

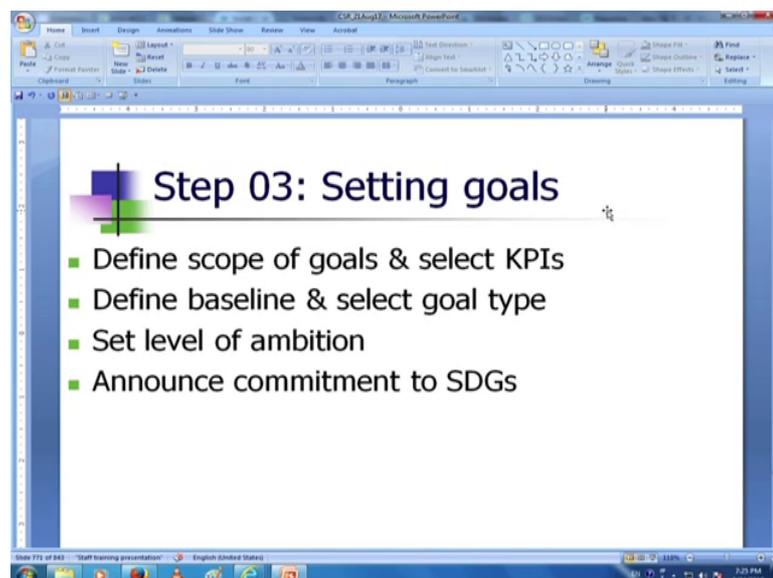
**Corporate Social Responsibility**  
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**Vinod Gupta School of Management**  
**Indian Institute of Technology, Kharagpur**

**Lecture - 52**  
**SDG Compass (Contd.)**

Welcome back to the MOOC course on corporate social responsibility, My name is Aradhana Malik and I am helping you with this course and we are we were talking about the SDG compass now we will wrap up that discussion in this lecture. So, we stopped at step 2.

Now step 3 of the SDG compass the stages in the; or the steps in the implementation of the SDG compass are step 3 is here, I will just show it you and I am going to keep this the slides like this. So, I can switch back in 4 between the websites and the slides step 3 is setting the goals how do you set the goals the you define the scope of the goals and select keep performance indicators you define a baseline and the select the goal type you set the level of ambition you announce the commitment to the sustainable development goals.

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**Define scope of goals & select KPIs**  
(SDG Compass, 2015)

- "Identify KPIs
- Define baseline & select goal type
- Set level of ambition
  - Goal setting initiatives:
    - [The Science Based Targets Initiative](#)
    - [The Future-Fit Benchmarks](#)
    - [WBCSD's Action 2020](#)
  - Goal setting approach:
    - Inside-out approach
    - Outside-in approach"

You define your scope of goals and select key performance indicators how do you do that you identify of key performance indicators you define the baseline and select the goal type you set the level of ambition the goal setting initiatives.

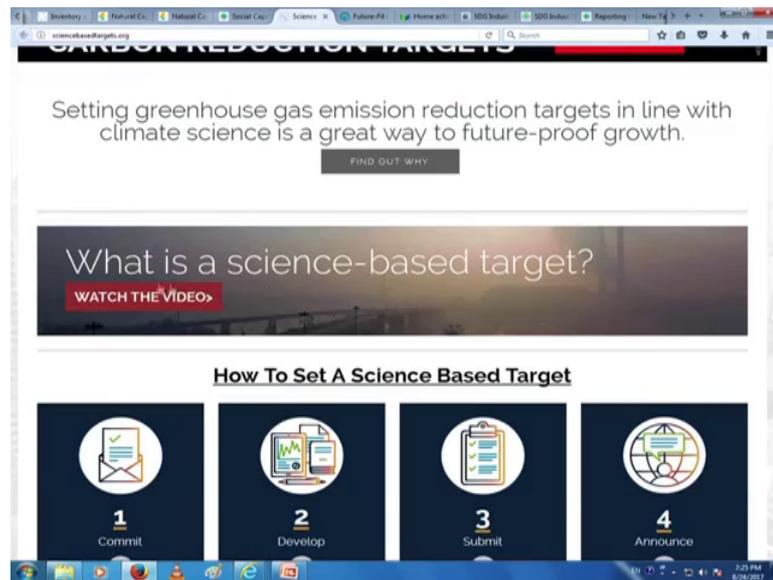
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SCIENCE BASED TARGETS  
297 COMPANIES  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TESCO  
TESCO: 1ST UK SUPERMARKET TO ANNOUNCE SCIENCE-BASED CARBON REDUCTION TARGETS

