



ATENEIO DE MANILA  
UNIVERSITY

# Understanding the Intersection of ESG factors and the SDGs

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NEDA Stakeholders' Chamber on SDGs

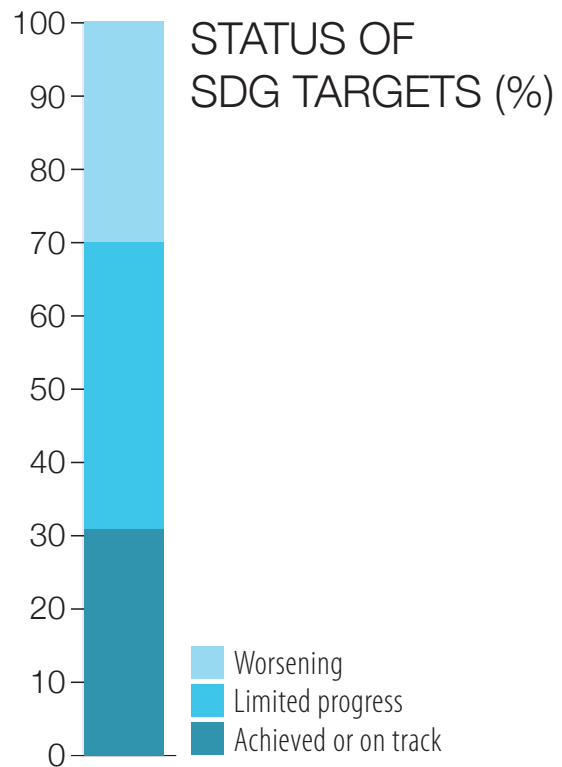
Sub-Committee on Sustainable Development Goals

# Learning Outcomes

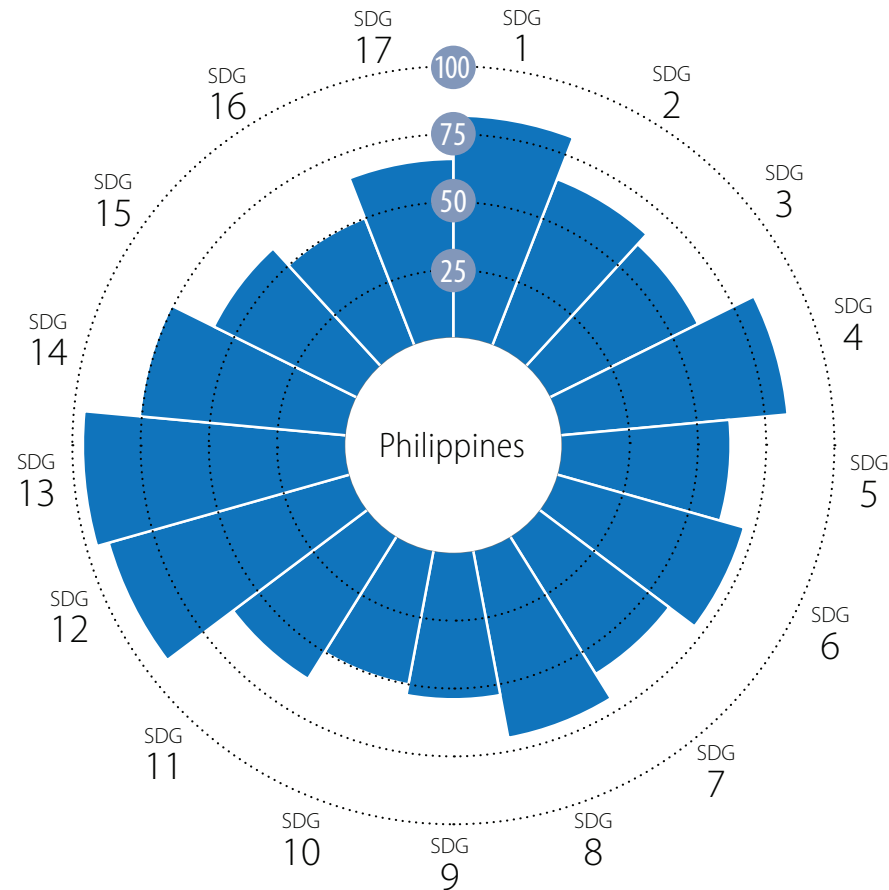
By the end of this session, you should be able to

- Discuss the relationship of ESG to SDGs
- Suggest ways to strengthen ESGs in your framework
- Design initiatives that considers the org's impact for the future

2024



## AVERAGE PERFORMANCE BY SDG



# PHILIPPINES

## OVERALL PERFORMANCE

COUNTRY  
RANKING

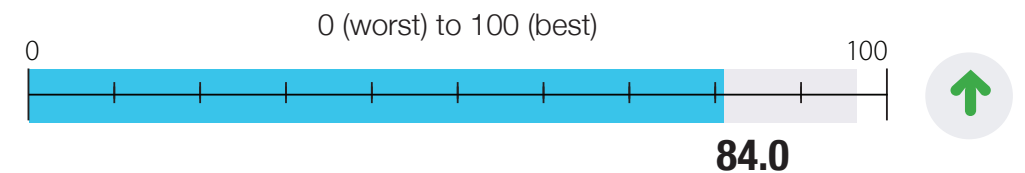
92/167

COUNTRY  
SCORE



REGIONAL AVERAGE: 66.5

## STATISTICAL PERFORMANCE INDEX





Major challenges

Significant challenges

Challenges remain

SDG achieved

Information unavailable

Decreasing

Stagnating

Moderately improving

On track or maintaining SDG achievement

Information unavailable

Note: The full title of each SDG is available here: <https://sdgs.un.org>

# The Club of Rome

- Rome, April 1968
  - Dr. Aurelio Peccei (Italian industrial manager, economist) invited 30 scientists, educators, economists, humanists, industrialists, and national and international civil servants from ten countries to discuss the present and future predicament of humans
- The Club of Rome
  - Is our paradigm of growth sustainable?
  - Economic, political, natural, and social components are interdependent, but we make decisions that do not always consider the other components
  - Need for new policy initiatives and action

# Limits to Growth

## CONTENTS

Sustainability  
(1972)

### FOREWORD

*by Potomac Associates page 9*

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V The State of Global Equilibrium *page 156*

