





Social Innovation & Inclusion of Sustainable **Development Goals** 

























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#### About the project

# Social Innovation & Inclusion of Sustainable Development Goals - SociSDGs

The Sustainable Development Goals (SDGs), Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy inclusion, peace and prosperity. To address and tackle social, economic and global issues, and help countries, governments and societies in combating them, SDGs define global priorities and aspirations for 2030 for the planet to "eliminate extreme discrimination, poverty and put the humanity on a path of sustainability". In order to help companies contribute to the realization of the SDGs, UN created "The SDG Compass", as United Nation stated "it presents five steps for companies to maximize their contribution to the SDGs".



Still, this is only the beginning and society, govenrments and companies need more knowledge. The SociSDG project's goal it to be a part of the solution.

The main objectives of SociSDGs project are:

- Increasing the capacity of the organizations in the consortium to work at a transeuropean level.
- The exchange of good practices in order to increase the knowledge and awareness of the target groups about the importance of SDGs, their social component, emphasizing impacts and integration as a part of the measurement of the SDGs.
- The creation of a collaborative online and offline platform form for companies, decision makers and society.
- The creation of nine <u>webinars</u>, each dedicated to specific social SDG.
- The creation of a social SDGs Handbook

Official project's web site with SociSDG blogs is available here.

Contact for more details: ured@idop.hr

#### About the SociSDG Handbook

In order to contribute to education on the SDGs, project create 'Social SDGs Handbook' that summarize the SociSDG webinars and give a short introduction into SDGs by delivering SDG challanges and suggesting actions to solve each challange.

The Handbook analyses nine SDGs in nine chapters. As social SDGs are very complex, the Handbook presents the knowledge accumulated from the exchange of best practices when it comes to each SDGs. SDG Handbook facilitates better understanding of social SDGs and importance of their measurement and integration.

Current global trends are demanding from companies, decision makers and other stakeholders to understand their responsibility and the importance of sustainable development. There is a great need for more guidelines, information, tools and training, especially when it comes to the SDGs and similar efforts towards building more sustainable, resilient and inclusive societies.

At this moment, there is no unified educational material or tools that would help companies understand the importance of measuring their social impact or measuring the integration of social issues into their business operations. Since issues revolving around sustainability are equally important to companies, decision makers, civil society and universities, it is of great importance to develop strong partnerships between them in order to understand current trends and needs of the society.

SDG Handbook aims to increase awareness, knowledge and competences regarding the nine-socially oriented SDGs, their measurement and their implementation into business strategies.

#### About the project partners

#### 9 partners from 8 EU countries participated in writing SociSDG Handbook



The Croatian Institute for CSR — IDOP (Zagreb, Croatia) is a research and advisory organization focusing on the development of corporate social responsibility, sustainability and the promotion of non-financial reporting through independent research, consulting and presentation of best practices in Croatia.

IDOP is focused on sharing knowledge and expertise in the field of CSR through organizing lectures, workshops and seminars for adults, companies and entrepreneurs on topics of non- financial reporting, sustainability and CSR strategies.



Founded in 1995, the <u>LUM Jean Monnet University</u> (Bari, Italy) is one of the most recognized and appreciated universities in Southern Italy. The educational offer offers choices concerning the Faculty of Law and Economics, the Legal Specialization School and the School of Management. In the riverbed of Faculty of Economics, the international research doctorate program, namely "The Economics and Management of Natural Resources" is historically present, while in the Faculty of Law there is the "International Doctorate in General Theory of Process".

The LUM is an academic centre of excellence, committed to advancing the teaching and quality of research and the creation of high-level managers, professionals and researchers. It is a modern organization capable of efficiently translating the principles of business and management into an education equipped to face the current trends of continuous change, of globalization to internationalization.



<u>Datamaran</u> (London, England) is the global leader in Software as a Service (SaaS) solutions for non-financial risk management. Datamaran's mission is to help business ensure resilience through evidence-based decision-making, and vision is for society and business to function better through scalable technology solutions. Datamaran's global clientele of blue-chip companies have replaced the dated and expensive manual processes used for benchmarking, materiality and non-financial risk analysis as well as issues monitoring. Datamaran's approach to risk management and issues monitoring has been widely adopted and recognized by a number of leading organizations and institutions worldwide. Datamaran is a well-known and trusted partner of established advisory firms that use the service to augment their consulting offerings.

Datamaran enables a business process for continuous issues monitoring fully owned by the sustainability and risk teams. It harnesses technology to support decision-makers with an improved materiality analysis process — one that seamlessly integrates into Enterprise Risk Management and corporate strategy.



X Why (previous Homo Eminens) (Vilnius, Lithuania) is the agency of understanding rooted in human sciences. Interdisciplinary team provides simple and clear answers to problems of uncertainty or ambiguity. Researching contexts, participating in cultures, identifying patterns, and revealing strategic insights are the everyday quests leading to sustainability.

#### About the project partners



The Pontis Foundation (Bratislava, Slovakia) is one of the biggest grant-making and operational foundations in Slovakia, with annually distribution of 1000+ grants and implementation of 50+ of own projects. Pontis mission is to serve as a bridge between civil society and the business and public sectors. Pontis has motivated Slovak companies to improve their corporate responsibility and active citizenship in our Via Bona Slovakia Award ceremony for 19 years. Pontis organizes one of the biggest corporate volunteering events in Central Europe called Our Town, where more than 10,000 volunteers from companies and the broader public meet annually for 2 days in June to assist civil society organizations and schools, and clean public spaces in more than 50 towns.

In the past three years Pontis redoubled focus on education and launched two strategic programs, Generation 3.0 and Open Future.



LatConsul (Riga, Latvia) business consulting and training center is one of the leading adult education companies in Latvia. LatConsul organizes language training, seminars on finance management, provides business consultations on validation evaluation and quality assurance and corporative training. The company has trained more than 12 000 Latvian trainers, entrepreneurs, managers, and employees. Latconsul has developed and managed many projects within Lifelong Learning Programmes and Erasmus+ with the aim to contribute to cooperation, quality perfection and implementation of innovations in adult education sphere at regional and European level, as well as developed projects in different areas together with local authorities.

The company has developed a cycle of training dedicated to the topic of gasification of the educational process and their expertise in the methodology of the game-based courses would bring additional value for education processes.



Global Impact Grid - GIG (Berlin, Germany) has been established in 2015 in the form of a non-employer private firm, which is currently managed by three entrepreneurs and connects several experts. It focuses on the topics of Impact Entrepreneurship, Social Innovation, Responsible Management, Sustainable Development, as well as Internationalization and Digital Transformation in Organizations. It supports individual entrepreneurs and innovators, as well as start-ups and SMEs in scaling up their ideas and businesses. Therefore, GIG regards innovation as a crucial component of companies' sustainable development strategies and advises them for an innovative process that is to bring about a product, service or model which is not only profitable for the company, but also valuable for the society, social inclusion and environment.

The services that GIG offers to its clients are

- 'SCAN' services, including market research and competitive analysis
- 'PLAN' services, including strategic partnership development and market entry strategy
- 'FINANCE' services, including strategic investor analysis and venture finance options
- 'RECRUIT' services, including project-based recruitment planning and recruitment coordination
- 'PROMOTE' services, including communication strategy and Press & PR
- 'LOCATE' services, including business set-up and relocation consultancy

#### About the project partners



<u>Kaleidoscope Futures</u> (London, England) is a Cambridge-based think-tank and media company focused on creating a better and brighter future — one that is safe, smart, shared, sustainable and satisfying. Kaleidoscope Futures also owns SSR International, a global institute for sustainability and social responsibility professionals and Sustainability Leadership Kosovo. Kaleidoscope Futures is run by Wayne Visser and Indira Kartallozi.

Prof. Visser holds the Chair in Sustainable Transformation and is Professor of Integrated Value at Antwerp Management School. He is also Fellow of the University of Cambridge Institute for Sustainability Leadership. He is the author of 20 books on sustainable business and has been recognised a Top 100 global sustainability leader.

Mrs. Kartallozi is a contributor to programs of the University of Cambridge Institute for Sustainability Leadership and has been recognized as one of the Top 100 Leaders on CSR. Indira's expertise ranges from sustainability and social enterprise to human rights and transformative leadership. Her work has taken her to countries in Africa, Asia, Middle East, Europe, and Latin America.



Materahub (Matera, taly) manages international pilot projects to support cultural and creative industries, encouraging innovation and inclusion processes and a new entrepreneurial vision to face contemporary challenges. Materahub organizes several international Capacity Building activities, aimed at meeting and contaminating skills between local and international experts, entrepreneurs and policy makers. These are projects funded by the European Erasmus + programs, Cosme, Interreg, Horizion 2020, etc. Materahub is also a Europe Direct Center for Matera and its province. It is the official information point recognized by the European Commission which aims to promote calls for proposals and initiatives put forward by the European Union and convey the sense of European citizenship.

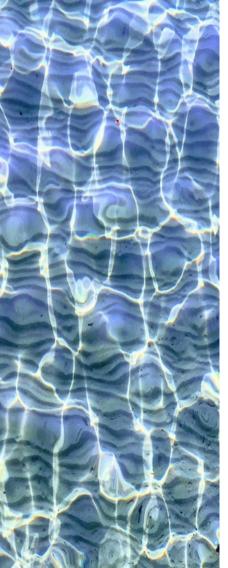
Since 2010, Materahub has been the Intermediary Organization of the European Erasmus for Young Entrepreneurs program; since 2014 it is the Italian host of the Creative Business Cup, the only international competition dedicated to cultural and creative industries.

Materahub is a member of the Puglia Creative District and is part of the cluster of Cultural Industries and Creative Basilicata Creativa. The Consortium is also included in the international CARP network that promotes cultural routes on the prehistoric art of the Council of Europe.

Materahub is also a member of some of the most important European networks working in Creativity and Culture sectors:

European Creative Hubs Network, European Creative Business Network (ECBN), Network for Innovations in Culture and Creativity in Europe (NICE) and European Forum of Technical and Vocational Education and Training (EFVET).







Using a powerful Datamaran's Artificial Intelligence (AI) solution to highlight gaps and challenges of SociSDG related issues and its implementation

Companies have a crucial role in contributing and implementing the 2030 Agenda. Hence, analyzing the disclosures in their annual filings and sustainability reports can provide a fair representation of to what extent companies are aware of SDG-related issues, how they are taking a stance around those, what policies and initiatives they have in place. In particular, comparing the level of emphasis that companies are posing on different SDG-related issues can highlight gaps and thus challenges in relation to the SDG implementation.

According to Datamaran's analysis, the Datamaran graphs in each SDG chapter present emphasis score levels across different topics that are relevant for each SDG. The analysis is based on a sample of 1364 reporting companies headquartered in Europe, and operating across the following industries: basic materials, consumer goods and services, financial services, healthcare and pharmaceuticals, industrials, technology equipment and services, oil and gas, utilities. Datamaran uses Natural Language Processing (NLP) techniques — analyzing text, narratives, commentary and providing with an evidence-based perspective into reporting patterns relevant for a particular company.

Datamaran assigns a 3-level score on the emphasis a company poses on a topic in the corporate disclosure:

- High emphasis,
- Medium emphasis,
- Low emphasis.

The score is based on the number of sentences in the corporate filings that are addressing each topic, where those sentences are located - i.e. in key sections like the CEO letter to shareholders, year-end summary or foreword from another key executive, the risk section of the SEC filings.

High emphasis topics are addressed several times across corporate filings, including in key section — making them strategic issues from the company perspective.

Conversely, Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.



# 1 NO POVERTY



End poverty in all its forms everywhere.

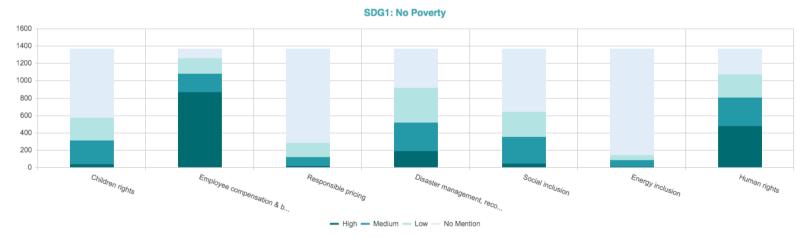


Learn more about SDG1 by listening SociSDG webinar here.

Poverty is more than a shortage of income and resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as an article inadequate participation in decision-making. [1] The United Nations (2011) notes that poverty is not an option and a lack of choice, an inability to participate effectively in society, insecurity, powerlessness and exclusion, a violation of human dignity.

There is a link between income inequalities and higher health and social problems (e.g. obesity, Mental illness, incarceration), lower rates of social goods (such as life expectancy, educational attainment, social mobility) that create confidence, anxiety, excessive consumption, and further illness. Unsurprisingly, the downward spiral leads to greater amounts of people at the bottom of the pyramid: as wealth increases, so fewer people have it. Most are the least

How are companies implementing and measuring SDG1 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 7 different topics that are relevant for SDG1. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.

Europe is one of the richest regions in the world with a varied and complex economy and a high standard of living. According to estimates, around 84 000 000 people are at risk of poverty and social exclusion. Those Europeans who are classified as poor must live with a family income of less than 60% of the national average. Around 23 500 000 people in the EU are to be treated with less than €10 per day. Compared to the world's poorest regions, it might seem like a significant amount of money, but the cost of living in the countries of the EU should be considered. Of the 702 100 000 people are now living in extreme poverty, the biggest areas of poverty in Sub-Saharan Africa with around 347 100 000 (35.2% of the population) and South Asia with 231 300 000 in poverty (13.5% of the population). Around one in five individuals in developing regions live less than \$1.25 per day. [2]

Economic growth and decent work play a crucial role in reducing poverty. However, many multinational corporations, while undertaking their regular revenue-generating activities, provide jobs and opportunities that inspire change in hope; Examples could be Coca-Cola in Venezuela, Intel in Costa Rica and Land O'Lakes International, Cisco, BP and IBM in many countries.

