

The Challenge of Staying Relevant: The SDGs & Cooperatives

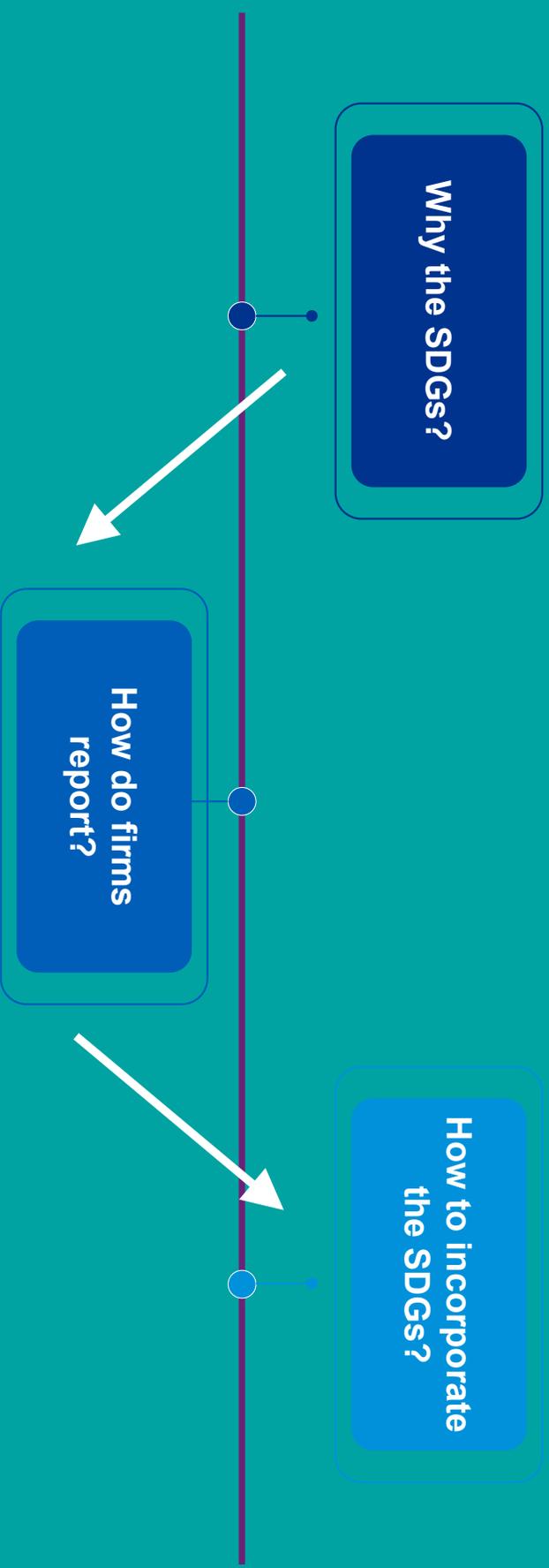
V Cooperative Summit of the Americas

Buenos Aires, Argentina

October 24, 2018



Topics for consideration



Importance of SDGs

- In September 2015, 193 developed and developing countries agreed to implement a set of 17 goals for sustainable development to be achieved by 2030.
- Require \$2.5 trillion additional annual investment, creating many profitable opportunities for investment in SDG-linked sectors, e.g. infrastructure, health, “green” investments.
- Developed in close collaboration with the private sector, the SDGs offer compelling impact and return opportunity for investors.



— Provides **universal goals** and a framework to unify and align approaches of disparate actors.



— Built on a **global language** that was developed by and is applicable to developed and developing countries.



— Sets ambitious targets that presuppose an active role for **private industry and investors**.