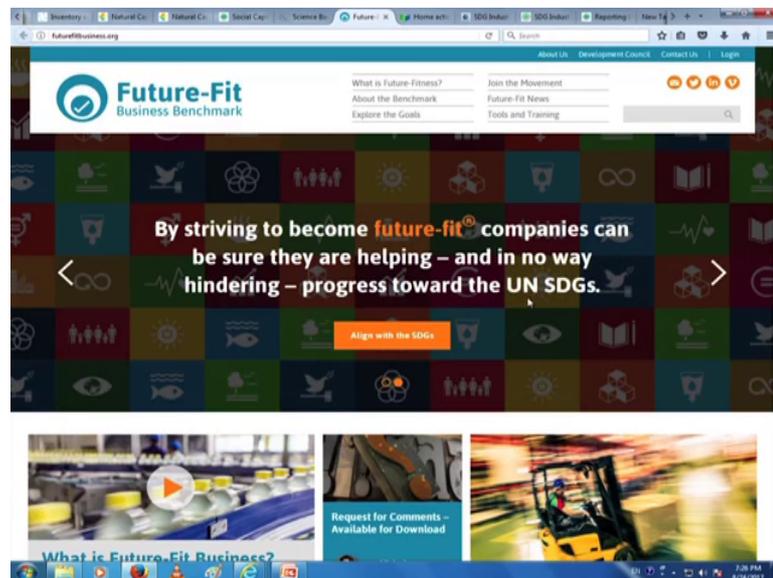
Setting greenhouse gas emission reduction targets in line with climate science is a great way to future-proof growth.

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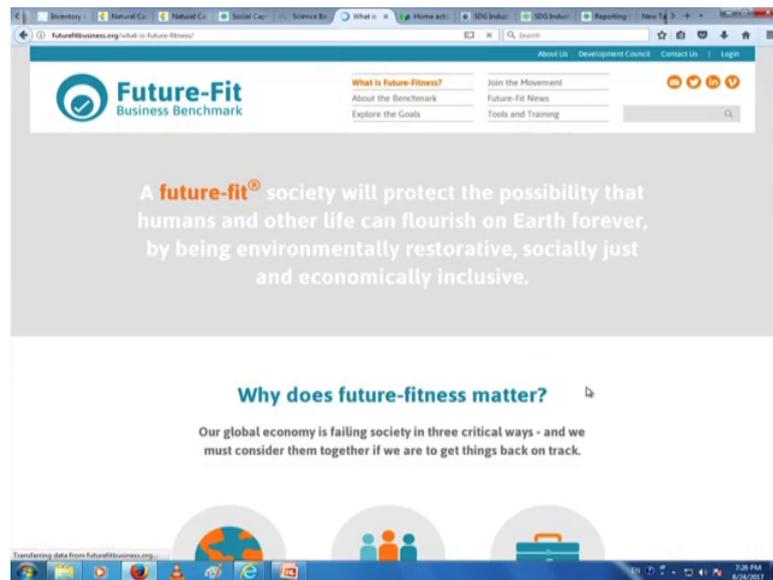
Here are the science based for example, the science based targets initiative which was I just show you there are 3 there are given here. So, science based targets initiative is here. So, you can go through this what is the science based target again there is a video you can through this and see for yourself then the future fit benchmarks is there.

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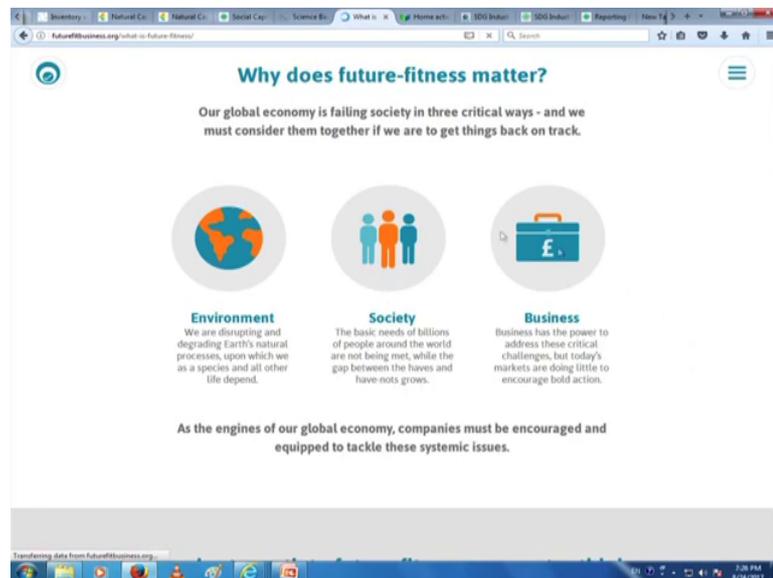
So, you align there again this is another what is the future fitness here, let us see.

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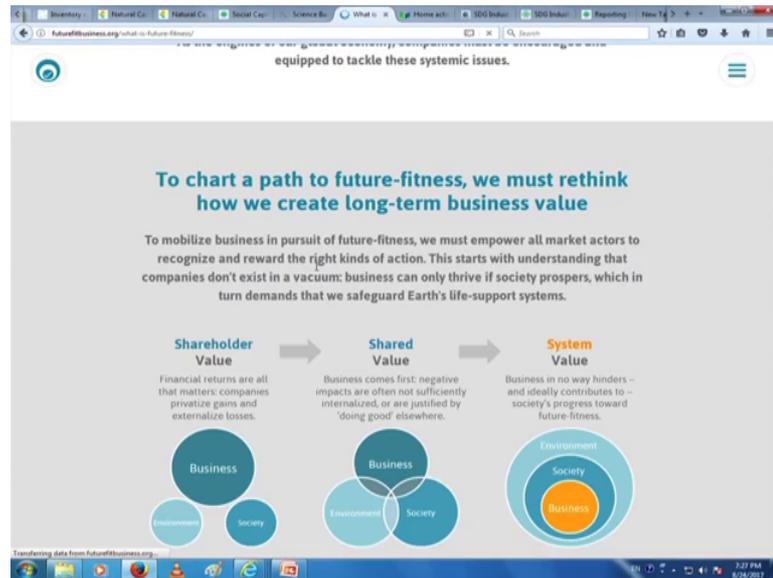
A future fit society will protect the possibility that humans and other lives can flourish on earth forever by being environmentally restorative you restore the environmental you replenish you restore the environmental you replenish the resources that you have consumed socially just and economically inclusive.