Multinational companies need to support municipalities in realizing such campaigns, as most or the poorest people are in countries where governments lack either willingness or ability to raise living standards on their own. With the support and financial contributions from Governments, multinational corporations have their power to become the world's most effective means of reducing poverty. [3]



#### Challenge No.1

# Increasing number of extremely poor people in the Fragile States

In 2015, the more extreme poor lived in that region than the rest of the world together. With 2030, the forecasts predict that almost 9 out of 10 very poor people will live in sub-Saharan Africa and poverty keeps remaining in double digits. [4]

As global poverty continues this fall, however, unpleasant signs appear because the rate of reduction is slowing down. If this trend continues, it might undermine the objective of ending extreme poverty in 2030. [5] Many of these countries are politically fragile, environmentally sensitive, or both; These problems reduce progress and trotting, reducing or changing achievements. These issues need to be addressed in order to end poverty. [6]

### Challenge No.2

### Focus on people

Ending poverty requires lifting each person above the poverty threshold. While some countries need to make progress in general, the goal of ending poverty everywhere takes it further, requiring a move beyond national averages to ensure that no one is left behind, wherever they are. This requires a clear understanding of who is living in poverty and where. The main step to achieving this goal is to get local data about people living in poverty.

Ending poverty means leaving no one behind, and this demands much better disaggregated subnational data to allow for targeted investments that can distribute the benefits of economic growth to the poorest people.

### Action No.1 Increasing social responsibility and support for the poorest



The starting point to reduce poverty is to spread information across social media and other sources to build society knowledge and responsible attitude towards the poorest people.

Donations can help in so many ways. They do not always have to take the form of money. This can include donating books to a poor child or buying groceries for a poor family for a week to help fight hunger. Donating old clothes, furniture and toiletries can also help improve the well-being of the poor. An informed society is more oriented to voluntary work and donations. [7]

#### Action No.2 Creating jobs worldwide



According to the International Labour Organization, 197 million people are without work worldwide. More employment options in a country mean more ways of how to stop poverty. To increase employment, non-literate people can be taught a few skills to make them employable. [8]

Multinational companies play a very important role in creating jobs worldwide. With the world's population growing rapidly, 600 million more jobs will need to be created during the next 15 years. Sub-Saharan Africa alone will need 11 million new jobs a year through 2030. In many places, the need for jobs will intensify social and political pressures, contributing to international migration. Above all, job creation will be the key factor for developing countries to reduce poverty, improve people's lives, and reach the Sustainable Development Goals by 2030. [9]



### Challenge No.3

### Measuring poverty

Our understanding of global poverty today is not based on direct knowledge of poor people, where they live and their situation, but on surveys that rely on a long chain of transformations and assumptions to derive estimates of the level, depth, and distribution of poverty. Many issues with these data cloud and add doubt to our understanding of who and where the poorest people are.

Countries undertake the underlying surveys on which all international poverty data are based infrequently, meaning that global estimates for a given year draw from surveys from a wide time period. Estimates of global poverty for 2011 drew on surveys from before 2005 for 17 countries. 28 developing countries have collected no data that can be used to measure extreme poverty. Many of these countries, such as Myanmar, Somalia, South Sudan, and Zimbabwe, are likely to have high poverty rates following years of conflict and instability. [10]

### Action No.3 Education for everyone



Education helps increase individual earnings for every member of a family. UNESCO points out that basic reading skills can lift 171 million people out of extreme poverty, ultimately reducing the world's total poverty by 12 percent. UNESCO also mentions there are currently about one billion illiterate adults in the world. [11]

Providing education in little-used home languages is often considered too complicated: doing so requires more advanced logistics, coordination, creativity, teacher placement, and support. But perhaps the biggest disadvantage of the poor is linguistic and related to early grade reading, and it has been demonstrated that vast improvements in reading outcomes can be achieved through instruction in the mother tongue. [12]





## Enrich Not Exploit - The Body Shop

Social responsibility is the main pillar of The Body Shop business concept. "The business of business should not be about money. It should be about responsibility. It should be about public good, not private greed," says Anita Roddick, the founder of The Body Shop. It represents the "new wave" of entrepreneurship. [13]

The Body Shop is a global beauty brand. For more than 40 years, they have shown that being environmentally sustainable, people-centered and profitable can go hand in hand. Founded in Brighton, England in 1976, it opens its first shop. It currently has a range of 1,000 products which it sells in over 3,049 owned and franchised stores internationally in 66 countries.

In 1990 the Roddick's founded The Body Shop Foundation, which supports innovative global projects working in the areas of human and civil rights and environmental and animal protection. It is The Body Shop International Plc charitable trust funded by annual donations from the company and through various fundraising initiatives. The Body Shop Foundation was formed to consolidate all the charitable donations made by the company. To date, The Body Shop Foundation has donated over £24 million sterling in grants. The Foundation regularly gives gift-in-kind support to various projects and organizations such as Children On The Edge (COTE). Approximately 65% of the grants that the company funds come to nominations from the staff, consultants or franchisers attached to the company from all over the world. [14]

In 2016 The Body Shop launched Enrich Not Exploit<sup>™</sup>, a five-year program to deliver 14 goals to enrich people, their products and planet by 2020, which goals supports SDG 1 targets – No poverty.

- 1. Increase our Community Trade program from 19 to 40 suppliers and help enrich supplier communities. Community Trade program develops and promotes best practices in sustainable agriculture, wild harvesting and traditional handcrafting, treating both workers and natural resources with respect while sourcing gifts, accessories and ingredients. Established more than 30 years ago, this was the first fair trade program in the beauty industry. By building lasting relationships with small-scale suppliers, this program helps to provide sustainable income streams often in marginalized communities without damaging the local environment. Community Trade often involves program investment in community development initiatives, including education, health, and conservation projects.
- 2. Benefit 40,000 economically vulnerable people around the world via access to work and/ or sustainability projects that relate to our supply chain. In the year 2017, 12,450 economically vulnerable people accessed work through Community Trade suppliers, enabling them to support their families and avoid exploitative work.

- 3. Engage 8 million people in our Enrich Not Exploit™ Mission, creating the biggest campaign ever. This is the most ambitious campaign in The Body Shop's history, involving their customers, staff, franchise owners and partner organizations in the markets all over the world.
- 4. Invest 250,000 hours of our skills and know-how to enrich the biodiversity of local communities. The Body Shop pays its employees for up to three volunteering days a year for any cause of their choice. In 2017, the employees collectively provided 75,521 hours of their time to enrich their local communities. Their activities included planting trees, clearing litter, spending time with children with physical disabilities, fundraising to support refugees, helping at a hospice, renovating a women's refuge and conducting makeovers for people experimenting with their gender identity. [15]



## Conclusions

End of Poverty is SDG goal #1, as it is closely related to all other SDGs. The poverty is still a great problem in the world as well as in the EU and Latvia. Business plays a great role in reducing poverty - starting from workplaces, fair salaries, ending with taxable incomes in social budgets and overall economic growth of the current country.

However, companies need local governments to support, to realize social effort. With the backing and financial contributions from governments, multinational corporations have it in their power to become the world's most effective means for reducing poverty.

The countries, where live the poorest people and which are politically fragile, environmentally vulnerable, or both, called the Fragile States, are at the greatest risk of poverty, and for multinational companies, it is almost impossible to help in these situations.

The Ending of Poverty means to ensure that no one is left behind. Every people counts, but sometimes it is not easy to find ways, how to address those who are the most in need. It includes also ways of measuring poverty, which should be improved, as there are data missing, as well as

the system of comparing one country with others.

Everyone can help reduce poverty in the world - starting with donating money, things, time, voluntary work, ending with policy-making and informing society. Business can help by creating jobs, which is the key factor in fighting against poverty. As well as get access to education for the poorest - it could be a type of charity (for business) or a national strategy (for the government).

Companies like The Body Shop make a great impact on the sustainability of the world and society. As more enterprises will follow the SDG's, as a better place our world is going to be. We can make changes - we can force businesses to changes, to include SDGs in their long-term strategies.

#### Author and organisation

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# 2 ZERO HUNGER



lives and

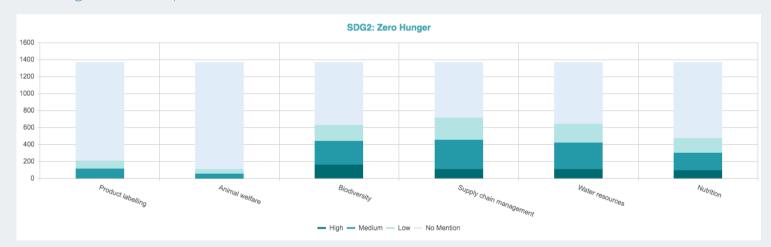




Goal 2 aims to end hunger, achieve food security and improved nutrition and promote sustainable agriculture through implementing and maintaining sustainable food production systems and resilient agricultural practices. In order to achieve a world free of hunger and malnutrition, we must also address underlying structural problems rooted in poverty, lack of access to education, employment and health care, climate change, water and resource scarcity and others.

In developing countries in particular, hunger and malnutrition are linked to a number of illnesses, high levels of child mortality and long-term developmental impacts. On the other hand, obesity, diabetes and other diet-related conditions, have become epidemic in developed countries. Approximately 1/3 of all food produced for human consumption in the world is lost or wasted, which further adds to enormous environmental impacts generated by the agri-food sector. It all points to the fact that our current global food system irresponsible, unsustainable, and, put simply, broken. We need to radically rethink the way we produce, distribute, consume and waste food. [1]

## How are companies implementing and measuring SDG2 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 6 different topics that are relevant for SDG2. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.

According to a recent KPMG study [2], Zero Hunger is among least commonly prioritized SDGs among companies, together with Life on Land (SDG15) and Life Below Water (SDG14).

However, there is a huge financial opportunity within food and agriculture sector. The Sustainable Development and Business Commission estimates that the opportunity for the food and agriculture sector from creating new business models to achieve the SDGs is over \$2 trillion. SDG2 can act as a powerful incentive for building innovative business models, foster multi-stakeholder partnerships, create new markets and opportunities. [3]



#### Challenge No.1

# Demographics, population growth and urbanisation

According to the <u>2013 UN report</u>, the population of the world will reach 9.6 billion by 2050 with most of this growth occurring in the developing world. Around 50 least developed countries are projected to double in size by 2050, meaning that the global demand for food, feed and fibre will also grow exponentially. [4]

815 million people in the world are hungry or malnourished and vast majority of them are living in developing countries, where almost 13% of the population is undernourished. Connected with the overall growth of population is rising urbanisation, which will add 2.5 billion people to the urban population by 2050, with nearly 90% of the increase concentrated in cities in the developing world - urban areas of Asia and Africa.

With less and less people living in agricultural areas, challenges are how to increase agricultural productivity, produce enough food for the entire population in the future and successfully grow food in cities?

#### Action No.1 Increasing productivity and reducing food waste



One way to feed a growing global population is to increase agricultural productivity and in particular productivity of small-scale food producers through providing them with resources, knowledge, financial services, markets and opportunities.

Produce more food which is already available because 1/3 of food produced for human consumption is lost or wasted. In developed countries, most food waste occurs in distribution and consumption, so one of the best ways of reducing it is through stimulating food donation, encouraging more responsible consumption and through innovative food-sharing platforms.

### How to produce enough food for the entire population in the future?

According to <u>Food and Agriculture Organization (FAO)</u>, the answer is not to produce more food, but to make better use of food already available because approximately one-third of all food produced for human consumption in the world is lost or wasted. [5]



#### Challenge No.2

### Food distribution and global supply chains

Agriculture's enormous energy consumption is related not only to food production, but also in large part to food distribution which has huge environmental impact. Long supply chains and food distribution system are also connected to a number of problems such as fair trade, good labour practices, product's ecological footprint but also food safety and traceability.

Socioeconomic factors have driven many groceries stores out of the city and into the suburbs so many people are now living in so-called food deserts with more than 1mile from the nearest supermarket in urban or suburban areas. The main problems are how to bring consumers closer to fresh food sources, shorten global supply chains and cut the distance that our food travels from source to table.

#### Challenge No.3

### Resource consumption and climate change

Current agricultural production practices are wasting enormous amounts of land, water and energy. Conventional monoculture system is promoting the use of pesticides and artificial fertilizers, threatening biodiversity and soil health, and creating a number of environmental and health risks. According to the UNEP study, agricultural production accounts for a staggering 70% of the global freshwater consumption, 38% of the total land use, and 14% of the world's greenhouse gas emissions. [6]

Climate change, droughts and flooding are putting even more pressure on our precious natural resources. Currently, more than 2/3 of available potable water is used for agriculture, yet the global demand for water is growing exponentially. The main challenge is how to produce food in a more sustainable and resource-efficient way, how to implement resilient agricultural practices and adapt our food production to climate change and more extreme weather conditions.

# Action No.2 Encouraging responsible production



Reducing the environmental impact of food transport is to shorten supply chains as much as possible. Short food supply chain (SFSCs) initiatives are finding a way to bring food closer to consumers than before. Buying food locally and supporting small food producers is one possible solution to stimulate local economy. It also allows for diversified land use instead of monocultures, which is much better for the soil and its ecosystems. Examples such as Community Supported Agriculture (CSA), farmer's markets, consumer cooperatives and alternative food store have become popular solutions for consumers to buy local food directly from producers.

# Action No.3 Ensuring sustainable and resource-efficient production



Increasing productivity while reducing the use of precious natural resources lies in new ways of production. A number of innovations such as hydroponics, aquaponics and aeroponics are revolutionizing the way we produce food, especially in cities and deserts. Indoor, soilless and sunless vertical farming can feed densely-populated cities with fresh locally-grown food while taking up less space, using less soil and less water.

As the global population is increasingly urbanising, cities are now investing in more local food production systems that create new jobs, stimulate local economy and drastically reduce their carbon footprint. Companies like the Infarm in Berlin and AeroFarm in San Francisco are growing food in city centres close to their consumers while constantly reducing their environmental impact.



#### **GOOD PRACTICE**

of implementing and measuring SDG 2 into business strategies and operations

## Podravka

Challenge of resource consumption and climate change has the strongest affect on the Podravka's business model. Global warming which causes climate changes manifested itself in a relatively warm winter and a rainy summer period. Such changes represent the risk and are manifested in sales of the beverage and food segment. As these trends continue, there is a high possibility of long-term negative effects on the production of the high quality raw materials and their absence. This ultimetly can result in higher prices of raw materials and consequently final products. [7]

To contribute achieving SDG2: Zero hunger Podravka has developed following CSR development strategies:

- Development of production technologies and ensuring quality of agricultural products intended for processing in Podravka's factories
- Developing own agricultural production through: (1) planed production, (2) supervised production technology implementation and (3) designing and developing technological maps, (4) creation and implementation of new projects for own agricultural production
- Developing raw material base through: (1) education of food producers
  who are producing for Podravka, (2) design and monitoring process of
  the production technology implementation, (3) research &
  development projects, (4) breeding & selection projects

#### TARGETS OF THE SDG2 [11]

- 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- 2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.
- 2.A Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.