### COMMENTARY

*by The Club of Rome Executive Committee page 185*

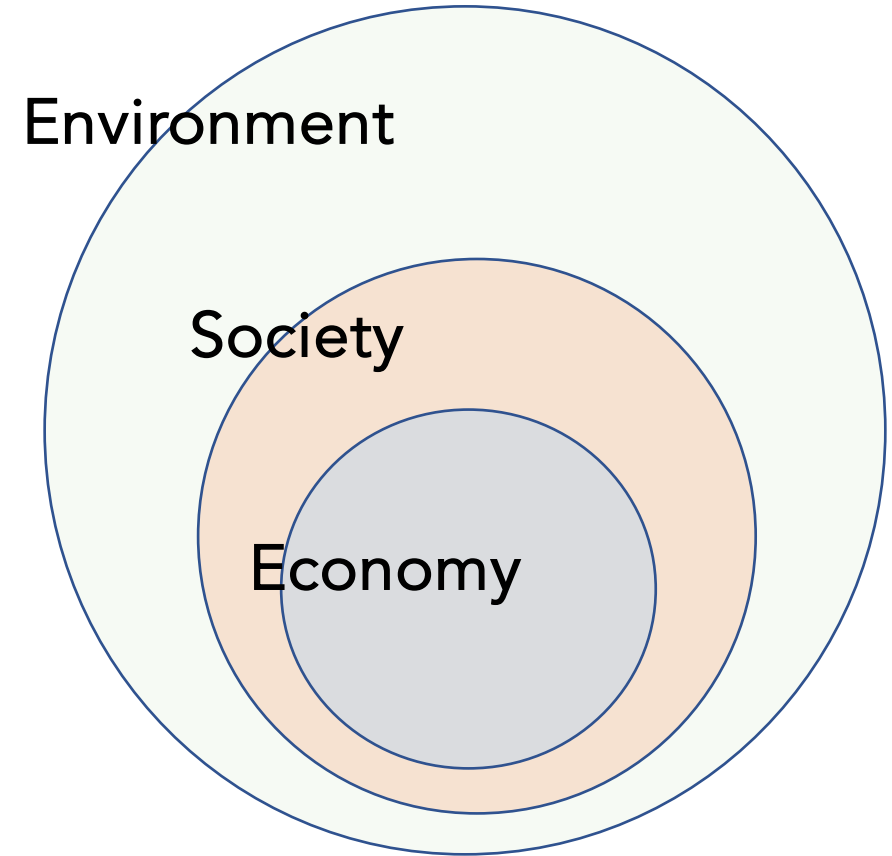
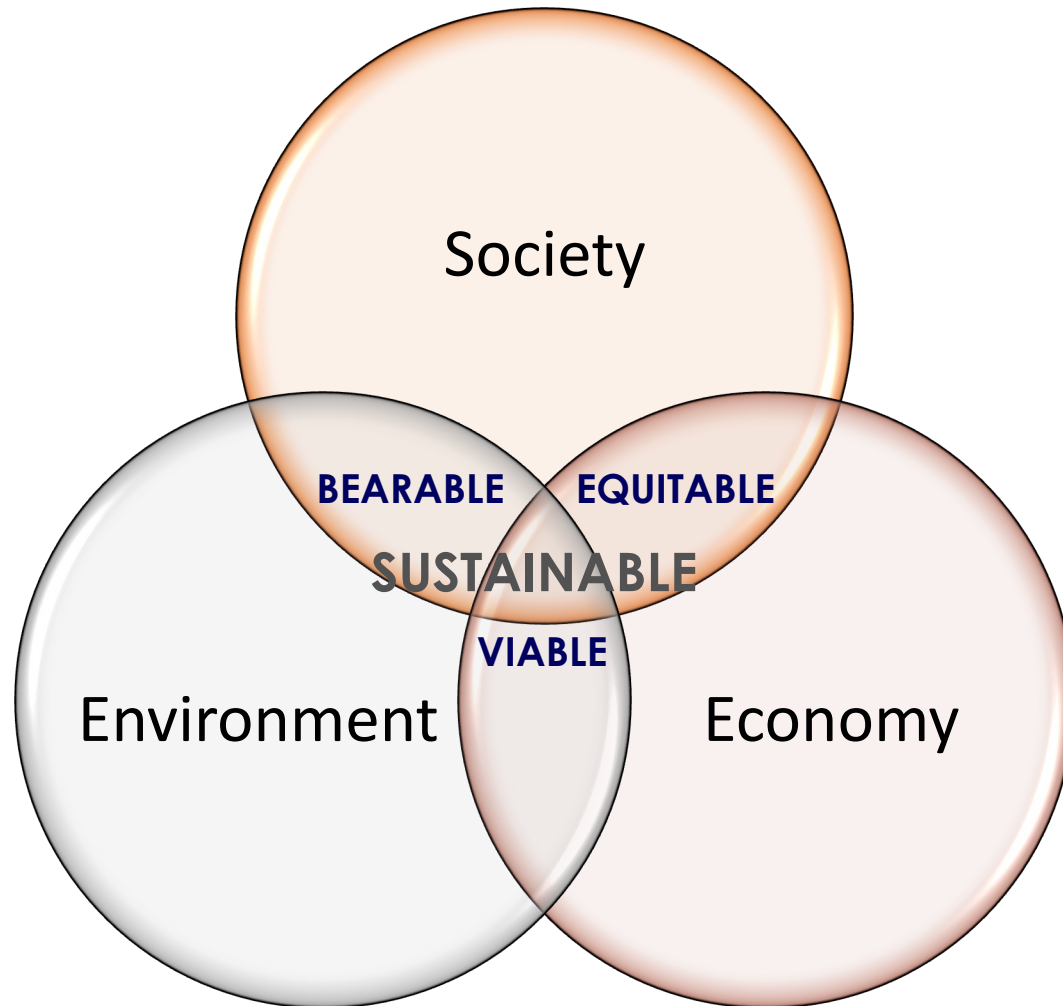
APPENDIX Related Studies *page 198*

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## Sustainable Development (1987)

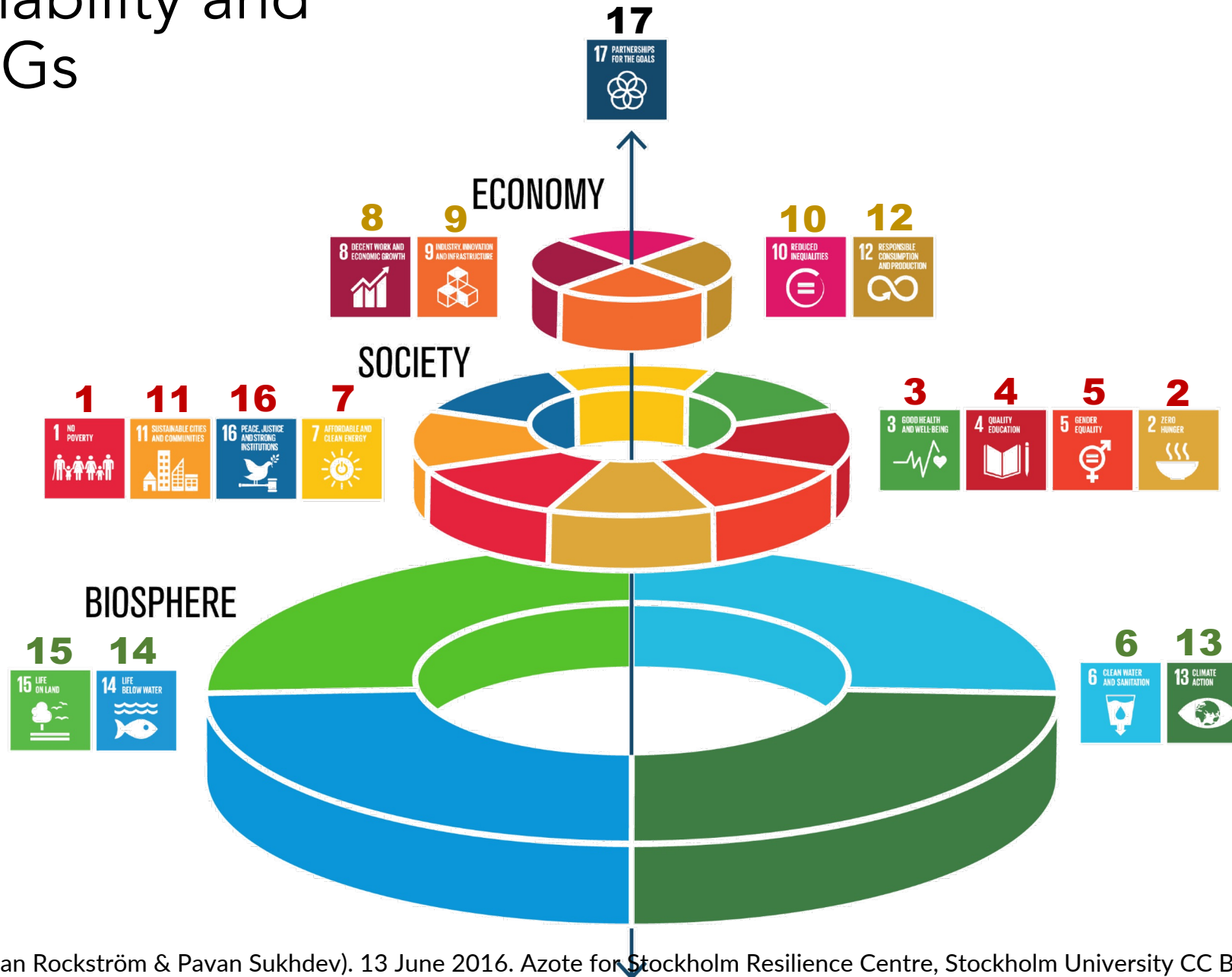
“... development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”  
(Brundtland Commission, 1987)