— Inclusive with seven targets for vulnerable populations



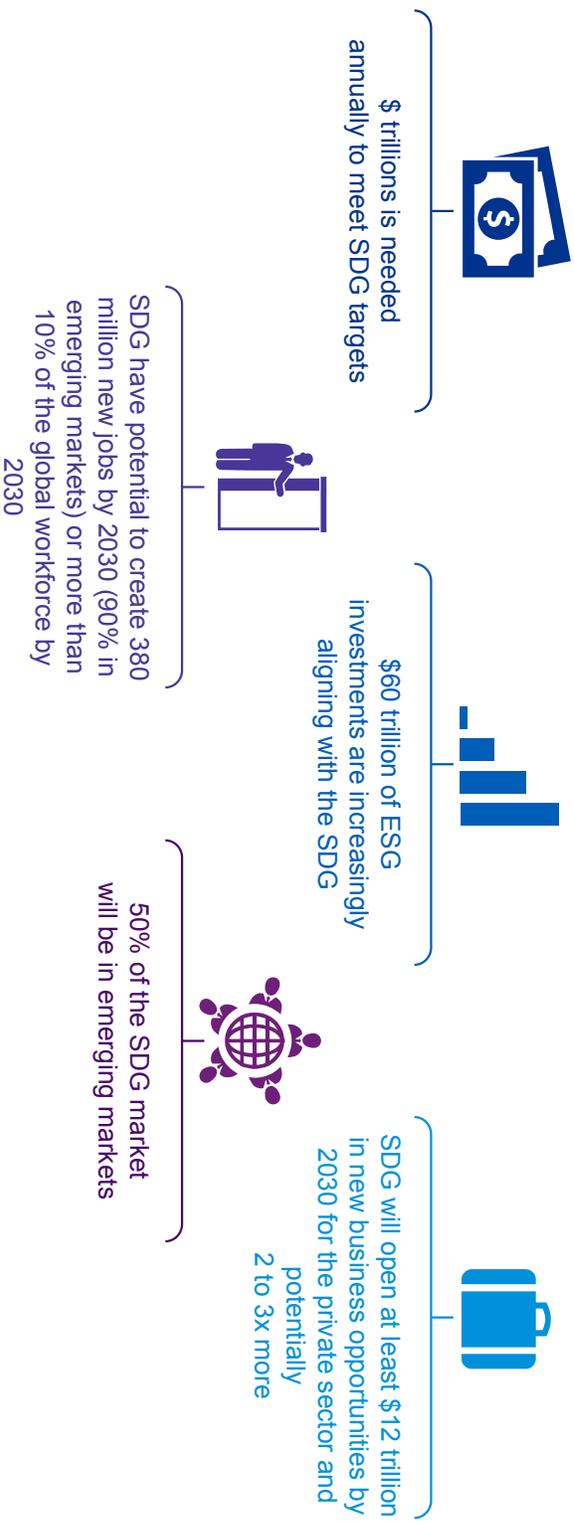
— Focuses **agenda** with potential for local partnerships, civic engagement and co-benefits from targets