Podravka is one of the leading food companies in Southeast, Central and Eastern Europe. As a socially responsible and sustainable company, Podravka is implementing targets of SDG2 in various ways:

- Podravka is supporting local and small-scale farmers and stimulating local food production, (target 2.3.) The company aims to secure the greatest possible amount of raw materials vegetables, grains and fruit through production on family farms, while providing them with all the knowledge, tools and resources necessary. Promoting local food production is very important for the local community and has significant impact on the economic development of the local rural areas.
- Podravka is working on maintaining genetic diversity of plants and seeds (target 2.5). Podravka doesn't use ingredients derived from genetically modified sources and does not contain genetically modified organisms, nor raw materials produced from them. Instead, Podravka works on preserving biodiversity and traditional local varieties of plants and seeds.
- Podravka is working on food innovation, agricultural research and technology development, (target 2.A), dealing with seed base and agricultural seeds control, soil analysis, climate changes monitoring and so on. The company is building a platform for open innovations, aiming to faster generate innovative solutions for development of new and competitive products. Research-development projects are focused on consumer, food, food processing, food quality and safety, sustainability.



## Conclusions

SDG 2, although among the least prioritized among companies, is proving to be an increasingly powerful catalyst for creating sustainable innovation, building multi-stakeholder partnerships and recognizing global development goals as new business opportunities.

As it can be seen, companies of all shapes and sizes can integrate SDG 2 into their business strategies. Big multinational companies can start paying closer attention to their value chains, which will have a huge positive impact on local food sustainability and security. By establishing the highest standards of sustainability in sourcing raw materials, enhancing traceability and ensuring transparency throughout the supply chain, they are improving lives of small-scale food producers on the other part of the globe, as is the case with Italian coffee company Illycaffè. Other food production and processing companies, like for example Croatian Podravka, are turning to their local food producers and providing them with tools, knowledge and resources in order to increase their productivity.

Food retailing companies are fighting food waste and encouraging more responsible consumption by raising awareness among consumers, for example by selling "ugly" and irregular fruits and vegetables that would otherwise be thrown away, such as French supermarket chain Intermarché and American retailer Walmart

Small companies and start-ups are stirring up a food revolution by introducing

radically different ways of food production and distribution, as is the case with German Infarm and their smart system of local urban farming sites. Global value chain, or the distance that food travels from farm to fork (production, handling, storage, processing, packaging, distribution etc.) is approximately 1500 km long. In Infarm, it takes on average 10 km for food to travel from farm to fork. Start-ups like these are contributing to self-sufficient cities by creating a local food system and providing people with fresh, local and affordable produce. Two largest food retailers in Germany, EDEKA and METRO, have recognized the opportunity, started working with Infarm and integrated instore farming into several of their locations.

We can conclude that, given the urgency and complexity of issues surrounding food and agriculture (together with a myriad of their social and environmental impacts), the only way to achieve a truly sustainable and inclusive global food system is by stimulating innovation within the private sector, but also their collaboration and partnership with other stakeholders.

#### Author and organisation

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# 3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote wellbeing for all at all ages.



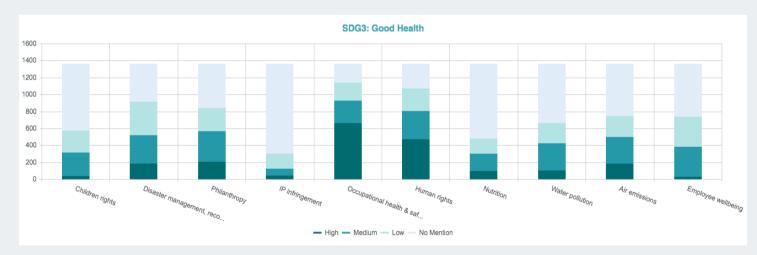


SDG3 not only aims to reduce major epidemics of communicable and non-communicable diseases, it also focuses on fighting the behavioural health risks such as alcohol and tobacco addiction, environmental issues like air and water pollution, as well as traffic accidents.

There are many prominent health problems around the world, especially in the developing countries in Africa and South-East Asia, where disease epidemics and insufficient maternal and child medical care are present. Although these problems might seem foreign to many people living in developed countries, the European region faces other challenges that are a

part of the same - well-being - phenomenon: Drug and alcohol abuse, obesity, traffic accidents, and mental health problems. Though, SDG3 mainly focuses on improved sanitation and hygiene as well as better medical care, especially for the most vulnerable members of society, there are many fields that need to be improved. Promoting a healthy lifestyle and ensuring the overall well-being of the society is a crucial part of sustainable development. This chapter is going to cover the most serious health and well-being challenges facing the world right now, strategies and actions to transform them into opportunities, and provide examples of businesses and social projects making a positive change in the European region.

#### How are companies implementing and measuring SDG3 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 10 different topics that are relevant for SDG3. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.



# Challenge No.1 Substance abuse

The risks and consequences of abusive alcohol consumption are known by the majority of the population, yet, high levels of alcohol are still consumed all around the world. It is widely considered that excessive use of alcohol over a short period of time creates many different health problems, and that is the kind of alcohol use that is the most prevalent in the Eastern European region. Despite the dangers of abusive alcohol consumption, it still has a somewhat positive image in different societies. However, the health problems associated with alcohol consumption, such as kidney and liver diseases or mental illness, heavily outweigh the stated benefits of moderate consumption — especially since the same heart-related benefits of moderate consumption can be achieved with a healthy diet and an active lifestyle. Beyond health consequences, the harmful use of alcohol brings significant social and economic losses to individuals and society at large. [2]

Using tobacco is often associated with ill-health, disabilities, and death from non-communicable chronic diseases. However, tobacco is also linked to an increased risk of developing communicable diseases. [3] It is also important to mention that, compared to the rest of the world, the European Region has one of the highest proportions of deaths associated with tobacco use, according to the World Health Organisation. WHO has estimated that all kinds of tobacco use is currently responsible for the death of about six million people around the world every year. In the European Region, using tobacco is currently responsible for 16% of all deaths in adults over the age of 30, with many individuals dying prematurely. It is also important to mention that there are around 600,000 people who are also estimated to die from second-hand smoking.

# Action No.1 Workplace substance abuse prevention policy

Alcohol consumption and drug abuse among workers creates medical, social, and many other problems that not only affect employees and employers, but also causes expenses. Substance abuse among workers can put the public in danger, impair work performance, and threaten their own safety, not to mention the loss of productivity in cases when employees do not show up to work or struggle completing tasks because of hangover/withdrawal. Research shows that workers are more likely to have an alcohol or drug problem if their occupation is stressful, boring, isolating, or promotes drinking culture. [9]

To tackle this problem, companies can adopt a workplace substance abuse prevention policy, that could require drug tests or define needed emotional support individually or in groups. It is also important to note that providing mental healthcare, looking for ways to reduce stress levels at work, and promoting a healthy lifestyle can also help create a better work environment.

Since alcohol and drug abuse are still prevalent problems in the modern world, the United Nations issued out these targets listed below to combat harmful narcotics and alcohol use:

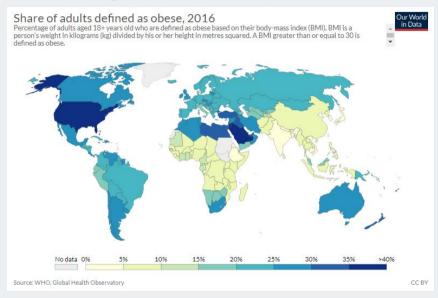
3.5 STRENGTHEN THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE, INCLUDING NARCOTIC DRUG ABUSE AND HARMFUL USE OF ALCOHOL.

3.A STRENGTHEN THE IMPLEMENTATION OF THE WORLD HEALTH ORGANIZATION FRAMEWORK CONVENTION ON TOBACCO CONTROL IN ALL COUNTRIES, AS APPROPRIATE.



#### Challenge No.2

### Overweight and obesity



# Action No.2 Physical activity at the workplace



Since overweight and obesity are highly associated with many other health problems like diabetes, back pain, high blood pressure, some cancers and heart diseases, it can be said that it highly affects one's quality of life and productivity at work. While it doesn't necessarily mean that obese or overweight employees take many more days off work because of their poor health, it is also an issue, when workers are present at the workplace, but their health conditions are affecting their abilities to do their tasks properly.

Lost productivity costs companies notable amounts of money, so it is essential to take action and implement health-promoting activities, wellness programs, or even measures to increase physical activity while at the workplace. Companies can also provide their workers with free access to the gym and organise educational events regarding a healthy lifestyle.

According to the <u>2018 WHO report</u>, worldwide obesity has nearly tripled since 1975. In the 2008 report, over half of both men and women in the European Region were overweight, and roughly 23% of women and 20% of men were obese. [4]

Overweight and obesity contribute to many non-communicable diseases, affecting the quality of life and significantly shortening life expectancy. In recent decades, the obesity epidemic has developed as a result of the changing social, economic, cultural, and physical environments and it is one of the most serious public health issues in the European Region.

Overweight and obesity mostly affect individuals in lower socioeconomic groups, also increases healthcare and other inequalities. A particularly important concern is the rapid rise of overweight and obese children, and it is crucial to recognize the problem and the negative impact it will have on the quality of life and well-being of the people as well as society as a whole. [5]

Recognising that tackling obesity requires shared societal responsibility, United Nations issued out this target related to combating the obesity epidemic:

3.4 BY 2030, REDUCE BY ONE THIRD PREMATURE MORTALITY FROM NON-COMMUNICABLE DISEASES THROUGH PREVENTION AND TREATMENT AND PROMOTE MENTAL HEALTH AND WELL-BEING.



# Challenge No.3 Mental health

Lastly, the most serious problems, that are highly prevalent today, are mental health problems. Mental health and mental disorders are one of the most important public health issues in the European Region. Less opportunities to find employment, lack of resources, and poor social skills highly affect a person's overall well-being.

Almost a third of the population suffers from mental health disorders each year (most commonly depression and anxiety). Only about half of all people suffering from mental disorders receive effective professional help and even less receive adequate help. Mental disorders mainly affect the most vulnerable people because the poor population is the group in which most risk factors occur (drug and alcohol use, poor diet, obesity, lack of physical activity, etc.) and has the least access to appropriate services. However, mental disorders affect men and women differently: Depression is twice as common in women, while men commit more suicides. [6]

It is extremely important to grant proper funding and draw attention to mental health issues since many of the mentioned problems like traffic accidents, alcohol and drug abuse, and obesity are associated with neglected mental health problems.

Suicides can be prevented, yet every 40 seconds a person dies by suicide around the world and many more attempt suicide. Suicides take place in all parts of the world and affect people of all ages. It is important to note that suicide is the second leading cause of death between young people (15-29 years of age) worldwide. [7] It might seem like a serious public health issue affecting only the developed countries, but in fact, it is quite the contrary: Most suicides occur in low and middle-income regions where mental health services and resources are extremely limited or do not exist at all. Lack of universally available treatment and appropriate interventions make suicide such a prominent public health problem that needs to be addressed accordingly. [8]

### Action No.3 Physical activity at the workplace



According to a 2018 study in Great Britain[10], depression, stress, and anxiety were the cause of 44% work-related ill health cases and 57% of all lost working days were related to poor health. These numbers show that employee mental health can play a major role regarding productivity and presence at work.

Focusing on the well-being of the workers and providing them with stress-reducing activities and mental healthcare programs can definitely improve the environment at the workplace and eventually bring better results for the company. For example, a new trend can be seen: In recent years, many new businesses started installing spaces in their offices where employees can exercise, play games, and relax. It is assumed, that even taking simple measures like this can reduce stress levels and increase motivation and creativity in the workplace.

United Nations are recognizing the promotion of mental health and well-being and have issued target 3.4: BY 2030, REDUCE BY ONE THIRD PREMATURE MORTALITY FROM NON-COMMUNICABLE DISEASES THROUGH PREVENTION AND TREATMENT AND PROMOTE MENTAL HEALTH AND WELL-BEING





GOOD PRACTICE of implementing and measuring SDG4 into business strategies and operations

## Lobesity Lithuania

Overweight and obesity is also a notable problem in Lithuania since 25% of male and 31% of female population was obese in 2016[11]. Therefore, it is important to use effective measures to stop this growing epidemic that is affecting not only adults, but also a large population of children.

"Lobesity" is a Lithuanian association for the prevention of obesity and being overweight — at its core it is a non-governmental, non-medical, and non-formal education organization in Lithuania to help both the education and health sectors to obtain systematic innovative knowledge in health behavior-related subjects and help health authorities apply lifestyle changes in children's, teens' and adults' lives

Operating since 2016, the company already has reached over 14,000 children, health practitioners, educators, and parents and has provided significant impact in the area of lifestyle transformation. In 2018, the company received a grant from Lithuanian Health Ministry to proceed with family-centered interventions for teens and adults with overweight and obesity problems in Lithuania, which made the service free of charge for those families in need.

"Teenshapers" is an organisation developed by "Lobesity" that provides camps and educational activities for children and teenagers who are suffering from eating disorders. They also actively educate parents and teachers and provide various programs on healthy lifestyles. "Camp Teenshapers", created by Artiomas Sabajevas, gained recognition in 2015, when it received an award from a Scandinavian foundation called "Reach for Change".

This initiative addresses the United Nations target 3.4, which is: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. "Teenshapers" are succeeding in contributing to this target:

- The main goal of this camp is to help children and teenagers lose or gain weight in a healthy way and overcome eating disorders all the while using innovative and effective measures and activities
- The camp offers physical activities, puts a strong focus on food, and, most importantly, provides group and individual discussions with certified psychologists and dietologists. In addition, "Camp Teenshapers" focuses on implementing healthy habits that are meant to promote permanent lifestyle changes and help young people maintain their achieved results.

### Conclusions

While it may seem like many health problems around the world like disease epidemics or insufficient maternal and child care are being eliminated, new problems arise. In the European region, a notable amount of people are struggling with obesity, drug and alcohol abuse, mental health issues, and not to mention the prominent road traffic fatalities.