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So, here environment we are disrupting and degrading earth's natural processes upon which we as a species and all life depend society business. So, the 3 pillars are addressed.

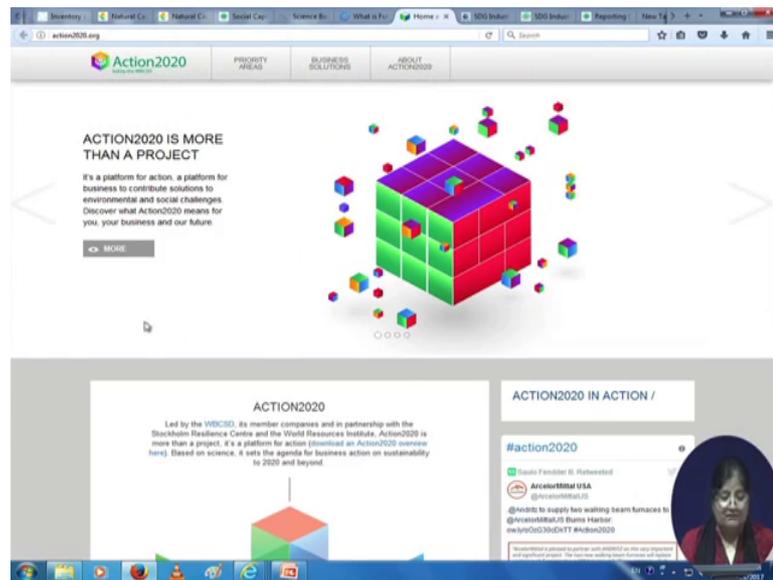
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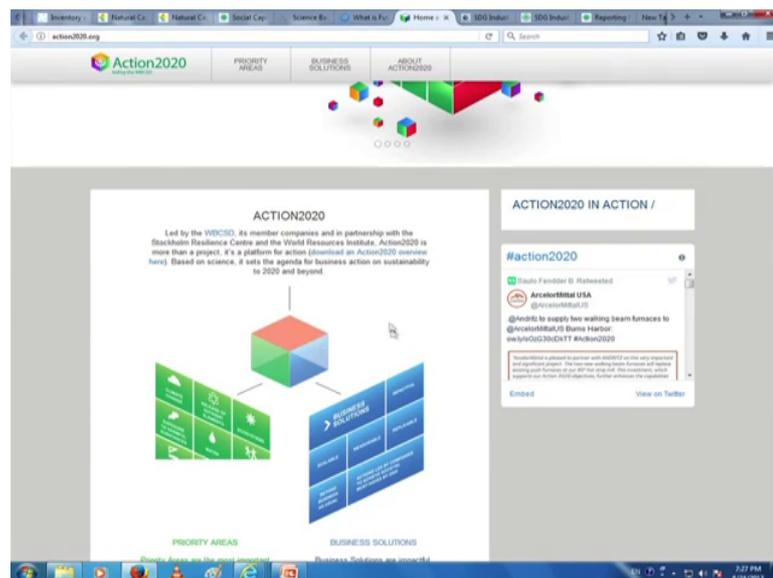
To mobilize business and pursuit of future fitness we must empower all market actives to recognize and reward the right kinds of action this starts with the understanding that companies do not exist in a vacuum businesses can only thrive if society prospers which in turn demands that we safeguard the earth's life support systems please go through this tools these are very very important and very interesting.

Then the third one here is the WBCSDs action 2020 here. So, it is a platform for action a platform for businesses to contribute solutions to environmental and social challenges so action.

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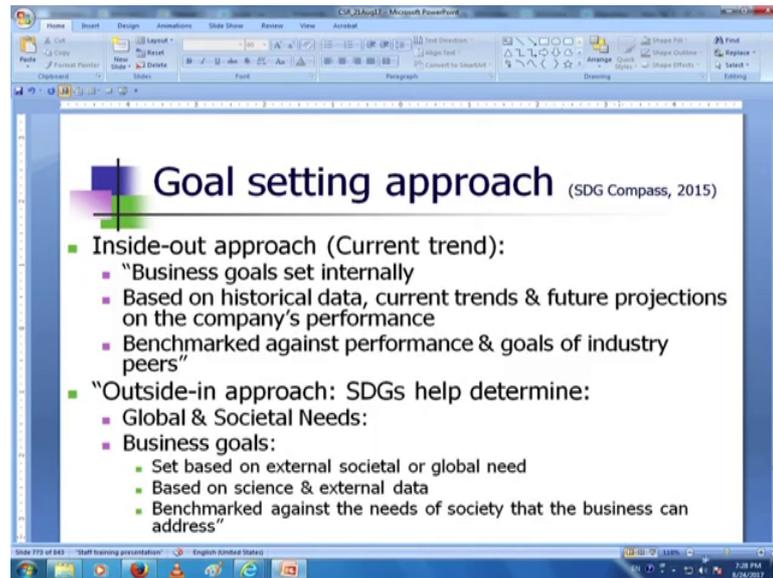