Quantifying the market



The SDG market is global and vast

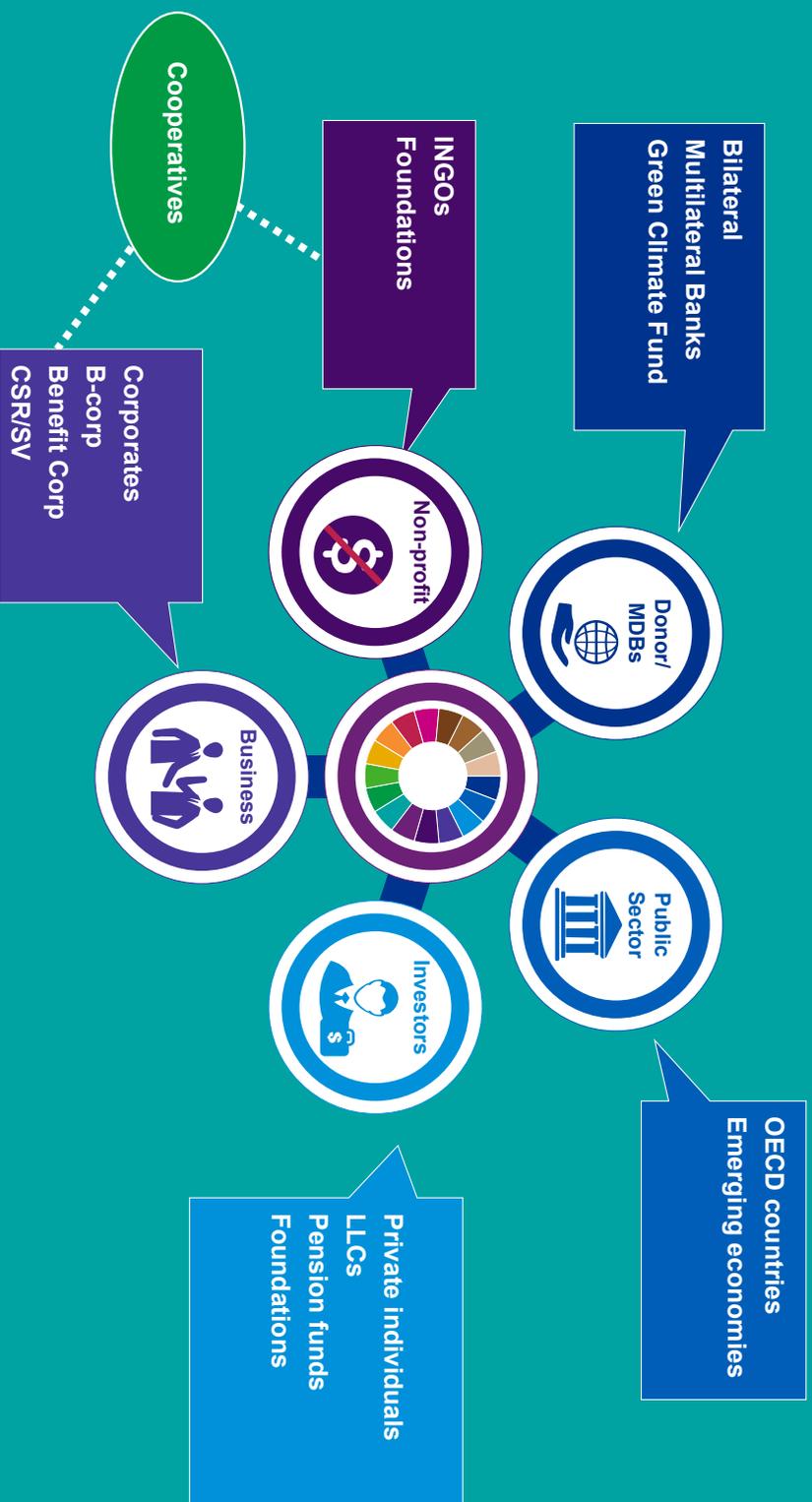


Source: Better Business, Better World Report, Business Sustainable Development Commission, 2017



© 2018 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. NIPPS 8.11680

Partners



Financial instruments

There are a range of social, environmental and development finance instruments, including:

-  Green bonds (labelled)
-  Payments for success schemes / Social Impact Bonds/ DIBs
-  Equity investments
-  Social enterprises
-  Funds
-  Program and mission-related investments
-  Capital projects
-  Grants

+ Other instruments which finance impact but do not necessarily require rigorous measurement of **outcomes** or link payment to outcomes.