Even though improving overall health and well-being of people around the world would certainly require better funding from the government, innovative and effective soft measures carried out by dedicated people show that well-thought-out initiatives can surely make a difference. Since many said problems can be attributed to poor mental health, it is essential to make treatment available to all and work towards eliminating the stigma surrounding mental health issues.

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# 4 QUALITY EDUCATION



SDG4 aims to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

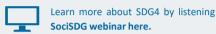




In order to achieve this goal, first all children need access to quality early childhood care, nutrition and education. The differences in social backgrounds and access to preschool can affect later learning outcomes. Next, all children need access to quality primary and secondary education, with maximum effort to ensure graduation for all, at least at the primary school levels, and prevention of dropout and grade repetition.

Vocational education and university education need to reflect the changing labor market and automation and embrace digital fabrication skills[1] and also minimize the boundaries between humanities and hard sciences by embracing the concept of STEAM (STEM + Liberal Arts) [2].

Education in the age of automation should be mainly about communities that learn constantly through cooperation, and less about certification of individuals. More about bottom-up sensemaking and peer-to-peer collaboration in creating collective intelligence and coherence for sustainable development. And less about top-down instruction and passive note-taking.



#### Universal education as a right

At the beginning of the new millennium, global community united around a set of goals that were named <u>Millennium Development Goals (MDGs)</u> [3] and lasted from 2000 to 2015. As a result, many countries pushed for universal access to education and free primary and secondary education.

For example, Kenya introduced free primary education in 2003 and free secondary education in 2007. They have held a World Guinness Record for the oldest primary school first grader, Kimani Maruge[4], who was over 80 years old when he sat down behind a school desk. As a result, many countries, including African ones, achieved near universal primary school enrollment.

The SDG4.1 target has an ambition to achieve universal primary and secondary school completion and achieve effective and relevant learning outcomes. It is a highly ambitious goal, especially regarding the quality of actual learning.

The UN writes in their progress report on SDG4 that: "Despite considerable gains in education enrolment over the past 15 years, worldwide, the adjusted net enrolment rates were 91 per cent for primary education, 84 per cent for lower secondary education and 63 per cent for upper secondary education in 2014." [5]

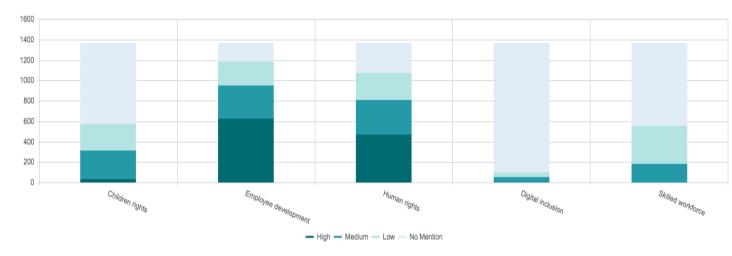
# MDGs were about quantity of education, SDGs are focused on quality of learning

Whereas MDGs focused more on quantity and percentages of students enrolled, the Sustainable Development Goal 4 is named "Quality Education" for a reason. Educated population is a prerequisite for our contemporary knowledge-based digital economy. But currently the <u>UN states in their progress report on SDG4</u>, that half of the children globally are not learning [6] (not achieving minimum proficiency levels in reading and mathematics). Enter the threat of automation and artificial intelligence, and we realize that even educated population is not enough — one can never stop learning throughout life, and needs to acquire also meta-cognitive skills, like "learning to learn".

Meanwhile, many poorer countries, and marginalized communities even in rich countries experience inadequate quality of education, with often absent and underqualified teachers, prevalence of bullying, interruptions of teaching due to external circumstances, such as political unrest, energy outages and bad infrastructure in terms of access to school, and access to learning tools while at school.



## How are companies implementing and measuring SDG4 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 5 different topics that are relevant for SDG4.

High emphasis topics are addressed several times across corporate filings – making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.

According to the <a href="KPMG 2018 report">KPMG 2018 report</a> [7] named "How to report on SDGs", the SDG4 Quality Education belongs among the most prioritized SDGs among the big global G250 companies. The most prioritized SDG is SDG13 Climate Action. Interestingly, the SDG1 No Poverty and SDG2 Zero Hunger are among the least prioritized. But they seem to be the key drivers of (poor) educational performance. Good nutrition and early childhood care helps to develop various social skills and cognitive abilities. And generational and extreme poverty seems to greatly affect the learning performance of children, that might suffer due to high and chronic levels of stress.

The regions in Slovakia with the highest unemployment have also the worst educational results, despite the fact that teachers there have relatively higher real incomes in terms of purchasing parity and there is a higher competition for teaching jobs, compared to their peers in more prosperous regions, as teachers earn the same everywhere, but the cost of living are much higher in richer areas.

One of the biggest challenges for education in terms of access and quality is the current refugee crisis and rising numbers of people on the move, also due to climate change induced droughts. For example, Vodafone committed its Foundation to "enable up to 3 million refugees, particularly girls, to access a digital education via their programs by 2020".

An obvious opportunity for companies is to use the SDGs and Agenda 2030 framework to create a long-term strategy until 2030. They can use a network analysis and systems approach to connect various goals into one coherent, interlinked and sustainable strategy.



# Challenge No.1 Quality of education

More than half of students worldwide don't attain functional literacy and numeracy according to <u>UNESCO</u>. [8] The numbers are closer to a third in Slovakia and a fourth of students in Germany.

But even without the question of quality, just achieving the upper secondary education for all seems to be almost impossible until 2030, because low income countries had 14% completion rates in 2016.

Education is somewhat distinct from learning and more abstract term that is hard to crack. The value of education is in learning (knowledge, skills, values) but mainly in signaling (of intelligence, diligence and ability to work hard, complete tasks on time and deliver results). The proportion of signaling value of education might be 50-80% of its total value. [9]

Students signal these traits by actually completing their education and graduating with honors and quality certificates or evidence of completed projects. This fact can perpetuate and exacerbate economic inequalities across generations. Schools performance is highly affected by the social backgrounds of students. If majority of their students come from areas affected by generational poverty this can perpetuate a vicious cycle of segregation and worsening school performance.

### Action No.1 Increase access and exposure to modern technologies and learning methods



U Prevent students from repeating grades and dropping out at least at primary school level. As already mentioned, maybe more than a half of total value of what we call education comes from "a costly signal" that a particular girl or boy was able to successfully graduate from a school of a certain good reputation. This value is achieved regardless of the fact if students learnt anything and were able to retain any knowledge or skills years after the graduation. Therefore, companies could involve in advocacy activities to make education more inclusive and preventing grade repetition and reducing drop-out rates.

Companies could invest in innovations that could transform schools to become friendlier and less rivalrous environment for children and teachers. They could also play a proactive role in reversing this trend by investing in the school infrastructure and scholarships that might turn the schools into a "magnet schools" for students of various and diverse backgrounds. This could improve the grades, decrease the number of drop outs, increase students' resilience and enhance teachers effectiveness. Some examples of how this can be done is by:

- FOSTERING GREATER COLLABORATION AMONGST THE TEACHERS SEE COLLECTIVE TEACHER EFFICACY [10]:
- PEER-LEARNING STUDENTS WORK IN PAIRS, TAKING TURNS IN ROLES OF A TEACHER AND LEARNER [11];
- PROBLEM-BASED LEARNING [12];
- REGULAR AND INDIVIDUALIZED FEEDBACK [13];
- SELF-ASSESSMENT [14];
- MINDFULNESS [15] AND <u>GROWTH-MINDSET</u> [16] OR A MENTAL DEBUG "KNOWING IS THE <u>ENEMY OF LEARNING"</u> [17].

The aim is to increase the numbers of resilient students and effective teachers.



# Challenge No.2 Prioritising effective solutions in education

Another problem is how to prioritize effective solutions based on various and competing frameworks. For example, Copenhaagen Concensus Center advises to prioritize these SDG4 targets and actions based on their cost-benefit analyses: triple the preschool in sub-Saharan Africa, increase girls' education by two years, achieve universal primary education in Africa.

<u>A new framework proposed by World Bank in 2018</u> uses network theory [18] to single out the most interconnected SDGs, and thus recommends to focus on improving infrastructure, clean energy and sanitation.

The theory of constrains would suggest to focus on bottlenecks and weakest links in the chain: these could include energy (access to clean energy, but also physical & mental energy levels), various invisible policies and mindsets that serve as bottlenecks for systems change or framework change.

Some organizations involved in so called effective altruism movement use an <u>ITN Framework [19]</u> and prioritize problems according to it. This would mean to ask: "what problems in education are the most important, tractable, neglected?"

# Action No.2 Take a systemic approach to education



Our schools have a legacy of "factories for future workers" and they therefore aim to instill discipline and obedience that might be useful later in employment. They are also designed to select the most diligent, productive and obedient students for managerial positions. Unfortunately, children from the generational poverty backgrounds often fall through the cracks because of unique set of challenges, that are not sufficiently addressed.

For example, a boy who comes late to school repeatedly is punished and might even drop out, despite the fact that his late arrivals are connected to the fact that he needs to walk his younger siblings to schools or travels long distances, or falls sick more often due to worse nutrition, sanitation or cold and wet housing. The factors that lay outside the schools, such as early childhood nutrition and preschool education, levels of stress at home, cold housing and inadequate sanitation all play a big role in learning performance.

We should take a systemic approach and prioritize effective solutions within and outside schools. There are some evidence-based interventions and educational programs that are assessed and collected by various research organizations and clearing houses that focus on separating and promoting "what works in education" [20]. For example, effective collaboration of teachers and clear goals and feedback for individual students, together with self-assessment and methods such as discussions, seem to have above-average effectiveness, when compared to other and often much more expensive interventions.

Companies also need to realize that many solutions to better results in reading and math, let alone STE(A)M, require interventions in other SDGs, such as SDG1 (No Poverty), SDG2 (Zero Hunger), SDG6 (Clean water and sanitation) and SDG7 (Affordable and clean energy).

Especially SDG1 and SDG2 belong currently to the least prioritized SDGs in the strategies of big global companies. Companies can use systems approach and network analysis to prioritize the most interconnected goals (e.g. sanitation, energy) and also to improve early childhood nutrition, care and preschool, to improve the future learning outcomes of students. This includes reducing stress of children and their parents that is connected to generational poverty and temporal poverty.



#### Challenge No.3

# How to transform the education for an age of automation and artificial intelligence?

Over the course of human history, the vast majority of people were illiterate. The elites who could read and write would exchange "long letters for friends" that we call books, and thus lead conversations across ages. Today there is a small elite of software engineers and scientists who are literate in writing code and algorithmic thinking.

But STEM education (Science, Technology, Engineering, Mathematics) won't be enough to solve the threat of unemployment due to future automation, because AI can also learn to code and "everything that can be automated will be automated".

Therefore, a better framework would unite Liberal Arts (Humanities) with STEM (hard sciences) into a STEAM framework that includes liberal arts education, creativity and STEM. We can use the STEAM concept to go further than just prepare future employees for the age of AI, but also to ask more fundamental question of what are opportunities to radically reform education for postindustrial age where workers might just not be needed anymore. But where anyone could be liberated to pursue their passions through creative and meaningful projects and never stop learning throughout their life.

### Action No.3 Nurture curiosity, passion and meta-cognitive skills of "learning to learn"



The prospect of industry automation and artificial intelligence threatens to disrupt economies, redefine employment and education, but also provides an impetus and opportunity to reconsider business as usual and focus on big moonshot projects that can change the foundations of current education <u>systems</u>.

In the age when learning doesn't stop at graduation but continues throughout the entire life, companies can support development of innovative approaches to reskilling and help to build learning communities of enthusiasts, creators and makers. This can involve motivating employees to set time aside for learning on a weekly basis and engage in peer-learning and skill-based volunteering, including at schools in the community where the company operates. Hackerspaces, makerspaces and fablabs can be safe and open places where community and companies interact in meetups, workshops and joint social innovation projects that include schools on all levels.

One of the biggest obstacles to continuous learning seems to be a lack of mental and physical energy, constant presence of stress and a resulting fixed mindset that prevents people to engage in novel activities that would expand their skills and help them learning how to learn. This is a complex problem that might involve insufficient nutrition, lack of quality sleep, noise and light pollution, substance abuse, stressful and rivalrous culture, and various ills connected to generational poverty and temporal poverty and financial instability. Companies need to empower their employees to create bottom-up and peer-to-peer initiatives that focus on these problems and also involve their children and schools in the community.





GOOD PRACTICE of implementing and measuring SDG 4 into business strategies and operations

## Accenture's project S(LOVE)CODE

Accenture is a global consultancy that partners with three quarters of the Fortune 500 companies. The company is present in Slovakia since 1992 and employs over 1800 people.

Employees of Accenture Slovakia decided in 2016 to approach their annual volunteering activity connected to the <u>Hour of Code initiative</u> more strategically. Instead of going to a certain school and spending an hour with children to teach them programming they decided to use their core consulting skills and create a program they named <u>S(LOVE)CODE</u>. It is a play on words "Slovakia" and "love to code".

The program consists of training sessions for teachers from all around Slovakia, and coding competitions for primary school students. The program leveraged various already existing tools, such as <u>Code.org platform</u>. A small team of volunteers from Accenture created or localized manuals and content for teachers and traveled to regions to train so far around 300 teachers from over 150 schools on how to use Code.org with students to join coding competition

organized by Accenture. The design of the competition is also quite innovative. It doesn't reward individual talented students, but it rewards schools that manage to create the most lines of code on the Code.org platform. So it focuses on collective effort and collective impact of all students. The winning schools receive valuable prizes, such as robots.

The overall results of S(LOVE)CODE in three years are quite impressive. A small team at Accenture in cooperation with Pontis Foundation managed to involve 10% of all primary school students in the competition. Or over 10,000 students. The next step for the company was to share their knowhow with other corporate members of Business Leaders Forum and aim to achieve collective impact with their peers that would significantly improve STEM education in Slovakia.

## Conclusions

The SDG4 Quality education is prioritized by over half of the big global companies that have SDG strategies. We need to ask the question what is education and how it differs from learning, and seek more clarity. The concept of costly signaling that originates from biology can help us to distinguish the value of graduation from the value of learning and retaining actionable skills and knowledge.

Companies can improve education by adopting a "systems approach" and look at learning and education as parts of a wider picture affected by problems of generational poverty and rivalry for places in top universities and future jobs.