# The Sustainable Development Framework





# Sustainability and the SDGs



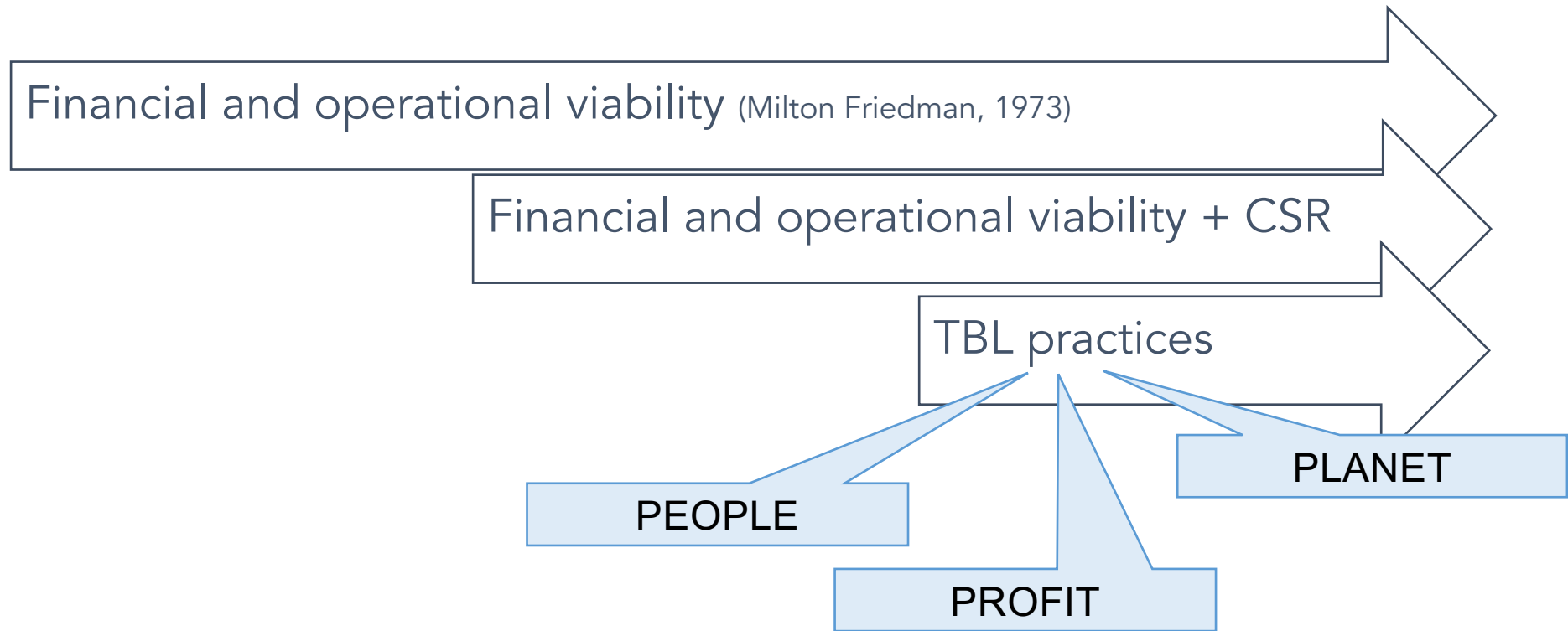
## Triple Bottom Line (1994)

John Elkington

### Triple-Bottom Line

Elkington, J. 1994. Towards the sustainable corporation: Win-win-win business strategies for sustainable development. *California Management Review*, 36(2): 90-100.

# TBL in Corporate Sustainability



Triple Bottom Line – business language for sustainability  
Focus on social, economic, environmental aspects of an organization

Sustainability  
(1972)

Sustainable  
Development  
(1987)

Triple Bottom  
Line (1994)

ESG  
(2006)

What comes to mind when you hear “ESG?”

ESG  
(2006)

2006: Principles for Responsible Investment drawn by a group invited by Kofi Annan (20 investors from 12 countries + 70 experts from the investment industry, intergovernmental organizations and civil society)

# PRI Signatories' commitment

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision- making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

Articulation of a firm's  
commitment and efforts toward  
sustainability

## Triple Bottom Line

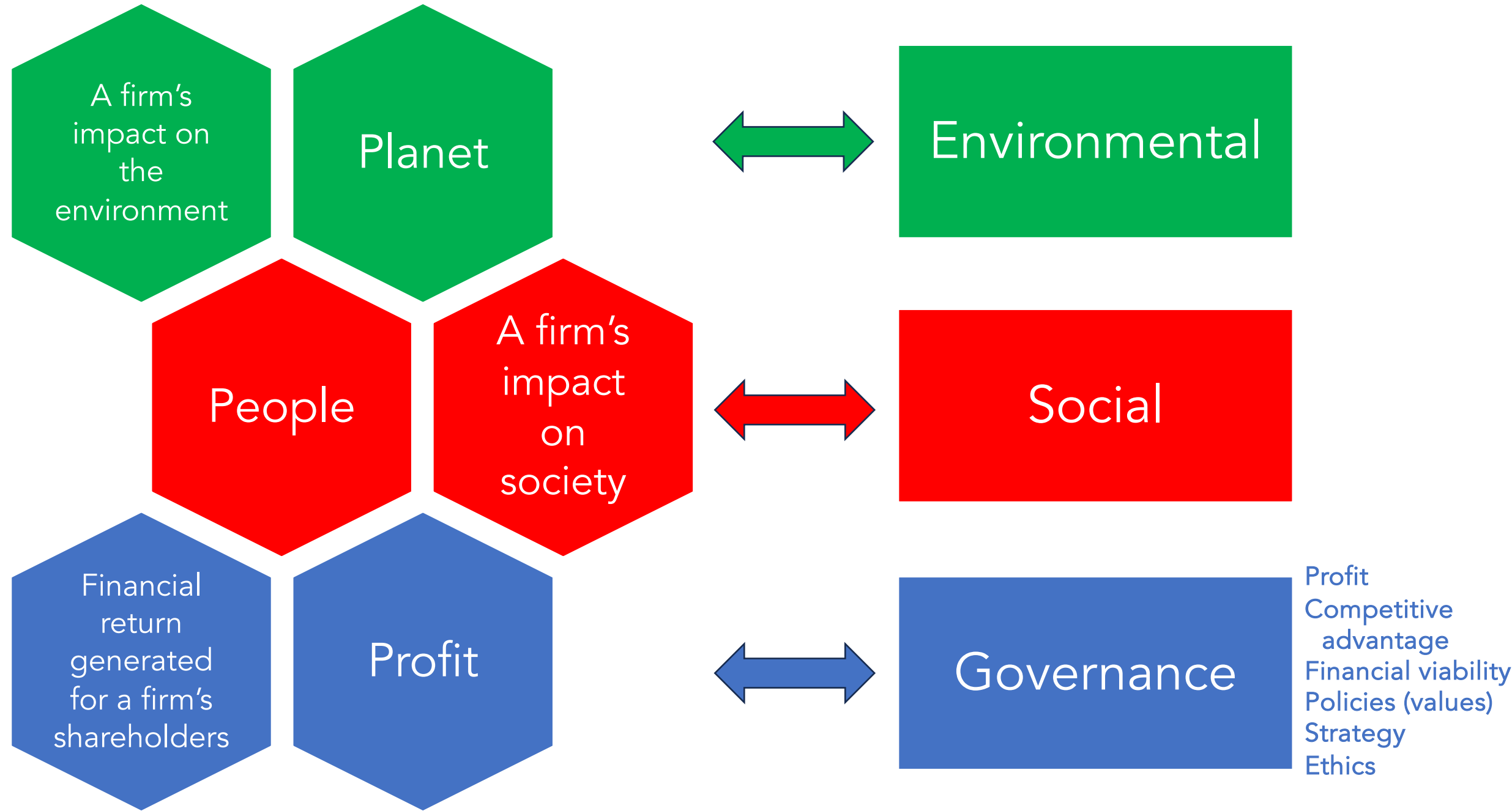
- assessing a firm's commitment not only to their financial performance but also to their social and environmental impact

Assessment by external  
stakeholders (investors, insurance  
companies, lenders, regulators)  
of a firm's **disclosures**