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So, it sets the agenda for business action on sustainability to 2020; 2000 and the year 2020 and beyond again you can go through this and see for yourself what this tool does alright. Then the goal setting approach when we trying to define the scope of our goals we may use one of the 2 approaches the inside out approach this is what we happen doing till now and the outside in approach let see what these are.

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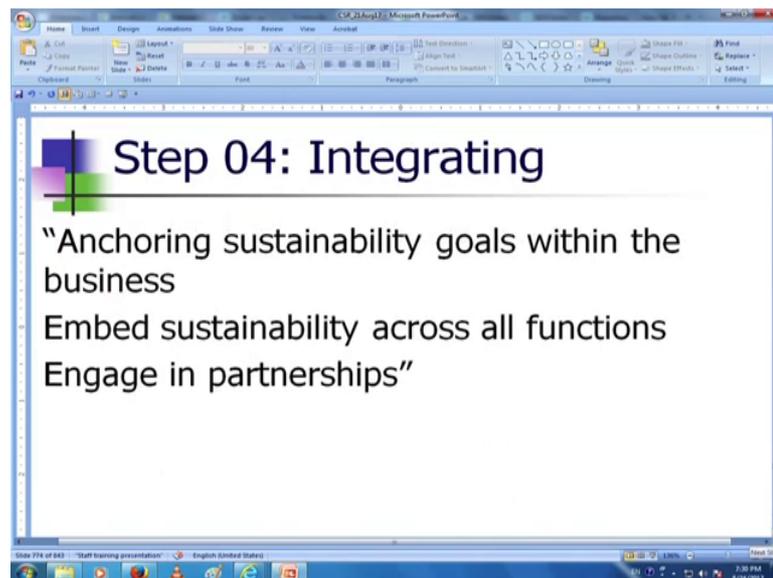
The inside out approach which is the current trend is you know goals like this the business goals are set internally they are based on historical data current trends in future projections on the company's performance.

What happened in the past what are we doing now where do we want to go in the future you bench mark against for performance and goes of the industry peers whose do in the best kind of work should be match up to them should be set our own goals should be go you know should be over shoot what they done. So, should be perform better in them. So, that is what we are doing now. So, we set the goals internally we compare whatever we have done to whatever we wherever we want to go and we look at how things are moving on and then we our self with a benchmark and use the benchmark as a goal that we need to attain and cross now the outside in approach is what the SDG compass proposes and that is where they say that sustainable develop if we incorporate the sustainable development goals they will have determine the global.

And societal needs the business goals business goals are then set based on external societal of global needs they have based on science and external data they have benchmark against the needs of the society that the business can address and there is pressure from the outside to incorporate all of these in to the business. So, we look at the global and societal needs and the needs of the environment the society when force us to set our goals accordingly. So, their pressure from outside we do not set our goals

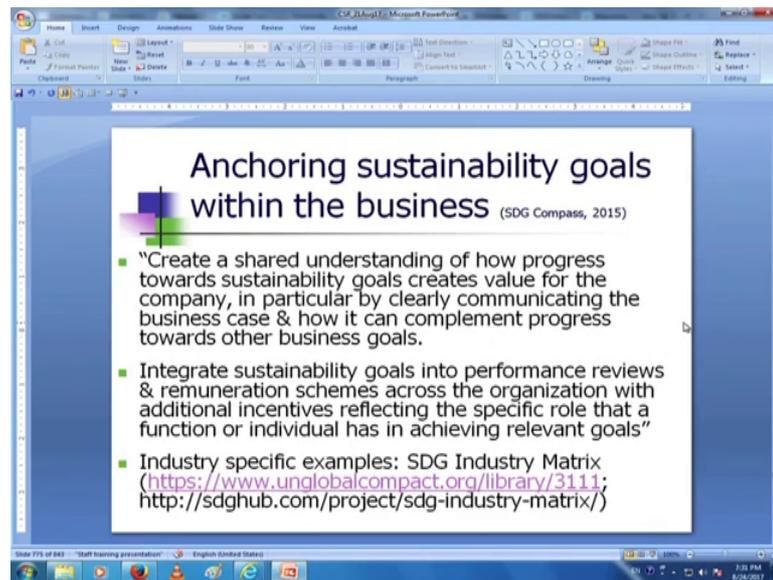
internally our goals are set because of we pressures the motivation the push coming from outside they are based on science and externally data not fro on your internal data they have benchmark against the needs of the society not your peers you are benchmarking your goals against what the society needs you to do and what you can address as a business that is the outside in approach, alright.