The changing economy, with advances in artificial intelligence and industrial automation, might exacerbate this rivalry for the shrinking pool of quality jobs, but can also serve as an impetus to

framework change, meaning a shift into a new paradigm. We need

to distinguish education (that involves graduation, certification, diplomas) from learning (a lifelong process that involves internal motivation). Both are important, Lifelong learning requires safe and open spaces where employees meet community, including schools, teachers and student, and they all experience intergenerational exchange of knowledge and skills.

#### Author and organisation

Jakub Simek, progam manager at the Pontis Foundation, Bratislava, Slovakia

reconsider how we do education that was built for an industrial age, a fast vanishing world of a foregone era.

When we look at education with new anti-rivalrous lenses, we can

see opportunities to create not just a systems change, but also a

#### References

- [1] The trend is represented by e.g. FabLabs and similar open source makerspaces that engage local communities as well as professionals in creating prototypes, hobby projects and even real products with machines such as 3D printers, CNC milling machines, laser cutters and vinyl plotters. Some companies like OpenDesk created their business model of furniture making around these makerspaces. For FabLabs in education see https://www.fablabconnect.com/stem-school-fab-lab/ [2] For the examples of education projects fusing science, technology, engineering, mathematics with (liberal) arts see: http://theconversation.com/explainer-whats-the-difference-between-stemand-steam-95713
- [3] The assessment of MDGs achievements in education available here: https://www.globalpartnership.org/blog/final-assessment-mdg-impact-education
- [4] Kimani Maruge was honored by a documentary and feature movies and a Google doodle, read his story here: https://www.npr.org/sections/goatsandsoda/2015/01/12/376765868/the-worlds-oldestfirst-grader-is-honored-by-a-google-doodle?t=1555334672931
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- [6] Sustainable Development Goals Knowledge Platform, Progress on SDG4 https://sustainabledevelopment.un.org/sdg4
- [7] KPMG: How to report on SDGs, 2018, page 16, available at: https://home.kpmg/xx/en/home/insights/2018/02/how-to-report-on-the-sdgs.html
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- https://www.youtube.com/watch?v=\_WtsMrkfG1w
- [18] http://documents.worldbank.org/curated/en/270771529500170694/pdf/WPS8481.pdf
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# 5 GENDER EQUALITY



Gender equality means equal visibility, empowerment, responsibility and participation for both women and men in all spheres of public and private life.



Learn more about SDG5 by listening

SociSDG webinar here.

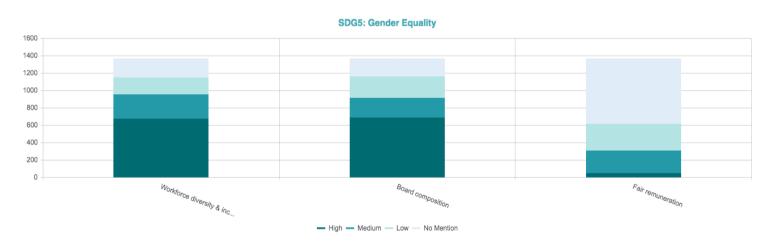
United Nation Sustainable Development Goal 5: Gender equality aims to end all forms of discrimination against all women and girls everywhere and ensure their full participation and equal opportunities for leadership at all levels. [1]

In order to achieve a world free of discrimination and violence we must address underlying problems related to education, childcare, employment, policies legislation, information technology, human rights, health and social protection.

The importance of the human rights and the function of democracy, the respect of the rule of law and economic growth and sustainability, it is guaranteed by achieving the SDG5 Gender equality

Providing women and girls with equal access to education, health care, decent work, and representation in political and economic decision-making processes will fuel sustainable economies and benefit societies and humanity at large. Implementing new legal frameworks regarding female equality in the workplace and the eradication of harmful practices targeted at women is crucial to ending the gender-based discrimination prevalent in many countries around the world. [2]

#### How are companies implementing and measuring SDG5 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 3 different topics that are relevant for SDG5. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.

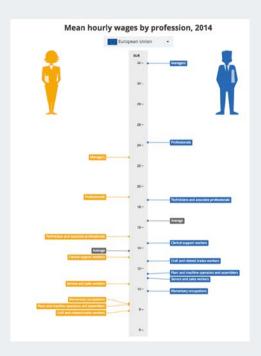
According to the study <u>Woman in the Workplace 2018</u> developed by McKensey & Company [3], woman remain underrepresented at the workplace, they don't receive enough support from managers, they get less access to senior position and different salary, also they face discrimination. The positive side is that companies are willing to commit the gender and racial diversity and take concrete and decisive actions. There are several steps and efforts to achieve and create a more inclusive workplace. This is can have an important impact for companies in terms of quality, progress, benefits and outcomes.



## Challenge No.1 Gender pay gap

The gender pay gap is an overall indicator of gender inequalities in terms of hourly pay. Earnings difference can be understood by characteristics of employed men and women (e.g. experience and education) and by sectoral and occupational gender segregations (e.g., there are more men than women in certain sectors/occupations with, on average, higher earnings compared to other sectors/occupations).

According to Eurostat [4], in the EU in 2016, women earned 16.2 % less than men when comparing their average gross hourly earnings. On average, in all Member States, women earned less than men. When comparing hourly earnings for different professions, in all nine groups of professions listed women earned less than men on average in the EU in 2014. The profession with the largest differences in hourly earnings (23 % lower earnings for women than for men) were managers. The smallest differences were observed for clerical support workers (office clerks, secretaries etc.) and service and sales workers (both 8 % lower), two of the professions with the lowest salaries.



# Action No.1 Enhancing the participation of women entrepreneurs



Female entrepreneurship is about economic growth, creation of jobs and empowerment of women. For this reason, access to education continues to be key to bridging the wage gap, requiring equal remuneration for men and women workers of equal value effective in every work site.

#### Entrepreneurship means:

- To help women to create a business idea and support them in trainings and learning activities
- Being part of networks of women who have started and are growing their own international business, to share knowledge, best practices, contacts, and benefit from strategic partnerships.
- To establish gender equality as part of the company's vision [5]

### Challenge No.2

## Violence against women [6]

Ending violence against women and girls is an effort that includes everyone in our society. Violence is a violation of a basic human right for safety. Violence against women can be prevented by strengthening women's access to basic human rights and resources. Research shows that communities with more access to education, jobs, housing, health care, affordable child care and elder care, and equality for both men and women have lower rates of violence against women.

The experience of sexual assault of women is often blamed. Many women who report sexual assault are asked questions such as their clothes, whether they were drinking or using drugs, or where they were during the assault. These questions means that the sexual assault was the victim's fault. Sexual assault is always the responsibility of the person who committed the assault, in order to end sexual violence against women, we must agree as a society that sexual contact between people cannot happen unless there is clear consent.

### Here some facts: [7]

- 1 in 3 women and girls experience physical or sexual violence in their lifetime, most frequently by an intimate partner
- Only 52% of women married or in a union freely make their own decisions about sexual relations, contraceptive use and health care
- Worldwide, almost 750 million women and girls alive today were married before their 18th birthday;
   while 200 million women and girls have undergone female genital mutilation (FGM)
- 1 in 2 women killed worldwide were killed by their partners or family in 2012; while only 1 out of 20
   men were killed under similar circumstances
- 71% of all human trafficking victims worldwide are women and girls, and 3 out of 4 of these women and girls are sexually exploited
- Violence against women is as serious a cause of death and incapacity among women of reproductive age as cancer, and a greater cause of ill health than traffic accidents and malaria combined.

## Action No.2 Providing support for women in maternity leave and childcare [8]



Develop maternity action campaigns to strengthen maternity rights for all women and their parents. Deliver specialist advice on maternity right at work, maternity benefits and rights for vulnerable migrant women

Legal protections for pregnant women and new mothers should be extended to fathers and partners taking paternity, shared parental leave during pregnancy and their child's first year.

Change the labour market structure and organization by supporting the domestic work, the family, caring for children, housekeeping. Policies intended to balance work and family life to overcome gender inequalities, so that both men and women may have access to a full family life and a professional career.



## Challenge No.3

Equal justice and participation of women and men in political and public decision – making [9]

At global level, women have not many opportunities for the economic participation compared with men, less access to basic and higher education, safety risks and greater health, and not engaged into the political representation. Empowered women and girls can contribute to the health and productivity of their families, communities and countries, creating a positive and circular effect that benefits everyone.

When women have equal chances with men to be socially and politically active, economies and societies thrive. The women's more balanced participation in decision-making contributes to positive transformative processes for societies. This is the reason why a change in gender relations, women's empowerment and abolishing negative traditional gender stereotypes are key to achieving gender equality.

Action No.3

Support Local and national associations of gender equality include gender diversity in the company mission [10]

Join groups and associations that fight for women's rights to support campaigns and feminist movements Make awareness in the society and participate actively to achieve the Gender equality at all levels In many countries worldwide there are associations and networks which support women and provide support in different fields such as violence help assistance.



of implementing and measuring SDG 5 into business strategies and operations

## Collettivo Donne Matera

The Collettivo Donne Matera, part of the Italian organization Collettivo Donne, was founded on 25th of November 2013 on the International Day for the Elimination of violence against women. The goal of the Collettivo is to contribute to the creation of a society that is as fair and inclusive as possible where social support, public health and education services, economic resources and employment opportunities can be guaranteed and adequate to a dignified life for all. For these reasons, they fully support the SDG 5 indicated by the United Nations (achieving gender equality and emancipation for all women and girls, obviously including the gender violence topic).

To contribute achieving SDG5: Gender equality Collettivo Donne Matera has developed following CSR development strategies:

- The dissemination of adequate information, especially among young people, the promotion of a renewed culture as well as practices of respect and dialogue through organized gatherings, training courses held in schools with the support of professional actors, street parades and performances in the city as well as social communication campaigns.
- Since 2015, the Collettivo has promoted initiatives to study and understand the real reasons for
  the economic crisis and to foster positive actions, including the lack of expert Consultants who
  have now virtually disappeared throughout Italy.
- Planning to open Social Counselling Service conceived as an informal space open to anyone
  where one has the chanced to be welcomed and listened. The Social Counselling Service will
  operate as a bridge between individual discomfort and institutional services, through a network
  of Associations, volunteers and institutions.

"We are all suffering the consequences of the economic and social crisis and we all can do something through a social exchange as a mutual enrichment. It is an ambitious project but by putting together our resources and skills we think that we can achieve our goals together with the citizens of Matera who are expressing and showing high interest and willingness to collaborate." Collettivo Donne Matera

#### TARGETS OF THE SDG5 [11]

- 5.1. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
- 5.2. Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation
- 5.3. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
- 5.4. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 5.6c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Collettivo Donne Matera is one of the leading organisations for Gender equality in Italy. As a socially responsible organisation, Collettivo Donne Matera is implementing targets of SDG5 in various ways:

- Collettivo Donne is helping to change the dominant culture that often favours and legitimises the tyranny of the strong over the weak (5.4). The first Association that has promoted in the town of Matera the recognition of dignity and human rights with different sexual orientation. The first national campaign called "No one less" has been organized creating 40 female silhouette, in white and with red shoes placed in the city centre. They represented the symbol of all women murdered.
- Collettivo Donne is working to fight against gender violence (5.1 and 5.2): The
  association organizes several initiatives to remember and talk about the dramatic
  situation of women. It promotes meetings and training paths for schools with the
  support of professionals to create performances in the city and launch campaigns of
  social communication.
- Collettivo Donne is promoting the women's self-determination and the possibility of
  making independent choices by increasing the capacity to protect oneself against
  physical and psychological violence. One of the main goal of the association is to open
  shortly a Social Counseling Centre as a space open to everyone. It can plays an
  important role to connect associations, volunteers and institutions and at the same
  time to involve actively people in projects and activities.
- Collettivo Donne is working to organize Social inclusion activities (5.3 & 5.6c): The
  association has organized the international days against homophoby; two interesting
  cinema screenings "Goal Revolution" against every form of discrimination; also some
  cultural events to make awareness within the local community. Also it contributes to
  the opening of the Association Risvolta who became the main important point at
  regional level for the LGTB people.



## Conclusions

To summarize, the value of SDGS Gender equality represents a fundamental basic right which must be achieved and supported by each individual, groups, associations, institutions and companies. To create awareness at the workplace, it is necessary to involve the social environment and local communities to really make an impact in the mindset of people and institutions. There are some practical measures to take into consideration in order to achieve the SDGS:

To abolish women's image of submission and inferiority, To fight against the stereotypes about men's masculinity, To balance the participation of women and men in decision-making positions, also To promote a positive and non-stereotyped image of women and men on media.

Also promoting the role of men in achieving gender equality, supporting women entrepreneurs in their business, providing benefits for health, childcare and maternity can really make a change and impact in the society, in the workplace and daily life. All women deserve to get equal chance and freedom to contribute to the development of their countries, they need to be supported, valorized, protected, involved and respected as everyone else.

The starting point can be to include gender diversity at the workplace and this is what many companies are implementing as part of their core business and mission in the next future.

#### WEBSITES

https://eige.europa.eu/gender-equality-index/2015/DK - European Institute for Gender Equality

http://fra.europa.eu/en - European Union Agency for Fundamental Rights http://www.labt-ep.eu/ - European Intergroup for LGBT Rights

https://www.un.org/sustainabledevelopment/gender-equality/

https://www.peacecorps.gov/educators/resources/global-issues-gender-

equality-and-womens-empowerment/

#### REPORT

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## Author and organisation

Germana Girelli, Graduated in Humanities, Project communication and management assistant, MateraHub, Matera, Italy

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# B DECENT WORK AND ECONOMIC GROWTH



SDG 8 promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.





