. While 71% of the world’s population got at least one dose, inequalities between and within countries were stark and routine immunizations remain far off target.\(^{42}\)

UNIVERSAL HEALTHCARE

Half of the global population still lacks access to essential health services. By providing affordable health insurance, medicines and services, the private sector enables billions of people worldwide to access effective healthcare when they need it. Innovations in diagnosis testing, medical training, and delivering services through digital platforms are improving the quality and reach of healthcare services.

ACHIEVEMENTS & SHORTFALLS

- The Universal health coverage service coverage index increased from 45 in 2000 to 68 in 2019 with the fastest gains in the WHO African Region.\(^{55}\)
- The spread of health insurance and remote health is accelerating access to higher quality universal healthcare globally. Total health is forecast to grow at a phenomenal 20-30% CAGR globally between 2023 and 2030.\(^{61}\)
- As healthcare access becomes more linked to connectivity and digital literacy, the digital divide is deepening and billions are being left behind.

VACCINE DEVELOPMENT

During the COVID-19 pandemic, the private sector made high-profile contributions to R&D, manufacturing and distribution of critical vaccines at record speed and scale. The groundbreaking joint effort between companies, governments, and academia showcased the power of effective cross-sector collaboration. In the time since, additional breakthroughs have occurred in malaria and cancer vaccine research, offering new prospects for radically improving the life of hundreds of millions of people by 2030.

ACHIEVEMENTS & SHORTFALLS

- By enabling 13.5 billion doses of COVID vaccines to be delivered to 5.7 billion people globally in two years, the private sector played a critical role in changing the course of the pandemic and saved over 20 million lives.\(^{65}\)
- Malaria sickens 240 million and kills 600,000 a year – but the first 18 million doses of a new vaccine were recently allocated to 12 African countries for 2023-25.\(^{66}\)
- Cancer vaccines now in R&D may be available by 2030.
- Despite tiered pricing of vaccines, country GDP masks affordability for all citizens within countries and leads to unequal distribution.
- The pandemic resulted in 20.5 million children missing routine vaccines in 2022 – and many companies across sectors could benefit from promoting routine immunization to employees and their families.\(^{67}\)

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

| 36 | Total standard ESG metrics that link to SDG 3 |
| 19 of 36 | Average number of SDG 3 ESG metrics reported by companies in the ESG Book sample |

SAMPLE ESG METRICS

1. Employee safety training
2. Access to healthcare
3. Health and safety lawsuits
The private sector’s impact on health is mixed. While some consumer products have created harmful side-effects, investments in R&D, digital health and access to healthcare have improved outcomes.

Investing in R&D

The global pharmaceutical industry spends over $100 billion dollars on R&D annually. Lengthy, risky and expensive activities bring together life sciences companies, universities, non-profit and government actors in complex interactions for knowledge sharing, risk transfer and safety assurance. This ultimately leading to the discovery of effective new vaccines, diagnostics, drugs and other treatments.

Improving health outcomes

The private sector is contributing to treating and eradicating many diseases globally by manufacturing and distributing affordable diagnostics, treatments and vaccines. Since 2020, artificial intelligence has sped up clinical trials and enabled faster and more accurate diagnoses, while personalized medicine, cellular therapies and gene editing have offered new ways to prevent, detect and cure disease. Venture capital investment in digital health totaled $44.7 billion in the first half of 2021, which was almost double the investment in all of 2019.

Expanding access to healthcare

Since 2015, the private sector has made advances in telehealth, including remote diagnostic techniques and remote learning platforms for community health workers. These advances have helped millions of people access trained personnel, reduced travel distances, wait times, and costs, and led to an explosion in health data availability on many populations. On the negative side, risks and issues on data privacy, security, incentives and monetization are increasing as private companies expand their role in healthcare provision.

Addressing negative health impacts of products and services

Many products and services adversely impact public health. Notably, tobacco use is responsible for early death in up to half of users and is still used by a quarter of the global population. The recently developed opioid crisis has introduced innovation in pain management but addiction and non-medical use have created an epidemic. Worldwide, about 500,000 deaths are attributable to drug use and more than 70% of these deaths are related to opioids.

In addition, many products contribute to urban air pollution and heat stress. For example, current methods of food production may lead to up to 5 million excess deaths a year by 2050 from air pollution, water contamination, and antimicrobial resistance.

In contrast, revenue alignment with health is somewhat negative and stagnating, reflecting how severely the private sector’s activities contribute to air pollution and heat stress, damaging our health.

**PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT**

**PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT**
QUALITY EDUCATION

The world is off track to achieve SDG 4 and progress is stagnating

COVID-19 left a devastating impact on progress toward quality education for all. Without intervention, an estimated 84 million young people will continue to be out of school and 300 million students will lack basic numeracy and literacy skills by 2030. To deliver on SDG 4, improving educational infrastructure and digital learning capabilities is essential.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

DIGITAL EDUCATION

Rapid growth in smartphone adoption and internet access have enabled previously underserved populations to access the benefits of education technology innovation. Benefits include wider access to online learning resources, more accessible information, and AI-powered educational assessments.

SKILLING BEYOND SCHOOLS

Many businesses in the ICT sector and other industries facing skills gaps have begun to provide opportunities for self-directed skilling and offer work placements and apprenticeships. Leading large technology businesses have dropped formal degree requirements for new hires and skills-based hiring is becoming more popular. Scaling back formal job requirements can save costs for both employees and businesses, taking pressure off overloaded and underfunded public systems. Aspiring young entrepreneurs also now have access to a vast range of learning, resources and peer support online, much of it funded or provided by the private sector.

ACHIEVEMENTS & SHORTFALLS

Uptake of digital learning is rapidly expanding worldwide, with learning hours for technical skills and the number of online learners increasing in 2022.

7 out of 10 companies provide more opportunities for employees to build skills than before the COVID-19 pandemic. Many of the new trainings will help redeploy staff as automation and remote working trends accelerate.

The demand for skills is evolving faster than formal education programs can adapt. There is a gap for private sector players to integrate certificate programs for employees to signal knowledge of skills without receiving a formal education.

GLOBAL OUTLOOK

147 million children missed over half of in-person instruction in 2020-2022 due to the COVID-19 pandemic.

1 in 4 children do not yet participate in organized learning one year before the official primary entry age, with little improvement since 2015.

50% of primary schools still do not have access to computer facilities or disability adapted infrastructure.

14% of teachers were not qualified according to national norms in 2020, with little improvement since 2015.

KEY PRIVATE SECTOR CONTRIBUTIONS

ACHIEVEMENTS & SHORTFALLS

The education technology market was valued at $310 billion in 2021, and is forecast to grow rapidly at a CAGR of 16.5% between 2022 and 2030, when 90% of the world’s population are expected to be online.

Accessibility features in digital platforms and devices are enabling more inclusive learning and replacing traditional assistive tools, which are often lacking in resource-poor educational contexts.

50% of primary schools globally still do not have internet enabled computers or accessible facilities.

Localization of EdTech remains a challenge – from wider content translation to scaling up local startups.

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

8 Total standard ESG metrics that link to SDG 4

4 of 8 Average number of SDG 4 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Access to education
2. Training hours per employee
3. Performance or career development reviews

United Nations Global Compact | Private Sector SDG Stocktake
In agreement with net positive impact, revenue alignment with education is somewhat positive and increasing, reflecting the vital roles played by technology, finance, and infrastructure.

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>REVENUE ALIGNMENT WITH SDG 4</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>0.1%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
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<td>0.1%</td>
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</tr>
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</tr>
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</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>0.1%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Data provided by Impaakt. For more information, please visit www.impaakt.com

PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on education is very positive, reflecting the expansion of low-cost, self-directed, personalized digital learning, private education and financing for education.

- **Very Positive**: Engaging marginalized populations in education
- **Somewhat Positive**: From glasses to reading lights to books, bags, pens, uniforms, desks and other equipment, many products make direct or indirect contributions to education.
- **Neutral**: Financial services
- **Somewhat Negative**: The availability of educational loans to students and parents has made education accessible to many millions worldwide who could not otherwise afford it. Innovations such as social impact bonds open new possibilities for funding of educational outcomes.
- **Very Negative**: Improving access to education for all

**Key**
- Very Positive
- Somewhat Positive
- Neutral
- Somewhat Negative
- Very Negative

Data provided by Impaakt. For more information, please visit www.impaakt.com

Data provided by Util. For more information, please visit www.util.co

United Nations Global Compact | Private Sector SDG Stocktake 45
The world is moderately off track to achieve SDG 5 and progress is moderately increasing.

Women receive, on average, 10% less years of education compared to men (2021). The world is not on track to achieve gender equality by 2030. None of the targets have been achieved and only one is close to completion. The COVID-19 pandemic pushed out projections for gender parity by nearly a generation. While the gap persists in political and economic spheres, parity is closer in education and health outcomes. Reversing course will require a truly global effort.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org.

**WHAT’S THE PRIVATE SECTOR MEASURING?**

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

- **13** Total standard ESG metrics that link to SDG 5
- **7 of 13** Average number of SDG 5 ESG metrics reported by companies in the ESG Book sample

**SAMPLE ESG METRICS**

1. Gender pay gap
2. Females in management-level positions
3. Retention rate of employees taking parental leave

**GLOBAL OUTLOOK**

- **1 in 5** women were married before their 18th birthday in 2022. These women are less likely to stay in school or enter the workforce and more likely to suffer isolation, domestic violence and problems during pregnancy.
- **257** years to close the global gender gap.
- **50%** of total economic growth achieved in OECD countries over the past 50 years has been driven by improved women’s education (OECD).
- **26.5%** of seats in lower and single chambers of national parliaments are held by women as of 2023, up from 22.3% in 2019.

**SIGNIFICANT CHALLENGES**

1. Improving
2. Global Outlook

**KEY PRIVATE SECTOR CONTRIBUTIONS**

**GENDER PAY GAPS**

The private sector plays a pivotal role in advancing gender equality by ensuring pay parity. Historically, the private sector in aggregate has done a poor job of ensuring pay parity across genders. Women are over-represented in the informal economy where most jobs are lower pay and offer very few benefits. Past estimates have suggested that the loss of human capital due to a lack of gender pay parity is close to $160 trillion. According to the ILO, women earn on average 20% less than male counterparts globally.

**ACHIEVEMENTS & SHORTFALLS**

- **Between 2017 and 2022**, female board representation increased from 16% to 33% among the largest 100 companies tracked by the 50/50 Women on Boards campaign.
- **Women represent only 15% of all S&P 500 named executive officers in 2021.**
- **In 2021, women held 28.2% of management positions despite accounting for almost 40% of total employment.**

**WOMEN IN LEADERSHIP**

Industry-leading private companies wield enormous economic, political, and cultural influence. Historical gender imbalance at the highest levels of corporate leadership has represented a significant barrier to the achievement of society-wide gender equality. While there have been recent advances toward achieving greater gender parity in the global workforce and more equal pay, gender equality will not be achieved for at least nine generations at the current pace of change. Private sector leaders must be intentional in increasing the number of women in the workforce and creating systems to promote women across all levels of the talent pipeline.

**ACHIEVEMENTS & SHORTFALLS**

- **The gender pay gap in OECD countries fell from 13.8% to 11.9% between 2015 and 2020.**
- **43% of countries did not mandate equal remuneration for work of equal value.**

- **Women receive, on average, 10% less years of education compared to men (2021).**
- **Women participate in the labor force at, on average, 31% the rate that men do (2022).**

**WHAT'S THE PRIVATE SECTOR MEASURING?**

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

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**SAMPLE ESG METRICS**

1. Gender pay gap
2. Females in management-level positions
3. Retention rate of employees taking parental leave
The private sector’s impact on gender equality is somewhat negative, reflecting the persistence of unexplained gender pay gaps and the lack of women in management roles globally.

In contrast to net negative impact, revenue alignment with gender equality is mixed but stagnating, reflecting the slow growth of products and services geared to females.

### Private Sector Contributions: Impact Assessment

- **Very Positive**
- **Somewhat Positive**
- **Neutral**
- **Somewhat Negative**
- **Very Negative**

**Getting to Equal** as an employer
Over 8,000 executives have committed to the Women’s Empowerment Principles.

While the share of employers offering remote and flexible working arrangements worldwide has increased significantly since the pandemic, the lack of significant non-transferable paid maternity leave embeds inequalities in childcare and reinforces the ‘motherhood penalty’, leading to persistent pay gaps and fewer women in senior leadership roles.

Note: The private sector contributes to gender equality in many ways other than providing equal employment. However, the number of companies with ratings on these factors was not large enough to create robust scores for this analysis.

### Private Sector Stocktake: Revenue Alignment

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market Size</th>
<th>Revenue Alignment with SDG 5</th>
<th>Trend 2015-2023</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>0.1% 4.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>0.1% 5.5%</td>
<td></td>
<td>Health Care</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>&lt; 0.1% 0.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>1.6% 3.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>&lt; 0.1% 5.1%</td>
<td></td>
<td>Financial Services</td>
</tr>
<tr>
<td>Health Care</td>
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<td></td>
</tr>
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<td></td>
<td>ICT</td>
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<td></td>
<td></td>
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<td>Transport</td>
<td>$6.9 trillion</td>
<td>0.1% 1.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key**
- **Very Positive**
- **Somewhat Positive**
- **Mixed**
- **Somewhat Negative**
- **Very Negative**

Note: The private sector contributes to gender equality in many ways other than providing equal employment. However, the number of companies with ratings on these factors was not large enough to create robust scores for this analysis.

Data provided by Impaakt. For more information, please visit www.impaakt.com

Data provided by Util. For more information, please visit www.util.co
CLEAN WATER AND SANITATION

The world is moderately off track to achieve SDG 6 and progress is moderately increasing.

While water-use efficiency has risen by 9 per cent, water scarcity remains an issue for many parts of the world. To get SDG 6 back on track, the private sector must focus on promoting innovation and evidence-based action, enhancing cross-sectoral coordination and cooperation, and a more integrated and holistic approach to water management.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

GLOBAL OUTLOOK

73% of the population had access to safely managed drinking water services in 2022.102

20% increase in water-use efficiency in the agricultural sector since 2015.201

58% of household wastewater in 140 countries in 2022 was safely treated.102

64% of CDP survey respondents are now reducing or at least maintaining their water withdrawals.201

KEY PRIVATE SECTOR CONTRIBUTIONS

STAFF HEALTH & HYGIENE

Employers have a responsibility to ensure that 100% of employees have access to safely managed drinking water, sanitation, and hygiene services at work. WaterAid conducted a research project to demonstrate economic benefits of investing in WASH and found a financial ROI of $1.32-$4.30 for every $1 invested.104

WATER-USE EFFICIENCY

Many sectors have worked to prevent water decline and restore water sources by improving water-use efficiency. While more extractive industries have room to grow in improving water-use efficiency, many companies have taken preliminary steps toward becoming water efficient. At a basic level, it requires conscientious water use and identifying solutions to prevent water stress. At more advanced levels, leading companies are working to restore water-stressed basins in areas of operation to become water positive.

WATER POLLUTION

Leading companies are taking measures to protect and enhance the quality of water globally. While this may start with reducing operational wastewater pollution, achieving SDG 6 will require collective action to achieve positive water impact in at least 100 vulnerable prioritized water basins by 2030.

Achievements & Shortfalls

Many of the people employed by the private sector globally get access to both clean drinking water, sanitation facilities and hygiene products from their employers.

Achievements & Shortfalls

Achievements & Shortfalls

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

22 Total standard ESG metrics that link to SDG 6

14 of 22 Average number of SDG 6 ESG metrics reported by companies in the ESG Book sample

Sample ESG Metrics:

1. Access to WASH services
2. Water recycling and reuse
3. Water discharge non-compliance
PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on water is very negative. While individual businesses have improved water-use efficiency and utilities have expanded water and sewage networks, the pace of water withdrawal from the private sector remains unsustainable to achieve SDG 6.

Creating products and services that conserve water

Innovation in water distribution and irrigation methods has improved the private sector’s ability to more efficiently use water resources. CDP respondents found $300 billion of value could be realized by designing new products and services to reduce water use in 2022.256 Leveraging artificial intelligence, smart sensors, and internet-of-things technologies, water utilities have more tools to quickly identify and repair leaky pipes, which remains a large source of water loss globally. Showing signs of improvement, the agriculture sector has utilized micro-irrigation techniques to improve water-use efficiency. Studies show that switching from flood irrigation to micro-irrigation can reduce water use by 50%.111

Providing access to clean drinking water and sanitation networks

The fifty largest water providers supply water and wastewater services to well over 1 billion people globally.113 The increase is largely attributed to rising operating costs and a need to upgrade and expand infrastructure. Rising water tariffs are a double-edged sword, as they raise barriers to water access costs and a need to upgrade and expand infrastructure. Rising water tariffs are a double-edged sword, as they raise barriers to water access while incentivizing more efficient water use.

Making water affordable and accessible for all

Water tariffs have grown at nearly double the rate of inflation across in-85 cities globally.145 The increase is largely attributed to rising operating costs and a need to upgrade and expand infrastructure. Rising water tariffs are a double-edged sword, as they raise barriers to water access while incentivizing more efficient water use.

Using water efficiency in operations

While most companies make a very small individual impact on global operational water consumption, the collective impact of the private sector is massive. Agriculture accounts for 70% of water use114 and industry accounts for an additional 20%, while the remaining 10% of water use is traced to individuals. With population growth demanding greater agricultural water use, it will become increasingly important to improve water-use efficiency. Current projections estimate that global demand for freshwater will exceed supply by 40% by 2030.118

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

In contrast to net positive impact, revenue alignment with water is somewhat negative and stagnating, reflecting the unsustainable pace of water withdrawal across sectors and widespread water pollution.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>REVENUE ALIGNMENT WITH SDG 6</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>18.7%</td>
<td>1.6%</td>
<td>Consumer Goods</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>12.9%</td>
<td>1.0%</td>
<td>Cotton used in clothing is the largest single contributor to agricultural water use, which accounts for 70% of all withdrawals globally.119</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>45.4%</td>
<td>0.4%</td>
<td>Extractives</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>20.6%</td>
<td>3.9%</td>
<td>Mining, oil and gas, and other extractive industries account for 20% of freshwater withdrawals globally and cause significant water pollution.120</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>4.2%</td>
<td>0.2%</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
<td>11.9%</td>
<td>0.1%</td>
<td>In North America, an estimated 20-50% of water is lost due to leaky pipes.121 In addition, there are deep problems with contamination of water supplies and coastal areas by sewage and chemicals in many countries.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>27.3%</td>
<td>2.4%</td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$71 trillion</td>
<td>10.5%</td>
<td>3.8%</td>
<td>Agriculture accounts for over 70% of global water use today. Demand is continuing to rise unsustainably as the rapidly expanding and increasingly affluent populations of LMICs are consuming more meat and other water intensive food and beverage products.</td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
<td>19.9%</td>
<td>2.6%</td>
<td>Services</td>
</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>0.3%</td>
<td>2.5%</td>
<td>Distribution services for petroleum and fuel have negative pollution impacts, including accidents such as oil tanker spills.</td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>9.6%</td>
<td>2.3%</td>
<td></td>
</tr>
</tbody>
</table>

KEY

[1] Net revenue has increased by >20% since 2015
[2] Net revenue is within +/- 20% since 2015 levels
[3] Net revenue has decreased by >20% since 2015

Data provided by Impaakt. For more information, please visit www.impaakt.com

Data provided by Util. For more information, please visit www.util.co
AFFORDABLE AND CLEAN ENERGY

The world is moderately off track to achieve SDG 7 and progress is moderately increasing.

If we continue on our current trajectory, it is projected that 660 million people will continue to live without electricity access. Renewable energy adoption continues to grow, spurring hope for a clean energy future. To ensure access to clean and safe energy by 2030, we must accelerate electrification, improve energy efficiency, and increase investment in renewable energy.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

ENERGY AFFORDABILITY

The cost of renewable energy per MWh of energy relative to electricity globally, up from 8% in 2015.128

71% of the population has access to clean fuels and technology for cooking (2020).129

12.3% of total final electricity consumption is from renewable sources (2018).130

91% of the population has access to electricity globally (2020).131

71% of the population has access to clean fuels and technology for cooking (2020).132

12.3% of total final electricity consumption is from renewable sources (2018).133

GLOBAL OUTLOOK

91% of the global population has access to electricity, up from 87% in 2015.134

567 million people in sub-Saharan Africa did not have access to electricity, accounting for more than 80% of the global population without electricity access in 2021.135

35% of the world’s electricity will come from renewable sources by 2025 – up from 29% in 2020, with global power-sector emissions now close to peaking.136

$2.9 trillion spent globally on fossil fuel subsidies between 2013 and 2020.137

ACCESS TO CLEAN ENERGY

Over 9 in 10 people have access to electricity globally, up from 81% in 2015. Yet, in a quarter of the world’s 46 least developed countries, more than 75% of the population lacks access to electricity. Achieving universal electricity access will require continued investment in mini- and micro-grids, energy storage systems, renewable energy efficiency, and battery recycling technology.

Achievements & Shortfalls:

- The number of people connected to mini grids more than doubled between 2010 and 2019, providing electricity access to an additional 6 million people.128
- The world could face lithium shortages by 2025 due to rapid growth in demand for lithium batteries, particularly in electric vehicles.129
- Over-reliance on lithium and insufficient recycling infrastructure could stifle renewable energy projects.129

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

- 22 Total standard ESG metrics that link to SDG 7
- 13 of 22 Average number of SDG 7 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Renewable energy use targets
2. Energy efficiency targets
3. Energy consumption per production volume

JUST TRANSITION

As global energy generation shifts away from polluting fossil fuels and towards clean energy sources, companies must remain vigilant of potential social effects of retiring large segments of the economy. In dialogue with governments, workers, and their representatives, entire industries must work to reskill workers and provide ample resources to avoid impoverishing workers and communities that depend on the fossil fuel industry to sustain lives and livelihoods.

Achievements & Shortfalls:

- CEOs are prioritizing upskilling and reskilling the workforce to build workforce resilience against ongoing global changes.74% of CEOs flagged upskilling and reskilling their workforce as a primary action to build resilience.130
- The ILO projects that up to 25 million new jobs will be created by 2030 from the energy transition.131
- Worldwide employment in renewable energy reached 12.7 million last year, a jump of 700,000 new jobs in one year, despite the lingering effects of COVID-19 and the growing energy crisis, according to a new report.132
- An estimated 6 million jobs are expected to be lost due to the green transition.