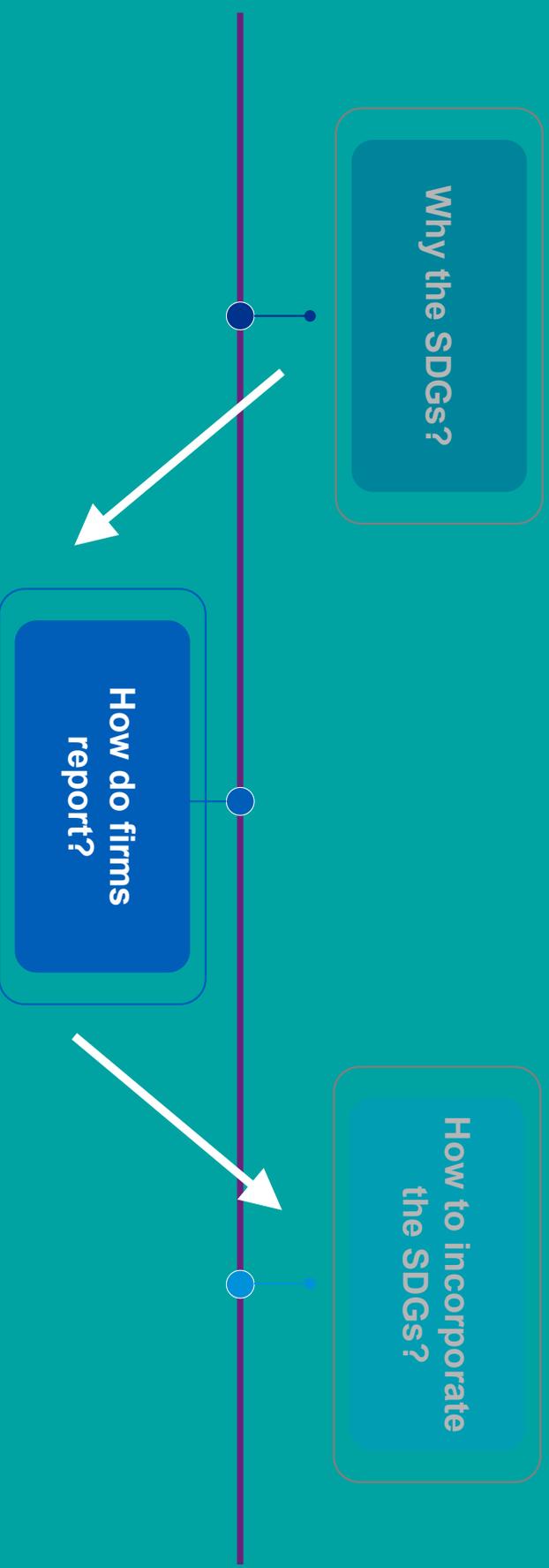
Summary

**Raul Pomares,
Sonen Capital
Founder**

“SDGs are third party universally recognizable objectives that provide additional framework for investment and have the potential to mobilize other stakeholders and significant capital in a coordinated manner to work towards achieving a common set of goals.”



Topics for consideration

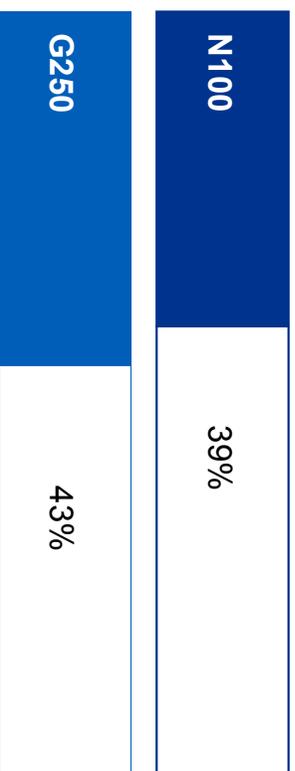


Corporate reporting on SDGs

KPMG's survey shows that the SDGs have resonated strongly with businesses worldwide in less than two years since their launch.

Around four in ten CR reports from both N100 and G250 companies make a connection between the company's CR activities and the SDGs.

Number of companies that connect their CR activities to the SDGs



Base: 3,543 N100 companies that report on CR, 233 G250 companies that report on CR
Source: KPMG Survey of Corporate Responsibility Reporting 2017



Which SDGs are most and least prioritized by the G250?

SDGs prioritized by G250 companies

Most prioritized (by more than 50% of companies)		Moderately prioritized (30% – 50% of companies)		Less prioritized (by less than 30% of companies)	
	Climate action 64%		Affordable and clean energy 48%		No poverty 28%
	Decent work and economic growth 59%		Industry, innovation and infrastructure 48%		Life on land 26%
	Good health and well-being 55%		Sustainable cities and communities 46%		Zero hunger 21%
	Responsible consumption and production 54%		Reduced inequalities 39%		Life below water 18%
	Gender equality 52%		Clean water and sanitation 34%		
	Quality education 51%		Partnerships for the goals 34%		
			Peace, justice and strong institutions 32%		

Base: 85 companies that disclose the process used to prioritize the SDGs

Source: How to report on the SDGs. What good looks like and why it matters



Climate reporting

Case studies

A solid majority of the world's largest companies (G250) now disclose targets to cut their carbon emissions.