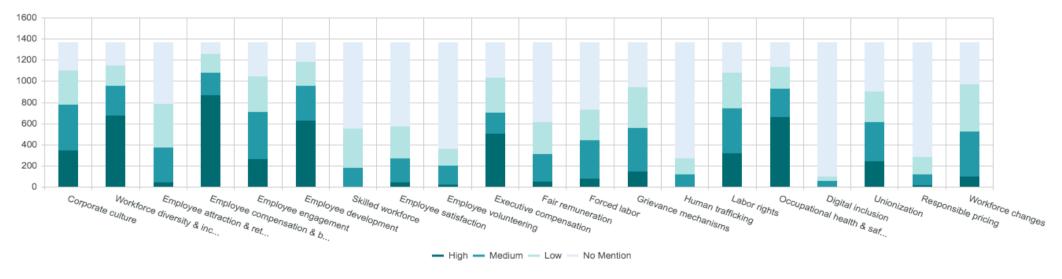


To achieve SDG8 of decent work and economic growth, it is needed to increase labour productivity, reduce the unemployment rate (especially for young people), and improve access to financial services and benefits. As stated in SDG report 2018, [1] labour productivity has increased and the unemployment rate has decreased globally. However, more progress is needed to achieve target of 7% gross domestic product growth per annum in the least developed countries. Through diversification, technological upgrading, innovation, decent work for all, promotion of entrepreneurship, local culture and products, encouragement and growth of micro, small- and medium-sized enterprises, including through access to financial services it is possible to achieve higher economic growth and decent work for everyone.

More specifically, progress is needed to increase employment opportunities, especially for young people (youth were 3 times more likely to be unemployed than adults in 2017) reduce informal employment and labour market inequality (particularly in terms of the gender pay gap - the hourly wages of men are, on average, higher than those of women, with a median pay gap of 12.5%), promote safe and secure working environments, and improve access to financial services to ensure sustained and inclusive economic growth.

Decent work and economic growth can be achieved by strengthening social protection and fostering innovation which are crucial to achieving global prosperity. Encouraging entrepreneurship and job creation are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment, and decent work, for all, by 2030.

## How are companies implementing and measuring SDG8 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 20 different topics that are relevant for SDG8. High emphasis topics are addressed several times across corporate filings – making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.

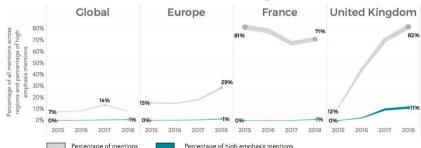


# Challenge No.1 Forced Labour and Modern Slavery transparency

According to Datamaran analysis of annual financial reporting for a period 2015 to 2018, results show an increasing trend of emphasis in corporate disclosure around Forced Labour and the role policymakers play in pushing it further. Companies in the UK increased their disclosure efforts on Forced Labour in their financial reports significantly after the introduction of the Modern Slavery Act 2015 (MSA 2015). [2] While French companies report on Forced Labour extensively, the topic did not receive a high emphasis. It may be a reflection of the French Government's attempt to regulate Forced Labour only as part of other ESG related topics. Introduced in 2012, the Decree No. 2012-557 [3] on the obligations of transparency of companies in social and environmental matters is very general and covers a wide range of social and environmental areas. Only 1% of companies report on the topic with high emphasis (BNP Paribas) in their financial reporting in 2018.

Surprisingly, no other European country besides the United Kingdom and France implemented a Forced Labour related regulation after 2010. The European Union published its Charter of Fundamental Rights of the European Union in 2009, which applies to all companies in Europe and partially contributes to a stable and increasing reporting on Forced Labour among European companies.





## Action No.1 Responsible role of playmakers regarding forced labour



Regulations and voluntary frameworks regarding forced labour are effective ways to encourage or require improvement on the area.

United Kingdom's Modern Slavery Act 2015 (MSA 2015) is the first of its kind in Europe to specifically address both slavery and trafficking in the 21st century. Next to the Act, the UK Government also published the Transparency in Supply Chains etc.: A practical guide to help organizations and corporations to understand this complex issue and implement the MSA 2015.

French companies report on Forced Labour extensively as part of other ESG related topics, introduced in 2012, the Decree No. 2012-557 on the obligations of transparency of companies in social and environmental matters.

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## Challenge No.2 Human Rights

History is full of black pages of corporations trampling on fundamental rights for the sake of business - Auschwitz was financed and owned by the chemical conglomerate IG Farben, and up to the end of the 18th century, it was common practice for banks to use slaves as collateral for loans. Violations of basic human rights still occur today, largely in places where law and regulations designed to protect people do not reach.

In order to draw Human Rights issues from a collateral aspect of the business conduct and into the decision making processes, the impacts in terms of corporate risk need to be identified and measured. The Human Rights domain includes a wide range of issues, from racial discrimination, to resettlement of indigenous people and forced labour. Consequently, different areas of risk can be identified, as indicated by the Equality and Human Rights Commission:

- BUSINESS MODEL RISK selling products at extremely low prices with narrow profit margins for suppliers may incentivise them to have exploitative working conditions, paying workers below the living wage, or cutting corners on safety;
- BUSINESS RELATIONSHIP RISKS: joint ventures with governments that have a poor human rights record may bring to abuse, as, for example, the licence to land or mineral rights is awarded without due process and consultations with local communities, or police or military suppress community opposition;
- OPERATING CONTEXT RISKS: operating in regions with high levels of conflict, corruption or weak rule of law is likely to suffer an increased risk of involvement with human rights abuses;
- WORKFORCE RISKS: a significant proportion of low-skilled migrant labour in the workforce or supply chain, or use of
  third-party employers, increases the risk of employing workers lacking full legal protection, freedom of association
  rights and access to remedy, and facing exploitative working conditions.
- PUBLIC POLICY RISKS: lobbying pressure against laws and regulations that protect human rights may undermine a state's duty to do so, making it more difficult for companies in general to operate in that country with respect for human rights.

A way to identify which companies are addressing Human Rights in a more structured way can be looking for those referring to established and internationally recognised guidelines. For example, in 2015 Unilever was the first to publish a report applying the UN Human Rights Guiding Principles reporting framework, also known as the "Protect, Respect and Remedy" Framework. Other companies then followed, including Nesltè, Ericsson, H&M.



## Action No.2 New technology to successfully address decent work and modern slavery

Some industries that are associated with slave labour may be observable from space to address decency of the work. Fish farms in mangrove forests [4] or excavations associated with mining [5] can be identified in with fine spatial resolution satellite remote-sensing images. Freely available technology like Landsat sensor data and Google Earth provide high-resolution imagery, systems such as Digital Globe's WorldView systems, which provide multispectral imagery with sub-meter resolution [6]. Final technological development in this field of advanced image is classification methods used with statistical classifiers to machine learning methods to identify modern-day slavery of the brick kilns of the Brick Belt of Asia [7] or forced labour cotton production in Uzbekistan.

Another action and solution for addressing decent work with blockchain technology is BanQu - world's first and only non-cryptocurrency blockchain platform. BanQu helps lift people out of extreme poverty by connecting them to the global supply chains they participate in and the brands, organizations, and governments that power them. Each of these connections/interactions are captured through a secure, immutable, and distributed ledger of financial and personal records using blockchain technology—in turn building the Economic Identities necessary to connect the "unbanked / underbanked" to the global economy, thus helping to lift them out of poverty. [8]



## Challenge No.3 Labor Rights

Labor rights and working conditions represent the core of SDG 8. Interestingly, the issue doesn't concern only labour-intensive industries (e.g. manufacturing, mining), but also services based sectors, like banking and financial services.

European banks, especially French, German and Dutch banks, mention working conditions most frequently in their reporting while Asian banks, especially Taiwanese, Thai, Malaysian, South Korean and Indian banks, mention the topic of maternity leave as a major priority within Labor Rights.

Interestingly, European Union lawmakers have an equal focus on working conditions and equality (including maternity/parental leave) in their Labor Rights directives. The EU is going through a process of introducing a new directive ('Directive on work-life balance for parents and carers') regarding those topics.

European and Asian banks report more on the topic of labor rights than American banks. American banks focus their labor rights reporting towards minimum wages.

AMERICAS			EUROPE			ASIA		
	2016	2017		2016	2017		2016	2017
Labor practices	21%	15 %	Working cond.	19 % ▶	19 %	Maternity leave	21%	21 %
Minimum wages	11 % 🗸	15 %	Employee rights	7 %	16 %	Labor practices	18%	14 %
Decent work	10 %	11 %	Maternity leave	16 % V	14 %	Labor laws	7%	12 %
Labor relations	13 %	11 %	Labor practices	14 % V	11 %	Decent work	6%	9%
Maternity leave	9 %	10 %	Decent work	5 %	6%	Employee rights	5 %	6%
Other terms	36 %	39%	Other terms	40 %	34 %	Other terms	43 %	39%

Percentage of mentions related to the topic of Labor Rights based on 965 public reports from banking services companies in the Americas, Europe and Asia

# Action No.3 Foster entrepreneurial culture and invest in mentor young entrepreneurs



After a number of years of improvement, the global youth unemployment rate is on the rise, reaching 71 million in 2016 [9]. Actions for fostering entrepreneurial culture and investing in or mentoring young people are very much needed. Youth Business International's (YBI) [9] network of members is contributing to driving sustainable economic development around the world, by supporting under-served young entrepreneurs to start, grow and sustain businesses. To tackle the current global challenges in youth unemployment, gaps in education and the lack of resources for economic development, YBI is pursuing an ambitious goal – helping 1 million young entrepreneurs to start or grow sustainable businesses. Another example of fostering young people's life and vocational skills is International Tourism Partnership Initiative called Youth Career Initiative (YCI) which helps young people build promising future in the hotel industry by increasing their self-confidence and employability to empower them in order to make their own career choices.

The New Skills Agenda for Europe, released by the European Commission in 2016 aims to revive investment in people's talent and address the skills gap. It recognises the increasing value of skills and transversal skills in particular, as well as the need for exchange between generations, the involvement of business in education and hands-on learning experiences. Junior Achievement — Young Enterprise Europe (JA-YE Europe) is non-profit association based in Belgium and is Europe's largest provider of entrepreneurship education programmes, reaching 2.2 million students in 40 countries in 2006. JA-YE Europe brings the public and private sectors together to provide young people with high-quality education programmes to teach them about enterprise, entrepreneurship, business and economics in a practical way.

### GOOD PRACTICE

of implementing and measuring SDG 8 into business strategies and operations

## Social & Human Capital Protocol

On the 27th of February 2019, after years of collaborative efforts involving 50 leading businesses – among which Nestlé, Grupo Argos, and LafargeHolcim, subject matter experts and researchers, and a public consultation exercise, the Social & Human Capital Coalition (SHCC) launched the Social & Human Capital Protocol [11].

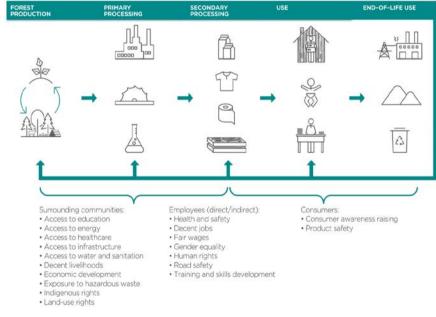
The Protocol represents the latest development in terms of guidance and best practice recommendation around the assessment of human and social capital impacts, dependencies, risks and opportunities. Quoting the Protocol: "The Social & Human Capital Coalition aims to make businesses that truly value people more successful by mainstreaming the assessment of social and human capital — shifting the consideration of social and human capital performance from an optional extra to a core part of business decision-making. This Protocol is a key Coalition resource, setting out many of the foundational principles for measuring and valuing social and human capital." [11, p.2]

In particular, the Protocol is articulated in 4 main stages:

- 1. Frame.
- 2. Scope.
- 3. Measure and value,
- 4. Apply, described through extensive case studies.

The Protocol substantively contributes to implementation of SDG 8, as "to do well in today's world, businesses must establish effective social dialogue at the enterprise level and/or between employer and business organizations, and workers' representatives, and implement robust systems that build an understanding of the positive and negative value they create beyond financial returns and how such value is distributed" [11, p.1].

**Figure:** Examples of social and human capital issues along the forest products value chain (modified from the Social & Human Capital Protocol: Forest Product Sector Guide)



#### Source:

Social & human capital protocol, available at: https://docs.wbcsd.org/2019/02/Social and Human Capital Protocol.pdf. page 42



## Conclusions

In order to achieve SDG8 of decent work and economic growth, labour productivity should be increased, unemployment rate reduced (especially for young people) and access to financial services and benefits should be improve.

Responsible role of playmakers regarding forced labour should be an action to solve forced labour and modern slavery transparency, with the use of new technology it will be possible to successfully address decent work and modern slavery, and by fostering entrepreneurial culture and investing in mentorship to young entrepreneurs a challenge of labor rights could be solved.

The Social & Human Capital Protocol present a methodology for establishing effective social dialogue between employer and business organizations, and workers' representatives, in order to implement robust systems for understanding and achieving SDG8 beyond financial returns and value distribution.

## Author and organisation

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# 10 REDUCED INEQUALITIES



Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.[1]







According to the UN SDG 10, in order to tackle inequalities, we need not only "to progress and sustain income but also to eliminate discriminatory laws, policies and practice". [1]

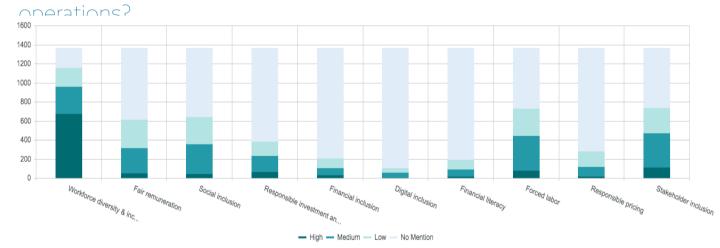
This includes improving the regulations and monitoring financial markets and institutions, together with encouraging development assistance and direct investment to regions where the need is greatest. Facilitating safe migration and mobility of people is also key to bridging the widening divide.

Trends observed by <u>World Inequality Lab</u> show that since 1980, income inequality dynamics are shaped by a variety of national, institutional and political contexts [2]. For example, with the current rate of progress, it will take 202 years to close the gender gap in employment opportunities and pay [3].

Women in particular continue to be underrepresented in high-level, highly paid positions and overrepresented in low-paying jobs. Women of colour, transgender individuals and migrant populations experience particularly high levels of poverty, unemployment, health inequalities, and other economic hardships.

Although inequality is increasing in nearly all countries, this has materialised at different speeds, which indicate that institutions and policies matter when shaping inequality. In the video, Hans Rösling shows that, whilst global inequalities are decreasing, inequalities within the countries are on the increase.

## How are companies implementing and measuring SDG10 into their business strategies and



A 2015 survey of business leaders showed that improving equality is not the most preferred SDG. However, <u>Deloitte reports [4]</u> that 'diversity and inclusion' is a rising topic amongst regulatory bodies. For example, the EU directive for non-financial reporting requires large companies to report on diversity in their board. But tackling inequalities goes far beyond employee diversity. In order to be effective, business, government and civil society needs to address factors that exacerbate inequality, such as scarce resources, technological advancement and human insecurity.