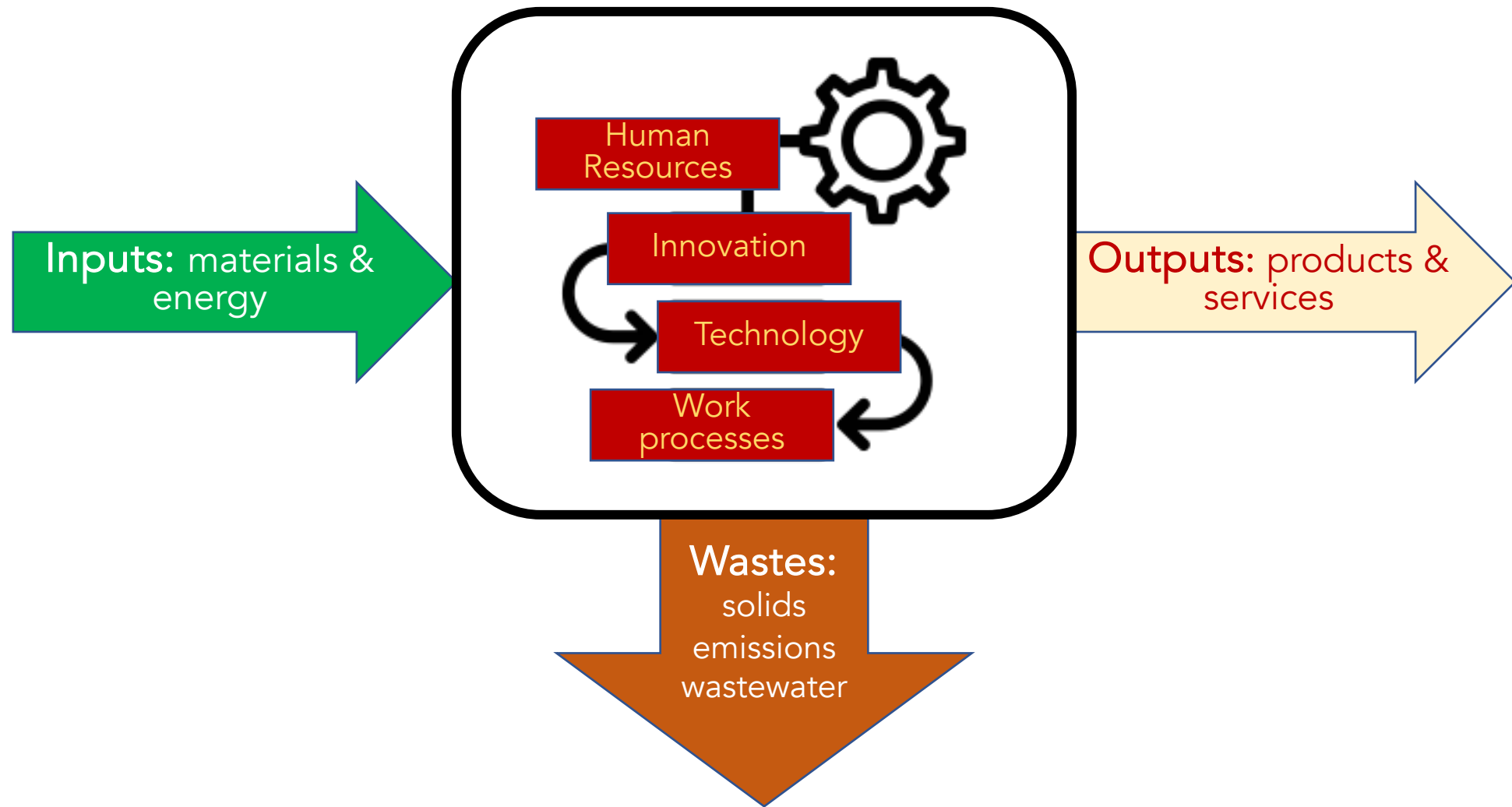
## ESG

- investment philosophy that increasingly integrate environment, social, and governance aspects of a firm into investment analysis, processes, and decision-making





# Environmental Dimension



# Environment

- renewable energy
- energy efficiencies
- carbon footprints
- greenhouse gas emissions
- deforestation
- biodiversity
- climate change
- pollution prevention and control
- waste management
- water usage/management

**SDG 6**

**SDG 7**

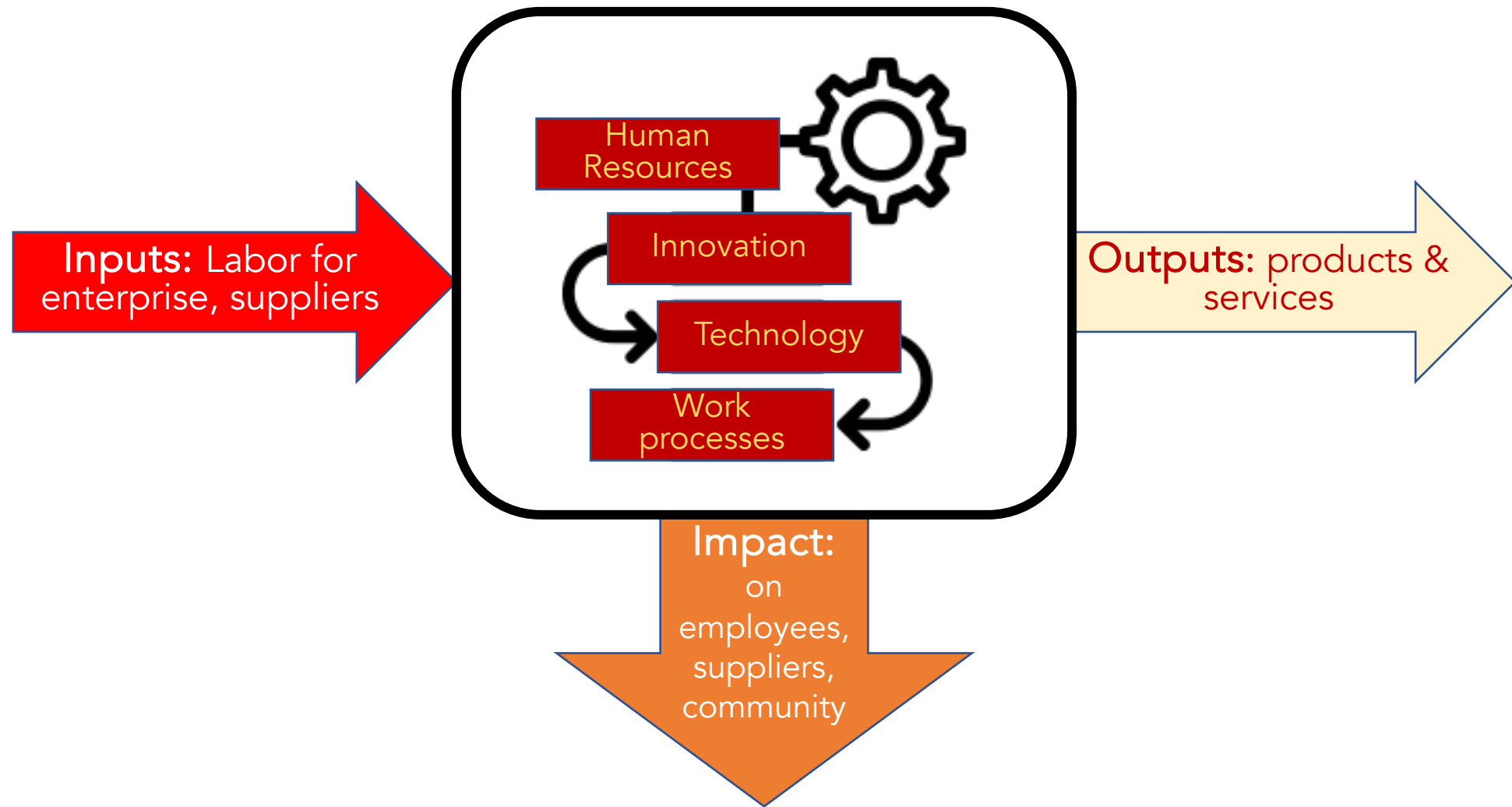
**SDG 12**

**SDG 13**

**SDG 14**

**SDG 15**

# Social Dimension



# Society

- labor standards
- wages and benefits
- workplace and board diversity
- racial justice
- pay equity
- human rights
- talent management
- community relations
- privacy and data protection
- health and safety
- supply-chain management
- other human capital and social justice issues