Among the N100, the survey shows that 50 percent of reporting companies set carbon reduction targets

G250 companies that set carbon reduction targets

58%

67%



■ 2015
■ 2017

Base: 233 G250 companies that report on CR
Source: KPMG Survey of Corporate Responsibility Reporting 2017

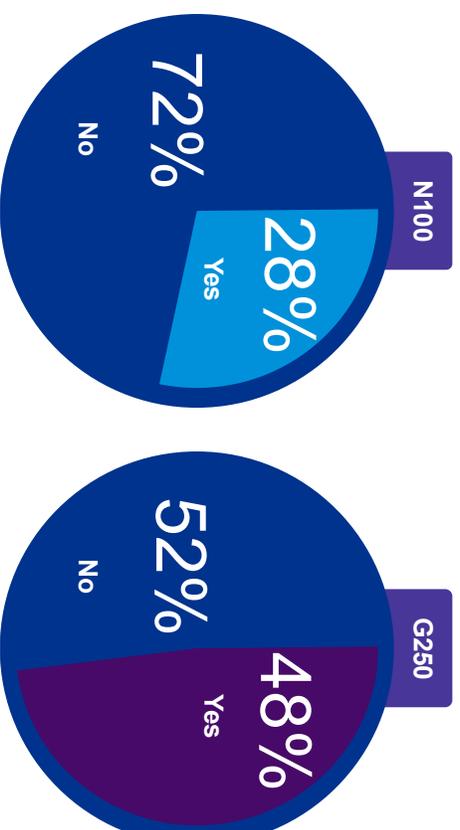


But reporting change varies ...

They found that only 28 percent of these companies currently acknowledge the financial risk of climate change in their annual reports.

Among the world's 250 largest companies (G250), a higher 48 percent acknowledge the risk.

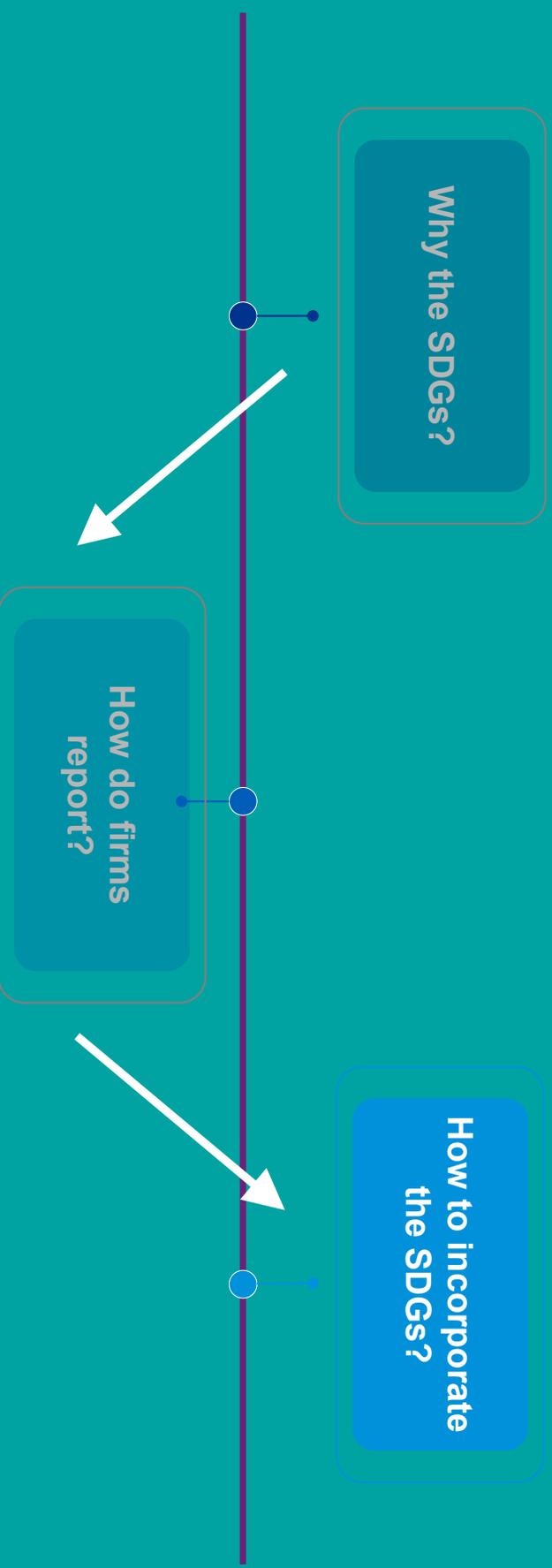
Companies that acknowledge the financial risk of climate change in their annual reports