Achievements & Shortfalls:

- Solar photovoltaic (540 MWh) and onshore wind (541 MWh) surpassed coal (520 MWh) and gas (552 MWh) in cost-efficiency in 2019 due to comparatively low operating costs and zero fuel costs.138
- Fossil fuel subsidies doubled across 53 countries from $362 billion in 2020 to $569 billion in 2021.127
- Fossil fuel subsidies per capita in Europe ($113 per person) are more than triple those in the Middle East and North Africa ($36 per person).126
- Fossil fuel subsidies doubled across 53 countries from $362 billion in 2020 to $569 billion in 2021.127
Revenue alignment with energy is somewhat positive and stagnating, reflecting how products and infrastructure are increasingly moving towards energy efficiency.

### PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on affordable and clean energy development is somewhat positive. While businesses continue to invest in fossil fuel energy production, the tide is turning to usher in a clean energy future.

#### PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>REVENUE ALIGNMENT WITH SDG 7</th>
<th>TREND 2015-2023</th>
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<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>% Revenue Associated with (+) and (-) Impacts</td>
<td>3.8%</td>
<td></td>
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<td></td>
<td>17.2%</td>
<td></td>
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<td>5.6%</td>
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</table>

**Extractives**

An estimated 3 billion tons of minerals and metals will be needed to deploy and store wind, solar, and geothermal power to limit global temperature rise to below 2°C. Companies have begun searching for undiscovered rare-earth metal deposits globally and many have been discovered in the US and Sweden.

**Infrastructure**

According to the International Renewable Energy Agency, renewable capacity increased by close to 50% between 2021 and 2022. Asia accounted for over half of the new capacity added.

**Manufacturing**

The manufacturing sector is critical to scaling up renewable energy creation and adoption. Companies in the United States have responded to recent legislation and are on pace to triple domestic solar manufacturing capacity by 2024. In Africa, a multi-sectoral coalition launched the Africa Renewable Energy Manufacturing Initiative to scale renewable energy capabilities.

**ICT**

Enterprise technology accounts for about 3% of total GHG emissions. Yet, optimizing cloud usage in data centers alone could reduce emissions by more than 50%. Since 2020, 88% of companies report increasing the scope and volume of cloud activities.

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**Creating products and services that generate clean energy**

Renewables are set to account for over 90% of global electricity expansion over the next 5 years and overtake coal as the largest source of global electricity by 2025.232,233 According to the International Energy Agency, 96% of the increase in global power capacity through 2026 will come from the growth of renewable capacity. According to the International Renewable Energy Agency, 80% of the $131 trillion needed for the energy transition will be funded by the private sector by 2050.

**Expanding access to electricity**

Since 2010, more than one billion people gained access to electricity globally. Infrastructure investments have extended electricity grids to many homes while solar power and batteries have given many previously unserved communities access to clean energy. The number of people connected to ‘mini grids’ more than doubled between 2010 and 2019 from 5 to 11 million people.232

**Making clean energy more affordable for all**

The cost of solar power has fallen by over 85% since 2010 and is now cheaper than coal per megawatt hour of electricity. The number of Fortune 500 companies committing to 100% renewable energy doubled between 2017 and 2021 to 58.232

**Moving investment away from fossil fuels and into clean energy**

93% of the $2.5 trillion invested in energy over the past 8 years has been for fossil fuel activities and only 7% for renewables.232 Rapidly phasing out new investments in fossil fuels is critical to prevent the worst impacts of climate change and to prevent poverty, hunger, biodiversity loss and many other goals from being driven even further off track.

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**Revenue alignment with energy**

Net revenue has increased by >20% since 2015

Net revenue is within +/- 20% since 2015 levels

Net revenue has decreased by < -20% since 2015

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Data provided by Impaakt. For more information, please visit [www.impaakt.com](http://www.impaakt.com)

Data provided by Util. For more information, please visit [www.util.co](http://www.util.co)
DECENT WORK AND ECONOMIC GROWTH

The world is moderately off track to achieve SDG 8 and progress is stagnating

The global economy is still grappling with the effects of COVID-19. Persistent inflation and rising interest rates have created challenging economic conditions and stark inequalities of income, wealth, wellbeing and opportunity remain. Achieving SDG 8 will require systemic reform to promote equitable pay and decent work while tackling rising debt and economic uncertainty.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

160 million children are subject to child labor globally, a number that has risen for the first time in two decades.141

630 million workers did not get paid enough to lift themselves and their families out of extreme or moderate poverty.142

7,500 people die each day from unsafe and unhealthy working conditions.143

1 in 4 young people globally were not active in the education system, job market, or training programs in 2022.144

Adjusted GDP declined by 4.1% in 2020.145

There are 5.2 victims of modern slavery per 1,000 population (2018).146

The total labor force participation rate for workers aged 15 and above was 60% (2022).147

KEY PRIVATE SECTOR CONTRIBUTIONS

JOB CREATION

Companies generate employment, but the labor conditions of that employment determine whether there is a true contribution to the SDGs. Advancing decent work and raising the living standards of all workers across operations and supply chains require all companies to adopt sustainable, responsible and inclusive workplace practices, and for companies with supply chains to use their leverage with suppliers to contribute to the realization of decent work globally.

ECONOMY FORMALIZATION

According to the International Labour Organization, about 2 billion workers, or 60% of the total employed population age 15 or older, works in the informal economy. While firms may remain in the informal economy for various reasons, high informality remains an obstacle to achieving the SDGs. Informal firms have limited access to financial services, practice tax avoidance, and drive inequality due to pervasive wage gaps and limited social protections. Formalizing more economic activity is critical to progressing sustainable development.

ACHIEVEMENTS & SHORTFALLS

The ILO estimates that 100 million jobs can be created by 2030 by ensuring a green transition that fully takes into account its social dimensions.150 Actors in the world of work, government representatives, employers’ and workers’ organizations are key actors for change.

28 million people are in situations of forced labor.151

74 percent of countries exclude workers from the right to establish and join a trade union.152

Global employment growth will be only 1.0% in 2023, less than half that of 2022.

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

51 Total standard ESG metrics that link to SDG 8

30 of 51 Average number of SDG 8 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Human rights monitoring
2. Incidents of community grievances
3. Employee safety
PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on decent work and economic growth is mixed. While there is space to improve on labor practices, the private sector is driving value through job creation and small and medium-enterprise innovation.

Empowering SMEs to grow and be financially resilient
Small and medium-enterprises account for over 70% of employment and 55% of GDP worldwide. In low- and middle-income countries, they often create 80% to 90% of jobs. Availability of finance and demand for their products empowers them to grow and indirectly creates many jobs worldwide. Export demand and access to finance in manufacturing and agricultural supply chains, construction and services is often particularly important for enabling SMEs to grow in low-income countries.

Providing finance as the fuel for economic growth
The private sector is responsible for driving most of global economic growth and development by creating the global financial architecture of savings accounts, consumer and business lending activities, insurance, payments and many other financial products to transfer and manage risk. The financial services sector has enabled businesses to invest in research and development, entering new markets, hiring and skilling new workers and building up production, distribution and marketing capabilities. Micro-finance, micro-insurance and mobile money have been particularly important innovations in fueling growth in low-income countries.

Creating decent jobs
The private sector plays one of its most important roles in creating enough decent jobs for people in all countries. While many jobs are becoming obsolete due to automation and the decline of emissions-intensive economic activities, many more are being created by new combinations of technologies and more sustainable economic activities. For example, LinkedIn job postings asking for at least one green skill increased by over 25% in 2023 compared to the previous year and over 213 million ‘green jobs’ are expected to be created in 21 emerging economies by 2030.

Protecting workers’ rights
Violations of worker’s rights unfortunately remain commonplace worldwide. More specifically, these violations are taking place especially in the informal economy, gig economy independent contracting, manufacturing, and agricultural supply chains. In these parts of the economy, workers face long working hours, few holidays, and no paid sick leave. In addition, these workers’ rights violations are being enabled by countries where corruption is widespread, the rule of law is weak, and arbitration and enforcement are unavailable. Finally, child labor and modern slavery have been increasing in recent years. Over 28 million people are now in forced labor and over 168 million children are now working illegally worldwide.

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with decent work and economic growth is very positive and improving, reflecting the impact of businesses in developing economies and improving working conditions.

### SECTOR
- **Transport**
- **Food & Beverage**
- **Extractives**
- **Infrastructure**
- **Health Care**
- **Services**
- **Manufacturing**
- **Financial Services**
- **ICT**
- **Consumer Goods**

### REVENUE ALIGNMENT WITH SDG 8

#### Trend 2015-2023
- **Total**: 0.2%
- **Consumer Goods**: 0.1%
- **Extractives**: < 0.1%
- **Food & Beverage**: 0.3%
- **Financial Services**: < 0.1%
- **Health Care**: < 0.1%
- **Infrastructure**: > 0.1%
- **Manufacturing**: < 0.1%
- **Services**: < 0.1%
- **ICT**: < 0.1%
- **Transport**: < 0.1%

### Net revenue
- Agriculture, Extractives, Infrastructure, Manufacturing, Transport, Consumer Goods
- Financial Services

### Commentary
- Agriculture, Extractives, Infrastructure, Manufacturing, Transport, Consumer Goods: These sectors generate significant direct employment opportunities, which drive development. For example, in LMCs, agriculture accounts for 63% of all jobs, services for 28% and manufacturing for 6%. Legislation has improved the quality of many jobs globally, but over 2 billion people are still employed in informal work with no social protection.
- Financial Services: These sectors are enablers for faster economic growth and job creation across all other sectors by financing development, expanding connectivity and creating innovative new tools and technologies.
The world is moderately off track to achieve SDG 9 and progress is moderately increasing. The manufacturing sector’s recovery from the COVID-19 pandemic remains incomplete with sector growth slowing to 3.3% in 2022. To achieve SDG 9, the private sector must support LDCs, invest in advanced technologies, continue increasing mobile broadband access and lowering carbon emissions.

Global Outlook
- 6% carbon emissions growth from energy combustion and industrial processes in 2021, returning close to pre-pandemic levels.
- 95% of people were covered by mobile broadband coverage of 3G or higher in 2022.
- 1.93% of global GDP spent on R&D in 2020.
- $1,879 global manufacturing value added per capita in 2022.

Driving Innovation
The private sector plays an integral role in driving innovation and disrupting technologies to create entirely new sectors. Massive investments in technological innovation and research and development have generated value and grown the productivity of the global workforce.

Achievements & Shortfalls
- Between 2015 and 2021, 4G network coverage doubled, reaching 98% of the world’s population.
- In 2022, while overall global manufacturing growth slowed, medium- and high-technology industries maintained strong growth; namely the automotive, computer, electronics and optical, and electrical equipment industries.
- While 95% of the world has mobile broadband access, coverage is only 82% in Sub-Saharan Africa and 68% in Oceania.
- Hard-to-abate sectors, such as aviation, lack a clear path to scaled economical decarbonization.

What’s the Private Sector Measuring?
Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

| Total standard ESG metrics that link to SDG 8 | 15 |
| Average number of SDG 8 ESG metrics reported by companies in the ESG Book sample | 8 of 15 |

Sample ESG Metrics
1. Real-estate assets emissions reduction policy
2. Community infrastructure programs
3. Quality management system certification
**PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT**

The private sector’s impact on industry, innovation, and infrastructure is *somewhat positive*. Businesses are the primary drivers for innovation and play a critical role in building infrastructure globally.

**Expanding access to electricity**

People without access to electricity fell from 1.2 billion globally in 2010 to 759 million in 2018.1 Innovation in scaling renewable energy and expanding energy distribution networks has improved access to energy in previously underserved communities. Innovations such as ‘mini-grids’ have delivered access to communities that do not have grid access. The number of mini-grid energy users more than doubled between 2010 and 2019 from 5 to 11 million people.

**Creating global supply chains and logistics networks**

The global economy has remained strongly interconnected with advancements in air, freight, road, and train distribution networks ensuring a steady flow of goods. The stability of global logistics networks plays a critical role in ensuring a seamless and efficient transfer of goods to enable industrial activities.

**Expanding online access to goods and services**

The ICT sector has enabled a steady expansion of internet access globally. Since 2015, 309 million people a year were connected to the internet. In the past 3 years internet access in rural areas increased from 31% to 46%. This expanded internet access has expanded the reach of goods and services. For example, 80% of total retail sales took place online in 2020, up from 54% in 2018.1 This growth in access has led to two crucial outcomes. First, businesses can produce more efficiently and maintain lower inventories to respond to demand in real-time. Second, businesses are better able to communicate with consumers in previously underserved regions.

**Providing raw materials and semi-finished inputs for production processes**

The metals and mining industry contributes enormously to the availability of raw materials for industrial activities.1 Many of the raw or semi-finished materials form the foundation of modern technology and infrastructure. The continued production, distribution, and accessibility of these materials have a profound impact on the economy, industry operations, and societal development.

**PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT**

Revenue alignment on industry, innovation, and infrastructure is *very positive* and *stagnating*, reflecting significant investment in infrastructure and a shift in the types of goods produced coming out of the COVID-19 pandemic.

### SECTOR

<table>
<thead>
<tr>
<th>Market Size</th>
<th>REVENUE ALIGNMENT WITH SDG 9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Revenue Associated with (+) and (-) Impacts</td>
</tr>
<tr>
<td>Total</td>
<td>$86.4 trillion</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$71 trillion</td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
</tr>
</tbody>
</table>

**COMMENTARY**

**Infrastructure**

Utilities and construction services play a critical role in building infrastructure and industrializing globally. Within this sector, the entire product and service offering is wholly aligned with the goals of industrialization, yet, as the future vision of a clean energy and sustainable future materializes, more businesses must alter their business models and product offerings to meet societal demands.

**ICT**

The ICT sector has invested heavily in connecting the world. Globally, 73% of the population aged 10+ owned a cell phone in 2022, enabled by the growth in cellular network infrastructure.16 In addition, 86% of the world’s population uses the internet, up from 43% in 2015. This growth was enabled by expansion of broadband infrastructure globally.

**Transport**

The transport sector has enabled industrialisation by maintaining stable global supply chains. Through complex logistics networks spanning air, land, and sea, logistics companies enable the predictable flow of goods and services supporting industrialization.
REDUCED INEQUALITIES

The world is moderately off track to achieve SDG 10 and progress is stagnating

The COVID-19 pandemic reversed recent advances in social equality. One in six people have experienced discrimination in some form, with women and people with disabilities disproportionately affected. In order to get back on track, we must invest in education and skills development, focusing on fostering international cooperation for fair trade and financial systems.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

GLOBAL OUTLOOK

1 in 6 people have experienced discrimination.179
34.6 million refugees in 2022, the highest ever documented.180
1 in 3 people with disabilities report having experienced discrimination.181
76% of refugees and those in need of international protection hosted by low- and middle-income countries.182

WORKFORCE EQUALITY

Workplaces around the world remain unequal across demographics. Leadership roles are overwhelmingly filled by men with no signs of reaching parity soon, and executive compensation is significantly higher than average worker pay. LGBTQ+ workers face discrimination and in many countries, data is unavailable to highlight these disparities out of fear over punishment. Wage floors are lower than what is considered a living wage. Prospective workers with disabilities, migrants, and workers with low educational backgrounds face many barriers and are under-represented in well-paying jobs.

GLOBAL INEQUALITY

Economic equality has not followed global economic growth and with the rise of artificial intelligence, inequalities are only expected to deepen. The wealthiest in society have accumulated disproportionate shares of new wealth while real wages have stagnated for billions of workers worldwide. Globalization and remote working have enabled businesses to provide jobs outside of their home countries, promising to reduce inequality but most remote work opportunities are restricted to high-income countries due to tax, legal, language and cultural barriers, which must be tackled to reduce inequalities.

ACHIEVEMENTS & SHORTFALLS

The growth in skills-based hiring has opened doors for prospective job candidates from under-resourced communities who may not have access to a four-year college degree.

In the US, Black workers earn $0.76 for every $1.00 White workers earn.183
About 1/3 of working-age persons with disabilities are in employment, which is roughly half the corresponding share of persons without disabilities.184
The average CEO of an S&P 500-listed company earns 272 times as much as their employees, reflecting the widening disparity between executive and worker pay.185

Remittances have grown rapidly and become far cheaper in recent years, and are now much more important to most LMICs than official development aid.186
Foreign Direct Investment into LMICs has increased significantly. Venture capital investment in Africa has increased at a compound annual rate of 32% between 2014 and 2021.187
Millions of jobs have been created in low-income countries due to outsourcing of call centers, back-office functions, and manufacturing activities.

Less than 1% of people gained 2/3 of all new wealth created in the last 3 years, while 4 billion people own just 2% of global wealth.188

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

36 Total standard ESG metrics that link to SDG 10
21 of 36 Average number of SDG 10 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Gender pay gap
2. Employees earning a minimum wage
3. Female employees
The private sector’s contribution to reduced inequalities are **mixed**. Despite progress on inclusive product design and wider access to education, many workplaces are still not inclusive today.

### BUBBLE SIZE REFLECTS THE SCALE OF THE IMPACT

- **Very Positive**
- **Somewhat Positive**
- **Neutral**
- **Somewhat Negative**
- **Very Negative**

### AXIS PLACEMENT REFLECTS THE STRENGTH OF THE IMPACT

- **Very Positive**
- **Somewhat Positive**
- **Mixed**
- **Somewhat Negative**
- **Very Negative**

### PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

**Designing products and services for low-income communities**

Strides in inclusive product design have reduced inequality of access to common products and services. For example, in financial services, 2.5 billion people worldwide get access to a bank account for the first time in the 10 years between 2011 and 2021, and the emergence of services such as mobile money has been transformative for the economy in some low-income markets. This growth required innovative tailoring of distribution channels, partnerships, and pricing strategies as well as product features to suit traditionally underserved populations with many unique needs.

**Expanding access to education and training**

By making education accessible in remote rural areas of low-income countries and reducing its cost for people worldwide, businesses across sectors who support public education, and some private schools are making significant contributions to reducing inequality.

**Designing products to promote gender equality and disability inclusion**

Many companies are now investing more time and energy into designing products to be used by the 1 billion people worldwide who live with some form of disability and to tailor products and services to improve equality for women. By designing with users and taking accessibility and gender transformative design principles into account, the private sector is reducing inequalities.

**Creating an inclusive work environment**

Diversity, equity, and inclusion has risen to the forefront of many CEO agendas. In 2021, 76% of CEOs said they were building a representative workforce in the communities where they operate and in 2022, 58% of CEOs said their company was increasing workforce diversity to build resilience. CEOs have signaled an interest in investing in DE&I, but programs have not resulted in sustained and economy-wide changes on employment outcomes.

### PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with reducing inequalities is **mixed** and **worsening**. Financial inclusion reducing inequality in many countries is offset by extractives increasing it in others.

### TRENDS 2015-2023

**COMMENTARY**

- **Net revenue has increased by >20% since 2015**
- **Net revenue is within +/- 20% since 2015 levels**
- **Net revenue has decreased by >20% since 2015**

### SECTOR

**MARKET SIZE**

- **Total** $84.1 trillion
- **Consumer Goods** $7.7 trillion
- **Extractives** $13.8 trillion
- **Food & Beverage** $5.7 trillion
- **Financial Services** $14.7 trillion
- **Health Care** $5.6 trillion
- **Infrastructure** $6.8 trillion
- **Manufacturing** $71 trillion
- **Services** $4.7 trillion
- **ICT** $10.7 trillion
- **Transport** $6.9 trillion

### REVENUE ALIGNMENT WITH SDG 10

**% Revenue Associated with (+) and (-) Impacts**

- **Extractives**
  - (+) 15.2%
  - (-) 0.3%
- **Financial Services**
  - (+) 0.1%
  - (-) 14.0%
- **Health Care**
  - (+) 0.1%
  - (-) 2.7%
- **Infrastructure**
  - (+) 1.5%
  - (-) 5.8%
- **Manufacturing**
  - (+) 1.1%
  - (-) 1.3%
- **Services**
  - (+) 2.5%
  - (-) 3.7%
- **ICT**
  - (+) 0.3%
  - (-) 2.4%
- **Transport**
  - (+) 0.3%
  - (-) 1.5%
SUSTAINABLE CITIES AND COMMUNITIES

Affordable Housing

By providing jobs in urban areas, the private sector is inadvertently driving massive urban population growth, fueling the housing crisis. Yet some companies are also seeing the opportunity in providing affordable products and services for urban life. Notably, businesses are combatting housing inequality by creating mortgage products, providing loans for small businesses, and creating affordable mobile and modular home products.

Clean Air and Waste

Industrial activity is often a large contributor to air pollution and waste in urban areas. Cities produce roughly 78% of carbon emissions and produce substantial airborne pollutants that adversely affect over 50% of the world’s urban population. Businesses therefore have a key role to play in reducing air polluting activities.

Smart Cities

Private sector innovation in sensor technology, internet-of-things, and remote monitoring have created the potential for improved, data-driven urban management. Combined with artificial intelligence, the growth of smart city technology has enabled transportation networks to operate semi-autonomously and for energy systems to reduce power usage and losses.

Achievements & Shortfalls

The world is severely off track to achieve SDG 11 and progress is stagnating. The world is not on track to achieve SDG 11. Approximately 1.1 billion people live in slums or slum-like conditions. Slum populations in small cities and towns are recording faster growth than many major cities around the world. The private sector must focus on prioritizing access to basic services, efficient transport, and address continuing urban environmental degradation and pollution.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

Global Outlook

55% of the global population lives in urban areas.196

51.6% of the global urban population has convenient access to public transport.197

3.2% of urban land was accounted for by open public spaces in 2020.198

102 countries reported having local governments with disaster risk reduction strategies in 2022.199

What’s the Private Sector Measuring?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

- 38 Total standard ESG metrics that link to SDG 11
- 23 of 38 Average number of SDG 11 ESG metrics reported by companies in the ESG Book sample

Sample ESG Metrics

1. Community programs and infrastructure programs
2. Waste reduction (e-waste, hazardous chemicals, etc.)
3. Air quality impact

Major Challenges

Stagnating

The world is severely off track to achieve SDG 11 and progress is stagnating. Approximately 1.1 billion people live in slums or slum-like conditions. Slum populations in small cities and towns are recording faster growth than many major cities around the world. The private sector must focus on prioritizing access to basic services, efficient transport, and address continuing urban environmental degradation and pollution.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

Achievements & Shortfalls

- By 2030, experts predict that there will be 41 cities with more than 20 million residents, reflecting optimism around urban innovation.200
- Globally, 36% of people do not have access to affordable housing. 55% in Sub-Saharan Africa, 30.5% in West Asia and North Africa, and 30.3% in Central and Southern Asia.202
- The portion of people living in slums or informal settlements surpassed 1 billion in 2018.201
- Cities account for 2/3rds of global energy consumption and more than 70% of greenhouse gas emissions.205

Sensor-triggered street lighting has allowed cities to conserve energy and reduce urban light pollution.206

Connected public transportation and internet-of-things technology enable greater system reliability and faster repairs.