**SDG 1**

**SDG 2**

**SDG 3**

**SDG 4**

**SDG 5**

**SDG 6**

**SDG 7**

**SDG 8**

**SDG 9**

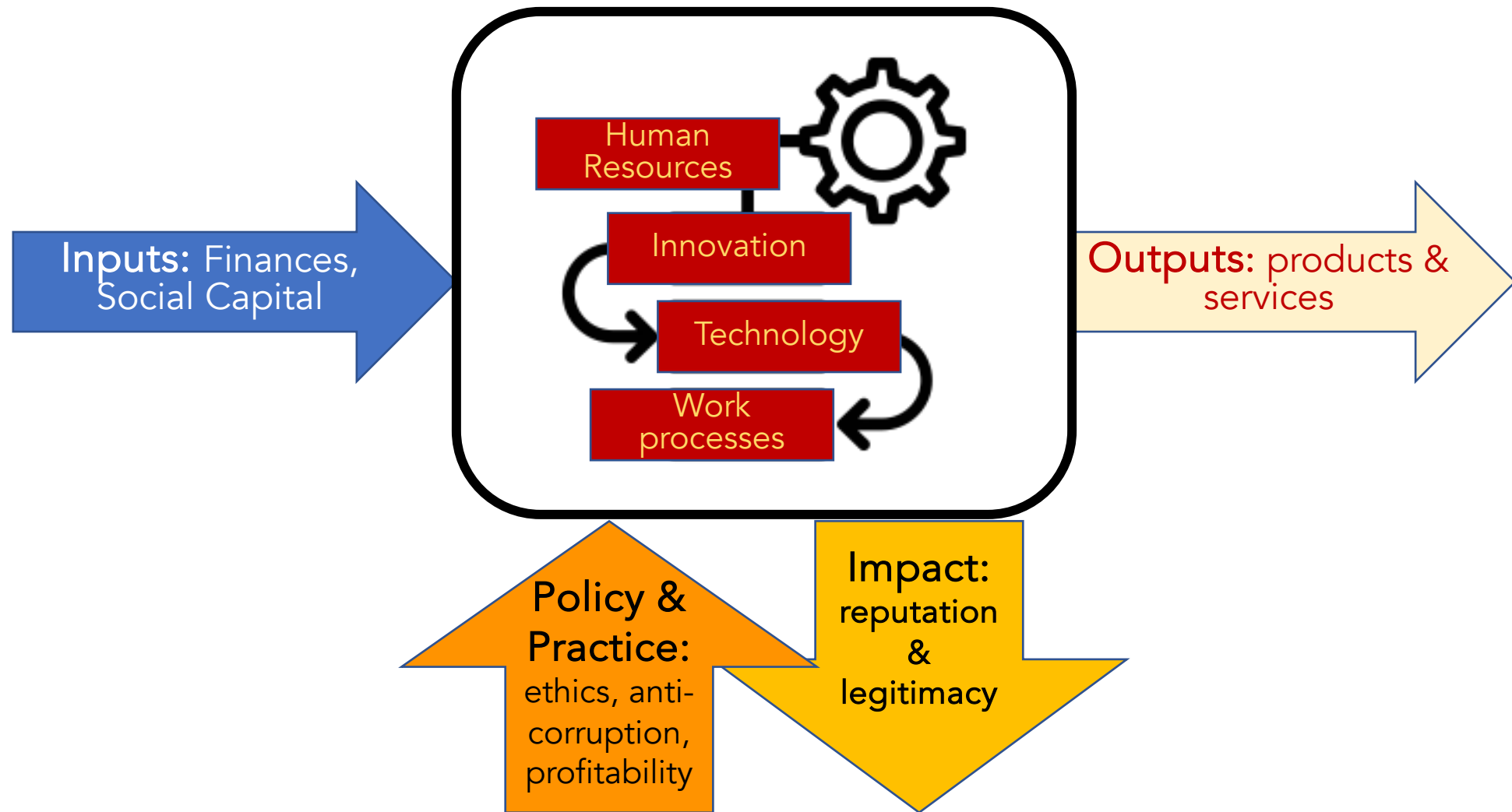
**SDG 10**

**SDG 11**

**SDG 12**

**SDG 16**

# Governance Dimension



## Governance

- governing of the “E” and the “S” categories
- board composition and structure
- strategic sustainability oversight and compliance
- executive compensation
- ethics
- competitive advantage
- financial viability
- political contributions and lobbying
- bribery and corruption

**SDG 7**

**SDG 8**

**SDG 9**

**SDG 10**

**SDG 11**

**SDG 12**

**SDG 16**

# Sustainability and the SDGs

**SDG 17**

**SDG 8**

**SDG 9**

**SDG 10**

**SDG 12**



**SDG 1**

**SDG 11**

**SDG 16**

**SDG 7**

**SDG 3**

**SDG 4**

**SDG 5**

**SDG 2**



**SDG 15**

**SDG 14**

**SDG 6**

**SDG 13**







E

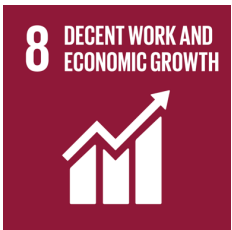
Livelihood in  
the context of  
Climate Change