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Step 4 is the integration you anchor sustainability goals within the business you have check points you embed sustainability across all functions you integrated it becomes the part of the way you do things and you engage in partnerships with organizations in your industry and outside of your industry within the same geographical area or maybe even outside across international borders maybe and you know will people who are who are beginning to integrate the SDGs or have already have integrated the SDGs and in to the way they do things just reduce the size a little bit.

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How do you anchor sustainability goals within the business you create a shared understanding of how progress towards sustainability goals creates value for the company in particular by clearly communicating the business case and how it can complement progress towards other business goals you will make profit, you will make profit if the society progresses. So, if the society is progressing then you will definitely make profit if the society is if you are contributing to the welfare of the society you will end up making profit yourself we have discussed that I had noisome.

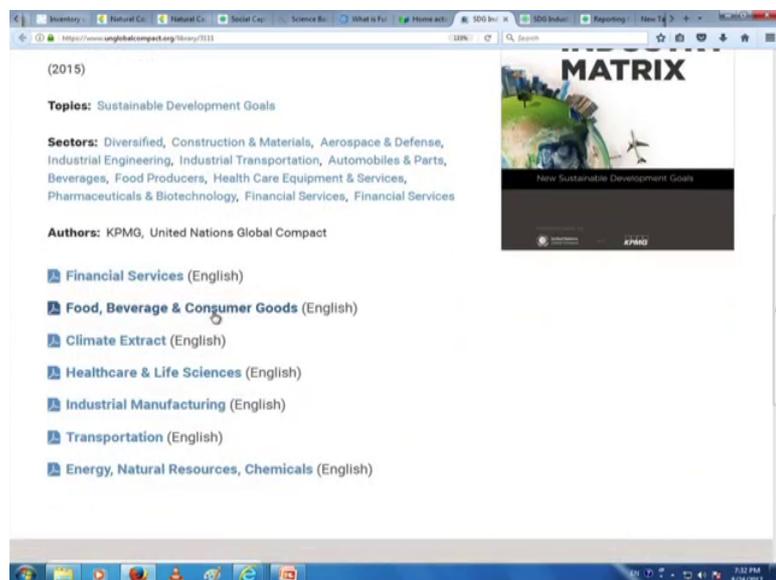
So, I am not going to go in to it you integrate the sustainability goals in to the performance reviews and remuneration schemes across the organization with additional incentives reflecting the specific role that a function or individual has in achieving relevant goals some industries specific examples are the SDG industry matrix sustainable development goals industry matrix and I will show this to you here.

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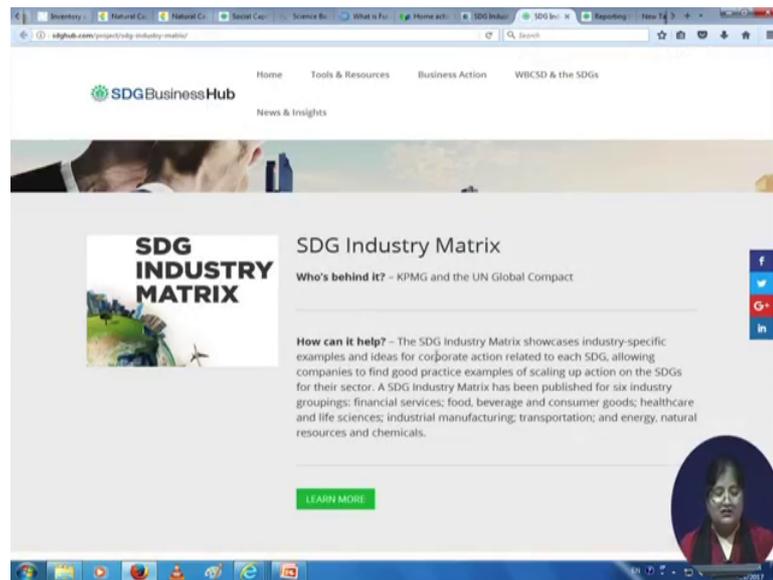
So, you can download this was designed by KPMG and United Nations global compact.

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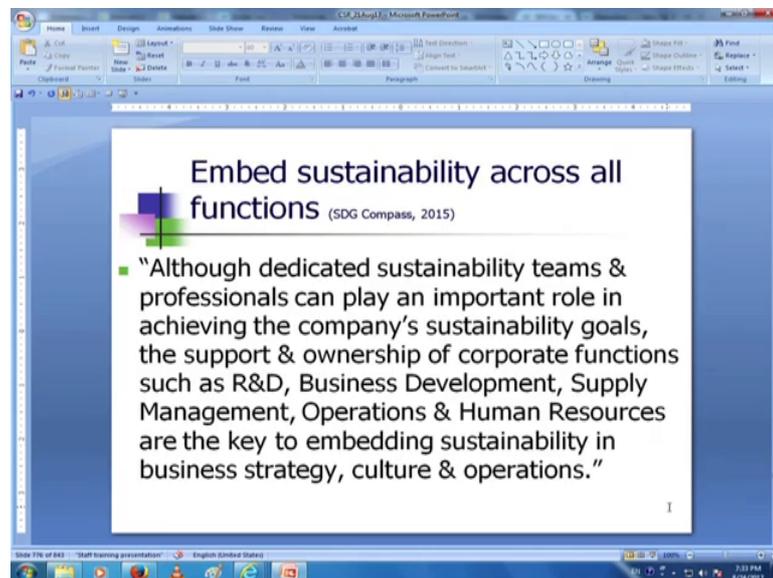
And you can actually you know it is industry specific. So, financial services food beverage and consumer goods climate extract etcetera. So, the matrix is there and that will help you the you know see what is being done here then there is another one here.