Privacy concerns related to urban data collection often impede the broad implementation of smart city technologies.
### PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on sustainable cities and communities is **very positive**, reflecting innovation surrounding green infrastructure and transportation.

**Provide affordable housing for all**
Most displaced people live in cities, experiencing limited livelihood opportunities and social services. Providing them with access to affordable housing, insurance and mortgages is essential to support thriving communities. Cities represent a space where the public, private and non-profit sectors can collaborate to transform slums into more livable neighborhoods. Affordable housing can provide residents with a continued sense of home and place, employment opportunities, strong social networks, and improve access to public and low-carbon transport options.

**Building sustainable cities**
While severely hit by the COVID-19 pandemic, the construction sector is rebounding and investment in energy efficiency rose to an unprecedented $184 billion in 2020. From constructing new zero-carbon homes and offices to retrofitting existing stock of inefficient aging buildings, there are vast challenges and opportunities which the private sector is tackling at scale. Creating more sustainable buildings as the default will be critical as cities continue to grow.

**Providing mobility choices for all**
The private sector provides almost all transport options directly or indirectly. From bicycles to scooters, cars, buses and trains, the vehicles are typically made and sold by private companies. Creating affordable options for all of these and making them accessible to low-income populations is a significant contribution to sustainable development. While nearly half the world’s population still lacks access to public transport, many of the existing bus and train services funded or subsidized by the public sector worldwide are also run by private companies.

### PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with sustainable cities and communities is **somewhat negative** and **worsening**, driven mainly by the effects of global air pollution in cities.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>% Revenue Associated with (+) and (-) Impacts</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>11.3%</td>
<td>6.5%</td>
<td>Extractives, Infrastructure, Transport, Manufacturing</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>6.2%</td>
<td>7.5%</td>
<td>Extractives, Infrastructure, Transport, Manufacturing</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>31.9%</td>
<td>1.0%</td>
<td>These sectors are significant contributors to air pollution. Air pollution cuts global life expectancy by 3 years and is now the leading cause of death worldwide, causing 8.8 million deaths a year (more than smoking). 99% of the global population now breathes air that does not meet WHO levels, but few companies are addressing their impacts so far. The WEF Alliance for Clean Air is a key platform for coordinating action.</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>4.6%</td>
<td>3.9%</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>0.6%</td>
<td>18.0%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
<td>0.5%</td>
<td>0.6%</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>16.1%</td>
<td>5.3%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$7.1 trillion</td>
<td>12.5%</td>
<td>3.0%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
<td>15.1%</td>
<td>4.0%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>0.4%</td>
<td>7.3%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>21.9%</td>
<td>4.3%</td>
<td>Financial Institutions play several critical roles in improving urban sustainability. Contributions range from financing solar farms and transportation infrastructure to providing mortgages and loans for new housing.</td>
</tr>
</tbody>
</table>

**KEY**
- Very Positive
- Somewhat Positive
- Neutral
- Somewhat Negative
- Very Negative

Data provided by Impaakt. For more information, please visit www.impaakt.com

Data provided by Util. For more information, please visit www.util.co
RESponsible consumption and production

The world is off track to achieve SDG 12 and progress is moderately increasing

The material footprint per capita in high-income countries is 10 times that of low-income countries. Despite rising global hunger, food waste and losses remain staggering and uneven. Responsible consumption and production is integral to the acceleration of the Sustainable Development Goals.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

GlobAl outlook

66% increase in global domestic material consumption – the amount of raw materials directly used for production processes in a country – from 2000 to 2019.213

13.2% of the world’s food was lost after harvest along the supply chain in 2021.214

90% of biodiversity loss is directly attributable to material extraction, consumption, and waste.215

100 Gt of materials were extracted in 2019 and will rise to 170-184 Gt by 2050.216

CIRCULAR PRODUCTS

Leading businesses are manufacturing products with circularity as a core principle. Material innovation and modular design principles are enabling businesses to easily recycle products and create new revenue sources. Many multinational corporations have established successful take-back programs to retain value from old products while mitigating environmental impacts and increasing product longevity. While individual businesses have found success, the global economy is still missing the requisite large-scale infrastructure to become truly circular.

ACHIEVEMENTS & SHORTFALLS

The global secondhand apparel market will grow by 127% by 2026, which is three times faster than in the overall global apparel market.217

The average age of a light vehicle in the United States has risen from 9.6 years in 2002 to 12.1 years in 2021, reflecting an increase in the product category durability.218

Only 9% of plastic waste is recycled, 19% is incinerated, 50% ends up in landfill, and 22% evades waste management systems and goes into uncontrolled dumpsites, is burned in open pits, or ends up in terrestrial or aquatic environments, especially in poorer countries.219

The CPG market uses 144 million metric tons of plastic packaging each year and only businesses accounting for 20% of this packaging have committed to using recycled content and have targets for 2025.220

CIRCULAR BUSINESS MODELS

The world cannot fix its waste problem by just recycling. Businesses are evolving their fundamental business model to become more circular, improving responsible production and end of life practices. For example, businesses are retaining ownership over products to control end-of-life treatment and leasing or renting products to consumers. Deploying as-a-service business models and establishing a sharing economy have allowed certain businesses to own large upfront capital costs to control an end-to-end product lifecycle while generating ongoing value by leasing the product over time.

ACHIEVEMENTS & SHORTFALLS

Industries that have shifted away from one-off product sales toward capital equipment-as-a-service have typically recorded higher-than-average margins, often via cost savings in maintenance, equipment optimization, and storage and logistics.221

The UK rental apparel market is forecast to be worth £142 million by the end of 2022, with growth of 164% predicted in the following years to 2026.221

Circular business models remain a small niche across sectors and firms due to corporate inertia, uncertainty from leadership, and labor-intense processes such as reverse logistics, resource sorting, and product refurbishment.

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

74 Total standard ESG metrics that link to SDG 12
42 of 74 Average number of SDG 12 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Recyclable and reusable product design
2. Product return and recycling programs
3. Supply chain traceability
The private sector’s contribution to responsible consumption and production are very negative. While we’ve seen improvement in waste management, recycling remains inaccessible to many consumers and businesses.

Managing the collection, treatment, disposal and recycling of solid waste
In many countries, private sector companies are responsible for some or all sections of the waste management value chain, even if elements of it are fully or partly funded by the public sector. They play a critical role in recovering 19% of waste from landfills and recycling or composting it, and the expansion of their activities to radically reduce pollution in low-income countries and increase recycling rates worldwide is a critical challenge for 2030 and beyond.222

Reducing food waste
30% of all food, 900 million tons, is wasted. The amount of food wasted accounts for 5% of total global greenhouse gas emissions and cost the world an estimated 60.2 trillion dollars in economic, environmental, and social costs.223 An estimated 10 million tons of specialty crops grown over twice the amount of food consumed in the USA (6.3 million tons) every year because of labor shortages, cosmetic imperfections, and weather events. The private sector is reducing this by innovating irrigation, harvesting machinery and digital technology in farming; and introducing more efficient packaging, cold storage, warehousing, inventory, and route optimization in supply chains.

Reducing waste from operations
Private sector companies across industries generate vast quantities of waste, much of it avoidable waste, hazardous waste, or waste that cannot be recycled. There is significant room for improvement in product and process design to optimize resource use-efficiency and recycling potential.

Managing product returns and disposals
Businesses are typically not held directly responsible for the costs generated by their products when they reach the end of their lives. Entire industries do not have cheap, safe, and efficient processes to return and dispose of products at end-of-life. The mandatory introduction of deposit return schemes in some countries and increasing voluntary efforts by many companies to consider what happens to their products at end-of-life represent progress. At the same time, the waste problem continues to grow.

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Climate mitigation is central to the private sector’s contribution to global climate action. Businesses have leaned on multiple levers to mitigate their impacts on climate change. Setting net-zero targets validated by the Science-Based Target initiative, measuring and reducing scope 3 emissions (which account for 70% of corporate emissions), sourcing renewable energy, and setting internal prices on carbon are examples of actions that leading companies have taken to mitigate climate impacts.

Resilience & Adaptation

Businesses have recognized the need to adapt and build resilience to already existing changes to the climate. Leading businesses have responded by diversifying material inputs for production, conducting scenario analyses to identify climate risk management policies, participating in insurance markets to protect against climate risks, and investing in nature-based solutions to reduce disaster risks.

Achievements & Shortfalls

The total number of TCFD supporters has grown by 47% between 2018 and 2022 (571 to over 4,000).234 By the end of 2022, companies with science-based targets or commitments represented 34% of the global economy by market capitalization.235 More than three quarters (76%) of companies with science-based targets publicly reported progress against their targets in some form. More than half (53%) of companies fully reported progress on all their near-term and long-term targets in 2022, while around a quarter (23%) reported on at least one target.236 Unless companies accelerate decarbonization, 93% will miss their net zero targets.237

Supplier Chain Finance (SCF) programs are starting to gain more popularity. For example, Citi’s recently launched SCF supports clients as they advance their ESG priorities. Projections based on global temperature rise of 1.5°C by 2100 suggest that heat stress will reduce total working hours worldwide by 2.2 per cent—a productivity loss equivalent to 80 million full-time jobs.238 In 2021, only 3 in 10 CEOs indicated that their businesses had access to strong insurance for climate-related risks.239 In 2021, just 28% of CEOs indicated that their businesses conducted intermediate-to-advanced scenario analyses to identify physical and transition risks of climate change.240

What’s the Private Sector Measuring?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number of Metrics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Scope 1, 2, and 3 GHG emissions</td>
<td>0-100</td>
<td>GHG emissions reduction targets</td>
</tr>
<tr>
<td>2. GHG emissions reduction targets</td>
<td>0-100</td>
<td>Climate strategy and resilience planning</td>
</tr>
<tr>
<td>3. Climate strategy and resilience planning</td>
<td>0-100</td>
<td></td>
</tr>
</tbody>
</table>

78
The private sector’s lack of climate action is creating a very negative impact. While innovation is creating viable new pathways, there are deep problems with credible targets and inadequate progress.

PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

Creating products and services to accelerate decarbonization

Private sector-driven research and development is creating the technologies to reduce carbon emissions and remove carbon from the atmosphere. Innovations in solar panels, wind turbines, carbon capture and storage, and batteries have created viable pathways to decarbonize the energy sector. Across all sectors, the carbon footprints of many products and processes have been mapped and significantly reduced, and these trends are accelerating.

Developments in electric vehicle batteries and hydrogen fuel cells are now happening extremely rapidly. Prices are declining and consumer demand is increasing, making a pathway to decarbonize transport increasingly viable. The share of electric cars has tripled from 4% in 2020 to 14% in 2022 and charging infrastructure continued to expand rapidly in many countries, while hydrogen offers a realistic low-carbon future for heavier vehicles such as trucks.

Reducing operational greenhouse gas emissions

Despite efforts to reduce carbon intensity, private sector emissions from energy, transport, buildings, and agriculture have grown rapidly. Climate change is now “out of control,” as highlighted by UN Secretary General António Guterres in July 2023. While peak emissions from the energy sector may arrive in 2025, there continues to be massive new investment in fossil fuels, locking in future carbon emissions and greatly increasing the risks of stranded assets. Total decarbonization may be further away at the current pace of change.

Most companies have set no targets for emissions reduction. Of the minority who have, very few have achieved significant reductions. CDP recently examined the emissions reduction targets set by 13,000 companies and determined that 2 out of every 3 of these targets were not credible. With only a small fraction of all businesses setting targets so far, and only one-third of those having made credible plans, there is a collective lack of urgency and a large ‘say-do’ gap from the private sector on climate action.

As the UN Secretary-General stated, “we must have zero tolerance for net-zero greenwashing.” Increasing environmental integrity, credibility, accountability, and the role of governments will be critical in the years leading up to 2030 and beyond.

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with climate action is very negative and worsening, reflecting the lack of action, accountability, and financial commitment on climate goals.

SECTOR Market Size % Revenue Associated with (+) and (-) Impacts TREND 2015-2023 COMMENTARY

**Total** $86.1 trillion 24.5% 4.0% ▼

**Consumer Goods** $7.7 trillion 30.0% 2.6% ▼

**Extractives** $13.8 trillion 48.7% 0.6% ▼

**Food & Beverage** $5.7 trillion 29.9% 0.9% ▼

**Financial Services** $14.7 trillion 6.7% 11.7% ▼

**Health Care** $5.6 trillion 0.9% 1.5% ▼

**Infrastructure** $6.8 trillion 40.3% 4.6% ▼

**Manufacturing** $71 trillion 24.2% 3.8% ▼

**Services** $4.7 trillion 28.1% 2.7% ▼

**ICT** $10.7 trillion 1.5% 2.0% ▼

**Transport** $6.9 trillion 41.5% 4.4% ▼

**EXTRACTIVES & MANUFACTURING**

High-resource industries are driving significant GHG emissions worldwide, illustrating the private sector’s continued reliance on fossil fuels.

**FOOD & BEVERAGE**

Agriculture is responsible for 11% of emissions, showcasing the need for greener practices such as reducingillage and using cover crops to reduce carbon emissions.

**INFRASTRUCTURE**

The built environment accounts for 40% of GHG emissions, with 25% coming from electricity generation. This is set to double by 2050 due to rising energy demands.

**FINANCIAL SERVICES**

Financial services plays a large role in pushing forward the green energy transition. Since 2016, renewable energy has taken a total of $2.5 trillion in bank loans and bond underwriting. However, this only represents 7% of total energy activities, reflecting the level of investment that is still needed.

**TRANSPORTATION**

While EV adoption is increasing, there is still a large gap. Furthermore, other travel modes such as air travel and shipping remain difficult to decarbonize.
LIFE BELOW WATER

Key Private Sector Contributions

Plastic & Chemical Pollution

Poor operational and product controls have led to destructive ocean pollution globally. Most notably, 50-75 trillion pieces of plastic and microplastics are currently in ocean, reflecting the compounded result of the growing plastics dilemma. Chemicals pollution from agricultural run-off is another major source of ocean pollution and threatens to stifle the prospect of progress on SDG 14. In addition, the prevalence of hazardous oil contamination has disrupted ocean biodiversity. The private sector must be diligent in carefully weighing production activities against the risk of irreversibly destroying ocean life.

Sustainable Ocean Economy

Businesses are starting to see the value of a sustainable ocean economy, which will reach $3 trillion in value and employ 40 million people by 2030. The introduction of blue bonds has been a bright spot for funding marine protection projects, linking ocean protection to financial agreements. Shifts away from single-use plastics have diverted plastic pollution from the ocean. Regulatory and consumer pressure have also forced businesses to consider impacts on oceans and marine life when planning large capital projects. Estimates suggest that investing $1 in key ocean actions can yield at least $5 in global benefits.

Achievements & Shortfalls

Between 2018-2022, 26 blue bond transactions took place, amounting to a total value of $5 billion with 92% CAGR in those years; yet blue bonds currently represent 0.5% of the sustainable debt market. Financial institutions are underwriting new financing methods such as debt-for-nature swaps to align investment incentives with improving nature outcomes in countries such as Belize.

Sample ESG Metrics

- Biodiversity impact reduction
- Water habitat protection or restoration
- Hazardous waste and oil spill reduction

What’s the Private Sector Measuring?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

- 28 Total standard ESG metrics that link to SDG 14
- 15 of 28 Average number of SDG 14 ESG metrics reported by companies in the ESG Book sample

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

Global Outlook

- 17 million metric tons of plastic waste that have entered the Atlantic Ocean over the past 65 years.
- 30% increase in ocean acidity compared to pre-industrial times.
- 539 ocean-monitoring stations reporting acidification in 2023.
- 35% more than a third of global fish stocks were overfished in 2019.

Major Challenges

The world is severely off track to achieve SDG 14 by 2030. The ocean faces a state of emergency with increasing eutrophication, acidification, and pollution threatening its health. To counter these negative trends, increased funding for ocean science, intense conservation efforts, science-based ocean management plans, and reducing marine pollution of all kinds is essential.

United Nations Global Compact | Private Sector SDG Stocktake
PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impacts on life below water are very negative. Ocean acidification and plastic pollution continue to threaten ecosystems underwater.

- **Over-fishing**
  - Over-fishing contributes to an imbalance in the food web, leading to loss of vital marine life. It also means that more people depend on a dwindling stock of sea life for their food. 30% of fish stocks globally are over-fished—or being pushed beyond their biological limits to replace themselves—and 80% are fully fished. Over-fishing is driven by poor fishing management and a widespread lack of rules, enforcement and significant continued illegal fishing (worth $35 billion a year). 260

- **Generating water pollution**
  - In 2021, 17 million metric tons of plastic was polluting the ocean—and far more in rivers worldwide. 261 If current trends continue, there will be 2-3X more by 2040, with catastrophic negative impacts on marine life globally.
  - Soil erosion, nutrient loss, bacteria from livestock manure, and pesticides also reduce water quality—and agricultural runoff is a leading cause of damage to rivers and streams, which then impact on life below water in wetlands, lakes and oceans globally.
  - Finally, ocean acidification is increasing and will continue to do so if CO2 emissions do not stop rising. The average ocean pH is 8.1, about 30% more acidic than preindustrial times. 262 This acidification threatens marine ecosystems we rely on.

- **Growing interest in deep sea mining**
  - Recent estimates suggest that global demand for critical minerals needed for global decarbonization will increase by as much as 400-600% in the next few decades. 263 While deep sea mining presents a promising new source for these minerals, it does not come without risks to disrupting deep ocean species. Research is ongoing to determine the ecological impacts, but experts expect that direct contact with heavy mining equipment, disruption to oceanic food chains, and impacts to the ocean’s ability to absorb atmospheric carbon could pose risks to ocean health.

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with life below water is very negative and stagnating, reflecting the scale and impact of illegal fishing and mismanagement of agricultural.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>REVENUE ALIGNMENT WITH SDG 14</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>28.3% (+) 1.0%</td>
<td></td>
<td>Extractives, Infrastructure, Manufacturing, Transport, Services, Consumer Goods</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>32.6% (-) 0.1%</td>
<td></td>
<td>Climate change is raising ocean temperatures and acidity to record levels with drastic effects. It is disrupting critically important ocean currents, plankton and algae balances, and destroying coral reefs. As the foundations of life below water are eroded, marine populations worldwide are being decimated.</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>56.9% (-) 0.4%</td>
<td></td>
<td>Further sector-specific negative impacts that are disrupting coastal and ocean ecosystems include: offshore oil and gas platforms, oil spills from tankers, under-sea mining, offshore wind turbines, development of coastal land and destruction of mangrove and sea-grass forests, and chemicals, exhaust and waste dumped from shipping.</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>30.5% (-) 0.3%</td>
<td></td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>7.8% (-) 0.1%</td>
<td></td>
<td>Over-fishing contributes to an imbalance in the food web, leading to loss of vital marine life. It also means that more people depend on a dwindling stock of sea life for their food. 30% of fish stocks globally are over-fished—or being pushed beyond their biological limits to replace themselves—and 80% are fully fished. Over-fishing is driven by poor fishing management and a widespread lack of rules, enforcement and significant continued illegal fishing (worth $35 billion a year). 260</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.8 trillion</td>
<td>7.5% (-) 0.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>48.3% (-) 3.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$7.1 trillion</td>
<td>29.7% (-) 2.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
<td>30.1% (-) 2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>2.9% (-) 1.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>41.8% (-) 2.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**KEY**
- ▲: Net revenue has increased by >20% since 2015
- ▼: Net revenue has decreased by >20% since 2015
- ■: Net revenue is within +/- 20% since 2015 levels

Data provided by Impakt. For more information, please visit www.impakt.com

Data provided by Util. For more information, please visit www.util.co
LIFE ON LAND

The world is severely off track to achieve SDG 15 and progress is stagnating.

Progress toward achieving SDG 15 is bleak. The planet faces escalating forest loss, land degradation, and the extinction of species which pose a severe threat to the rest of life on earth. In order to get back on track toward SDG 15, we must mobilize efforts to finance biodiversity conservation and put an end to land degradation practices.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org.

GLOBAL OUTLOOK

100 million hectares of net forest area lost over the last two decades.

$8.9 billion generated in biodiversity-related taxes between 2017 and 2019.

500,000+ terrestrial species with insufficient habitats for long-term survival without habitat restoration.

90% of global deforestation is the result of agricultural expansion.

KEY PRIVATE SECTOR CONTRIBUTIONS

LAND-USE CHANGES

Rampant deforestation has contributed to large-scale biodiversity loss. Factory farming and the mass expansion of ranching have led to land degradation and increased carbon emissions. Increasing industrialization has eliminated wildlife corridors and reduced arable land. The private sector must pivot quickly to protect natural ecosystems and value natural capital in all project decisions.

ACHIEVEMENTS & SHORTFALLS

Investments in some nature-based solutions promise to restore biodiversity and protect nature while generating financial returns to investors.

Between 2015 and 2020, the rate of deforestation was estimated at 10 million hectares per year.

Agriculture alone is a threat to 86% of species at risk of extinction and the global rate of species extinction today is higher than the average rate at any point over the past 10 million years.

Currently, most nature-based solutions projects are financed by public and philanthropic funds, while only 14% of capital is provided by the private sector.

REGULATIONS CHANGES

Businesses are beginning to grapple with economy-wide ramifications of biodiversity loss and have implemented a framework for disclosing nature-related risks. Efforts to establish regulatory frameworks reflect the early stages of a long process to protect biodiversity and habitats from business impacts. Agreeing on a standardized framework will be critical to reverse biodiversity loss and prevent land degradation, while joining biodiversity-related goals with the net-zero movement to ensure a more sustainable future.

ACHIEVEMENTS & SHORTFALLS

Numerous organizations have developed methodologies for science-based nature target setting, including the Science Based Targets Network and the Taskforce for Nature-Related Financial Disclosures.

Less than 40% of asset managers report voting policies on biodiversity in governing investment practices. In comparison, over 80% of asset managers report voting policies on climate change in investment practices.

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total standard ESG metrics that link to SDG 15</td>
<td>35</td>
</tr>
<tr>
<td>Average number of SDG 15 ESG metrics reported by companies in the ESG Book sample</td>
<td>18 of 35</td>
</tr>
</tbody>
</table>

SAMPLE ESG METRICS

1. Deforestation policy
2. Land asset sustainability
3. Products sourced from responsibly managed forests
The private sector’s impacts on life on land are very negative. Climate change, land degradation, deforestation, pesticide use and other activities have destroyed 70% of all wildlife in 50 years.