S

Well-being  
Education  
Equity

G

Good national  
and corporate  
governance



Natural hazards that threaten livelihood



2 ZERO HUNGER



E

Livelihood in  
the context of  
Climate Change

S

Well-being  
Education  
Equity

G

Good national  
and corporate  
governance



# 3 GOOD HEALTH AND WELL-BEING



E

Livelihood  
Healthy  
ecosystem

S



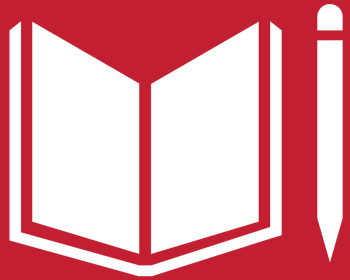
Well-being  
Education  
Equity

G

Good national  
and corporate  
governance



# 4 QUALITY EDUCATION



# E

Livelihood  
Healthy  
ecosystem



# S

Well-being



Feeding programs

Malnutrition  
Eyesight

# G

Good national  
and corporate  
governance



# 5 GENDER EQUALITY



# E

Livelihood  
Healthy  
ecosystem  
Role of women



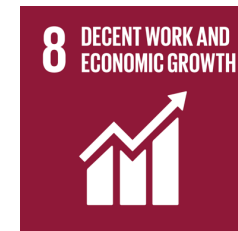
# S

Well-being



# G

Good national  
and corporate  
governance



# 11 SUSTAINABLE CITIES AND COMMUNITIES



# E

Healthy  
ecosystem

# S

Well-being  
Education  
Equity

# G

Good national  
and corporate  
governance

# 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



## 8 DECENT WORK AND ECONOMIC GROWTH



# E

Healthy  
ecosystem

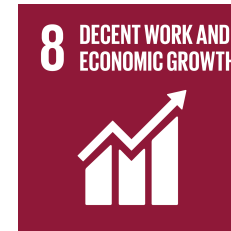
# S

Well-being  
Education  
Equity

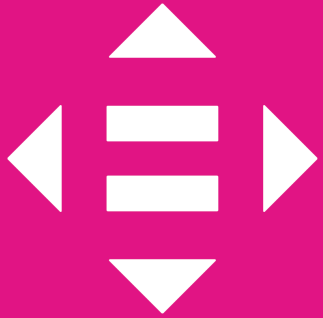
# G

Good national  
and corporate  
governance

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



# 10 REDUCED INEQUALITIES



# E

Healthy ecosystem

# S

Well-being  
Education  
Equity

# G

Good national  
and corporate  
governance

# 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



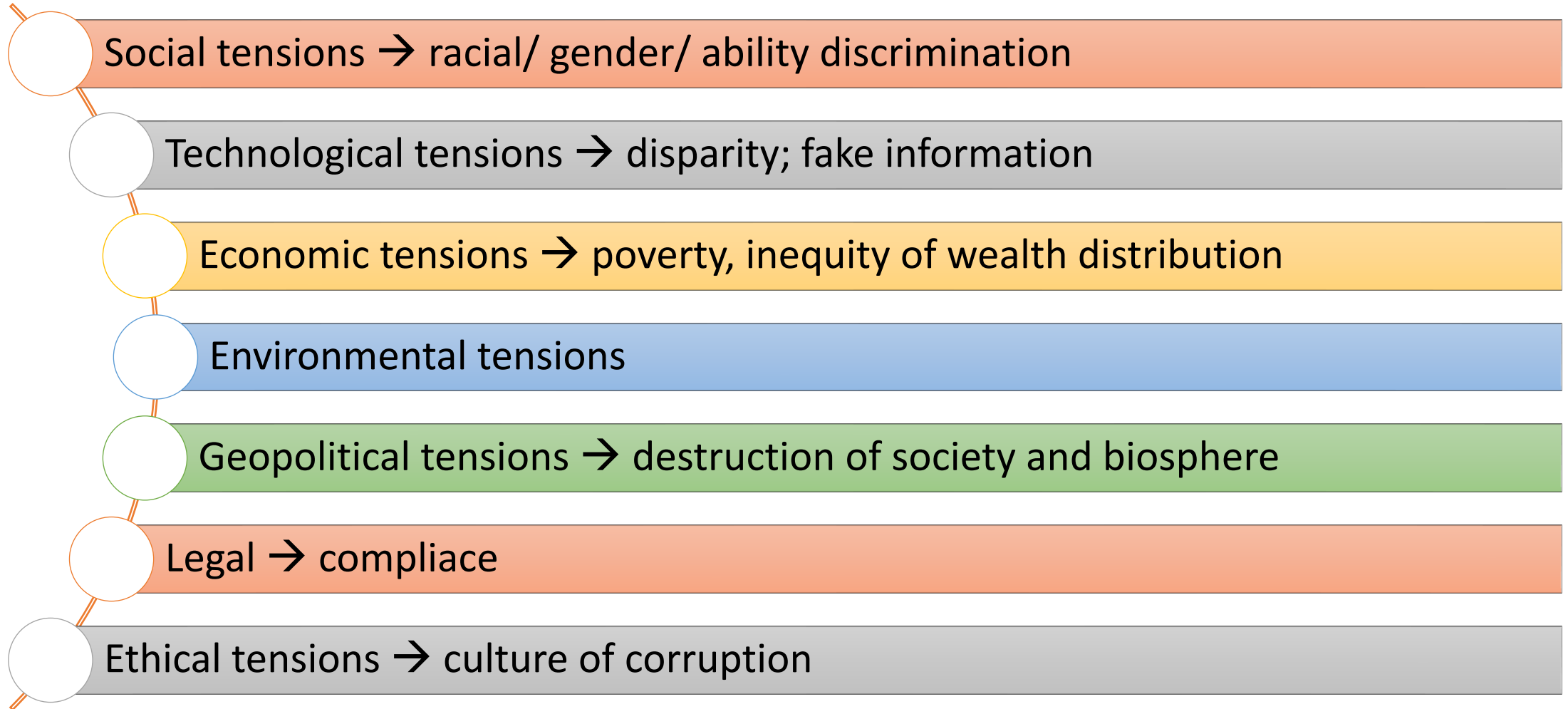


**17** PARTNERSHIPS  
FOR THE GOALS



# The Sustainability Imperative:

## What is the alternative if we don't do sustainability?



**Disruptions in our way of life/ business**

# The Sustainability Imperative:

## What is the alternative if we don't do sustainability?

### Disruptions in our way of life/ business

Global warming → climate change → extreme weather → ecosystem

- Disaster risk (Env)
- Financial risk (Econ)
- Health risk (Soc)
- Food security (Soc)

Use up metal reserves (copper, iron, nickel, lithium, rare earth metals, etc.)

- Production of gadgets/ equipment (Econ)
- Electricity distribution (Econ/Soc)

# Localizing SDGs

The process of taking into account subnational contexts in the achievement of the 2030 Agenda (GTFLR, 2016)

- How local and regional governments can support the achievement of the SDGs through action from the bottom up
  - setting of goals and targets
  - determining the means of implementation
  - using indicators to measure and monitor progress

What are the community's concerns related to the SDGs?

How can the community best address these SDGs in their context?

Empowering communities and groups to

- identify and analyze which SDGs are their priorities
- craft contextualized solutions according to the local environments
- develop enabling structures in the ecosystem (multidimensional)

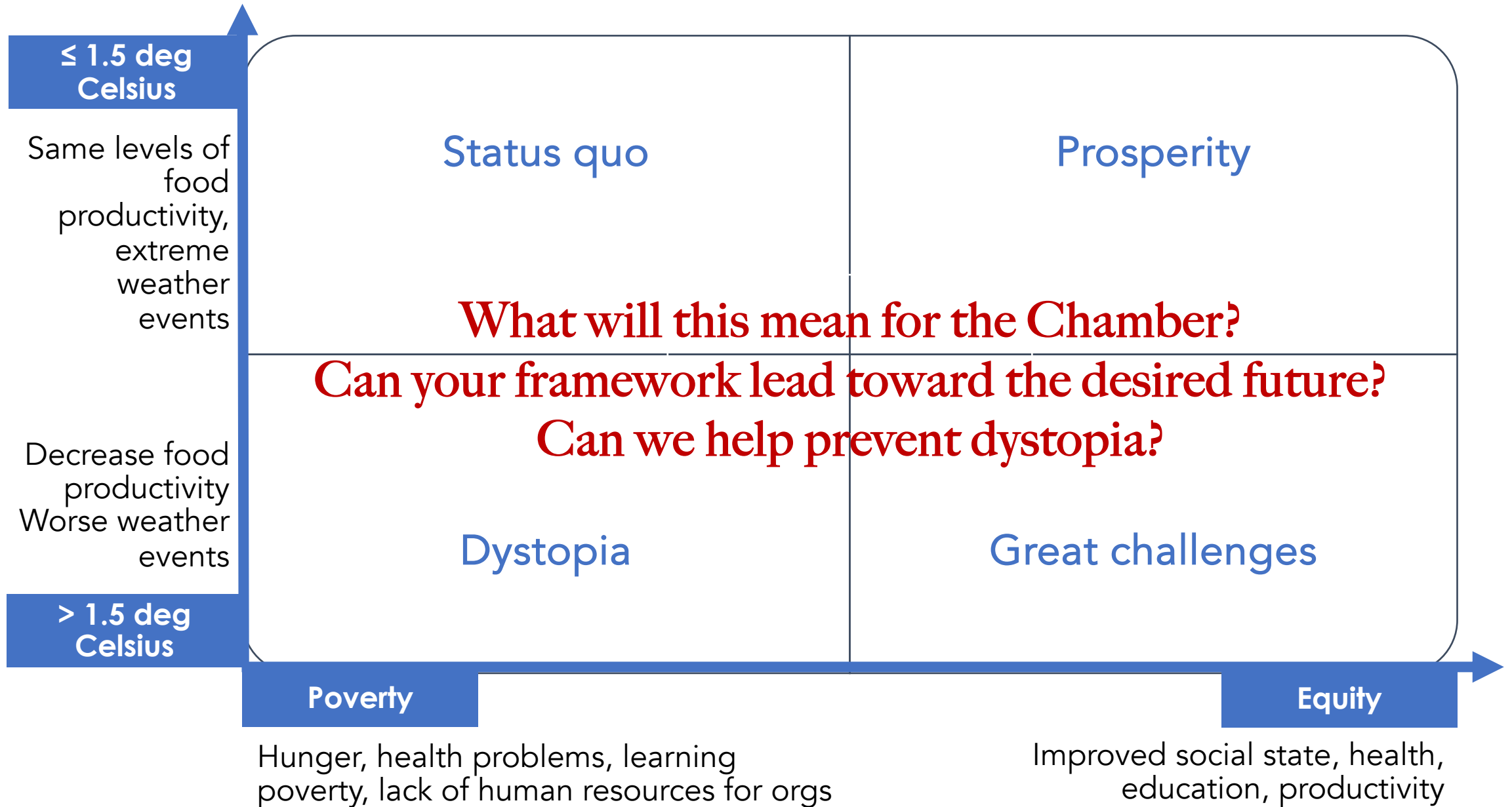
**Scanning our social and natural Environment to see how things can affect us**

# Who is your community?

Geographical area	Sector	Organization
<ul style="list-style-type: none"><li>• Region</li><li>• Province</li><li>• City/ municipality</li><li>• Barangay</li></ul>	<ul style="list-style-type: none"><li>• Farmers</li><li>• Fishers</li><li>• Workers</li><li>• Education</li><li>• Civil society</li><li>• Business</li><li>• Church</li><li>• Healthcare</li></ul>	<ul style="list-style-type: none"><li>• Business</li><li>• Education</li><li>• Healthcare</li><li>• Charity</li><li>• Social enterprise</li></ul>

Scanning our social and natural Environment to see how things can affect us

# What if?



# Business: Designing sustainable operations

## Environmental

- Resource efficiency
- Waste management
- Energy efficiency
- Renewable energy
- Pollution prevention and control

## Social

- Sustainable org culture
- Stakeholder engagement
- Safe and healthy environment
- Diversity and inclusion

## Governance

- Materiality
- Risk assessment
- Policies on ethics and sustainability
- Oversight on alignment of initiatives to sustainability strategy

# Non-profits: Designing sustainable social projects

## Environmental

- Resource efficiency
- Waste management
- Energy efficiency
- Pollution prevention and control

## Social

- Stakeholder engagement
- Sustainability mindset in org/community
- Sustainable org culture
- Community lifestyle

## Governance

- Risk assessment
- Policies on ethics and sustainability
- Oversight on alignment of initiatives to sustainability strategy



How can you embed sustainability in the indicators of your framework?