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So, they have provided it here also on the SDG business hub all right embed sustainability across all functions through dedicated sustainability teams through people.

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Who take ownership of corporate functions through people who take ownership of their commitment to sustainability you know the management the different departments r and d business development supply management operations and human resources which will help you embed sustainability within there within their specific domains.

And that you know the; your commitment to sustainability should be so high that it reflects in the culture of the organization and its operations and even in your business strategy sustainability should be the only way you do things only then can be survive on this planet otherwise everything will come and go we will keep on using the resources that we have and we will keep dumping our trash in to space and eventually we will need another planet to live on if we do not take care of the planet that we live on currently very very important.

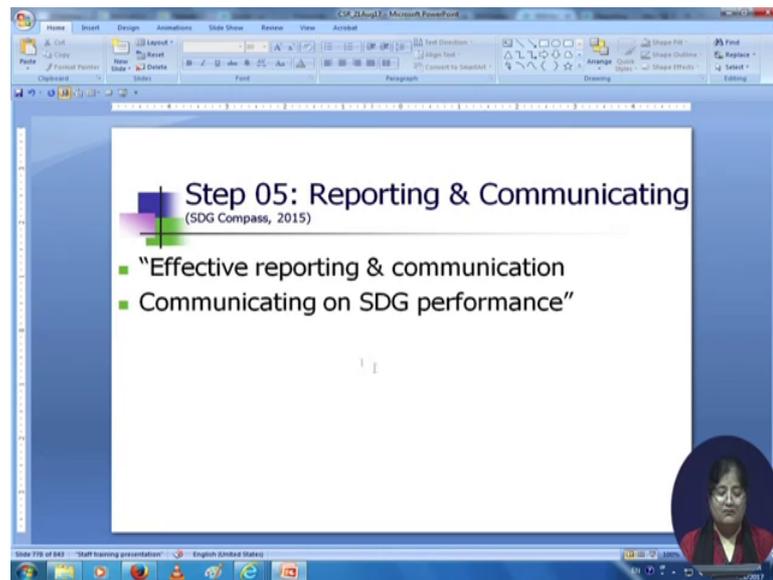
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Sorry for that yeah then you engage in partnerships value chain partnerships within which company's in the value chain combine complementary skills technologies and resources and bring new solutions to the market sector initiatives.

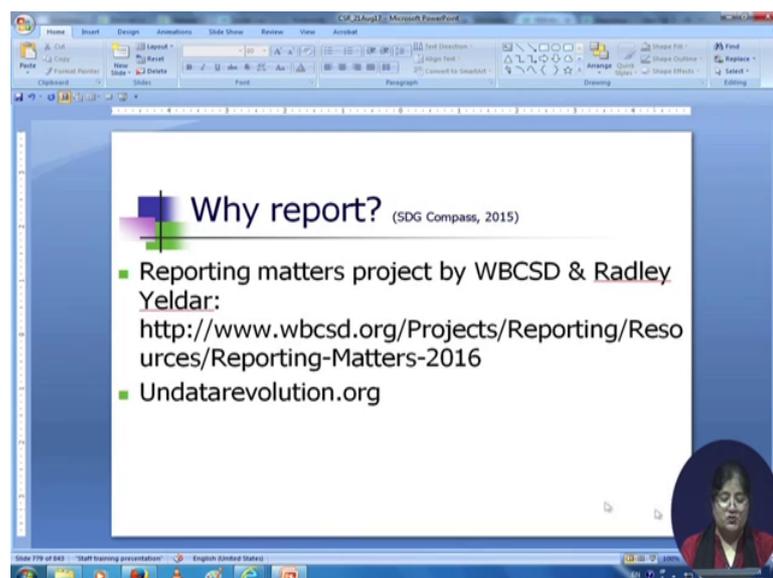
So, you have value chain partnerships you have sector initiatives that bring in several industry leaders together in efforts to raise standards and practices across the entire industry and overcome shared challenges one of the sector initiative.

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I have told you on several locations is the rug mark initiative or the good view initiative as it is known now multi stakeholder partnerships where governments private sector and civil society organizations join forces to tackle complex challenges. The last step in the SDG compasses reporting and communicating whatever you have done effective reporting and this includes 2 steps effective reporting and communication and communicating on SDG performance to aspects to it.