Restoring biodiversity
We have destroyed 70% of all wildlife globally in the past 50 years. 3 years ago the figure was 68% and just 5 years ago it was 60%. In Latin America and the Caribbean, an incredible 96% of all wildlife has been lost in the past 50 years, followed by Africa with 68% loss and Asia Pacific with 65% loss. High-income countries such as the UK are amongst the most nature depleted in the world. Private sector impacts on wildlife range from the direct and illegal such as poaching to the direct and legal such as widespread pesticide spraying to the indirect such as greenhouse gas emissions disrupting the global climate and land-use change destroying natural habitats.

Reversing deforestation and land degradation
Deforestation and land degradation are the most critical forms of habitat destruction – and both are strongly linked to agriculture as expanding farms drive 90% of deforestation worldwide and 100 million hectares of healthy land are degraded annually, mainly because of the effects of intensive farming and climate change.

While there has been progress in growing the proportion of forests that are protected, certified and under sustainable management plans, forest loss and land degradation still pose major threats.

Creating profitable business models and ways of financing sustainable land and forest management and restoration of natural habitats is a critical challenge for the private sector. Examples of promising innovations include voluntary carbon markets that can recognize the value of forests and soil as carbon sinks and sustainable tourism models.

The private sector’s revenue associated with life on land is very negative and stagnating, reflecting the scale of negative climate change impacts on ecosystems globally.

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>% Revenue Associated with (+) and (-) Impacts</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>31.2% 0.7%</td>
<td></td>
<td>Excluding Transport, Manufacturing &amp; Infrastructure</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>38.8% &lt; 0.1%</td>
<td></td>
<td>Climate change is rapidly accelerating a new era of human-induced mass extinction and biodiversity loss globally. For the extractives industry, activities such as open-cast mining and creating slurry ponds from coal washing have further negative effects on biodiversity.</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>62.4% 0.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>36.8% 0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>9.1% &lt; 0.1%</td>
<td></td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
<td>1.4% 0.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>53.9% 2.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$7.1 trillion</td>
<td>33.5% 1.6%</td>
<td></td>
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<tr>
<td>Services</td>
<td>$4.7 trillion</td>
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</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>3.2% 0.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>44.3% 0.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PEACE, JUSTICE AND STRONG INSTITUTIONS

The world is severely off track to achieve SDG 16 and progress is stagnating

Lack of global cooperation, financing and violent conflicts have derailed SDG 16. By the end of 2022, 108.4 million people were forcibly displaced worldwide – over 2.5 times the number a decade ago, and 4 billion people still lived outside the protection of the law. To meet SDG 16, we must strengthen institutions to facilitate peaceful, just, and sustainable societies.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

PROTECTING HUMAN RIGHTS

Businesses have both legal and moral responsibility to enforce critical aspects of human rights protections, including playing a key role in eliminating modern slavery, child labor and human trafficking. In addition, they are responsible for ensuring workers’ rights, safety standards and general working practices. Implementing risk management and compliance checks, quality standards, and committing to cross-sectoral partnerships can contribute to protecting human rights.

TACKLING CORRUPTION

The private sector is responsible for significant corruption, bribery, tax abuse, and money laundering globally. At the same time, many businesses play a leading role in detecting fraud and combating money laundering and corruption. The private sector plays a twin role here – firstly strengthening the public sector and enabling it with the latest innovation and secondly enhancing compliance and improving self-regulation activities.

GLOBAL OUTLOOK

160 million
children are engaged in child labor worldwide; or 1 in 10 globally. In Sub-Saharan Africa it is 1 in 4 children; and in four countries in Africa, over half of all children aged 5-14 are forced to work.280

$2 trillion
is paid in bribes every year worldwide.281

$4 billion
spent on lobbying in the USA alone in 2022, up from $3.2 billion in 2015 – the most spending came from pharma, insurance, utilities, tech and oil & gas.282

458,000
homicide victims in 2021 – the highest number in 20 years – nearly 44% involve gun violence and the number of firearms globally grew from 875 million in 2006 to 1 billion in 2017 (85% civilian owned).283

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

69
Total standard ESG metrics that link to SDG 16

47 of 69
Average number of SDG 16 ESG metrics reported by companies in the ESG Book sample

SAMPLE ESG METRICS

1. Bribery- or corruption-related lawsuits
2. Tax contributions
3. Anti-slavery throughout value chain

KEY PRIVATE SECTOR CONTRIBUTIONS

ACHIEVEMENTS & SHORTFALLS

The incorporation of measures on child labor, modern slavery and workers’ rights into ESG metrics incentivizes large companies to increase inspections of their supply chains.

68% of forced labor occurs in the private sector – and migrants are particularly vulnerable to it. The number of people in modern slavery increased by 30 million from 2018 to 2021 and is now over 50 million globally.284

Child labor rose by 8 million in the 4 years to 2020 and was forecast to rise by another 8 million by 2022 (to 168 million) – the effects of the pandemic, food, humanitarian and climate crises are reversing years of progress.285

New anti-money laundering and anti-fraud measures have been introduced and anti-corruption training is improving in scope, quality and coverage.

Traceability of physical products, financial flows, internet searches and mobile-phone calls is improving, which supports the detection of crimes.

AI is helping improve detection of many forms of crime.

Money laundering fines increased to $10 billion in 2021, 80% more than in 2019 – but this could reflect both more money laundering and better detection of it.286

Bank fraud is increasing globally with more identity theft, account takeovers, cyber attacks and scams.
The private sector’s impact on peace, justice, and strong institutions is somewhat negative, reflecting damaging lobbying, the growth of child labor and modern slavery and the erosion of workers’ rights.

**PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT**

The private sector’s revenue associated with peace, justice, and strong institutions is somewhat negative and stagnating, reflecting ongoing challenges in corruption despite improvement in access to information.

**PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT**

**SECTOR**

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Market Size</th>
<th>% Revenue Associated with (+) and (-) Impacts</th>
<th>TREND 2015-2023</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>6.5% 2.4%</td>
<td>2015-2023</td>
<td>Extractives There is a strong correlation between the importance of extractives in an economy and the levels of corruption and violence in society. Specific examples include cases of bribery and political influence (both within and beyond the rules) by oil &amp; gas companies, unsafe working conditions in many extractive operations worldwide and the use of forced labor and child labor, especially in the artisanal mining sector.</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>$7.7 trillion</td>
<td>3.0% 2.0%</td>
<td></td>
<td>Food &amp; Beverage 70% of all child labor globally is in the agriculture sector – with the highest concentration in small family farms in Sub Saharan Africa.</td>
</tr>
<tr>
<td>Extractives</td>
<td>$13.8 trillion</td>
<td>27.3% 0.1%</td>
<td></td>
<td>Services There is a strong link between the gambling industry and casinos and organized crime, corruption and violence in society.</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$5.7 trillion</td>
<td>5.4% 0.2%</td>
<td></td>
<td>ICT The growth of the internet has enabled information to spread more rapidly. While the ease of information sharing has in tandem led to a rise in misinformation, the widespread availability of information has empowered greater media freedom in many parts of the world.</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>1.5% 2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
<td>0.2% 2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>1.8% 2.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$7.1 trillion</td>
<td>2.9% 0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$4.7 trillion</td>
<td>10.1% 2.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td>$10.7 trillion</td>
<td>0.6% 9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>$6.9 trillion</td>
<td>0.3% 0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**KEY**

Very Positive: Net revenue has increased by >20% since 2015
Somewhat Positive: Net revenue is within +/- 20% since 2015 levels
Mixed: Net revenue has decreased by >20% since 2015
Very Negative: Net revenue has increased by >20% since 2015

Data provided by Impakt. For more information, please visit www.impakt.com

Data provided by Util. For more information, please visit www.util.co
The world is moderately off track to achieve SDG 17 and progress is stagnating. Geopolitical tensions and a resurgence of nationalism are creating a challenging environment for business leaders to navigate. Businesses must adapt and collaborate to overcome compounding challenges of constrained financial capacity and record high inflation globally.

For more information on the SDG progress scoring methodology, please visit https://dashboards.sdgindex.org

GLOBAL OUTLOOK

$10 trillion
Global estimate of annual private sector tax revenues - including VAT, corporate tax, payroll tax, etc.

$500 billion
global corporate tax avoidance in 2021

$9 trillion
The total external debt of low- and middle-income countries reached in 2021, recording a 5.6 per cent increase from 2020.

2.7 billion
people are still offline in 2022 – 1/3 of the world’s population. This reduced significantly from 3.6 billion before the pandemic, but progress is slowing.

KEY PRIVATE SECTOR CONTRIBUTIONS

PARTNERSHIPS

Businesses are increasingly working alongside governments, multilaterals, non-profits, academics and peers to tackle systemic challenges that no one business or sector can handle alone. In partnerships the private sector can offer valuable expertise, data, technologies, financial resources and innovation. They can benefit by unlocking sustainable revenue opportunities, managing their greatest long-term risks, enhancing the skills of their workforces, and improving company value.

ACHIEVEMENTS & SHORTFALLS

Public-Private Partnerships and blended finance have been critical to many successes – the Joint SDG Fund has mobilized 1.5 billion in funding for countries to achieve 2030 targets.

Impact investment funds were valued at $1.2 trillion by the end of 2021 – fueling the growth of sustainable business models which can act as bridges between sectors.

The Global Compact Business Partnership Hub is an online platform connecting the UN and businesses to advance partnership projects around the world.

FINANCING THE SDGs

The latest estimates of the SDG financing gap between 2023 – 2030 are $103–135 trillion. Mobilizing more private sector finance is vitally important to accelerate progress on the SDGs. Facilitating these global investments will be critical to support SMEs and businesses in the Global South.

ACHIEVEMENTS & SHORTFALLS

ESG measurement standardization has improved; guidance on impact accounting is emerging and there is formal collaboration to integrate these movements.

SDG financing by just 40 leading financial institutions increased from $2.1 trillion in 2020 to $2.5 trillion in 2021 (20% one-year increase).

SDG financing gap has greatly increased since 2020.

FORMALIZING BUSINESSES

According to the ILO, 2 billion workers, or 60% of the world’s employed population aged 15 and older, spend at least part of their time in the informal sector. By expanding the internet, bank accounts, payments and digital identities, the private sector is incentivizing millions of small businesses to set themselves up as formal legal entities every year and enabling the growth of tax revenues.

ACHIEVEMENTS & SHORTFALLS

More than 60% of the world’s employed population (over 2 billion people) are employed in the informal sector according to the ILO.

In Africa, over 85% of all employment is informal – it is highest in rural areas for those with less education.

WHAT’S THE PRIVATE SECTOR MEASURING?

Leveraging ESG Book as a market aggregator of ESG data measurement, we have identified:

| 31 | Total standard ESG metrics that link to SDG 17 |
| 21 of 31 | Average number of SDG 17 ESG metrics reported by companies in the ESG Book sample |

SAMPLE ESG METRICS

1. Supplier criteria rigor (climate, diversity targets, etc.)
2. Community engagement
3. Government engagement
PRIVATE SECTOR CONTRIBUTIONS: IMPACT ASSESSMENT

The private sector’s impact on partnerships for the goals is **somewhat positive**, reflecting the private sector’s ongoing efforts in working with various stakeholders as well as engaging local communities.

**BUBBLE SIZE REFLECTS THE SCALE OF THE IMPACT**

- **Very Positive**
- **Somewhat Positive**
- **Neutral**
- **Somewhat Negative**
- **Very Negative**

**AXIS PLACEMENT REFLECTS THE STRENGTH OF THE IMPACT**

Building positive relations with local communities
Fortune 500 companies spend over $20 billion on philanthropic activities annually,300 much of this investment is aimed at improving relations with local communities by giving back to local education, health, job creation, sports and arts projects in partnership with nonprofits and civic institutions.

Enabling better public administration
The private sector provides much of the critical information that society, institutions and governments rely upon today. For example, mapping the world, registering births, and land holdings, and capturing granular data on financial flows, which enable tax collection and many other critical public sector functions are all enabled by the private sector today.

Paying a fair share of taxes
The private sector contributes an estimated $10 trillion to government revenues through VAT, corporate tax and payroll taxes annually.301 Funding the delivery of public education and health and social welfare systems and many other budgets that advance SDGs. However, tax abuse by multinational corporations (including channeling money through opaque offshore tax havens) costs $312 billion annually.302

PRIVATE SECTOR STOCKTAKE: REVENUE ALIGNMENT

The private sector’s revenue associated with partnerships for the goals is **somewhat positive and stagnating**, reflecting the scale of cross-sectoral collaboration and the importance of open-forum dialogue.

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<thead>
<tr>
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<tbody>
<tr>
<td>Total</td>
<td>$84.1 trillion</td>
<td>&lt; 0.1%</td>
<td>12.4%</td>
<td>Consumer Goods Industry consortiums such as the Sustainability Council have brought competitors together to improve working conditions and product impacts in pursuit of sustainable development. Outcomes have included product labeling agreements to provide greater consumer transparency.</td>
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<td>15.8%</td>
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<td>Financial Services</td>
<td>$14.7 trillion</td>
<td>&lt; 0.1%</td>
<td>28.5%</td>
<td>Financial Services Financial services companies have created products and financing schemes to fund sustainable development. The market for sustainability-linked fixed income instruments reached $1 trillion in 2021. In addition, foreign direct investment in Africa reached $83 billion, up from $39 billion in 2020.303</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.6 trillion</td>
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</tr>
<tr>
<td>Infrastructure</td>
<td>$6.8 trillion</td>
<td>&lt; 0.1%</td>
<td>21.0%</td>
<td>Infrastructure Expanding internet access is contributing to better tax collection, facilitating many new forms of cross-country and cross-industry partnerships.304</td>
</tr>
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**KEY**
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96

97
EVERY BUSINESS PLAYS A ROLE IN ACHIEVING THE SDGS BY 2030

Achieving the SDGs by 2030 will require the world to move from an outdated extractive economy to a fairer and more sustainable economic system. To effectively accomplish this transition, the private sector must adopt three core principles of action.

Embedding these three pillars across the private sector is critical to achieving the SDGs by 2030. Business leaders must balance trade-offs between the pillars as well. By focusing on where each business can maximize its positive impact while minimizing negative impacts, business leaders can take calculated risks to progress the 2030 agenda.

EXPAND THE BENEFITS OF MARKETS TO ACHIEVE SOCIAL RESPONSIBILITY

Leverage the impacts of economic activity and innovation to promote an equitable and inclusive society.

SCALE NEW INCENTIVE SYSTEMS TO REDEFINE SUCCESS IN TERMS OF RISK, RETURN, AND IMPACT

Adapt governance and corporate finance strategies to promote private sector alignment with the SDGs.

TRANSFORM THE BASIS OF BUSINESS TO ACHIEVE ENVIRONMENTAL SUSTAINABILITY

Align business models to mitigate environmental impacts and pair traditional economic growth metrics with environmental sustainability.

THE 2030 BLUEPRINT OFFERS 10 PATHWAYS FOR EVERY BUSINESS TO SHAPE ITS OWN CONTRIBUTION

These 10 pathways represent cross-sector actions that can enable the private sector to embed SDGs into their core operations. As all SDGs are interconnected, these 10 pathways serve to support many of them. Some pathways represent actions that have already started, but must be accelerated, while others are more novel and ambitious. Depending on the sector or industry, as well as where a company is on their sustainability journey, paths may vary in importance.

1. Recommit to the Basics
2. Provide a Living Wage*
3. Promote Gender Equality*
4. Innovate Responsibility
5. Accelerate Climate Action*
6. Advance Water Resilience*
7. Protect & Restore Nature
8. Invest in Circularity
9. Commit to Sustainable Corporate Finance*
10. Strengthen Sustainability Leadership

*Please visit the UN Global Compact Forward Faster campaign for detailed guidance on five of these pathways.
RECOMMEND TO THE BASICS

CURRENT STATE

All companies need to adhere to the principles of integrity, transparency, and accountability. This starts with recommitting to the basics, which includes (i) adopting responsible human-rights based business strategies, and (ii) conducting business in a principled manner, free of corrupt practices and bribery.

Sustainability action to support life on the planet is intrinsically tied to human rights. Over 90% of SDG-related targets reflect core international human rights and labor standards. The private sector needs to demonstrate how it respects the human rights of employees, contractors, workers in value chains, consumers, and communities. Real and measurable performance from the private sector is crucial and can be reflected in the Human Rights Due Diligence (HRDD) process guided by the UN Guiding Principles for Business and Human Rights (UNGPs), anchored in Human Rights Principles, the UN Global Compact Ten Principles, and international labor standards.

Momentum is building for businesses, as a positive transformative power of change, to conduct human rights due diligence. Investors, workers, communities, and consumers now demand more conscientious action from brands and are willing to vote with their wallets. Additionally, legislative and regulatory efforts are increasing in some jurisdictions, requiring reporting and accountability for human rights impacts. This means that businesses can no longer purely carry out hand-picked social impact projects, but also need to embed a human rights-based approach to every aspect of their operations.

BUSINESS POTENTIAL

Corruption presents a massive economic cost to businesses around the world. Combating corruption through good governance can help lower the astronomical cost and realign funds to achieving the SDGs.

GLOBAL CORRUPTION COSTS ARE AS HIGH AS:

- $1.3T from corruption, bribery, theft and tax evasion, and other illicit financial flows in developing countries
- $132B from corruption each year throughout the European Union’s member states

1 in 4 people said they paid a bribe for public services in the 12 months prior to survey
30% of people surveyed globally felt their government was doing well fighting corruption
160m children estimated to be involved in child labor
COMPANY EXAMPLES

COVESTRO

Covestro is one of the world’s leading manufacturers of high-quality polymer materials and is committed to respecting and safeguarding human rights on the basis of the United Nations Guiding Principles on Business and Human Rights (UNGP). The company acknowledges its responsibility to respect human rights throughout the company, its subsidiaries and in global supply and value chains, to prevent human rights violations. Covestro integrates human rights topics into its company management systems while its cross-departmental Human Rights Office is responsible for driving the due diligence approach at Covestro in line with the UNGPs. This due diligence is embedded in its human rights management system, which comprises six core elements: policy & commitment; risk assessment; reporting; measures; grievance mechanism and monitoring.

TCHIBO

Tchibo has signed a Global Framework Agreement together with IndustriALL Global Union, a global union trade federation, to improve working conditions in its supply chain. The human rights WE program plays a crucial role for the implementation of the agreement and is based on an innovative, dialogue-oriented approach. The aim is to sustainably improve working conditions in production facilities of the consumer goods industry by involving workers, worker representatives and managers. Tchibo has extended the WE program to all strategic producers, overall to more than 430. To expand the WE program beyond its own supply chain, Tchibo has taken the step to set-up the WE Program as a separate entity as of January 2023 to enable further scaling and to offer innovative solutions to organizations and other businesses.

HAAS & CO MAGNETTECHNIK GMBH

Upon noticing particularly high turnover at one of their Chinese suppliers, Haas & Co. sought to improve working conditions to reduce turnover. They completed comprehensive mapping of their magnet supply chain to identify potential risk hot-spots and collaborated with the supplier to improve working and living conditions for a migrant workforce. In developing and implementing simple changes, such as the provision of PPE, installation of emergency switches on production machines or renovation of worker accommodation, they saw significant positive feedback with the return rate of migrant workers increasing up to 90%. This highlights how even small businesses can enhance workers’ rights and integrate human rights considerations into supplier relationships.

PRIORITY ACTIONS

IMPLEMENT THE HUMAN RIGHTS DUE DILIGENCE (HRDD) PROCESS

Hold leadership accountable to Human Rights policies
Assign responsibility for embedding HR policies, aligned with the UN Guiding Principles for Business and Human Rights (UNGP), senior management for clear direction and incorporation into all business operations. Actions include: (1) develop an HR policy that aligns with UNGP, (2) communicate HR policy internally and externally to make sure stakeholders understand throughout the organization, (3) embed the policy throughout operations, decision-making processes, and governance structures.

Initiate or accelerate the implementation of ongoing HRDD processes
Develop and implement an ongoing mechanism to identify actual and potential risks to people—both internal and external—and prioritize addressing the most salient risks first. Actions include: (1) support training of individuals or workstream responsible, (2) develop an ongoing HRDD process that aligns with the UNGPs and assures meaningful and transparent engagement with stakeholders, and (3) plan and implement actions to prevent, mitigate, address and account for adverse impacts while monitoring and reporting on performance.

Establish grievance mechanisms and remediation processes
Proactively provide a channel for affected parties to voice grievances, access information, and obtain redress for any human rights violations or negative impacts caused by company actions. Actions include: (1) establishing a legitimate authority or group within the organization, with independence and impartiality, to address human rights grievances, (2) making the mechanism accessible to all, potentially affected stakeholders, including workers, communities, and customers, and (3) collaborate and cooperate with external parties, such as industry regulators, multi-stakeholder initiatives, or relevant governmental bodies, to facilitate access to remedy.

Advocate for respect for human rights beyond direct operations
Work collaboratively with industry peers, suppliers, and partners to influence the implementation of human rights due diligence across the private sector and to support government in protecting human rights. Actions include: (1) engage meaningfully with suppliers to influence and support their human rights due diligence efforts, (2) share experiences, join industry associations, and attend peer-learning sessions to learn from others about their sustainability efforts, and (3) support government efforts for the SDGs and cooperate with judicial mechanisms to assure access to remedy for victims and vulnerable communities.

STOP ALL INCIDENCES OF BRIBRY

Conduct risk assessments
Define specific company risks and review current practices. Potential actions include: (1) establish a risk management program and integrating it into organizational structure, assigning responsibilities (2) reviewing ability of service functions to support zero-bribery policy/program.

Ethical leadership and anti-corruption programmes of ethics and compliance
Run training courses and implementation programs to raise awareness on company policy. Potential actions include: (1) communicating anti-bribery policy and program internally and externally, (2) running training courses for all employees and partners, (3) obtaining commitments from all employees and leadership to zero bribery, (4) developing whistleblower channels for raising issues, (5) establishing disciplinary procedures and tracking incidents and response, (6) capturing knowledge from incidents and report, including third-party audits.

Promote a strong culture around Collective Action
Promote a strong culture around Collective Action. Potential actions include: (1) creating a culture of ethics and integrity to build trust with customers, employees, investors, suppliers, and other stakeholders by communicating and applying policies in a consistent, inclusive, and transparent manner.