Raising the awareness of your org/community on sustainability and awareness is the starting point of developing a sustainability culture

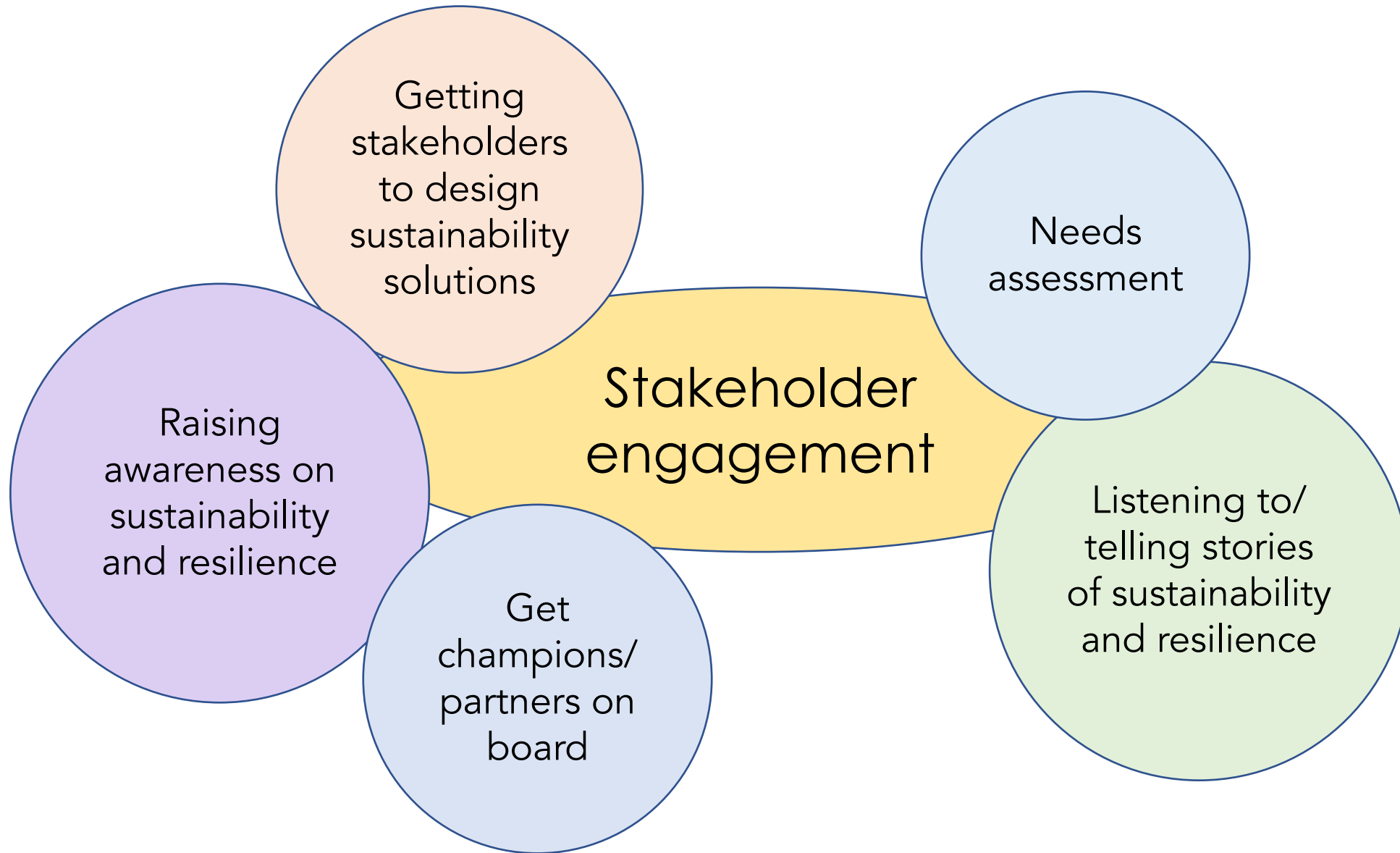
Your org/community's knowledge of and passion for sustainability can help achieve SDGs much faster. They can help others develop more sustainable lifestyles.

How do you make your org/community aware?

Stakeholder engagement: understanding needs and promoting sustainability

Raising awareness on sustainability issues among partners

Sustainability: Talk or Walk?



Building a culture of sustainability is important in localizing SDGs.

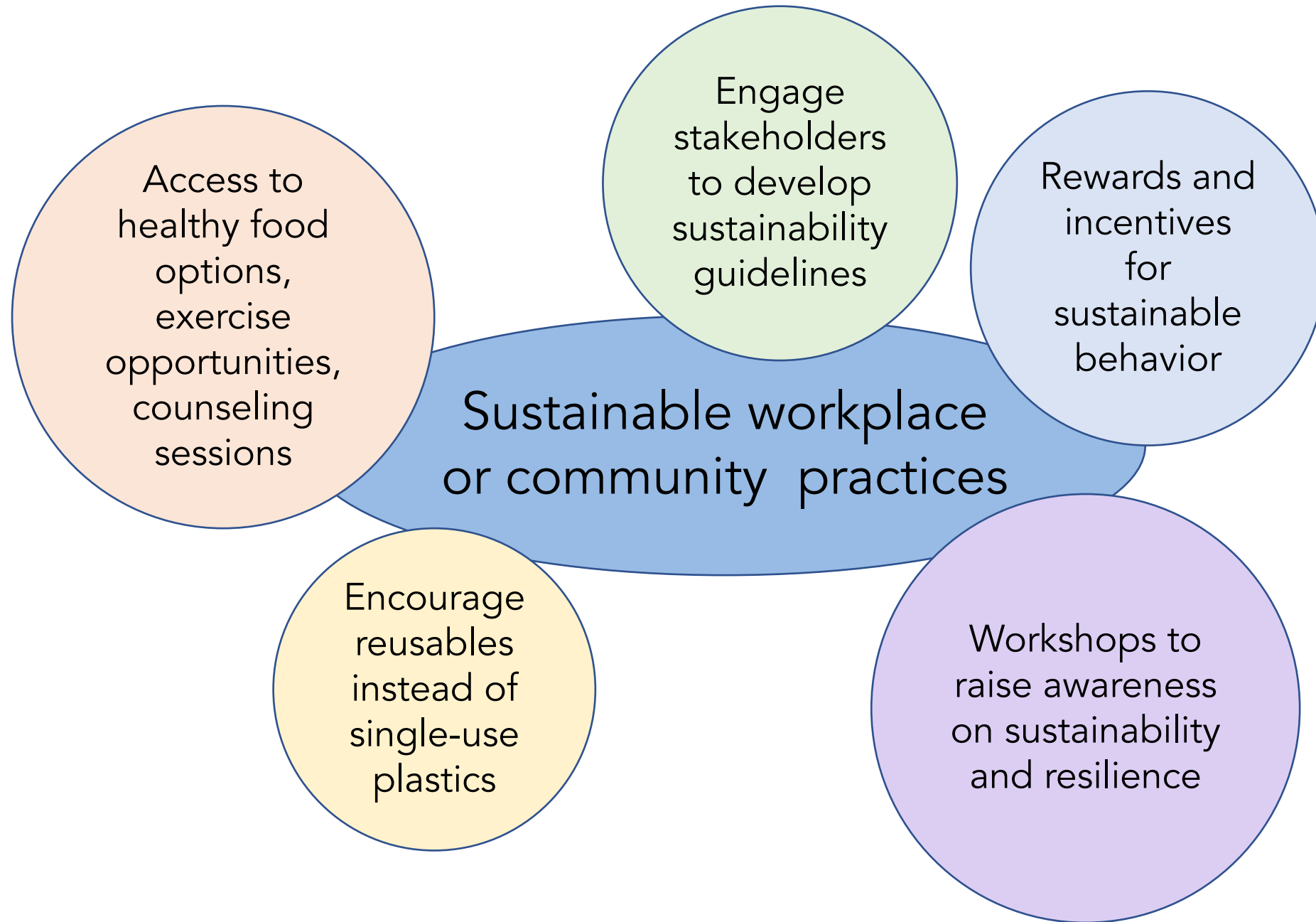
- Engage members of the org/ community
- Give rewards and incentives for sustainability practices
- Develop competences for sustainability initiatives

## How do you encourage sustainable behavior?

Sustainable org/ community practices

Equity, diversity, inclusion

Support systems to enable members of the org/ community to practice sustainability



The operations of an org or community has the biggest impact on sustainability.

The leaders of the org/ community should take responsibility for their social and environmental impacts.