Base: 4,900 N100 companies and 250 G250 companies
Source: KPMG Survey of Corporate Responsibility Reporting 2017



Topics for consideration



Industry approaches

Case study

Itau Unibanco (Brazil)

- 22 material reporting themes uses GRI reporting standards.
- Links to SDG 1 on the topic of improving access by poor and vulnerable to economic resources, ownership of land and property, and financial services like microfinance.

Telefonica (Spain)

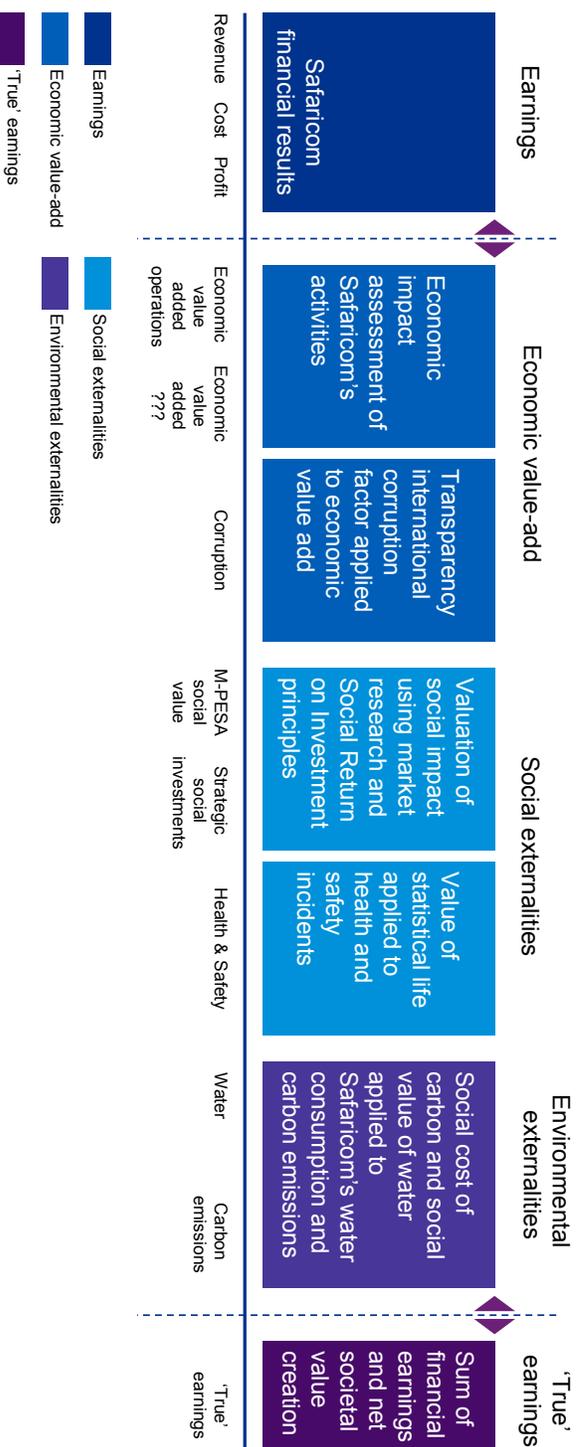
- Identify a core topic SDG 9: Industry, innovation and infrastructure which is closely related to their core business practice.
- Charts linkages with the other 16 goals (e.g., Quality Education via Fundacion Telefonica).