KEY RESOURCES

• Ten Principles of the UN Global Compact
• UN Global Compact Anti-Corruption
• UN Global Compact Anti-Corruption Risk Assessment
• UN Global Compact Fighting Corruption in the Supply Chain Guide
• UN Global Compact Playbook on Anti-Corruption Collective Action
• UN Global Compact UNODC “Fight Against Corruption” Course
• UN Global Compact Academy “Taking Collective Action Against Corruption”
• Business and Human Rights Navigator
PROVIDE AND PROMOTE A LIVING WAGE

CURRENT STATE

Business has the power to improve the lives of the most economically vulnerable populations. Assuring that all workers can meet their basic needs—supporting themselves and their families to a standard that is universally considered decent—is fundamental to ensuring a people-centered sustainability approach that leaves no-one behind.

The private sector plays an important role in improving working conditions for workers globally. Minimum-wage laws are often misaligned with the requisite level of pay to enable decent living as they are not always consistently enforced, often set without extensive social dialogue, not adjusted frequently enough to keep up with inflation, or they do not apply to all categories of wage-earners nor those who do not earn wages, including small-scale farmers and the self-employed. Companies must go beyond legal requirements to improve employee pay and thereby increase quality of life.

Providing a living wage benefits core operations, value chains and the wider operating environment and enables businesses to meet their human rights commitments. While providing payment of living wages is often seen as a cost, it can offer many benefits to businesses—such as increased staff motivation, productivity and improved supply chain relationships and performance—and should be seen as an investment.

BUSINESS POTENTIAL

If companies would pay a living wage, the private sector could meaningfully drive positive impact globally on working poverty.

BY 2030, THE PRIVATE SECTOR COULD LIFT:

123M

123 million people out of working poverty if companies employing 20% of the working poverty population raised wages to the level of a living wage (See Appendix)

26M

26 million people out of working poverty if the agriculture, forestry, fishing, mining, and manufacturing industries (3 industries with the most working poverty globally) took collective action to encourage living wage adoption across their supply chains (See Appendix)

1/3

of all workers, are estimated to earn less than they need to afford a decent standard of living\(^{11}\)

50%

of small-scale farmers earn less than a living income\(^{12}\)

3.7%

decrease in normal weekly wages in the US among workers in the lowest earnings decile since 2000\(^{13}\)

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COMPANY EXAMPLES

ALVAREZ-DIAZ & VILLALON

Alvarez-Díaz & Villalón (AD&V), a design firm based in Puerto Rico, found that the architecture and design profession was notoriously undervalued and underpaid globally, but particularly locally, so they committed to paying 100% of their employees a living wage. Unable to find data to use as a benchmark, they reached out to MIT to include Puerto Rico in the Living Wage Calculator, which sets and advocates for an accurate living wage standard. As part of this mission, AD&V is playing a crucial role as a local representative and connector, while assisting in identifying important funding sources. Parallelly, AD&V successfully implemented a salary scale in 2022 that aligns with national standards, resulting in a 55% company wide base salary increase. The scale also provides opportunities for merit and company performance bonuses through a profit-sharing model. This progressive model not only ensures financial security for employees but also helps mitigate unconscious and gender biases.

L’OREAL

In line with its commitment to fair pay for its employees, L’Oréal, a French cosmetics company, is partnering with labor rights experts such as the Fair Wage Network to develop and implement a robust living wage strategy. Through its L’Oréal For the Future program, the Group committed to ensuring by 2030 that 100% of its strategic suppliers’ employees will be paid at least a living wage covering their basic needs and those of their dependents, calculated in line with best practices. To reach this objective, L’Oréal has developed an ambitious sustainable sourcing policy. In 2023, L’Oréal was awarded the Living Wage Employer accreditation by Fair Wage Network. This accreditation follows a rigorous selection process based on anonymous employee surveys selected randomly by the NGO in the markets in which the Group operates.

MCCORMICK & COMPANY

McCormick, a global leader in flavor, headquartered in the US, is working towards increasing the resiliency of their smallholder farms by increasing skills and capacity, income, access to financial services, education and nutrition and health. To date, McCormick has positively impacted over 31,000 farmers, with a goal of increasing resiliency for 35,000 farmers by 2025. A recent study of one of McCormick’s more advanced sustainable sourcing programs indicated that around 80% of farmers working with one supplier earn a living income compared with approximately 56% in a control group. McCormick’s interventions will be tracked over several years to determine the long-term impacts.

UNILEVER

In 2014, Unilever, a global consumer goods company, published its Framework for Fair Compensation and achieved 100% living wage compliance for its own operations in 2020. To enable further progress, in 2021, Unilever made a commitment to support everyone who directly provides goods and services to the company to earn at least a living wage or income by 2030. They see this as not only the right thing to do for a business that is founded on the respect for human rights, but also as a measurable and tangible contributor to business success. Through the Living Wage Supplier Promise, Unilever encourages their suppliers to close the gap and work together to address joint challenges. In partnership with suppliers, other businesses, governments and NGOs, Unilever is leveraging purchasing practices, collaboration and advocacy to create systemic change to ensure the rights of everyone to a decent standard of living.

PRIORITY ACTIONS

100% OF EMPLOYEES ACROSS THE ORGANIZATION EARN A LIVING WAGE BY 2030

ESTABLISH A JOINT ACTION PLAN(S) WITH CONTRACTORS, SUPPLY CHAIN PARTNERS, AND OTHER KEY STAKEHOLDERS TO WORK TOWARDS ACHIEVING LIVING WAGES AND/OR LIVING INCOMES

Understand and commit to paying a living wage

Understand the concept of the living wage and how it relates to legal or negotiated minimum wages. Potential actions include (1) have discussions with workers and their representatives about whether compliance with the legal minimum wage is adequate to meet living wage expectations (2) create a policy or commitment to pay living wages to all direct employees with top management buy-in and (3) identify gaps between current wages paid to direct employees and credible living wage estimates.

Actively monitor and manage pay levels

Assess wage levels in all areas of operation and raise wage for all direct employees and supply chain partners who fall under respective minimum wage levels. Potential actions include (1) conduct wage-setting and revision based on analysis of prevailing rates of pay in the industry and inform workers — and their representatives — about wage-setting and revision while carrying out their work and at the time of payment and (2) have a process in place to regularly review wages.

Set targets to monitor progress and engage partners and stakeholders

Tracking progress through set KPIs and engage with partners to make progress toward paying a living wage across own operations and supply chains. Potential actions include: (1) include performance metrics/KPIs linked to achieving the living wage in your own strategy and joint action plan(s) (2) become involved in one or more partnerships — globally or in your home country — focused on achieving living wages for your direct workforce and/ or workers engaged by third-party contractors and labor providers and (3) engage and advocate with policymakers to support adequate legal minimum wages that consider both the needs of workers and their families and economic factors and which are revised regularly, have wide coverage and are enforced by law.

KEY RESOURCES

- UN Global Compact: Living Wage Analysis Tool
- UN Global Compact: Improving Wages to Advance Decent Work in Supply Chains
- UN Global Compact: Achieving the Living Wage Ambition
- International Labour Organization: Setting adequate wages: The question of living wages
- The Sustainable Trade Initiative (IDH): Living Wage Action Guide
PROMOTE GENDER EQUALITY

CURRENT STATE

The world is off track to achieve universal gender equality by 2030. In 86 countries, women face some form of job restriction and 95 countries do not guarantee equal pay for work of equal value. While there has been progress on gender equality, the gap between men’s and women’s expected lifetime earnings is $172 trillion.14

Businesses play a critical role in promoting gender equality. A mere 5 per cent of companies globally have a female CEO315 and 7 per cent have a female chair of the board.316 Leaders have several levers at their disposal, including recruitment, compensation policies, benefits, and promoting gender parity across management levels, to generate economic and social equality both inside and outside the workplace. Moreover, achieving gender equality does not rest solely on the female workforce and must include male allyship throughout the value chain.

Since 2015, business leaders have signaled that gender equality in the workplace is a priority, but the current state of action has proven insufficient to reach 2030 goals. Globally, women earn on average 20% less than men in similar roles,317 and only one in three businesses are owned by women.318 To achieve global ambitions for gender equality, business leaders must focus on promoting equal pay for work of equal value and preserving gender balance across all levels of management.

BUSINESS POTENTIAL

Pay-gap disclosure, gender equal parental leave, recruitment and promotion targets, flexible working arrangements, and bans on asking candidates for salary history are proven strategies to improve pay parity across genders.

IF ALL BUSINESSES INTRODUCED THESE 6 POLICIES, THE PRIVATE SECTOR COULD:

- Close 2/3 of the unexplained gender wage gap (See Appendix)
- Generate $222 billion of net benefits to the female workforce via increased wages (See Appendix)
- Create $353 billion of benefits to companies via improved productivity and retention (See Appendix)

5% of Fortune Global 500 companies are led by a female CEO139
1 in 2 countries do not guarantee equal pay for equal work230
257 years to close the global gender gap211

1 in 2

5%
PROMOTE GENDER BALANCE ACROSS ALL LEVELS OF MANAGEMENT

**Balance recruitment**
Implement policies and procedures to consider a gender-balanced candidate pool for open positions. Potential actions include (1) setting requirements for gender diversity in candidate pools, (2) unbiased interview panels, mentorship, and (3) investing in skills development, especially in underrepresented fields like STEM.

**Invest in employee retention**
Make sure that once employees join the company, they feel supported and are offered growth opportunities down the talent pipeline. Potential actions include (1) implementing policies that address systemic barriers to inclusion like flexible work plans and (2) conducting training on inclusion and gender equality, from leadership down.

**Provide pathways to employee progression**
Provide women with equal opportunity to join the company and rise to the top levels of management. Actions to support this may include (1) leadership programs and (2) external training sessions.

PROVIDE EQUAL PAY FOR WORK OF EQUAL VALUE

**Address discrimination in remuneration**
Provide women and men equal remuneration for the same or similar work and for work that is different but of equal value. Potential actions include (1) establishing a pay committee, (2) undertaking a gender-neutral job evaluation, and (3) estimating wage gaps for jobs of equal value and making pay adjustments.

**Tackle bias**
Identify Human Resource-led initiatives and governance mechanisms to tackle gender bias across the talent life cycle. Potential actions include (1) assessing recruitment procedures for bias, (2) reviewing promotion policies, (3) allocating budget to rectify remuneration gaps, and (4) training asking candidates for salary histories.

**Regularly disclose progress on equal pay**
Report progress on equal and foster a culture of transparency. Potential actions include (1) publishing salary ranges in job postings and (2) reporting pay-gap metrics in annual reports.

**Apply framework to advance inclusion for other minority groups**
Leverage learnings and techniques from gender equality pursuit to promote equal pay for work of equal value for other minority groups across ethnicity, race, sexual orientation, and disabilities.

ADVOCATE FOR GENDER EQUALITY BEYOND DIRECT OPERATIONS

**Promote gender equality throughout supply chain**
Integrate gender considerations into buying practices to promote more inclusive supply-chain business strategy. Potential actions include (1) collaborating on reporting transparency on progress of women in supply chains, (2) engaging with suppliers actively working to support gender-sensitive sourcing and workplace practices.

**Promote and encourage male allyship**
Encourage male allyship within the workforce and in communities. One potential action includes (1) consciously fighting gender bias and discrimination.

KEY RESOURCES
- Target Gender Equality
- One Global Women Empowerment Initiative (GWEI)
- WEP Gender Gap Analysis Tool
- How to Be a Male Ally for Gender Equality

COMPANY EXAMPLES

**CISCO**
Cisco’s strategies for diversity, equity, and inclusion, are designed to create a movement. Using a holistic approach and tools like the Diversity Talent Accelerators (DTA) solutions, Cisco is continually working to ensure fairness, equity, and accountability in their hiring processes. From these initiatives, they have seen significant increases in hiring Hispanic candidates, and African American employees, especially in technical roles. Women are also now 33% of Cisco’s new hires, contributing to growing female representation in the tech industry.

Their commitment extends to the younger generations. Through programs like Women Rock-IT, young girls are upskilled and meet with female role models across the technology field. Since its launch in 2014, the Women Rock-IT program has engaged 2 million participants, of which nearly 870,000 subsequently enrolled in Cisco’s Networking Academy courses. Cisco’s commitment to equality extends throughout their employee base, their contingent workforce, and future generations, providing equal opportunities for all.

**VESTA**
Gender equality plays a key role in Vesta’s ESG strategy, encompassing three specific objectives: (1) Vesta strives to minimize the salary gap to a minimum of 15% within leadership and managerial level positions. In just two years, they have already doubled the number of women occupying these roles. (2) Enhancing board diversity by having three women serve as permanent members of the Board of Directors, and (3) incorporating diversity and inclusion KPIs into all social investment initiatives, including projects that exclusively focus on empowering women, girls, and young individuals within the communities they operate.

**SOLUTECH**
Solutech, a technology company based in Kenya, wanted to ensure more equal representation throughout the company. By implementing small changes, such as explicitly encouraging female applications in job postings which led to more diverse candidate pools. Solutech was able to achieve a 50% female workforce.

**PRIORITY ACTIONS**
INNOVATE RESPONSIBLY

CURRENT STATE

Innovation can be a force for good, solving critical issues, fueling economic growth, and addressing market needs. However, it can also be a catalyst to create more consumption, more waste, and negatively impact progress against SDGs.

For example, by embracing inclusive invention, companies can intentionally engage people outside of classic target audiences. This pushes companies into different territories and provokes new ways of thinking, which can unlock opportunities that help drive revenue and improve lives. Inventions such as mobile money, which has brought financial freedom to countless individuals, is transforming daily life for billions at unprecedented speed.

On the other hand, unchecked innovation has set back progress on the SDGs. New business models such as the gig economy, while initially improving access to work opportunities, has resulted in many workers who are subject to low pay and limited rights without competitive forces.

Responsible innovation can reimagine consumption and behavior models aligned with the SDGs. When used properly, design criteria can provide both natural constraints and incredibly powerful ways to challenge given behaviors that have contributed to the climate crisis. By establishing certain constraints, or attributes, it forces us to rethink how we’ve been doing things for centuries, leading to incredibly powerful innovation breakthroughs. Yet, to avoid unintended consequences, future-state scenario planning and modeling is absolutely critical.

As the world becomes more interconnected, opportunities for innovation increase. It is impossible to predict where innovation will go from here, but its continuation – and the need for guardrails to do so responsibly – will be critical to ensure SDG alignment.

BUSINESS POTENTIAL

When companies consciously target underserved populations, they can create SDG impact on a vast scale.

WHAT BENEFITS COULD POSITIVE-IMPACT FOCUSED INNOVATIONS ACHIEVE?

| $3.2T  | $1.3T  | $544B |
| Expanding internet access at the same rate as between 2015-2022 could generate more than $3.2 trillion in economic output by 2030 (See Appendix) | Increasing annual global vaccine expenditures at the same rate as between 2015-2022 could generate more than $1.3 trillion in economic benefits by 2030 (See Appendix) | Increasing the total gross microfinance lending portfolio at the same rate as 2015-2022 could generate $544 billion in economic benefits by 2030 (See Appendix) |

85% of the global population lives on less than $30 per day

$12 trillion of estimated annual incremental value from SDG-related business opportunities in agriculture, cities, energy and materials, and health
INNOVATE RESPONSIBLY

INFUSE A SUSTAINABILITY MINDSET INTO ALL INNOVATION ACTIVITIES

1. Include an SDG screen for all innovation activities, ensuring alignments to explicit social and/or environmental priorities.
2. Define a set of SDG impact metrics to provide strategic cohesion across your portfolio.
3. Collaborate with startups, universities, donors, NGOs, and large corporates to amplify impact and scale innovation.

PROACTIVELY IDENTIFY UNINTENDED CONSEQUENCES

1. Test products and services through a ‘red-team approach’, with an eye toward SDG impacts.
2. Partner with NGOs and other stakeholders to consider a wider range of stakeholder impacts.
3. Promote business models that are not reliant on activities that hinder or reverse progress on the SDGs.

Water, waste, climate and nature impacts
Explicitly look for opportunities to make products circular, net zero, nature positive and water positive.

Impacts on decent work and incomes
Align compensation strategies with providing a living wage, limit job losses from automation, and provide reskilling support where applicable.

KEY RESOURCES
• Consequencing scanning toolkit
• Responsible AI

COMPANY EXAMPLES

ACCENTURE
Accenture, a global consulting firm, believes in harnessing the power of its people to innovate for positive change. Annually, it hosts the Sustainability Innovation Challenge, a six-month competition and accelerator program. Teams pitch and develop innovative solutions that address challenges directly related to the UN’s Sustainable Development Goals. Winning teams enter Accenture’s Social Innovators Accelerator where they receive funding, mentorship and resources to find ways to take their idea to market and catalyze impact. The overall goal is to tap into the collective intelligence of Accenture innovators, clients, and pioneering partners to create scalable climate, nature and people-focused solutions for a better future.

ALLIED IRISH BANK
The way customers bank has changed and banks need to respond to customers’ demand for a more personalized experience in a proactive and responsible way. AIB Group plc (AIB) continues to enhance its retail-banking scenarios however it recognizes data-driven processes can increase risk. Failure to adequately secure, control or govern our data can lead to unintended bias in algorithmic decision-making or data breaches, which could result in the erosion of trust from key stakeholders, such as customers and regulators. AIB has therefore worked to get their data-science teams up to speed on the latest developments in the space, and integrate algorithmic-fairness assessments into their Group Model Risk Management Policy and the models they use to aid their decision-making.

VODAFONE TURKEY
Vodafone Turkey is embracing innovation to power change. Vodafone’s Kırmızı Çizgi Project targets to transform our everyday language to a more gender-neutral version. When a gender-oriented word is used in mails, the app detects it and suggest a gender neutral version. This is in an effort to change verbiage, with the hope of changing actions in the long run. Testing, it has analyzed 2,800 opinion columns and reduced the sexist word rate in these articles from 11% to 0%. By integrating the Kırmızı Çizgi into its corporate e-mail infrastructure, Vodafone Turkey raises its employees’ awareness of discriminatory discourses in business correspondences by sharing instant feedback. According to data, words have been detected 3701 times and replaced with a gender-neutral version, with numbers continually decreasing since its release.
ACCELERATE CLIMATE ACTION

CURRENT STATE

Global greenhouse gas emissions are currently at their highest level in recorded human history. The average temperature of the Earth's surface has increased by at least 1.1°C since 1880. Scientists agree that limiting temperature rise to no more than 1.5°C by or before 2050 will mitigate the worst climate impacts, including those such as the devastating floods in Pakistan last year and the cyclone that lasted over a month in southeast Africa in March 2023. Beyond environmental degradation, climate impacts are estimated to have the potential to drive nearly 216 million people to migrate within their countries by 2050 and to subject up to 800 million people to malnutrition by 2080.

The private sector plays a critical role in contributing to global climate action. Businesses must set credible targets and achieve their long-term goals through verifiable, short-term actions. By setting net-zero targets through the Science Based Targets initiative (SBTi), companies can be assured that their decarbonization plans are in line with the latest climate science and best practices. As of August 2023, over 5,900 companies are working with the SBTi to align climate targets with the Paris Agreement and more than 3,300 have an approved target.

While reducing emissions is key to fighting the effects of climate change, companies must be cognizant of how they are achieving their climate goals. A just transition to net-zero and a climate resilient future is non-negotiable. All business strategies and actions must result in the creation of decent, green jobs and ensure that no workers or communities are left behind.

BUSINESS POTENTIAL

The SBTi is a partnership of the UN Global Compact, CDP, World Resources Institute, and the World Wide Fund for Nature to define and promote best practices in emissions reductions and net-zero targets in line with climate science.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>79%</td>
<td>79% of all companies with science-based targets were 1.5°C-aligned for scopes 1 and 2 by the end of 2022.</td>
</tr>
<tr>
<td>96%</td>
<td>96% of companies with a science-based target have a scope 3 target.</td>
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<tr>
<td>5%</td>
<td>5% of companies in the Forbes Global 2000 have set climate targets in line with the Race to Zero ‘starting line’ criteria.</td>
</tr>
<tr>
<td>34%</td>
<td>34% of the global economy by market capitalization has set or committed to set a science-based target.</td>
</tr>
<tr>
<td>76%</td>
<td>76% of companies with science-based targets publicly reported progress against their targets in some form.</td>
</tr>
</tbody>
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COMPANY EXAMPLES

MAHINDRA SUSTEN

Mahindra Group, via Mahindra Susten, a renewable energy company in India, runs an upskilling program for socioeconomically weaker communities to help them become part of the renewable energy transition. The program is run through a training and skilling center in Karjat in the state of Maharashtra, India. The center runs multiple programs focused on building solar photovoltaic (PV) technical skills, of which there is a shortage in the industry. The unique pedagogy includes focus on practical skills to ensure a thorough understanding of solar technology. Installation processes for candidates with economically disadvantaged backgrounds, with a focus on training female candidates. To date, the center has trained over 4,700 people in semi-skilled trades.

TALAWAKELLE TEA ESTATES PLC

As the first organization in the country to adopt Science-Based Targets, Talawakelle Tea Estates PLC, a Sri Lankan plantation company, is committed to a net-zero future by 2050, with a goal of reducing greenhouse gas emissions by 50%. The company was able to convert all Diesel boilers to Biomass boilers, utilizing the company’s sustainable biomass growing model and generate clean energy from Mini-hydro and solar plants. This resulted in the company’s energy consumption ratio, powered by clean and renewable sources, surpasses its consumption by an impressive 136%. Furthermore, Talawakelle employs innovative Biochar technology to enhance its carbon sink. By capturing and storing carbon dioxide through Biochar for Carbon Sequestration and actively participating in Ecosystem Restoration initiatives, the company effectively mitigates its impact on the environment. Finally, collaborates with stakeholders to develop skills for a low-carbon economy, fostering job creation and economic growth. Their holistic approach demonstrates unwavering commitment to sustainability and the SDGs. Talawakelle Tea Estates PLC’s multifaceted efforts exemplify environmental stewardship, and its climate actions align with the principles of the UN Global Compact and contribute significantly to the SDGs.

ENEL

In an effort to make Sardinia more sustainable, Enel, an Italian energy services provider, together with Rossi Doria Centre of Economic and Social Research – Roma Tre University and ‘Alleanza Sardegna Rinnovabile’, promoted the electrification of consumption to help move away from fossil fuel-generated electricity. In Sardinia, this meant setting up green ports, zero-impact accommodation, and fully electric transportation, in order to support tourism—the backbone of the regional economy. To date, ca. 120 domestic charging points, ca. 120 private business charging points and over 1210 public charging points have been installed by Enel. Enel kept the focus local to ensure that local workers would possess the skills essential for the generation of renewable energy, supporting a just transition. The program promotes experimentation with new business models and innovation, and offers customized solutions by involving regional players and working closely with involved cities.