## How does your org/ community operate?

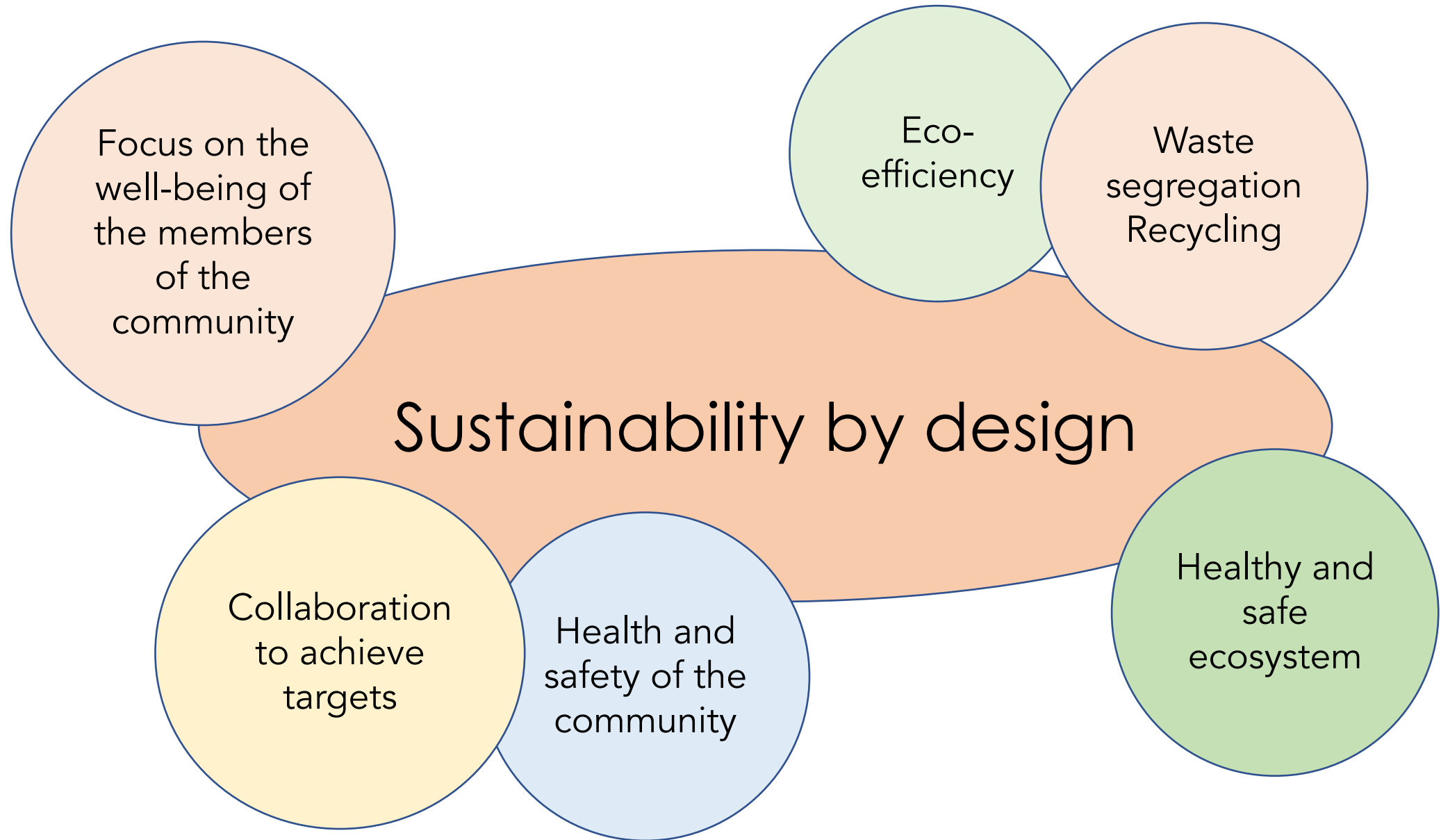


Sustainability by design

Ecoefficiency and carbon neutrality

Clean and environmentally-sound technologies

Collaboration to achieve targets



Instead of thinking of sustainability as a cost, think of it as an investment for the long-term.

## Do you invest in sustainable projects?



Effective cost and risk management

Getting ahead of green regulatory requirements

Benchmarking and reporting sustainability

Investing in clean and environmentally-sound technologies



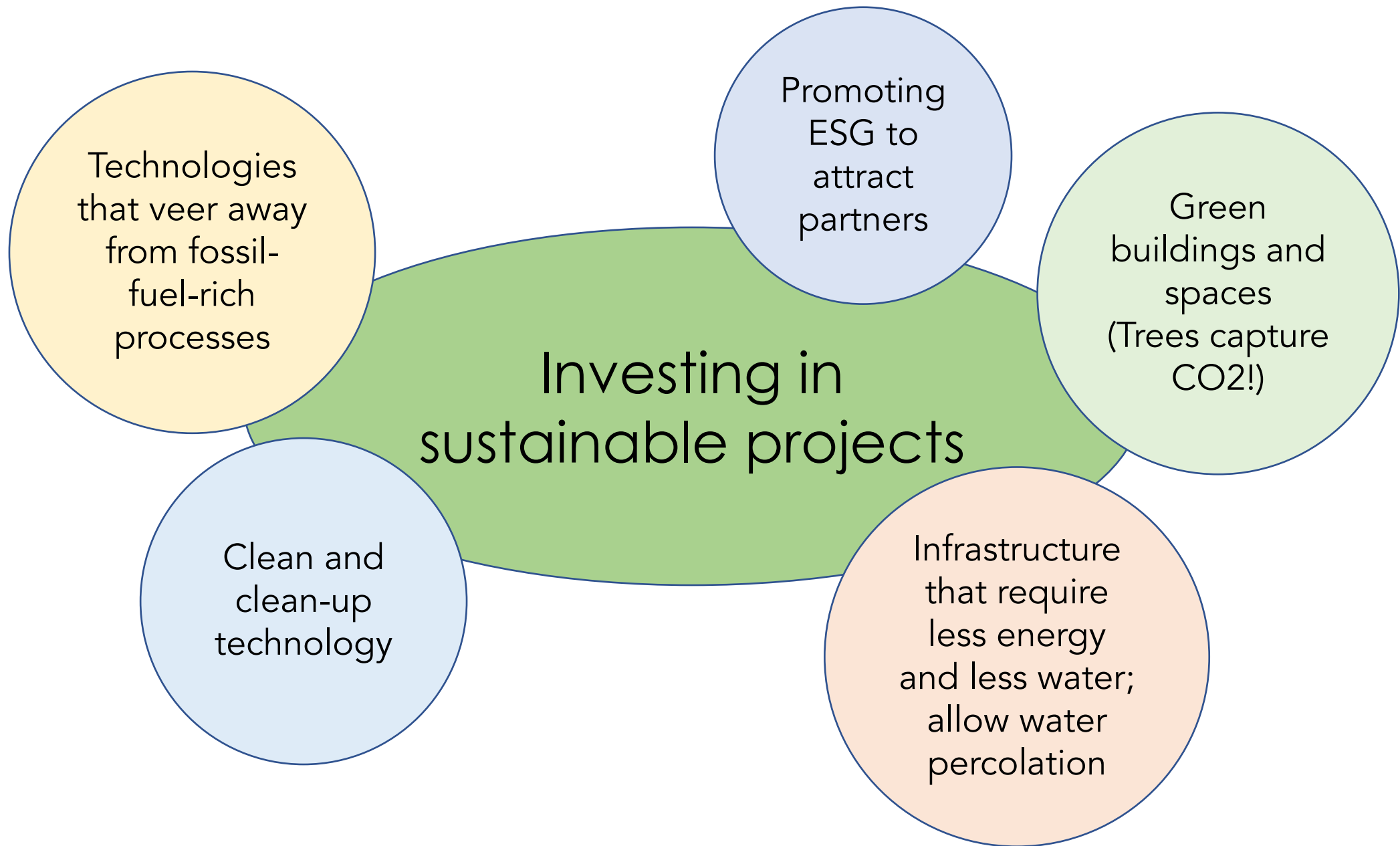
# Finance from a Sustainability Perspective

The role of sustainable finance is to help the company invest in long-term opportunities, where it can manage its economic, social, and environmental impacts.

Investments in clean and environmentally-sound technologies

Green bonds?

Making sustainable finance work for the long-term



# How can you serve your publics?

Make sense of the challenges.

Choose initiatives that cover ESG in your desired scenario!

## Track

best done through regular sustainability / integrated reporting



## Communicate

fosters trust, accountability, and improved decision-making among stakeholders (employees, investors, regulatory bodies)



## Review

adjust your ESG strategy and KPIs as needed

# Sustainability and the SDGs

**SDG 17**

**SDG 8**

**SDG 9**

**SDG 10**

**SDG 12**



**SDG 1**

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**SDG 14**

**SDG 6**

**SDG 13**