Safaricom Ltd.



Case study



Source: KPMG 2015, KPMG True Value Case Study – Safaricom Ltd



© 2018 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. NDPS 8.11680

Safaricom Ltd. (continued)

The True Value analysis shows social value is 10x the company's actual financial profit ..

Customers benefited mostly due to increased personal savings, lower transaction costs and less theft



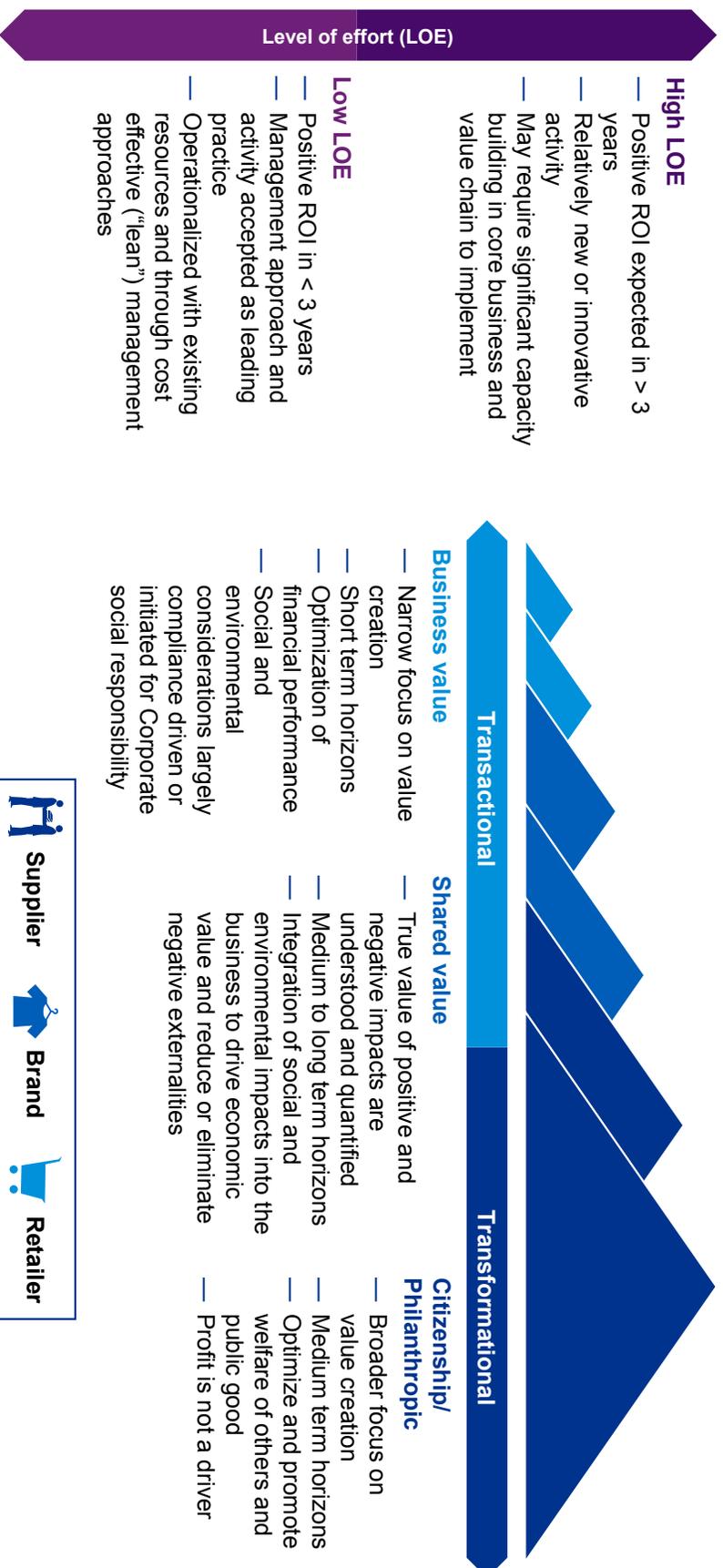
Source: KPMG 2015, KPMG True Value Case Study – Safaricom Ltd