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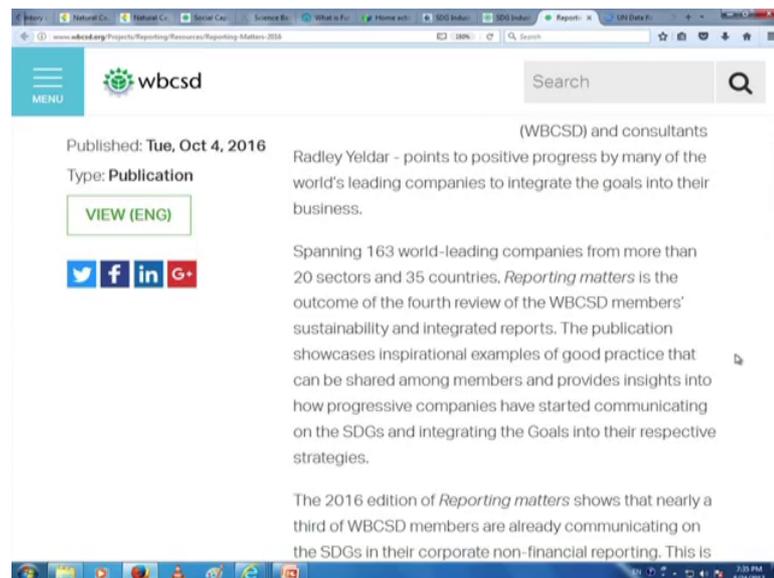
Why should you report reporting matters project by the world business council on sustainable development and rarely elder is I just show you these website.

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I am sorry here forgot pull up the second one reporting matters 2016 and the undatarevolution this is what shows you why you show the reporting here.

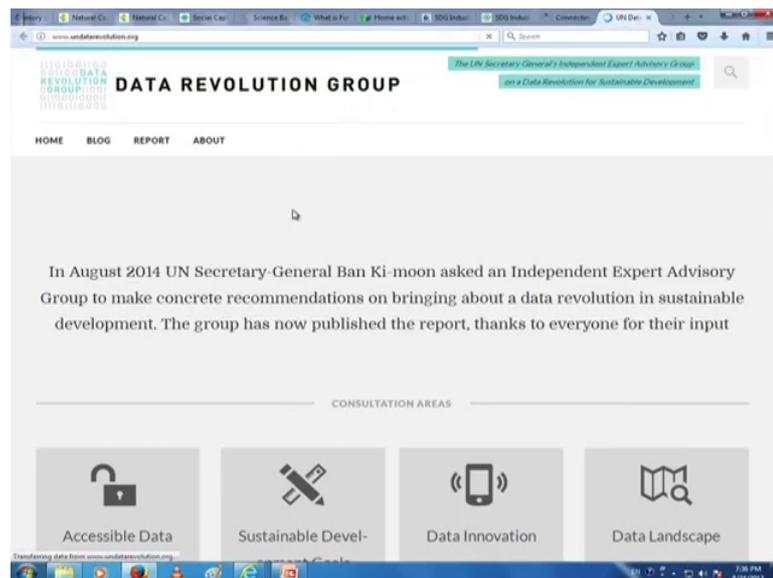
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reporting matters is the outcome of the forth review of the WBCSD member sustainability and integrated reports the publication showcases inspirational examples of

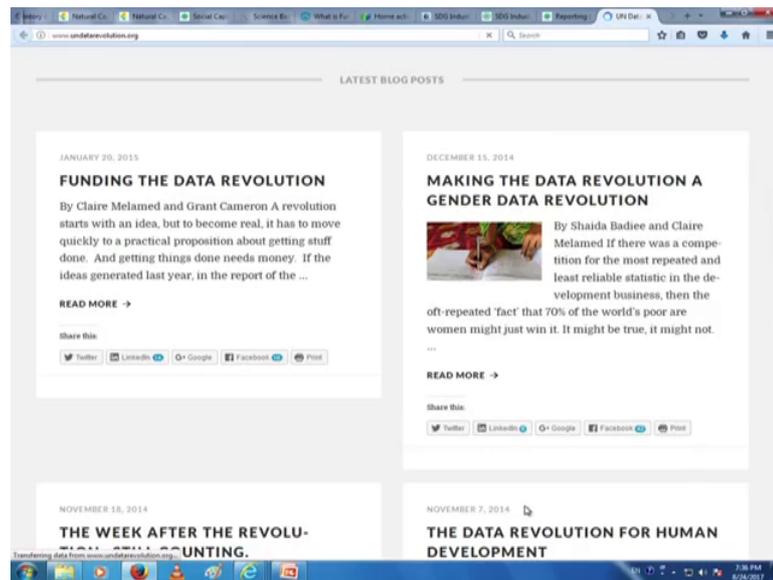
good practice that can be shared among members and provides insights into how progressive companies have started communicating on the sustainable development goals and integrating the goals into their respective strategies very very nice again you know I wish I could show you this; however, I cannot at this point. So, maybe you can download this and see this on your own let us see.