PRIORITY ACTIONS

SET CORPORATE SCIENCE-BASED NET-ZERO GHG EMISSIONS REDUCTIONS TARGETS IN LINE WITH A 1.5°C PATHWAY

- Review existing sector-specific guidance and projects to gather information that is best tailored to your organization and industry.
- Perform a complete GHG emissions inventory/screening, which includes company-wide scope 1 and 2 emissions and gross scope 3 emissions for all emissions sources, following the minimum boundary for each scope 3 category set out in the GHG Protocol’s Scope 3 Standard.
- Utilize the SBTi’s resources and tools to follow its 5-step process to set your science-based target.
- Create a transition plan showing how you will successfully deliver on your commitments in an equitable and just way.
- Engage with your networks and supply chains and encourage them to set net-zero targets as well, using the SBTi’s Supplier Engagement Guidance.
- Align external policy and engagement efforts with corporate emission reduction goals and advocate for positive climate action.

CONTRIBUTE TO A JUST TRANSITION BY ADDRESSING SOCIAL IMPACTS OF CLIMATE CHANGE MITIGATION AND ADAPTATION MEASURES IN PARTNERSHIP WITH WORKERS, UNIONS, COMMUNITIES AND SUPPLIERS

- Workforce: respect rights at work; assess human capital, development and job creation; promote robust social dialogue in just transition planning; assess and improve equity in recruitment, career progress and pay; and protect employee benefits.
- Government Relations & Policy Advocacy: engage in tripartite social dialogue at local and national levels; advocate for decent work and financially sustainable social protection systems.
- Supply Chain/Procurement: engage with suppliers to promote decent work and respect for rights; encourage sustainable production, training and risk management.
- Management: create a collaborative culture between management in key business functions and employees across the organization.
- Measurement & Reporting: track data related to just transition including, but not limited to, equity audits of the social impacts of operations and products and place-based socioeconomic impact assessments.

KEY RESOURCES

- Science Based Targets initiative
- Overviews: Upstream Protocol
- Introduction to Just Transition: A Business Brief
- Intergovernmental Panel on Climate Change
- United Nations Global Compact on Climate Change
- International Labour Organization, Just Transition Guidelines
- UN-backed 3.5°C aligned Net Zero Credibility Criteria
ADVANCE WATER RESILIENCE

CURRENT STATE

By 2030, global demand for freshwater will exceed supply by 40%,²⁰³ Population growth, climate change, and increasing food demands are forcing humankind to reckon with quality water as a finite and vulnerable resource. According to the UN, over 2 billion people lack safely managed drinking water services and for at least 3 billion people, the quality of the water they rely upon is unknown due to the lack of monitoring.²³² The World Wildlife Fund estimates that by 2025, two-thirds of the world’s population may face water shortages.²³³

The private sector represents the largest water user in the world. The agriculture sector accounts for over 70% of global water use and experts predict water use will need to increase by 15% just to meet food demand.²³⁴ An additional 19% of global water use is attributed to industrial processes.²³⁵ Leading companies are working across the three dimensions of water—quantity, quality, and accessibility (WASH)—to build basin-level water resilience.

Leaders have an opportunity to improve the private sector’s water efficiency and reverse water depletion. In 2022, CDP respondents identified a combined $436 billion of financial benefits from reducing water impacts.²³⁶ Achieving water-related SDGs will require companies to prioritize efficiency improvements, reduce water waste, and work with local communities to protect and restore water-stressed basins.

BUSINESS POTENTIAL

India, Pakistan, China, Indonesia, and Ethiopia are five of the largest agriculture water withdrawing countries with high water stress and water intensive crops. Collectively, they account for nearly half of all global agricultural water withdrawal.

**BY 2030, THE AGRICULTURE SECTOR IN THESE FIVE COUNTRIES COULD:**

133B m³

Save 133 billion cubic meters of water if 20% of farmers in these five countries invest in micro-irrigation (See Appendix)

Equivalent to 3% of their agricultural water use and 1% of total global agricultural water use

72B m³

Save 72 billion cubic meters of water if half of farmers in these five countries shift from day-time irrigation to overnight irrigation (See Appendix)

Equivalent to 8% of their agricultural water use and 2% of total global agricultural water use
In 2015 a severe drought struck Brazil’s largest city of Sao Paulo. Companies contributed to the Sao Paulo Water Fund to pay farmers to restore the watershed with nature-based solutions. The project pays 1500 residents to make the basin more resilient to drought and other forms of water stress. The initiative likewise sequesters carbon, supports the local economy, and protects valuable ecosystems. Five companies within the Water Resilience Coalition are among the list of private and public supporters of this collective action. Through multi-sector collective action projects like these, the Water Resilience Coalition seeks to build water resilience to 100 water-stressed basins by 2050.

Interloop Limited is a fully vertical manufacturer of hosiery, denim, knitted apparel and seamless activewear, based in Pakistan. Interloop Limited champions responsible manufacturing. At Interloop, water footprint reduction is one of their key Sustainability targets, set for 25% reduction by 2025-26. To promote water stewardship, Interloop has collaborated with WWF for AWS catchment. The company is making huge investments on multiple initiatives which include 95% water reduction in wash process by 2025, reusing non-contact process cooling water, and rainwater harvesting.

Lever Strauss & Co, a US-based retailer, is working to reduce the apparel industry’s impact on water around the world. They are engaging with their supply chain – in particular key mills and factories which represent 80% of production volume – to meet geographically contextual water targets. Their goal is to reduce water used in manufacturing by 50% in areas of high-water stress by 2025 against a 2018 base year. The company also published their Water Action Strategy as an open-source document to inspire collective action and progress across our industry.

Key Resources
- The Pacific Institute
- CEO Water Mandate
- Water Resilience Coalition
- Aquastat
- UN Water Conference
- The Aqueduct Alliance
PROTECT & RESTORE NATURE

CURRENT STATE

At least 40% of the world’s economy and 80% of the needs of the poor are derived from biological resources, but these are in steep decline. Already 83% of wild mammals and half of all plants have been wiped out, and our marine and land environments have been severely altered.

The private sector plays a critical role in promoting and preserving biodiversity, both on land and underwater. Deforestation and irresponsible land use continue to pose threats to biodiversity and business. Agricultural expansion is the direct driver of nearly 90% of deforestation. Every year more and more productive land is degraded, directly affecting the lives of 1.3 billion people. At the same time, fish provide more than 1 billion people with most of their daily animal protein, but threats such as overfishing, acidification, pollution, and rising temperatures threaten mass extinction of aquatic life within decades.

The latest research from WEF shows that $44 trillion of economic value generation—over half of the world’s total GDP—depends moderately or highly on nature and its services. It is therefore up to business to promote practices that help preserve biodiversity, from core operations through supply chain impacts.

BUSINESS POTENTIAL

Protecting and restoring biodiversity is vital to the future of our world and economy.

IF COMPANIES ADOPT REGENERATIVE BUSINESS MODELS BY 2030, THEY COULD:

- Eliminate the risk of losing one half of global GDP as a result of business dependence on nature and its services
- Generate 395 million jobs in transitioning to a nature-positive economy
- Realize opportunities linked to utilities that effectively manage air, water, and waste pollution in urban areas

1m animal and plant species are threatened with extinction
54% of survey respondents report their company discloses nature and biodiversity risks and impacts (See Appendix)
17m metric tons of plastic clogging the ocean in 2021, set to double or triple by 2040

$44T
395m
$670B
**COMPANY EXAMPLES**

**ORSTED**
Ørsted, a global renewable energy developer, has set an industry-leading ambition for net-positive biodiversity impact. In the UK’s Humber Estuary, the company is partnering with the Yorkshire and Lincolnshire Wildlife Trusts to restore multiple habitats — seagrass meadows, salt marshes, and oyster reefs — and improve the health and resilience of the estuary’s ecosystem. Seagrass and salt marshes are not only efficient carbon capture means, but also provide nutrient-rich habitats for fish and birds, as well as coastal protection. The UK’s Department for Environment, Food and Rural Affairs has commended this project as an example of how restoration can work in practice and deliver multiple benefits for biodiversity and climate.

**SYMRISE**
Symrise, a global supplier of fragrances, flavors, food, nutrition, and cosmetic ingredients, puts policies and procedures in place that respect the rights of local traditional people and their knowledge through benefit-sharing and value chain development. For example, in the Brazilian Amazon they implemented projects promoting local value creation, in partnership with Brazilian cosmetic company Naturals & Co. and OZT, by enhancing farming techniques and sustainable wild collection practices. From 2017-2021, Symrise and their partners trained local communities in sustainable farming methods, developed equipment, and helped them to diversify and increase quality of production. For Symrise, this meant reliable access to key ingredients as well as the opportunity to research new raw materials. 17 participating cooperatives were able to increase revenue by 90%, improving livelihoods of >1500 families, and certification from Union for Ethical Biodiversity (UEBT) further facilitating market access.

**PRIORITY ACTIONS**

**ALIGN WITH THE TNFD REPORTING FRAMEWORK**

- **Adopt biodiversity risk reporting**
  Align reporting practices with the final TNFD recommendations (final recommendations to be launched on 19 September 2023). Potential actions include (1) adopt the LEAP risk and opportunity assessment approach (2) leverage expertise and biodiversity planning and monitoring platforms to report on the suggested data, metrics & targets (3) set targets for nature based on the Science-Based Targets Network methodologies.

- **Center nature in infrastructure**
  To live sustainably, we must center nature in the built environment and infrastructure. Potential actions include (1) build connecting infrastructure around the natural environment (2) build dense rather than expansive city infrastructure (3) prioritize ‘green’ buildings and vehicles.

- **Reduce irresponsible deforestation and aquatic degradation**
  Report progress on and foster a culture of transparency. Potential actions include (1) implement precision forestry and habitat monitoring technology (2) engage in productive and regenerative agriculture (3) monitor footprint of terrestrial and marine protected areas.

- **Proper waste disposal practices**
  In order to stall biodiversity loss, we must manage air, water, and solid waste more efficiently. Potential actions include (1) develop and implement planet-compatible utilities (2) redirect plastic waste from oceans (3) discontinue harmful industrial fishing practices and instead use precision fishing technologies.

- **Promote biodiversity throughout green supply chain**
  Integrate biodiversity considerations into buying practices to promote more inclusive supply-chain business strategy. Potential actions include (1) develop and implement planet-compatible utilities (2) integrate biodiversity considerations into buying practices (3) partner with local workforce bodies and nonprofits to channel corporate buying power toward generating alternative livelihoods for individuals and communities that depend heavily on resource extraction.

- **Develop strategic nature-positive investments, capabilities and offerings**
  Companies are well positioned to align bottom-line metrics with making nature-positive investments. Potential actions include (1) identify and invest in revenue-generating opportunities and customer value propositions that include nature-positive outcomes (2) partner with the innovation ecosystem and scientific community to deploy win-win solutions (3) explore and pilot innovative financing solutions.

- **Work with community partners**
  Work with community leaders to protect biodiversity. Potential actions include (1) engaging in social dialogue with local and indigenous communities to respect their self-determination, FPIC and land rights, and access and benefit sharing.

**KEY RESOURCES**
- TNFD Recommendations
- High-Level Business Actions on Nature
- Kunming-Montreal Global Biodiversity Framework
- Science-Based Targets Network Methodologies
CURRENT STATE

Current consumption and production patterns are incompatible with the global vision for a sustainable economy. Between 2015 and 2021, the global economy consumed half a trillion tons of virgin materials, 70% more than the Earth can safely replenish. Most consumed materials never re-enter global supply chains; the global economy produces roughly 300 million tons of plastic waste and 54 million tons of electronic waste, of which only 17% gets collected and recycled. Shifting consumption away from ‘take-make-waste’ will build a more resilient global economy.

The private sector inherently plays a role in transitioning the global economy toward circularity. Companies must fundamentally rethink product design and new business models to unlock the economic and sustainable benefits of a circular economy.

Entire industries must evolve to design products to be used for as long as possible or offer leasing and renting models that increase access and utilization. These new business models not only align with the SDGs but can also be beneficial for business. The World Bank found that industries shifting away from one-off product sales toward capital equipment-as-a-service have recorded higher than average margins.

BUSINESS POTENTIAL

Copper, aluminum, and steel are three of the most recycled metals in the world. If copper, aluminum, and steel producers increased their share of recycled inputs to meet 2050 goals.

**BY 2030, IF COPPER, ALUMINUM, AND STEEL PRODUCERS INCREASE THE SHARE OF RECYCLED INPUTS TO MEET 2050 GOALS, THEY COULD SAVE:**

- **1.8B mt**
  - 1.8 billion metric tons of CO2e emissions

- **$54B**
  - USD $54 billion

| 2X | Total material extraction has almost doubled since 2000, putting it at 100 billion tons per year |
| 7.2% | of global production is circular |
| 1.9% | of manufactured products come from remanufacturing versus new manufacturing |
**COMPANY EXAMPLES**

**COTY**

Coty, a global beauty company, has produced the world’s first globally distributed fragrances made using carbon-captured alcohol. In January 2022, Coty began integrating this innovative CarbonSmart™ alcohol from partner LanzaTech into its fragrance portfolio. This novel technology process captures carbon from industrial emissions and transforms it into alcohol for use in fine fragrances. Alcohol, a key ingredient in the production of fragrances, is Coty’s top fragrance ingredient by volume. By transforming carbon into a new source of alcohol, Coty and LanzaTech are progressing innovative solutions to reduce the beauty industry’s environmental impact. Carbon-captured alcohol involves nearly zero water consumption and reduces the need for agricultural land, in turn limiting Coty’s impact on biodiversity and lowering the company’s carbon emissions related to fragrance production.

**NOVO NORDISK**

Novo Nordisk, a Danish multinational pharmaceutical company, is embedding an end-to-end responsible business model by considering healthcare’s sustainability impacts across different stages of its product lifecycle. One area of focus is medical device waste. To reduce their impact, Novo Nordisk has launched an insulin pen takeback programme designed to divert waste from landfills and reduce end-of-life carbon emissions. The pilot programme has been launched in a range of countries with the aim to recycle plastic, glass and metal from used insulin pens into new products thereby preventing waste and reducing the use of resources. The overall vision is to drive industry-wide takeback and recycling programs in the healthcare sector.

**SOURCE 100% SUSTAINABLE MATERIAL INPUTS THAT ARE RENEWABLE, RECYCLABLE, OR REUSABLE**

- Assess product design and incorporate recyclable inputs
  - Embed re-use and recyclability into design and material selection processes. Potential actions include (1) mandating recyclability assessments to test end-of-life sorting, processing, and recovery feasibility and (2) implementing product design criteria that use recycled and renewable inputs and prioritize durability.

- Source recyclable inputs at scale
  - Incorporate recycled and renewable materials and feedstocks at scale. Potential actions include (1) implementing procurement requirements to meet sourcing criteria and (2) increasing waste collection across the value chain to identify and support collection and processing for recycled materials into products.

**RECOVER 100% OF RESOURCES AND RECYCLED OR REUSE ALL MATERIALS/PRODUCTS AT END OF LIFE**

- Assess products for end-of-life use
  - Embed requirements for product and service design to enable recovery, recycling and re-use at end of product use. Potential actions include (1) implementing product design criteria that require the use of recyclable and renewable materials and (2) mandating recyclability assessments to test for end-of-life sorting, processing, and recovery.

- Cater business models to maximize product life
  - Develop new offerings that increase control over product and packaging recovery. Potential actions include (1) growing product-as-a-service offerings, such as leasing and rentals, over one-time purchases, (2) growing remanufacturing and repair services, and (3) tracking product ownership, use, and lifecycles.

- Build capability to collect and recycle products at end of life
  - Recapture reusable materials for recycling and reintroduce into supply chain. Potential actions include (1) developing reverse supply chain capabilities, (2) implementing sales and customer incentives to increase product recovery and (3) developing recycling infrastructure for collecting and sorting returned material.

**SEND ZERO WASTE TO LANDFILL AND INCINERATION**

- Reduce waste
  - Deploy waste prevention solutions to eliminate waste generation at the source. Potential actions include (1) conducting waste-stream mapping, (2) analyzing material flows and destinations to identify waste leakage and (3) implementing waste prevention solutions to reduce material consumption and optimize packaging and inventory.

- Reuse and recycle
  - Repurpose waste as a new internal input for conversion to new products for other uses. Potential actions include (1) diverting operational waste and byproducts to other uses and (2) valorizing recycled waste and byproducts through sale to other markets and sectors or by innovating new products within own business portfolios.

**PRIORITY ACTIONS**

**CSCO, CTO, CFO**

- **THE WORLD BANK**: What a Waste 2.0
- **Ellen MacArthur Foundation**
- **Zero Waste International Alliance**
- **The Circular Economy Handbook**
- **Platforms for Accelerating the Circular Economy**
- **The Circular Design Guide**
- **UNEP Circularity**

**COMPANY EXAMPLES**

**COTY**

Coty, a global beauty company, has produced the world’s first globally distributed fragrances made using carbon-captured alcohol. In January 2022, Coty began integrating this innovative CarbonSmart™ alcohol from partner LanzaTech into its fragrance portfolio. This novel technology process captures carbon from industrial emissions and transforms it into alcohol for use in fine fragrances. Alcohol, a key ingredient in the production of fragrances, is Coty’s top fragrance ingredient by volume. By transforming carbon into a new source of alcohol, Coty and LanzaTech are progressing innovative solutions to reduce the beauty industry’s environmental impact. Carbon-captured alcohol involves nearly zero water consumption and reduces the need for agricultural land, in turn limiting Coty’s impact on biodiversity and lowering the company’s carbon emissions related to fragrance production.

**NOVO NORDISK**

Novo Nordisk, a Danish multinational pharmaceutical company, is embedding an end-to-end responsible business model by considering healthcare’s sustainability impacts across different stages of its product lifecycle. One area of focus is medical device waste. To reduce their impact, Novo Nordisk has launched an insulin pen takeback programme designed to divert waste from landfills and reduce end-of-life carbon emissions. The pilot programme has been launched in a range of countries with the aim to recycle plastic, glass and metal from used insulin pens into new products thereby preventing waste and reducing the use of resources. The overall vision is to drive industry-wide takeback and recycling programs in the healthcare sector.

**SOURCE 100% SUSTAINABLE MATERIAL INPUTS THAT ARE RENEWABLE, RECYCLABLE, OR REUSABLE**

- Assess product design and incorporate recyclable inputs
  - Embed re-use and recyclability into design and material selection processes. Potential actions include (1) mandating recyclability assessments to test end-of-life sorting, processing, and recovery feasibility and (2) implementing product design criteria that use recycled and renewable inputs and prioritize durability.

- Source recyclable inputs at scale
  - Incorporate recycled and renewable materials and feedstocks at scale. Potential actions include (1) implementing procurement requirements to meet sourcing criteria and (2) increasing waste collection across the value chain to identify and support collection and processing for recycled materials into products.

**RECOVER 100% OF RESOURCES AND RECYCLED OR REUSE ALL MATERIALS/PRODUCTS AT END OF LIFE**

- Assess products for end-of-life use
  - Embed requirements for product and service design to enable recovery, recycling and re-use at end of product use. Potential actions include (1) implementing product design criteria that require the use of recyclable and renewable materials and (2) mandating recyclability assessments to test for end-of-life sorting, processing, and recovery.

- Cater business models to maximize product life
  - Develop new offerings that increase control over product and packaging recovery. Potential actions include (1) growing product-as-a-service offerings, such as leasing and rentals, over one-time purchases, (2) growing remanufacturing and repair services, and (3) tracking product ownership, use, and lifecycles.

- Build capability to collect and recycle products at end of life
  - Recapture reusable materials for recycling and reintroduce into supply chain. Potential actions include (1) developing reverse supply chain capabilities, (2) implementing sales and customer incentives to increase product recovery and (3) developing recycling infrastructure for collecting and sorting returned material.

**SEND ZERO WASTE TO LANDFILL AND INCINERATION**

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**KEY RESOURCES**

- The World Bank: What a Waste 2.0
- Ellen MacArthur Foundation
- Zero Waste International Alliance
- The Circular Economy Handbook
- Platforms for Accelerating the Circular Economy
- The Circular Design Guide
- UNEP Circularity
COMMIT TO SUSTAINABLE CORPORATE FINANCE

CURRENT STATE

The United Nations estimates that the world must mobilize between USD $3.3-4.5 trillion to achieve the SDGs by 2030, with other sources estimating the gap to be nearly $10-15 trillion.357

The private sector as a collective has the resources at its disposal to close the gap, accounting for over 60% of GDP in most countries. Yet many companies are still making decisions that often do not take into account the full cost of the action, leading to large negative SDG impacts. This is reflected by only 24% of companies stating that embedding the SDGs into investment criteria is a top 3 priority between now and 2030.358

Furthermore, companies are incentivized by short-term gains, often at the cost of long-term sustainability investment. For example, despite 4 out of every 5 companies say they have a business case for at least one SDG, nearly 9 in 10 companies say that long payback periods present a challenge to investing in SDG action.

In response to the challenge, the UN Global Compact has organized the CFO Coalition for the SDGs, which outlines four principles to integrate sustainable development in corporate investments and finance. The principles detail methods for companies to adopt as they evaluate investment criteria, transform business models, and maximize their impact on the SDGs.

CFOs can take concrete steps to define investment criteria, create accountability and embed measurement frameworks to align corporate investments and financing with the SDGs.

BUSINESS POTENTIAL

The CFO Coalition for the SDGs plays a key role in shaping the sustainability agenda of CFOs all around the world, developing a common language, collective ambitions, and resources to accelerate corporate investments toward the SDGs.

A GROUP OF 71 PIONEERING COMPANIES IN THE COALITION DEMONSTRATE THE IMPACT POTENTIAL:

- **$500B**
  - Total Cumulative SDG-aligned corporate investments for the period 2020-2025362

- **50%**
  - Proportion of SDG-aligned corporate investments for the period 2020-2025362

- **50%**
  - Proportion of SDG-linked finance by 2025364

15%
The total cost of achieving the SDGs has increased by at minimum 15% from $116-142 trillion to $134-176 trillion in 2022359

90%
The finance industry is the custodian and/or manager of 90% of the world’s gross liquid capital ($400 trillion)360

36%
Annualized five-year total shareholder returns for the most proactively engaged companies on sustainability, against 5% by the MSCI world financial index361

90%
The finance industry is the custodian and/or manager of 90% of the world’s gross liquid capital ($400 trillion)360
ACHIEVE 100% ALIGNMENT WITH THE CFO PRINCIPLES ON INTEGRATED SDG INVESTMENTS AND FINANCE

Understand SDG impact and embed SDG considerations in investment decision making

Potential actions include (1) developing and implementing a specific SDG impact thesis that maximizes positive impact and mitigates negative impact on the most material SDGs, (2) working with established third-party providers to measure SDG impact.