For example, rural livelihoods and incomes are increasingly at risk due to insufficient access to water, reduced agricultural productivity and food insecurity. In urban areas, jobs are threatened by food insecurity and the breakdown of food systems, along with the limited ability to adapt of poor urban residents. Furthermore, developing countries are likely to be hardest hit by climate change, eco-system loss, driving economic instabilities and societal unrest.

The Global Risks Report 2019 [5] also indicates worrying geopolitical and geo-economic tensions which will hinder the world's ability to deal with a growing range of collective challenges that could exacerbate global inequalities.

According to Datamaran's analysis, the graph below presents emphasis score levels 10 different topics that are relevant for SDG10. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.



## Challenge No.1 Economic instabilities

FINANCIAL MARKET VOLATILITY has increased in 2018, and the IMF expects real GDP growth to decelerate from 2.4% in 2018 to 2.1% in 2019 and to 1.5% by 2022. However, developing economies' combined growth is expected to remain the same.

POLITICAL POLARISATION AND RISING MAJORITARIANISM [6] mean that identity politics have become increasingly controversial, with national majorities in many countries pursuing greater exclusion of ethnic minorities. This, combined with political division, and the loss of trust and cohesion will have a great impact on the country's economic performance.

RISING WEALTH AND INCOME DISPARITIES is a key driver of global challenges. <u>Global income inequality</u> is predicted to rise under a "business as usual" scenario [7]. Within-country inequality dynamics will have a great impact on the eradication of global poverty even under optimistic growth scenarios for emerging countries.

## Challenge No.2 Societal breakdown

INVOLUNTARY MIGRATION is on the rise driven by the increased number of conflicts and extreme poverty. According to the <u>UN's International Labour Organisation</u> [8] (ILO) the total number of people who left their home country in search of work, to join family, or to flee conflicts and persecution increased to 277 million in 2017 from 232 million in 2013 (ILO 2018).

NON-COMMUNICABLE DISEASES (NCDs) are not driven by infections and viruses but by behaviours such as poor diet, smoking, lack of exercise, alcohol and drugs. The rapid spread of these diseases suggests they are a more universal problem, correlating strongly with economic development and urbanisation. NCDs are causing the majority (53 per cent) of deaths and disabilities in the developing world – <u>taking 31 million lives a year [9]</u>.

MODERN SLAVERY is a global problem, also present in developed countries where it affects trafficked migrant workers. An estimate of 40.3 million people were trapped in modern slavery in 2016, including 24.9 million in forced labour. Of the 24.9 million people in forced labour, 16 million people are exploited in the private sector, such as through domestic work, construction or agriculture.

## Action No.1 Healthy workforce



Businesses can improve and offer equal opportunities to their own workforce and with that, stimulate diversity. Research has shown that companies in the top quartile for gender diversity are 15% more likely to have returns above the industry median. For ethnic diversity, top quartile companies are 35% more likely to outperform the companies in the bottom quartile;

Companies can respond to the global crisis of 65.3 million forced migrants [10] through refugee inclusion in the supply chain in affected regions in Europe, the Middle East and Asia [11]. Offering of economic opportunities to migrant and refugees either through direct (employee) or indirect (supplier) jobs (e.g. <u>TENT foundation [12]</u>) will not only improve social license to operate and community cohesion in the local areas [13], but will also help the local economy by sourcing locally produced products. [14]

## Action No.2 Product innovation



Companies can use their product and services offerings to increase equality and at the same time, contribute to the economy and their own markets. For example, provision of basic services through digital platforms and the internet of things can especially have an impact on low-income or undeveloped countries;

Integrating SDG 10 into the business strategy can not only improve and boost the company's reputation, but an equal and diverse workforce has been shown to increase innovation [15], enhancing employer attractiveness and opening new market opportunities [16].



# Challenge No.3 Environmental and Ecosystem loss

FAILURE OF CLIMATE CHANGE MITIGATION AND ADAPTION is listed as one of the top global risks [17]. According to the Intergovernmental Panel on Climate Change (IPCC 2018) we have 12 years to make the radical and unprecedented changes necessary in order to prevent average global temperatures from rising beyond the Paris Climate Agreement's 1.5 degrees target [18]. Developing countries and rural regions are likely to be most affected by climate change, posing a threat to the livelihood of people due to water scarcity and food insecurities.

BIODIVERSITY LOSS, which is also known as the 'silent killer' [19], is a particular concern. High rates of biodiversity loss from habitat destruction, chemical pollution and invasive species will accelerate in the coming 30 years as a result of climate change and growing human populations. The loss of plants and sea life will reduce the Earth's ability to absorb carbon, creating a vicious cycle [20]. The impacts of biodiversity loss will decrease productivity and economic growth, and make it harder for people to escape poverty.

EXTREME WEATHER EVENTS AND ENVIRONMENTAL DISASTERS cause disruptions to the production and delivery of goods and services, which have increased by 29% since 2012. North America was the region worst affected by these environment-related supply-chain disruptions in 2017, mostly due to hurricanes and wildfires. The breakdown of food systems threatens supply chains which will affect not only business but the livelihood of people and the country's economy.

# Action No.3 Building up Climate Change Resistance

 $\mathbb{N}$ 

Companies can analyse their global supply chain and identify regions with water stress and flooding and adopt appropriate resilience strategies. They can also build on their product innovation[21] strengths. For example, investing into alternative raw materials will not only significantly reduce water and energy footprints (and associated costs) [22] but will also increase employment opportunities;

Investments in new markets can offer new business opportunities. For example, investing in the emerging markets can give an opportunity for these economies to grow, which could lead to a reduction of inequality under the right policy conditions. Creating new investor groups will create new commercial opportunities for the business.

#### **GOOD PRACTICE**

of implementing and measuring SDG 10 into business strategies and operations

## Marks & Spencer

Marks & Spenser (M&S) is a major multinational retailer with strong roots and headquarters in the UK. They sell quality clothing, home and food products – the majority of which carry M&S's own-brand. M&S group revenue in the year ended 31 March 2017 was £10.6 billion, with an adjusted profit before tax of £613.8 million

M&S employs 85,000 people and has more than 1,300 stores worldwide. Every year they sell around three billion items, produced by two-thousand different suppliers. M&S is listed on the London Stock Exchange and a constituent of the FTSE 100 Index. They are included in a number of sustainability benchmarks and indices – including the FTSE4Good Index.

#### PLAN A 2025 (Because there is no Plan B)

"Plan A 2025 strengthens our commitment to address these issues with 100 bold new targets. Crucially, it forces us to address questions to which we don't yet have answers, but must address if we are to become a truly sustainable retailer".

M&S's beating heart of Plan A is their 100 commitments to tackle five big issues – climate change, waste, resources, fair partnerships, and health. From the most recent scientific insights M&S have made several very important changes with Plan A 2025. In particular, by 2025 they aim:

- To be the world's leading retailer on engaging and supporting customers in sustainable living;
- To help 10 million people live happier and healthier lives;
- To help transform 1,000 communities;
- To champion Human Rights by taking a lead on addressing in-work poverty, modern day slavery and an inclusive society;
- To ensure 100% of our products address 100% of their material social and environmental impacts;
- To ensure 100% of factories are on a sustainability ladder with 50% of our products coming from the very highest Gold standard;
- To ensure our 50 key raw materials (80% by volume of what we use) come from a sustainable source;
- To set a science-based target to accelerate our shift to a low carbon business;
- To be a circular business generating zero waste;
- To be a leader on transparency.



## Conclusions

In this chapter, we have shown that reducing inequalities is a vital goal in order to decrease societal and economic risks, but also that it represents opportunities for business. Yet it is still one of the issues where we are struggling globally to make any significant progress, and in some instances, the trends are getting worse. We have also demonstrated that the SDGs are interconnected, and that the success of reduced inequalities is linked to other goals, such as climate action, poverty, health and wellbeing, life on land and industry innovation.

In many ways, therefore, tackling inequality provides a solution — or at least enables progress — for many of the other global challenges we face. And without it, we will surely fail in achieving the Global Goals.

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Dr. Wayne Visser and Indira Kartallozi, director at Kaleidoscope Futures and founder of Sustainability Leadership Kosova, London, England

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# 11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable.

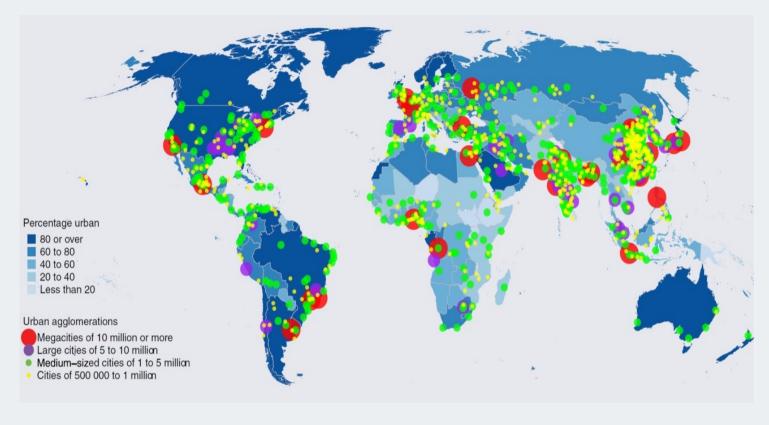






Cities are locus for progress, commerce, innovation, culture, education and social development. Rising urban population, reaching to a projected number of 5 billion by 2030, even now demands various management practices and social engagement. To meet the challenges of growing and diversified urban spaces, a special branch of UN Sustainable Development Goals, SDG 11, is concerned with the cities. SDG 11 is a set of targets aimed to fulfill safe, inclusive and sustainable cities by the year 2030, allowing them to continue to thrive and grow, while improving resource use and reducing pollution and poverty.

Most of the urbanization in the next decades will happen in the developing world. Thriving megacities of more than 10, even 20 million inhabitants, followed by the large and medium cities accounting millions more, and many countries with more than 60 to 80 percent of urban population. Since 2008 more than half of the world population lives in the cities. In reaching the targets set by the SDG 11, it is important to point out the main challenges around them, as well as the possible opportunities.

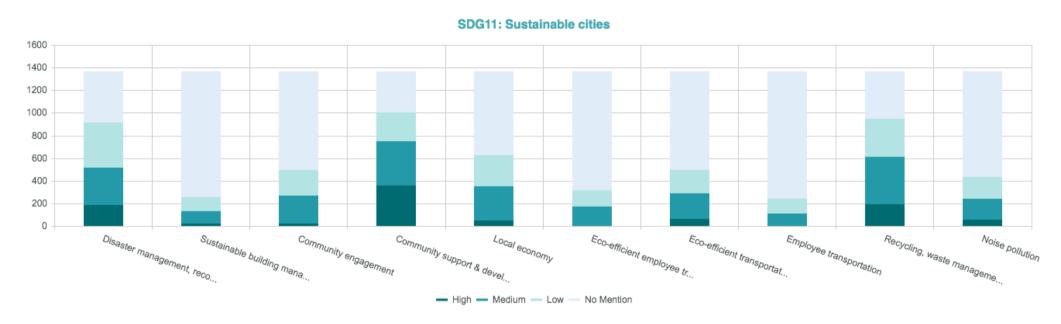


Main global challenges that must be tackled with for reaching these targets and for creation of (more) sustainable cities include resource scarcity, air pollution and waste, and housing and land-use planning. Opportunities that can be pursued to meet these challenges include innovation, public awareness and knowledge, and urban – rural linkages and development.

Developed countries can serve as driveway for solutions that can be later implemented to meet the demands of the fast urbanization in developing world.



## How are companies implementing and measuring SDG11 into their business strategies and operations?



According to Datamaran's analysis, the graph below presents emphasis score levels 10 different topics that are relevant for SDG11.

High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.



## Challenge No.1 Resource Scarcity

For decades, earth's resources have been used in an unsustainable way due to lack of solid awareness and policies. This has not only caused scarcities of natural resources, but also contributed to climate change and environmental deterioration, which have severe effects on people and planet [1].

Water scarcity, for example, is a challenge that affects all the continents and millions of people in varying levels. Although cities generally provide better access to clean water compared to rural areas, development of further infrastructure fails to meet the needs of fast-growing population in urban areas [2].

## Action No.1 Innovation



Innovative solutions in social, economic and technological spheres are key to tackling with problems of cities and urbanization. Smart cities and urban farming are actions which can be a solution for a challenge resource scarcity.

Smart cities make use of information and communication technologies (ICTs) in order to boost the quality of infrastructure and services ranging from transportation to waste management, and thereby, contribute to resource efficiency and sustainability, as well as saving on costs. Exchange of best-practice examples from varying regions should be supported to increase the smart-city-applications globally.

Urban farming is a win-win social and economic practice. It increases sustainability, reduces energy consumption, gives rise to a quality food production and can potentially be a good and stable enterprise contributing to economy and reduction of unemployment. Technological innovation, social innovation and responsible enterprises can further make the urban food production a new wave of positive solutions that will meet the challenges of urbanization.





## Challenge No.2 Air Pollution and Waste

Air pollution is caused not only by vehicles, industries and power plants, but also by several household equipment used everyday life. Each year, 6 million people die due to sicknesses triggered by air pollution around the world and those living in urban areas are more prone to health risks [3].

Another risk on environment and human health is caused by increasing waste and chemicals and their poor management, particularly in urban areas. It is expected that more than 2 billion tons of waste will be produced in cities annually by the year 2025 [4].

Some of this waste is in the form of food; almost 30% of the produced food around the world ends up being lost or wasted annually [5]. Food waste is one of the most serious global challenges and is closely linked to several other environmental, social and economic issues that range from resource efficiency to waste management, to hunger and equality.

# Challenge No.3 Housing and Land-Use Planning

The number of people living in cities has been increasing rapidly around the world. Currently, more than half of the world's population lives in cities [6] and providing inhabitants with safe and adequate housing, as well as proper infrastructure within limited lands is a great challenge for governments and municipalities.

Although the percentage of urban population living in slums have decreased, actual number of people living in slums have continued to grow. According to 2014 data, 883 million live in highly populated urban areas that have limited access to infrastructure [7].