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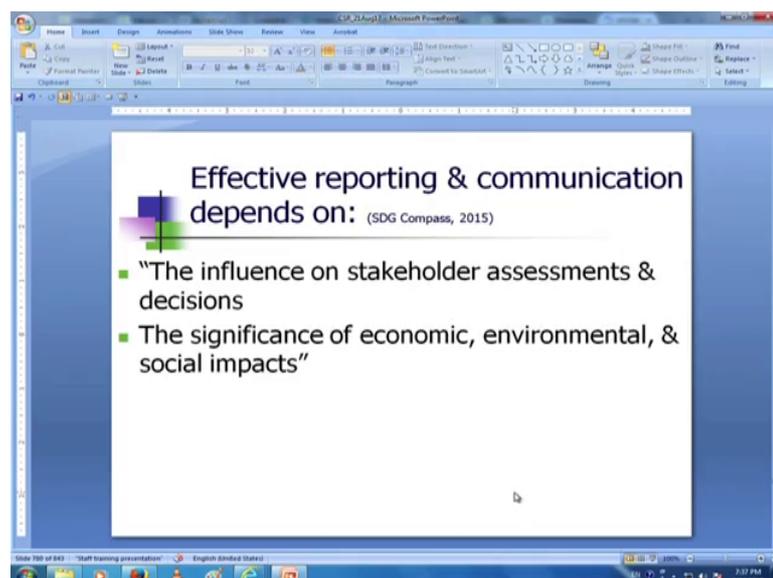
And then of course, we have the UN data revolution group, alright. So, in August 2014 UN secretary general Ban Ki-moon asked an independent expert advisory group to make concrete recommendations on bringing about a data revolution in sustainable development the group has now published the report thanks to everyone for their input. So, that is what they are same, alright. So, this is about the data revolution.

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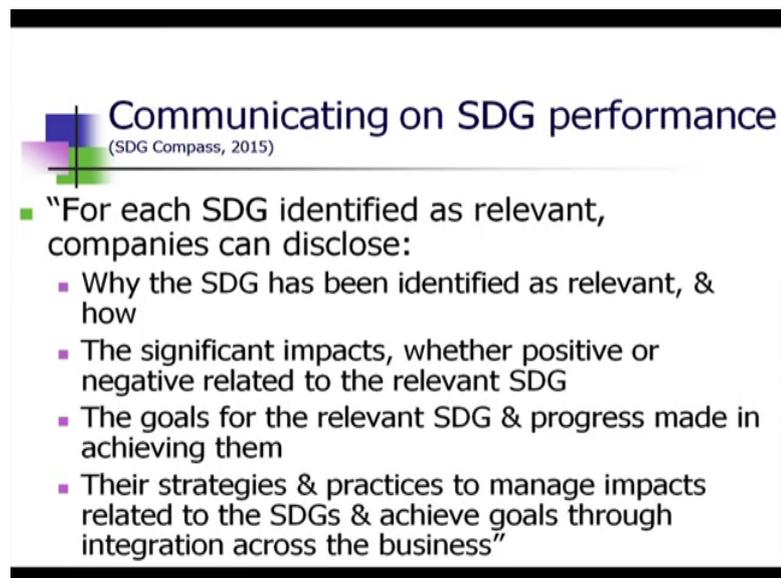
And how big data is being used and how whatever data is generated you know as a result of the work that we do as a result of the disclosures of different organizations how is this data ultimately contributing to the sustainable to the integration of the sustainable development goals in the business practices. So, you know there are this is a list of blogs and you can go through this. So, let me see if that file has downloaded yet maybe not still transferring data.

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So, anyway, so, this is effective reporting and communication depends on the influence of on stakeholder assessments and decisions the significance of economic and environmental and social impacts who is assessing the organization how should you write it what should you write depends on how you know the influence on the decisions of the stakeholders and their assessments of what is written then the significance of economic environmental.

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**Communicating on SDG performance**  
(SDG Compass, 2015)

- "For each SDG identified as relevant, companies can disclose:
  - Why the SDG has been identified as relevant, & how
  - The significant impacts, whether positive or negative related to the relevant SDG
  - The goals for the relevant SDG & progress made in achieving them
  - Their strategies & practices to manage impacts related to the SDGs & achieve goals through integration across the business"

And social impacts on the organization and its working and that in turn will help you report as effectively as possible communicating on SDG performance per each sustainable development goal identified as relevant companies can disclose why this sustainable development goal has been identified as relevant and how this significant impacts whether positive or negative related to the relevant sustainable development goal the goals for the relevant sustainable development goal. And progress made in achieving them their strategies and practices to manage impacts related to the sustainable development goals and achieve goals through integration across the business. So, these are the things that you need to put in your disclosures I think I am bombarded you with a lot of information you know through these different lectures.

I have shown you report after report I have given you know different documents I have shown you different websites now you are homework I would expect I do not think you can label it has homework I think you would be really interested in finding out more

about each of these organizations that I have talked about and each of these steps that I have discussed.

So, please feel free to discuss them on the website on the forum and I will respond as soon as possible, but I hope you enjoyed this module and this lecture and this wraps up our discussion on sustainability corporate sustainability and corporate responsibility. So, last module will be on miscellaneous things that we missed out or that could not be fitted in to any of these modules and we will end with the future of corporate social responsibility in the next module in week 8 and all the best for your quiz.

Thank you very much for listening.