Adopt impact accounting

Potential actions include (1) joining and supporting forums to create an SDG impact accounting standard, (2) adopting investment criteria that incorporates impact-weights in traditional accounting activities to embed costs for negatively impacting the SDGs.

Advocate for ESG reporting and tax integration with impact accounting

Potential actions include (1) advocating for public incentives to adopt impact accounting, such as blended finance opportunities for companies creating positive SDG impacts and tax burdens for companies creating negative SDG impacts.

KEY RESOURCES

SDG IMPACT MEASUREMENT
- International Foundation for Valuing Impacts
- Impakt
- Util
- OECD Sector-Specific SDG-related Metrics

UN GLOBAL COMPACT RESOURCES
- CFD Principles
- Blueprints for Implementation of the CFD Principles
- CFD Coalition for the SDGs: Macro Sector Profiles
- Scaling SDG Finance for the SDGs

COMPANY EXAMPLES

ABN AMRO
To measure positive and negative impact on relevant stakeholders, highlight trade-offs between stakeholders, and support decision-making on how to improve their impact, ABN AMRO applies the Framework for Impact Statements and Impact-Weighted Accounts Framework. Since 2018, they have published this analysis as part of their annual disclosures in an integrated profit and loss report called the Impact Report. Impact is measured annually, so changes in impact can be tracked. Recently, ABN AMRO has taken steps to better understand the impact that arises through the sectors they finance and identify impact intensive sectors. These insights will be incorporated into decision-making and client relationships.

SCHNEIDER ELECTRIC
Schneider Electric, a French energy company, has defined a progress plan to become an impact company, measuring its progress against 11 targets each quarter in the Schneider Sustainability Impact 2021-25. Financial investment priorities are aligned to set the course towards its SBTI-validated Net-Zero Commitment, and more broadly to meet its long-term commitments for climate, to preserve natural resources and to contribute to development. To help finance its transition, the company has issued a €650 million convertible bond linked to sustainability targets on saved and avoided CO2 emissions for customers, gender diversity, and energy management training for underprivileged people.

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PRIORITY ACTIONS
CURRENT STATE

The private sector is still focused on short-term profitability, often at the expense of long-term sustainability investments. For example, despite a unanimous call for a rapid shift to source renewable energy, 20 of the world’s biggest oil and gas companies are projected to spend $932 billion to develop new oil and gas fields by the end of 2030. At the same time, under plausible and expected changes in climate policy, stranded asset risk in the oil and gas sector exceeds $1 trillion.

Companies need to establish a culture of ethical leadership that ensures more effective, accountable, and transparent governance. By creating shared values that elevate corporate behavior and value, they raise the standard for responsible business.

Executive remuneration is a key lever for guiding corporate behavior and incentivizing companies to take long-term, sustainable action. To achieve the SDGs, companies must shift priorities to properly account for more than just shareholders’ interests, and hold leadership accountable. In 2022, the number of FTSE 250 companies that tied ESG performance with bonuses increased by 57% in a single year, signaling a growing trend in tying executive compensation with sustainability goals. To go further, companies can link executive pay to the SDGs and establish board accountability to create a more sustainable and transparent future.

Companies must create an environment that favors long-term value throughout the formation and implementation of business strategy. Executive remuneration is the truest expression of a corporation’s real priorities, and responsible remuneration is a real commitment on behalf of leadership to the SDGs and sustainable long-term value creation.

BUSINESS POTENTIAL

Aligning company values with the SDGs is important to establish good governance and leadership incentives.

85% of survey respondents believe that long pay-back periods for sustainability projects negatively impact their ability to contribute to the SDGs

34% of UN Global Compact CEOs say they link leadership remuneration to sustainability targets

31% of UN Global Compact CEOs say they are increasing the diversity of the company’s board

43% of investors believe applying ESG criteria to corporate decision-making leads to enhanced financial results

$200M of lobbying dollars spent by the five largest stock market-listed oil and gas companies on blocking climate change action every year

365
366
367
Defining scope
Clarify which SDGs are materially relevant to the company, and who are leaders who drive progress in these areas. Potential actions include (1) identifying SDGs and metrics with a clear link to shareholder value and alignment to the long-term business strategy, and (2) balance SDG metrics to be diverse and relevant.

Structuring incentives
Design pay incentives aligned with SDG targets and defined time horizons. Potential actions include (1) designing incentives to promote the achievement of SDG targets on defined time horizons (2) accounting for unintended consequences in incentive structures. Remuneration time-frames should favor long-term value creation over short-term financial results.

Executive Evaluation
Ensure remuneration decisions are made by an independent, well-informed and stakeholder connected board. Stakeholder reporting provides a consistent narrative that helps assess linkage to strategy, materiality, and pay for performance.

Creating a Board Position to Advocate for All Stakeholders’ Long-Term Interests
Identify and understand stakeholder interests
Identify primary and secondary stakeholders to the business. Potential actions include (1) conducting an organizational assessment to identify stakeholder groups most impacted by business operations.

Establish a board seat
Create a board seat for a representative to give voice to nonfinancial stakeholders. Potential actions include (1) establishing a voting or non-voting board seat to represent nonfinancial stakeholders (2) establishing board reception to external input on the societal impact of business operations (3) putting shares with rights in trusts to give ordinary shareholders the ability to purchase shares with voting rights.

Engaging in Responsible Advocacy
Aligning advocacy efforts with internal sustainability priorities
Advocate and lobby for legislative and systemic change in ways that align with long-term corporate interests. Potential actions include (1) aligning investments with long-term stakeholder interests, (2) improving transparency around lobbying efforts and engaging with stakeholders – including employees and communities – to ensure alignment at all levels.

Key Resources
- UNGC 10 Principles
- Integrating ESG Issues Into Executive Pay
- UNGC: Modernizing Executive Pay
- UN Global Compact: SDG 16
- E&C Insights
- Reward Value

Company Examples
Mastercard
Mastercard, a US-based technology company in the payments industry, to help further align its actions with its ESG goals, and to help ensure that all Mastercard employees share in the responsibility to uphold these goals, links their annual incentive programs for executives and employees to ESG performance measures, including quantitative objectives for financial inclusion, gender pay equity and greenhouse-gas emissions reductions.

Mars
To make an impact, compensation plans need to be tied to clear KPIs and be financially meaningful to participants. Mars’ long-term incentive plan (LTIP) highlights this approach by linking pay to shareholder objectives set by its owners the Mars Family. These objectives, which are known as the Mars Compass, cover four “quadrants of performance” (financial value creation, quality growth, positive societal impact and being a trusted partner). In the LTIP, the non-traditional metrics are weighted 40%, and are comprised of GHG emission reduction targets (on all scopes) for the three-year cycle, progress against packaging sustainability targets, and an externally monitored societal reputation metric measuring Mars’ corporate ratings as a trusted partner that addresses stakeholder interests (employees, supply chain, customers, and society at large).
POLICYMAKER ASKS
GOVERNMENT POLICY CHANGES ARE CRITICAL TO SCALE UP BUSINESS CONTRIBUTIONS TO THE SDGs

Achieving substantial progress in the seven years left is possible, but only if public, private and non-profit players work more closely together with a clear game plan. To harness the full potential of the private sector, the right policies need to be in place to incentivize action across all 10 of the pathways.

BUSINESSES NEED GOVERNMENTS TO ENGAGE

44% of survey respondents ranked policymakers as the top stakeholder group from which more engagement is required.

Governments represent the group that business leaders say they need more support from as they pursue SDG impact. Businesses need to feel that governments are engaging, supporting, and partnering with them to lead the necessary change ahead of 2030.

BUSINESSES ARE DEMANDING CHANGES IN INCENTIVES

80% claim insufficient policy incentives to incorporate SDGs into business strategy is hindering progress.

Businesses are demanding that governments put in place policy incentives to help integrate the SDGs into business strategy and operations. This ensures an even playing field across all businesses, and widespread action. This also helps give businesses clear guidance on where to concentrate their efforts.

BUSINESSES ARE ASKING FOR CLEAR GUIDANCE

84% state that uncertainty around measurement and calculations of impacts towards SDGs is a major barrier.

Businesses struggle to understand how to calculate their impact on the SDGs. They are asking for clear measurement criteria and calculation methods so that they can not only properly report progress, but also make informed decisions based on these insights.

BUSINESSES ARE CALLING ON POLICYMAKERS TO STEP UP AND ENGAGE IN SDG ACTION IN THESE AREAS:

When asked, business leaders indicated their support of specific policies that would help support the trilemma and achieve the pathways outlined above:

SCALE UP NEW INCENTIVE SYSTEMS TO REDEFINE SUCCESS IN TERMS OF RISK, RETURN AND IMPACT

The top ask from business leaders is consistent sustainability reporting and disclosure mandates (76%). This helps ensure all businesses are held to the same standard both nationally and globally.

EXPAND THE BENEFITS OF MARKETS TO ACHIEVE SOCIAL RESPONSIBILITY

The second ask is adjusting the national minimum wage to equal living wage levels (71%) – a cost to business, but one that they deem worthy should everyone pay the price fairly. In addition, the majority support policies that would help promote gender equality, namely mandatory disclosure of gender pay gaps (65%), and mandatory minimum company paid shared-parental leave (58%).

TRANSFORM THE BASIS OF BUSINESS TO ACHIEVE ENVIRONMENTAL SUSTAINABILITY

Finally, businesses support a range of stronger policies to strengthen environmental protection. Businesses are asking for policymakers to support a clean energy transition, advocating for policies such as shifting subsidies from fossil fuels to renewables (68%), requirements for all businesses to reach net-zero emissions by 2050 (62%), and carbon pricing to reduce fossil fuel use and shift to renewables (60%). For more information on renewable energy transition, click here.

Businesses are also advocating for more mandatory disclosures, including mandatory disclosure of water withdrawal and consumption (64%) and mandatory nature-related risks and impact reporting (61%). Advocating for higher transparency enables better decision-making for individual companies, as well as private sector action.

For more information on LDC’s asks, please review the Doha 5-point perspective.

Source: UNGC Private Sector Stocktake Survey (n = 2,859)
Survey Question: How much of an impact does each of the following have on your company’s ability to contribute to the SDGs?

Source: UNGC Private Sector Stocktake Survey (n = 2,859)
Survey Question: Which of the following government policies would you support?
APPENDIX
This report pulls together unique data sources to produce complementary insights about the private sector’s impact on the SDGs. The variety of the data makes this report one of the most current, comprehensive, and evidence-based analyses of the private sector’s contribution to the SDGs.

Leveraging three distinct quantitative data providers, this report represents the first attempt to generate insights on SDG impacts at the aggregate private sector level, breaking new ground in the world’s effort to evaluate progress on the SDGs. While methodologies exist to evaluate individual company contributions, this report focuses on aggregate sector-wide impact.

In addition, the triangulation of data sources allows us to explore thematic insights across sectors, products, processes, and ESG reporting for the first time.

Finally, we complement this analysis with traditional tools. The first is a survey of over 2,800 business leaders to gauge sentiment on the private sector’s role and contributions in progressing the SDGs. The second is an analysis of earnings call transcripts using CB Insights.

Our hope is that this analysis provides a much-needed assessment of the current state while producing a catalyst and blueprint for action.

**METHODOLOGY**

**DISCLAIMERS**

1. **No measurement approach is perfect**
   Using imperfect, far-reaching quantitative measures is a critical and hitherto missing complement to qualitative insights. By combining sources, we have explored questions from multiple angles to add robustness.

2. **The report does not include absolute measurements**
   SDG contributions for the entire private sector are ‘best guesses’ based on the best available data. We are confident they are directionally correct for the 40+ themes and 10 sectors per SDG.

3. **Underlying samples are not truly representative of the private sector**
   This report represents feedback mainly from the Global North and Western countries and businesses. While we had opportunities to discuss with employers from Global South it was limited. Moreover, it is recognized that to reach the 2023 Agenda the Global South is in the most need from advocacy to commitment to the guiding principles.

**DATA PROVIDERS**

Each of the sources utilized in the report gives different insights. Combined, they give us a new picture of current SDG impacts, historic trends and how this links to ESG reporting.

**Provider**

- **esgbook**
  - Description: Mapping of ESG metrics to SDGs to identify gaps between impact and reporting.
  - Insight: For each SDG, what is the relationship between impact and ESG reporting, and do we see critical gaps?
  - Scope: Does not measure SDG impact, only scores the current state of ESG reporting.
  - Sample: 7,000 Companies rated

- **Impaakt**
  - Description: Crowdsourced ratings of SDG impact based on 40+ common themes.
  - Insight: For each SDG, what are the most important common themes driving impacts for the private sector overall?
  - Scope: Considers product, process, employment, philanthropy and tax impacts on SDGs.
  - Sample: 5,000 Companies rated

- **Util**
  - Description: AI-powered tagging of revenue to SDGs based on 7,000+ product impacts.
  - Insight: For each SDG, what sectors have the most positively and negatively aligned revenue and why?
  - Scope: Considers only product impacts on SDGs.
  - Sample: 50,000 Companies rated

Disclaimer: any use of these providers does not suggest endorsement nor involvement of the United Nations Global Compact in their methodology to score and/or assess companies on their implementation of the Ten Principles and contribution to the SDGs. These providers are part of a diverse industry of sustainability measurement and were selected as representative examples given complementary data approaches.
ESG BOOK METRIC DETAILS

ESG Book provides a mapping of ESG metrics to each SDG and the percentage of companies that measure each SDG metric. Of the 202 total ESG metrics, on average, 31 metrics are relevant per SDG, but this varies heavily by SDG.

| SDG 1 | No Poverty | 6 |
| SDG 2 | Zero Hunger | 4 |
| SDG 3 | Good Health and Well-being | 36 |
| SDG 4 | Quality Education | 8 |
| SDG 5 | Gender Equality | 13 |
| SDG 6 | Clean Water and Sanitation | 22 |
| SDG 7 | Affordable and Clean Energy | 22 |
| SDG 8 | Decent Work and Economic Growth | 51 |
| SDG 9 | Industry, Innovation and Infrastructure | 15 |
| SDG 10 | Reduced Inequalities | 36 |
| SDG 11 | Sustainable Cities and Communities | 38 |
| SDG 12 | Responsible Consumption and Production | 74 |
| SDG 13 | Climate Action | 37 |
| SDG 14 | Life Below Water | 28 |
| SDG 15 | Life On Land | 35 |
| SDG 16 | Peace, Justice and Strong Institutions | 69 |
| SDG 17 | Partnerships for the Goals | 31 |

The United Nations Global Compact and Accenture commissioned a survey in the spring of 2023 to gauge business sentiment on the private sector’s contribution to the SDGs. The survey was completed by 2,859 business practitioners.
**Impaakt Data Demographics**

Impaakt provides estimates for the scale of positive or negative impact that a company’s entire operations have on the SDGs.

<table>
<thead>
<tr>
<th>Company Revenue</th>
<th>Region</th>
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<tbody>
<tr>
<td>&gt; $1B USD</td>
<td>Asia 37.1%</td>
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<tr>
<td>250M to $1B USD</td>
<td>North America 35.2%</td>
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<tr>
<td>25M to 250M USD</td>
<td>Europe 22.4%</td>
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<tr>
<td>10M to 25M USD</td>
<td>Asia 2.5%</td>
</tr>
<tr>
<td>&lt; 10M USD</td>
<td>Africa 0.8%</td>
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<td></td>
<td>MENA 0.0%</td>
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</table>

**Util Data Demographics**

Util provides estimates for the percentage of company revenue aligned with positive or negative impacts to the SDGs.

<table>
<thead>
<tr>
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**Industry**

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<tr>
<th>Industry</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Manufacturing</td>
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<tr>
<td>Infrastructure</td>
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<td>Financial Services</td>
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<td>ICT</td>
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<td>Healthcare</td>
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<tr>
<td>Extractives</td>
<td>9%</td>
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<tr>
<td>Consumer Goods</td>
<td>9%</td>
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<tr>
<td>Food &amp; Beverage</td>
<td>7%</td>
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<tr>
<td>Transport</td>
<td>7%</td>
</tr>
<tr>
<td>Services</td>
<td>3%</td>
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<tr>
<td>Other</td>
<td>2%</td>
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<table>
<thead>
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<tr>
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<td>16%</td>
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<tr>
<td>Manufacturing</td>
<td>12%</td>
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<tr>
<td>Healthcare</td>
<td>11%</td>
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<td>Consumer Goods</td>
<td>8%</td>
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<td>Services</td>
<td>7%</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>6%</td>
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<tr>
<td>Transport</td>
<td>5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
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SECTOR CLASSIFICATIONS

Sustainability Accounting Standards Board
Industry Classification System

To facilitate data analysis, all report data was classified using the Sustainability Accounting Standards Board (SASB) Industry Classification System (SICS).

SICS builds on and complements traditional classification systems by grouping companies into sectors and industries in accordance with a fundamental view of their business model, their resource intensity and sustainability impacts, and their sustainability innovation potential.

HEALTH CARE
- Biotechnology & Pharmaceuticals
- Drug Retailers
- Health Care Delivery
- Health Care Distributors
- Managed Care
- Medical Equipment & Supplies

SERVICES
- Advertising & Marketing
- Casinos & Gaming
- Education
- Hotels & Lodging
- Leisure Facilities
- Media & Entertainment
- Professional & Commercial Services

INFRASTRUCTURE
- Electric Utilities & Power Generators
- Engineering & Construction Services
- Gas Utilities & Distributors
- Home Builders
- Real Estate
- Real Estate Services
- Waste Management
- Water Utilities & Services

TECHNOLOGY & COMMUNICATIONS
- Electronic Manufacturing Services & Original Design Manufacturing
- Hardware
- Internet Media & Services
- Semiconductors
- Software & IT Services
- Telecommunication Services

CONSUMER GOODS
- Apparel, Accessories & Footwear
- Appliance Manufacturing
- Building Products & Furnishings
- E-Commerce
- Household & Personal Products
- Multiline and Specialty
- Retailers & Distributors
- Toys & Sporting Goods

EXTRACTIVES & MINERALS PROCESSING
- Coal Operations
- Construction Materials
- Iron & Steel Producers
- Metals & Mining
- Oil & Gas - Exploration & Production
- Oil & Gas - Midstream
- Oil & Gas - Refining & Marketing
- Oil & Gas - Services

FINANCIAL SERVICES
- Asset Management & Custody Activities
- Commercial Banks
- Consumer Finance
- Insurance
- Investment Banking & Brokerage
- Mortgage Finance
- Security & Commodity Exchanges

FOOD & BEVERAGE
- Agricultural Products
- Alcoholic Beverages
- Food Retailers & Distributors
- Meat, Poultry & Dairy
- Non-Alcoholic Beverages
- Processed Foods
- Restaurants
- Tobacco

RESOURCE TRANSFORMATION
- Aerospace & Defense
- Chemicals
- Containers & Packaging
- Electrical & Electronic Equipment
- Industrial Machinery & Goods

TRANSPORTATION
- Air Freight & Logistics
- Airlines
- Auto Parts
- Automobiles
- Car Rental & Leasing
- Cruise Lines
- Marine Transportation
- Rail Transportation
- Road Transportation
ABOUT

As part of the UN Global Compact Stocktake report, a team from Accenture’s Macro Foresight hub created five Economic Impact Assessments (EIAs).

Their purpose is to provide quantitative insights on five key actions the private sector can take to accelerate the SDGs by 2030, specifically:
1. Close the gender pay gap
2. Implement living wages
3. Improve water efficiency
4. Invest in circularity
5. Increase access to products and services
   • Internet connectivity (both fixed and mobile)
   • Micro-finance
   • Vaccines

For each EIA, the purpose of this document is to:
- Summarize the most important inputs and the sources they came from
- Explain the calculation approach used at a high-level
- Outline the key findings and potential headlines for the report

This document does not include:
- Complete methodology guidance covering all calculation steps
- Exhaustive lists of all inputs and sources used
CLOSE THE GENDER PAY GAP

How much of the unexplained gender wage gap can the private sector close via widespread adoption of pay gap disclosure, non-transferable parental leave, recruitment quotas, flexible work arrangements, and salary history bans?