## Action No.2 Public Awareness and Knowledge



Public awareness and knowledge are key to changing challenging situations for the better. By changing approaches and behaviors, individuals can contribute to resource efficiency and minimization of environmental impact.

Organizations from public, private and civil society sector can co-develop projects that aim at raising awareness and knowledge of public in topics related to, for instance, waste separation and recycling, use of plastic bags and packages, efficient use of water and energy, etc. It is important that parties from varies sectors work on a common goal, so that the individuals' actions are complemented by policies and applications of municipalities and corporations.

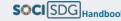
Higher educational institutions (HEIs) can work on mainstreaming topics related to sustainable development, responsible consumption and production, resource efficiency, etc. into their traditional programs on business management, public policy, and alike, so that the future professionals and policy-makers are equipped with necessary knowledge and skills to tackle with sustainable-development-challenges.

# Action No.3 Urban - Rural Linkages and Development

While aiming at making cities (more) sustainable, it is crucial to take urban-rural linkages into consideration and emphasize development policies in both spheres.

Encouragement of initiatives for understanding interaction between urban and rural areas can lead to better and more sustainable planning and policies for flow of people, agricultural development, implementation of technological advancements, etc.

Policies should aim at "close economic integration of rural areas with neighboring urban areas", which is key to narrow the gap between urban and rural areas, to increase economic, social and educational opportunities in rural areas, and thereby, to keep the skilled people, particularly the youth, in rural areas. [8]



### **GOOD PRACTICE**

of implementing and measuring SDG11 into business strategies and operations

## City of Berlin, Germany

Berlin presents itself not only as "one of the most attractive business hubs in Germany", but also as a "a laboratory for efficient infrastructure, informational networking, sustainable mobility, creativity and combining high productivity with high quality of life". The political engagement for Berlin to be a smart city is reflected in the Smart City Berlin Strategy, which is agreed by the Berlin Senate in April 2015. The goals of the strategy include "expanding the international competitiveness of the Berlin-Brandenburg metropolitan region, increasing the resource efficiency and climate neutrality of Berlin by 2050, and creating a pilot market for innovative applications". [9]

## Conclusions

As the targets, main challenges and opportunities indicate, reaching the goal of 'making cities and human settlements inclusive, safe, resilient and sustainable' requires multifaceted actions.

Cooperation among organizations from public, private and civil society sectors, as well as engagement of single individuals, are essential for positive and sustainable transformation.

## Infarm

One of the best-practices in this field is Infarm, which was founded in 2013 as a "mobile vertical farm". At Infarm, horticulturalists work next to industrial engineers and biologists collaborate with chefs. Their technological solution, modular farms, fit into the existing city infrastructure at any given space. Right now, there is more than 100 Infarms just in Berlin – across supermarkets, restaurant kitchens and distribution warehouses. All modular farms are interconnected through the central farming platform, which coordinates them all. Combined with other Infarms, these are equivalent to 30 000 m2 of farmland, but using 95% less water, 75% less fertilizers and zero chemical pesticides, as they claim on their website [10].

Infarm represents a good example of how technological and social innovation can make a difference. It is innovative in so many ways — provision of quality food, dramatic resource waste reduction, responsible consumption and a profitable enterprise that benefit the society as a whole. It would be a good practice to see similar solutions worldwide and that INFARM becomes a pioneering role model for the future urban spaces of the world. Both contribution to SDG11 and SDG2, it is an example that unified action can contribute to vast fields and areas needed.

## Author and organisation

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# 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



actions in the direction allows us to adapt to the



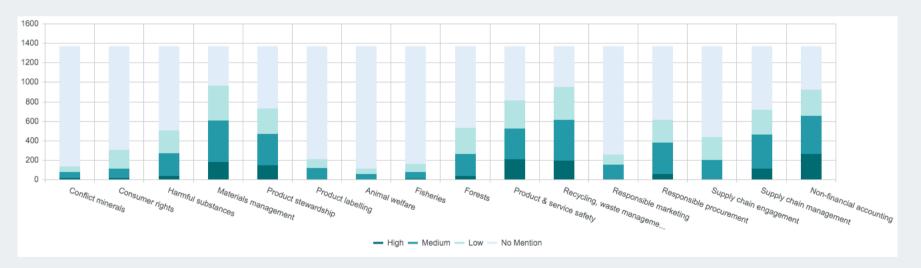


Our ecosystem is no longer able to withstand and sustain the weight of the huge resources demand that the world's population needs and requires year after year. We need to deploy strategies and actions in the direction of development that allows us to adapt to the load capacity of our ecosystems. All this is based on the awareness that we must and can achieve social and economic development, which also takes into account the growth of developing countries. All the stakeholders are called to face this new challenge that goes towards a better management of the resources offered by the nature and the consequent improvement of life of all living beings. However, the stakeholders who are mainly called to change their strategies and lifestyles to achieve SDG 12 are businesses and consumers. [1]

Companies will have first to abandon the concept of production on a linear supply chain and then concentrate on developing more production based on a circular supply chain, while consumers will have to change their lifestyle and consumption to reduce waste of resources and pollution as much as possible[1]. In particular, objective 12 aims at a better and more efficient ecological management of all wastes from industrial wastes (such as the disposal of chemical products) to urban wastes and their substantial reduction through reuse, recycling and/or upcycle. Furthermore, it aims to reduce food wastes, implement innovative technologies and sustainable infrastructures, improve energy and water efficiency, encourage businesses and consumers to adopt sustainable practices and promote sustainable public procurement

policies. Ultimately, objective 12 aims to encourage a more careful and sustainable consumption and to promote productions that use fewer resources and that are more performing.

The objective is to achieve a higher level of life quality through the reduction of environmental degradation, resources consumption use and pollution, starting from upstream to downstream the supply chain, in a circular system in which all businesses up to citizens play a fundamental role in the game called "Sustainability".



The ASviS 2018 report [2] shows that Italy has achieved an overall improvement on the objective 12. The report shows that the Italian population is increasing its attention and sensitivity towards the issue of production and responsible consumption, with a consequent increase in recycling and reusing, as well as a reduction in energy and resources used. For example, in the period between 2004 and 2016, ASviS saw an increase in separate waste collection of 30 percentage points, reaching 52.5% compared to the 22.7% achieved previously.

According to Datamaran's analysis, the graph below presents emphasis score levels 16 different topics that are relevant for SDG12. High emphasis topics are addressed several times across corporate filings — making them strategic issues from the company perspective. And Low emphasis topics are mentioned fewer than three or four times and not included in key sections, thus not reflecting a clear focus in the corporate strategy.



# Challenge No.1 Reduction of wastes and of resource consumption

The food sector, for example, has a significant impact on the environment, starting from the production stages downstream, as families also have a significant impact on the environment through their eating habits and their consumption choices. In fact, the choices and decisions of consumers and traders, in addition to problems arising from poor management of transport systems or inadequate agricultural practices, result in an economic loss of trillions of dollars and 1.3 billion tons of food that becomes waste.

In this sense, the challenge of goal 12 is to reduce these wastage of resources and to improve the life quality of people, since we must not forget that in the world almost one billion people are malnourished or hungry.

A better management of resources, in order to support human needs, would make it possible to not collapse our planet system, given that the world population growth forecast for 2050 is expected to reach a number equal to 9.6 billion people and that, with the current management of resources, we would reach the implosion, since nature is not able to give us enough resources with respect to the current lifestyles projected into the future.

Changing supply chains, production and management of production in any business district, from agriculture to industry, would greatly reduce soil degradation and drying, water and energy consumption, and pollution in every profile considered.

## Action No.1 Global-level implementation of the circular economy



The objective 12, understood as the creation of a circular economy and therefore of non-linear supply chains and processes, represents an important opportunity from different points of view.

Firstly, the production of wastes and the consumption of resources would be greatly reduced through reuse, recycling and upcycle; secondly, not only local, but also global economy should be restarted, bringing significant economic as well as environmental benefits, creating new jobs and therefore a better condition also in social terms.



## Challenge No.2

## Improve energy and water efficiency

Water management has become a crucial topic for both businesses and consumers. Less and less water in the world is drinkable (about 3%) and about 2.5% of this is confined in the form of ice in the two poles. For this reason, a major challenge becomes water management. Consider that, in addition to the minimum quantity of drinking water present in the world (0.5%), the remaining water is currently polluted by man and his industrial processes at a much higher speed than nature manages to purify and regenerate.

The growing state of well-being leads to greater consumption of energy, both from industry and households. If we consider, for example, that 29% of the global energy consumed depends on the latter, and therefore that only the families contribute to 21% of the CO2 emissions in the atmosphere, we realize how the challenge of greater energy efficiency is another goal to reach. This is possible through the production of energy from renewable sources and its better management by both categories, companies and family.

## Challenge No.3

## Cultural change of families and businesses

In Italy, according to the ASviS 2018 report, four out of five families are still not very careful in acquiring information through ecological labels and therefore they are not yet able to understand and know if their purchases are eco-friendly or not, or they simply do not know what does the term "sustainability" mean? For this reason, information and training become important challenges to fight old consumption habits and to create new ones that are more sustainable.

According to the KPMG report, Objective 12 is not among the first targets taken into consideration by companies, but it is not among the last ones either. However, a substantial change on the part of medium to large companies depends above all on understanding that the achievement of objective 12 is not just a goal, but an opportunity for growth and economic development towards a new economy more linked to the environment. Also in this case the role of information and training is of primary importance for all stakeholders.

# Action No.2 Finance and taxation as a stepping stone for sustainability



Responsible production and consumption also has the advantage, both for businesses and consumers, of being able to take advantage of tax deductions and / or reductions and to be able to access funding and funds that reward sustainability.

Actually, the same UN has introduced the question of ethical finance as a driving force of sustainability for businesses and families.

## Action No.3 Innovation and better lifestyles for all



The implementation of Objective 12 stimulates the intelligence of young entrepreneurs to engineer, invent, create new tools, technologies and processes that reduce the historical problems of pollution and bad management processes. In this way, new innovations are made to help not only the economic system, but also social and environmental ones. A path of innovation that has a positive impact, since the creation of green products, for example, with a lower environmental impact, can, if well promoted, attract the attention of consumers and make sure that their purchasing habits are modified, moving from not sustainable products to green ones.

A research carried out by Next-New Economy [3] and Ancc-Coop [4]- on the occasion of the cash-making business carried out in 12 Coop sales points on 22 May 2018 - shows how one out of five Italians chooses to buy sustainable products, proving that they have changed their purchasing behaviour in a more responsible and informed way.

Innovation - Products - responsible Consumers, represent a positive and self-reinforcing circuit that must be supported through continuous training and information both to businesses and consumers.



### **GOOD PRACTICE**

of implementing and measuring SDG 12 into business strategies and operations

## IllyCaffè

<u>IllyCaffè</u> [5] is one of the most active companies in Italy and in the world in the implementation of many of the United Nations sustainability objectives.

Illy is present in 140 countries with 1290 employees, its coffee is served in 100,000 public places (e.g. Bar), has 240 Illy Stores, while more than 1500 are taste artists. Turnover in 2017 raised to 467 million euros, continuing its growth compared to the previous year. The training of employees and suppliers, sustainability and quality are the company mission that is well defined and clear, also clearly visible through the obtained certifications, four of which related to quality, one concerning sustainability, and the 26 buildings of University of Coffee are the flagship of education and research.

#### Interested parties included:

Businesses, Farmers, Local Communities, Consumers, Non-profit Associations, Governments and Non-Governmental Institutions.

#### TARGETS OF THE SDG12 [6]:

12.1 Implement the 10-years framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries;

12.2 By 2030, achieve the sustainable management and efficient use of natural resources:

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and on the environment;

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse;

12.6 Encourage companies, especially large and transnational ones, to adopt sustainable practices and to integrate sustainability information into their reporting cycle;

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature;

12.A Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

IllyCaffè was founded in 1933 by Francesco Illy and since then the company has being led by family members. It is an industry leader thanks to its values and to the high quality of its coffee. The Illy company undertakes a variety of ways to implement sustainability objectives, in particular the SDG 12 in several ways:

- Sharing experience and innovation with local communities and farmers from different countries. Training and informing them to promote and study more sustainable and healthy farming practices.
- Reducing the environmental impact deriving from all production processes.
- Uses water resources to a minimum, reduces wastewater and minimizes the use of synthetic products for the care of coffee plantations.
- The roasting process has minimal emissions and the heat produced by it is transformed into energy and not considered and treated as a waste to be disposed of.
- Check and stimulate control throughout the supply chain, ensuring not only that processes are ecologically healthier and safer.
- Reaches energy efficiency thanks to 100% renewable energy;
- Promotes recycling and reuse thanks to the creation of low environmental impact and reusable packaging.
- Promote and enhance sustainability goals worldwide.



## Conclusions

The objective was presented by the <u>KPMG Report</u>, it seems instead to be a fundamental element that affects the three dimensions of sustainability, the economic, social and environmental. First, both in terms of supply and demand. With reference to a significant example, the Italian Government has implemented the law in the years, specifically the 2009 law has confirmed the "<u>Ecobonus</u>"[7] incentives for energy upgrading, from a range included in a deduction ranging from 65% to 50% in addition to the object of requalification, on purchase or renovation of a property or another. Compared to the automotive market, for example, the Italian government added an "Ecobonus" to the 2019 financial law for the purchase of new low-emission cars (between 0 and 70 grams / km of CO2) of between 1,500 and 6,000 euros. [8]

While it discourages the purchase of polluting cars (over 161 g / km of CO2) by introducing an "EcoTassa", between 1,100 and 2,500 euros. These incentives and disincentives, in fact, have immediate and positive consequences on the economic system, spurring consumers and businesses long term on sustainability, in terms of lower emissions and lower energy consumption.

In this direction, another example has happened from the activities carried out by Coldiretti, including the promotion of the "Fondazione Campagna Amica", which deals with training, promoting, enhancing and enhancing, as stated by the foundation itself: "the value and the dignity of Italian agriculture, making clear its key role in protecting the environment, the territory, culture and culture, food health, equity, access to food at a fair price, aggregation social and labor market".

In order to achieve the Sdg12 objective in the best way, the most important thing that businesses, public bodies and non-profit organizations need to do and increasingly involve consumers, the entire community on a path that includes the information transfer and training. The more this positive word of mouth takes hold, the more the communities will be involved and faster and with greater efficiency and higher performances will materialize.

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