“This True Value Report expands the way in which we assess and communicate our “Transforming Lives” mission. It is important for us to understand how our business operations, our environmental footprint and our social investments impact our ecosystem and the Kenyan economy as a whole”

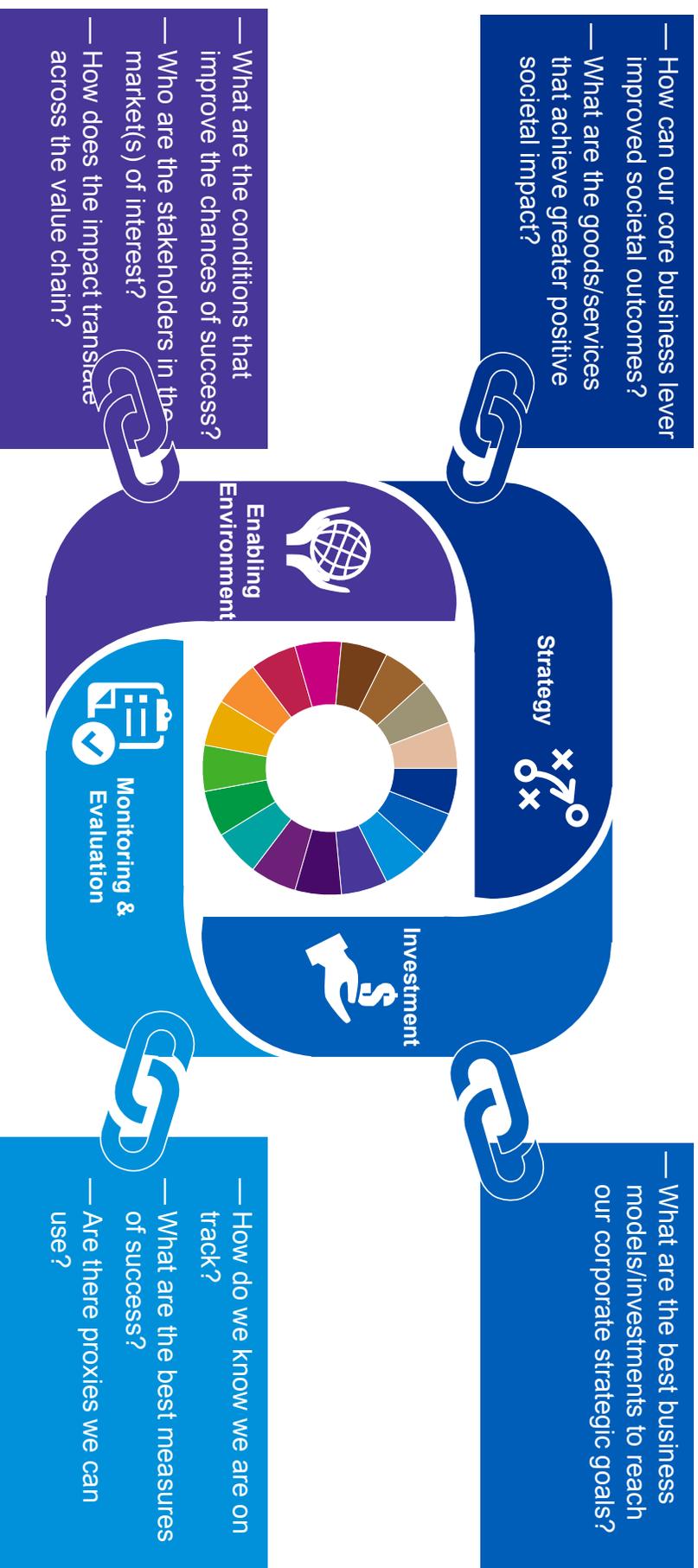
Bob Collymore,
CEO, Safaricom



Creating value



Key elements to aligning with SDGs





Thank you



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



[kpmg.com/socialmedia](https://www.kpmg.com/socialmedia)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2018 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. NDPPS 811680

The KPMG name and logo are registered trademarks or trademarks of KPMG International.