TOP HEADLINES

- The private sector could close 2/3 of the unexplained gender wage gap by 2030 if all companies adopted pay gap disclosure, paid paternity leave, gender recruitment and promotion quotas, flexible working arrangements, and salary history bans.
- Implementing pay gap disclosure, paid paternity leave, gender recruitment and promotion quotas, flexible working arrangements, and salary history bans across the private sector could result in:
  - $200-240 billion of net benefits to the female workforce from increased wages, driving higher female labor force participation
  - $353 billion of net benefits to companies from improved productivity and retention
  - $3 trillion of net benefits to society from higher wages, driving higher female labor force participation and more economic activity, and from wage increases driving greater spending and increased taxes

What is the global unexplained gender wage gap today?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Wage Gap</td>
<td>UN</td>
<td>This estimate halts with a guess estimate of the total gender wage gap in 2030. The analysis is very concerned with comparing nearly identical roles where the only difference in gender is the gender of the person filling the role. The model leverages an estimate of the unexplained gender wage gap, which is the fraction of unexplained gender wage gap in the industry. The gender wage gap is measured after controlling for education, work experience, demographics, job type, and industry status.</td>
</tr>
<tr>
<td>% of Wage Gap Unexplained</td>
<td>ILO</td>
<td>The model spells out in a guess estimate of the total gender wage gap in 2030. The analysis is very concerned with comparing nearly identical roles where the only difference in gender is the gender of the person filling the role. The model leverages an estimate of the unexplained gender wage gap, which is the fraction of unexplained gender wage gap in the industry. The gender wage gap is measured after controlling for education, work experience, demographics, job type, and industry status.</td>
</tr>
</tbody>
</table>

How much of the unexplained gender wage gap (UWG) could be closed by 2030 by adopting 6 policies?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>% ↓ in UWG by 2030 via Pay Gap Disclosure 10.3%</td>
<td>Harvard Center for Economic Performance</td>
<td>We looked at evidence of reductions in the gender wage gap from studies of real-life policy implementations across countries. Those studies compare a control group with a sample to derive an estimate of policy effectiveness. Because the impacts observed were measured over several centuries, we then assumed the figures to map their comparable units and the comparable social context of today, which allows us to estimate the extent to which these policy implementations have contributed to the between-impact effect because there will be interaction effects. As a result, we reduced the combined impact by 50% to account for the interaction between policies. The model assumes pay gap disclosure, flexible work arrangements, excluding candidate salary history have a larger impact on the total implementation. However, by distinguishing impacts, in contrast, we assume implementing non-transferable parental leave, recruitment quotas, and promotion goals have improving impacts over the scope and coverage of these policies. The model assumes non-transferable parental leave, recruitment quotas, and promotion goals have increasing impacts over the scope and coverage of these policies. The model assumes non-transferable parental leave, recruitment quotas, and promotion goals have increasing impacts over the scope and coverage of these policies. The model assumes non-transferable parental leave, recruitment quotas, and promotion goals have increasing impacts over the scope and coverage of these policies. The model assumes non-transferable parental leave, recruitment quotas, and promotion goals have increasing impacts over the scope and coverage of these policies.</td>
</tr>
<tr>
<td>% ↓ in UWG by 2030 via Non-Transferable Leave 9.7%</td>
<td>NBER</td>
<td>% ↓ in UWG by 2030 via Promotion Goals 43.8%</td>
</tr>
<tr>
<td>% ↓ in UWG by 2030 via Recruitment Goals 9.7%</td>
<td>NBER</td>
<td>% ↓ in UWG by 2030 via Salary History Ban 33.0%</td>
</tr>
<tr>
<td>% ↓ in UWG by 2030 via Flexible Work 9.6%</td>
<td>NBER</td>
<td>Interaction Effect 30%</td>
</tr>
</tbody>
</table>

What are the benefits and costs to individuals, companies, and society from closing the wage gap by 2030?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the benefits and costs to individuals from closing the gender pay gap by 2030?</td>
<td>University of Chicago</td>
<td>The total implementation cost for all six policies is assumed at $176 per covered employee. The model assumes wage capture as a function of wages not increased with increased wage. The model assumes that male wages remain constant, there are no inflationary effects and decreasing wage gaps are proportional to increasing female wages. The figure assumes a 14% tax rate and 10% savings rate.</td>
</tr>
</tbody>
</table>

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<th>University of Chicago</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Probability Gain</td>
<td>0-1.2%</td>
<td>University of Chicago</td>
</tr>
<tr>
<td>Retention Savings</td>
<td>0.7%</td>
<td>Harvard Center for Economic Performance</td>
</tr>
<tr>
<td>Work from Home Savings</td>
<td>0.6%</td>
<td>University of Chicago</td>
</tr>
<tr>
<td>Implementation Costs ( interacts, run costs)</td>
<td>$353 billion</td>
<td>University of Chicago</td>
</tr>
<tr>
<td>Wage BCG increase</td>
<td>0.5%</td>
<td>NBER</td>
</tr>
<tr>
<td>Cost of Time Off (for Paternity Leave)</td>
<td>$306 billion</td>
<td>NBER</td>
</tr>
<tr>
<td>What are the benefits and costs to society from closing the wage gap by 2030?</td>
<td>University of Chicago</td>
<td></td>
</tr>
<tr>
<td>The Female Labor Force Participation 3%</td>
<td>University of Chicago</td>
<td></td>
</tr>
<tr>
<td>Tax Revenue</td>
<td>$0.6 trillion</td>
<td>University of Chicago</td>
</tr>
<tr>
<td>What are the benefits and costs to society from closing the wage gap by 2030?</td>
<td>University of Chicago</td>
<td></td>
</tr>
<tr>
<td>Global Enterprise Count</td>
<td>$200-240 billion</td>
<td>NBER</td>
</tr>
<tr>
<td>Global Employee Count</td>
<td>$50-65B</td>
<td>NBER</td>
</tr>
<tr>
<td>Labor Force Participation Rate Female</td>
<td>$200-240 billion</td>
<td>NBER</td>
</tr>
<tr>
<td>Male</td>
<td>75%</td>
<td>University of Chicago</td>
</tr>
<tr>
<td>What are the benefits and costs to society from closing the wage gap by 2030?</td>
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</tr>
<tr>
<td>Male</td>
<td>75%</td>
<td>University of Chicago</td>
</tr>
</tbody>
</table>
IMPLEMENT A LIVING WAGE

How many people could be lifted out of working poverty if companies implemented living wages for their own workers – or influenced companies in their supply chains?

TOP HEADLINES

- 123 million workers could be lifted out of working poverty if companies employing 20% of the working poverty population raised wages to the level of a living wage.
- Raising the wages of 20% of the working poverty population to the level of a living wage would cost approximately $800 billion.
- If 5 industries (agriculture, forestry, fishing, mining and manufacturing) took collective action to encourage living wage adoption across their supply chains, it could lift 26 million people out of working poverty:
  - 6.3 million in agriculture, forestry, and fishing industry
  - 467,000 in mining and quarrying
  - 19.7 million in manufacturing

IMPLEMENT A LIVING WAGE

How many people are in working poverty today?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Poverty: Low Income Countries</td>
<td>71 million</td>
<td>We aim to determine the number of people in working poverty by defining a working poverty level across four distinct country income categories. In low-income countries, the working poverty population includes people earning below $1.90 per day or 43% of the working population. In lower-middle income countries, the working poverty population includes people earning below $3.20 per day or 32% of the working population. In upper-middle income countries, the working poverty population includes people earning below $5.50 per day or 20% of the working population. In high-income countries, the working poverty population includes people earning below $7.00 per day or 12% of the working population.</td>
</tr>
<tr>
<td>Working Poverty: Lower Middle Income Countries</td>
<td>316 million</td>
<td></td>
</tr>
<tr>
<td>Working Poverty: Upper Middle Income Countries</td>
<td>202 million</td>
<td></td>
</tr>
<tr>
<td>Working Poverty: High Income Countries</td>
<td>30 million</td>
<td></td>
</tr>
</tbody>
</table>

If 20% of people in working poverty got living wages, how many people might be impacted and what’s the cost?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Workers Earning a Living Wage</td>
<td>20%</td>
<td>We estimate the number of self-employed workers currently in working poverty by estimating how many people would receive a living wage if 20% of workers currently in working poverty were paid a living wage.</td>
</tr>
<tr>
<td>Average Living Wage by Country Income</td>
<td>Assumption</td>
<td>We estimate the number of workers earning a living wage by assuming that 20% of workers in working poverty would receive a living wage.</td>
</tr>
<tr>
<td>Number of Workers in Working Poverty</td>
<td>617 million</td>
<td>We calculate the number of workers earning a living wage by multiplying the number of self-employed workers currently in working poverty by 20%.</td>
</tr>
</tbody>
</table>

How many years would it take to end working poverty based on current wage growth?

<table>
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<tr>
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<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Real Wage Growth</td>
<td>3%</td>
<td>We calculate the number of years it would take to end working poverty by estimating how many years it would take for wages to reach the level of a living wage.</td>
</tr>
<tr>
<td>% Increase Poverty Rate due to %↓ in Wages</td>
<td>Calculated in Step 2</td>
<td>We estimate the number of years it would take to end working poverty by estimating how many years it would take for wages to reach the level of a living wage.</td>
</tr>
</tbody>
</table>

How much could we reduce working poverty if select industries took collective action on living wages?

<table>
<thead>
<tr>
<th>INPUTS</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Share of Output per Industry</td>
<td>ILO</td>
<td>We estimate the share of output per industry by dividing the output of each industry by the total output of all industries.</td>
</tr>
<tr>
<td>Share of Employment per Industry</td>
<td>ILO</td>
<td>We estimate the share of employment per industry by dividing the employment of each industry by the total employment of all industries.</td>
</tr>
<tr>
<td>Working Poverty by Country Income</td>
<td>United Nations</td>
<td>We estimate the working poverty population by industry and country by multiplying the share of each industry by the working poverty population of each country.</td>
</tr>
</tbody>
</table>

How much could we reduce working poverty if select industries took collective action on living wages?

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<td>United Nations</td>
<td>We estimate the working poverty population by industry and country by multiplying the share of each industry by the working poverty population of each country.</td>
</tr>
<tr>
<td>Share of Employment per Sector</td>
<td>United Nations</td>
<td>We estimate the share of employment per sector by dividing the employment of each sector by the total employment of all sectors.</td>
</tr>
</tbody>
</table>
INVEST IN CIRCULARITY

By how much can the private sector reduce emissions by increasing the use of recycled copper, aluminum, and steel? What is the associated cost savings?

TOP HEADLINES

1. If copper, aluminum, and steel producers maintained current levels of recycled inputs in production, they would emit 36.6 billion metric tons of CO2e between 2022-2030.

How much emissions would the private sector emit between 2022-2030 if recycling rates remain constant?

**INPUTS**

<table>
<thead>
<tr>
<th>% of Recycled Input in Production Mix by Metal</th>
<th>SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>Light Metal Age; World</td>
</tr>
<tr>
<td>Aluminum</td>
<td>Material Economics; International</td>
</tr>
<tr>
<td>Steel</td>
<td>Steel Association</td>
</tr>
</tbody>
</table>

**COMMENTS**

This analysis follows the same logic as Step #1, except in this analysis, the percentage of recycled inputs in production mix is held constant across the period. The analysis assumes that the percentage of recycled inputs in production remains at 22% for copper, 30% for steel, and 32% for aluminum. To calculate the total emissions for each metal, the model multiplies the estimated annual average global carbon price by the total CO2e emissions from metal production for each metal.

What would be the financial cost for companies between 2022-2030 if recycling rates remain constant?

**INPUTS**

<table>
<thead>
<tr>
<th>Total Emissions from Metal Production</th>
<th>SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.6 billion metric tons of CO2e</td>
<td></td>
</tr>
</tbody>
</table>

**COMMENTS**

The model calculates the estimated average global carbon price by metal using historical annual average global carbon prices. The model assumes that the global average carbon price grows constantly from the base case to the future period. The model finalizes the estimated annual average global carbon price by metal by averaging the estimated annual average global carbon price for each metal. The resulting emissions from Step #1 are compared with the resulting emissions from Step #2 to determine an equivalent cost for the resulting emissions in Step #1. These emissions are converted to tonne of CO2e, and the estimated global carbon price is multiplied by the resulting emissions in Step #1 to determine an estimate for the resulting emissions in Step #1.

By how much can the private sector reduce emissions and cost by increasing recycling rates?

**INPUTS**

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<tr>
<th>Total Emissions from Metal Production</th>
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</thead>
<tbody>
<tr>
<td>36.6 billion metric tons of CO2e</td>
<td></td>
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</tbody>
</table>

**COMMENTS**

The final piece of this analysis compares the total emissions and cost from the base case with the total emissions and cost from increasing recycling rates by 5% for each metal. The model calculates the estimated annual average global carbon price for each metal and the resulting emissions from increasing recycling rates by 5% for each metal. The model finalizes the estimated annual average global carbon price for each metal by averaging the estimated annual average global carbon price for each metal. The resulting emissions from increasing recycling rates by 5% for each metal are compared with the resulting emissions from the base case to determine an estimate for the total emissions.

What would be the financial cost for companies between 2022-2030 if recycling rates increase?

**INPUTS**

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<tr>
<th>Total Emissions from Metal Production</th>
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<tbody>
<tr>
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**COMMENTS**

The model calculates the estimated annual average global carbon price for each metal using historical annual average global carbon prices. The model assumes that the global average carbon price grows constantly from the base case to the future period. The model finalizes the estimated annual average global carbon price for each metal by averaging the estimated annual average global carbon price for each metal. The resulting emissions from increasing recycling rates by 5% for each metal are compared with the resulting emissions from the base case to determine an estimate for the total emissions.

How much would be the financial cost for companies between 2022-2030 if recycling rates increase?

**INPUTS**

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<th>Total Emissions from Metal Production</th>
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<tbody>
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**COMMENTS**

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How much would be the financial cost for companies between 2022-2030 if recycling rates increase?
## IMPROVE WATER EFFICIENCY

**TOP HEADLINES**

- If 20% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — adopt micro-irrigation by 2030, the agriculture sector in these countries could reduce total water withdrawal by 133 billion cubic meters.

- If 50% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — shifts from day-time irrigation to overnight irrigation by 2030, the agriculture sector in these countries could reduce total water withdrawal by 72 billion cubic meters.

### IMPROVE WATER EFFICIENCY

**How much water might be saved in water-stressed countries if farmers invested more in micro-irrigation?**

<table>
<thead>
<tr>
<th>Headlines</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>If 50% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — adopt micro-irrigation by 2030, the agriculture sector in these countries could reduce total water withdrawal by 133 billion cubic meters.</td>
<td>AWP, ICFA, Med Crave, The Third Pole, MIT, Agrivi, FAO, The model pulls historical agricultural water withdrawal data from FAO to provide a baseline for this analysis. The analysis focuses on India, Pakistan, China, Indonesia, and Ethiopia — five large agriculture producing countries experiencing high levels of water stress. We assumed that the current share of agriculture conducted via micro-irrigation techniques is 5.5% in India, 0.2% in Pakistan, 10% in China, 1% in Indonesia, and 2% in Ethiopia. The model creates a scenario in which each country increases its share of micro-irrigation to 20% by 2030 and estimates future water use. The projected decrease in water use is consistent with research suggesting that micro-irrigation uses 55% less water than conventional irrigation. Traditional flood irrigation in the five countries ranges 30% adoption by 2030, which would use 133.2 billion cubic meters of water than if the status-quo continues.</td>
</tr>
<tr>
<td>If 20% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — shifts from day-time irrigation to overnight irrigation by 2030, the sector could reduce water withdrawals by 2%.</td>
<td>MIT, Reuters, Ethiopian Agriculture Research Institute, AWP, ICFA, Med Crave, The Third Pole, FAO. The model pulls total historical agricultural water withdrawal data from FAO to provide a baseline for this analysis. We assume that 96% of total agricultural water withdrawal is attributable to conventional flood irrigation. We estimated that 95% of flood irrigation is conducted during daylight hours. Daylight flood irrigation is less efficient than irrigating during the evening because temperatures during the day are higher, which increases water lost to evaporation. Based on publicly available literature, we assume that overnight irrigation is 10% more water efficient than day-time irrigation. As a result, we drastically reduces potential water use in the evening hours.</td>
</tr>
</tbody>
</table>

### IMPROVE WATER EFFICIENCY

**How much water might be saved in water-stressed countries if farmers changed their irrigation behaviors?**

<table>
<thead>
<tr>
<th>Headlines</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>If 50% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — shifts from day-time irrigation to overnight irrigation by 2030, the country could reduce agricultural sector water withdrawals by 4%.</td>
<td>MIT, Agriculture Home &amp; Garden Information Center, AWP, ICFA, Med Crave, The Third Pole, FAO</td>
</tr>
<tr>
<td>If 50% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture water-withdrawing countries with high water stress and water-intensive crops — shifts from day-time irrigation to overnight irrigation by 2030, the country could reduce agricultural sector water withdrawals by 5.5%.</td>
<td>MIT, Agriculture Home &amp; Garden Information Center, AWP, ICFA, Med Crave, The Third Pole, FAO</td>
</tr>
<tr>
<td>If 20% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture producing countries experiencing high levels of water stress and water-intensive crops — adopt micro-irrigation by 2030, the country could reduce agricultural sector water withdrawals by 8%.</td>
<td>MIT, Agriculture Home &amp; Garden Information Center, AWP, ICFA, Med Crave, The Third Pole, FAO</td>
</tr>
<tr>
<td>If 20% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture producing countries experiencing high levels of water stress and water-intensive crops — adopt micro-irrigation by 2030, the country could reduce agricultural sector water withdrawals by 6%.</td>
<td>MIT, Agriculture Home &amp; Garden Information Center, AWP, ICFA, Med Crave, The Third Pole, FAO</td>
</tr>
<tr>
<td>If 20% of the agriculture sector in India, Pakistan, China, Indonesia, and Ethiopia — five of the largest agriculture producing countries experiencing high levels of water stress and water-intensive crops — adopt micro-irrigation by 2030, the country could reduce agricultural sector water withdrawals by 11%.</td>
<td>MIT, Agriculture Home &amp; Garden Information Center, AWP, ICFA, Med Crave, The Third Pole, FAO</td>
</tr>
</tbody>
</table>
INCREASE ACCESS TO... INTERNET (FIXED & MOBILE)

How many more people could be connected to the internet between now and 2030, and what is the potential economic impact?

TOP HEADLINES

- From 2015 to 2022, an estimated 2.3 billion people were connected to the internet, generating more than $3.4 trillion in economic output.
- Expanding internet access from 5.3 billion to 7.4 billion people between 2023 and 2030 could generate more than $3.2 trillion in economic output.

How many more people could be connected to the internet by 2030?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Global Population</td>
<td>Sample</td>
<td>The projected number of internet users by 2030 is determined by estimating the global population in 2030 and the percentage of the population with internet access in 2030. Projected population growth assumes the same annual population growth rate from 2015-2021 will continue through 2030 at 1% per year. Projected internet user growth assumes the same annual internet user growth rate from 2015-2021 will continue through 2030 at 4% per year. The model estimates that by 2030, there will be 8.7 billion people and 8.0 billion will have internet access.</td>
</tr>
<tr>
<td>Projected Annual Population Growth Rate</td>
<td>Estimated</td>
<td></td>
</tr>
<tr>
<td>Internet Penetration Rate (2021)</td>
<td>ITU</td>
<td></td>
</tr>
<tr>
<td>Projected Annual Internet User Growth Rate</td>
<td>Estimated</td>
<td></td>
</tr>
</tbody>
</table>

What is the potential economic impact of increasing access to the internet?

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>% ↑ in GDP due to increased Internet Access</td>
<td>ITU</td>
<td>This results uses the implicit price changes in the Bureau of Economic Analysis, which are a weighted average of the services (I, S, and H) associated with increased mobile/broadband and fixed broadband access. The model assumes that for every 10% increase in broadband access, GDP increases by 1.4%.</td>
</tr>
<tr>
<td>% △ in Internet Users Year-on-Year Variance Year-to-Year</td>
<td>Calculated</td>
<td>The model takes the implied percentage increase in internet access from Step #1 to calculate the associated economic benefits. The percentage increase in GDP associated with increased internet access is a weighted average of the services (I, S, and H) associated with increased mobile/broadband and fixed broadband access. More concretely, the model assumes that for every 10% increase in broadband access, GDP increases by 1.4%.</td>
</tr>
</tbody>
</table>

Headlines

1. From 2015 to 2022, an estimated 2.3 billion people were connected to the internet, generating more than $3.4 trillion in economic output.
2. Expanding internet access from 5.3 billion to 7.4 billion people between 2023 and 2030 could generate more than $3.2 trillion in economic output.
What is the potential economic impact of continuing 2015-23 vaccine spending trends out to 2030? (COE)

**TOP HEADLINES**

- Between 2015-2022, increasing annual global vaccine expenditures from $5.2 billion to $6.9 billion generated an estimated $939 billion in economic benefits.
- Between 2023-2030, increasing annual global vaccine expenditures from $6.9 billion to $9.5 billion could generate more than $1.3 trillion in economic benefits.

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>SOURCES</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year Vaccine Expenditures 2023</td>
<td>WHO</td>
<td>This model aims to understand the economic benefits of increasing vaccine expenditures between 2023 and 2030. Assuming the compound annual growth rate of vaccine expenditures continues at 4%, projected annual vaccine expenditures will reach $9.5 billion by 2030, and cumulative expenditures will be $66 billion. According to academic research, every $1 spent on vaccines translates to $19.80 of additional benefit via reduced healthcare costs and increased workforce productivity. The resulting product yields a total cumulative benefit of $1.3 trillion.</td>
</tr>
<tr>
<td>Projected Annual Vaccine Spend Growth Rate 4%</td>
<td>Estimated</td>
<td></td>
</tr>
<tr>
<td>Economic Impact of Every $1 Spent on Vaccines $19.80</td>
<td>Estimated</td>
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What is the potential economic impact of continuing 2015-23 vaccine spending trends out to 2030? (VSL)

**INPUTS | SOURCES | COMMENTARY**

Current Year Vaccine Expenditures 2023

WHO

This model aims to understand the economic benefits of increasing vaccine expenditures between 2023 and 2030. Assuming the compound annual growth rate of vaccine expenditures continues at 4%, projected annual vaccine expenditures will reach $9.5 billion by 2030, and cumulative expenditures will be $66 billion. According to academic research, every $1 spent on vaccines translates to $52.20 of additional benefit via reduced healthcare costs and increased workforce productivity. The resulting product yields a total cumulative benefit of $1.3 trillion.

Projected Annual Vaccine Spend Growth Rate 4%

Estimated

Economic Impact of Every $1 Spent on Vaccines $52.20

Estimated
INCREASE ACCESS TO... MICROFINANCE

What is the potential economic impact of continuing 2015-23 microfinance growth trends out to 2030?

TOP HEADLINES

- Between 2015-2022, increasing the total gross microfinance lending portfolio from $97 billion to $162 billion generated an estimated $179 billion in economic benefits via new loan origination and social returns.

- Between 2023-2030, increasing the total gross microfinance lending portfolio at the same rate as 2015-2022, from $179 billion to $360 billion, could generate more than $544 billion in economic benefits via new loan origination and social returns.

EXPAND MICROFINANCE

What is the potential economic impact of expanding microfinance lending between 2022 and 2030?

Headlines
1. Between 2015-2022, increasing the total gross microfinance lending portfolio from $97 billion to $162 billion generated an estimated $179 billion in economic benefits via new loan origination and social returns.

2. Between 2023-2030, increasing the total gross microfinance lending portfolio at the same rate as 2015-2022, from $179 billion to $360 billion, could generate more than $544 billion in economic benefits via new loan origination and social returns.

<table>
<thead>
<tr>
<th>INPUTS</th>
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<tbody>
<tr>
<td>2019 Microfinance Loan Portfolio Size</td>
<td>World Bank</td>
<td>This model aims to understand the benefits of increasing microfinance lending between 2022 and 2030. The first input requires projecting the growth in microfinance lending between 2022 and 2030. Assuming the compound annual growth rate of microfinance lending continues at 10%, projected total gross loan portfolio size will reach $360 billion by 2030. According to academic research, every $1 increase in microfinance lending translates to $2.80 of additional social benefits. The social return on investment includes the stock of resources available to the MFIs (equity and external funding in the balance sheet), donations, and volunteer time, where applicable the resulting product yields a total cumulative benefit of $544 billion. The model assumes no interest on loan portfolio growth.</td>
</tr>
<tr>
<td>Projected Annual Microfinance Growth Rate</td>
<td>Yahoo</td>
<td>10%</td>
</tr>
<tr>
<td>Social ROI of Every $1 in Microfinance Lending</td>
<td>European Investment Fund</td>
<td>$2.80</td>
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Cover, 94 Group of African Women: Joining Hands in Unity. Photo: Getty Images/GEShutter
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THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.
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