

Scottish Sustainable Development Goals Reporting Working Group

Planet

Meeting Note (draft for discussion) – March 2019

On Friday 22nd March 2019, World Water Day, the Scottish Sustainable Development Goals (SDGs) Reporting Working Group held its second working meeting focusing on the SDGs under the “Planet” theme.

The meeting purpose was to inspire participants to think about how they might integrate SDG considerations into their business decision-making particularly when considering *SDG 6 Clean Water and Sanitation* and *SDG 12 Responsible Consumption and Production*. Over 30 people attended (see Annex 1). This meeting note provides a summary of discussions by meeting attendees.

A panel session with members from four businesses; Diageo, Scottish Water, Dryden Aqua and Arup, provided the following key messages on critical factors in successfully embedding SDGs into core business - the barriers and opportunities (see Annex 2 for panel questions):

- ❖ The structure of the organisation in terms of ownership (e.g. employee owned organisation or global cooperation, etc.) can play a key role in how to achieve success around the SDGs.
- ❖ It is important to make the SDGs relevant for the company and put them into context for senior leaders. Explain that the best performing, most trusted and respected organisation need to be endorsing the SDGs as it is the right thing to do and is good for the company i.e. translate them into long term and positive growth for the business.
- ❖ SDGs should stimulate new thinking and be embedded into the organisation. They provide a different lens to look through when making decisions, adding value to any decision. A business can miss an opportunity by not using that lens, especially if SDGs are just seen as a box-ticking exercise.
- ❖ You might already find that you are already doing a lot of this work, the SDGs can give this added direction, drive and purpose. The SDGs allow you to track progress and show additionality; that the organisation is going for gold and is looking to impact on what matters.
- ❖ The business case is an ally. Avoid the jargon and say why SDGs will be beneficial to the business and put it in terms of value to the business (this can be non-financial).
- ❖ Keep it simple, strategic and high level for the decision makers with outcomes that are simple, clear and logical.
- ❖ Everyone has to buy-in and take ownership for delivering the SDGs (this includes staff, supply chain and clients) which in can be difficult in multi-disciplinary companies.
- ❖ Using innovation to get SDGs into different areas is a good model.

The SDG Compass Framework (see Annex 3) was used to guide a workshop session on SDG 6 and SDG 12 by. Targets considered relevant to Scottish business were identified for each SDG and workshop attendees were asked to:

1. Identify the risks and opportunities associated with failing to integrate these goals into your business

2. Choose two priority risks or opportunities to present to the Board
3. How to make SDGs relevant and important to your Board? What information, tools or data would be needed?

The following key messages came from workshop discussions (more detail is given in Annex 4).

Risks

- ❖ Increased flooding and incidents of water scarcity are predicted due to climate change, which will exacerbate pressures on water supplies.
- ❖ Current cultural attitudes towards water use need to be addressed.
- ❖ Material supplies to business could be interrupted if a material is not sustainably or ethically produced.
- ❖ A business's priority will always be to remain competitive so implementing the SDGs will have to be cost effective.
- ❖ Failure of transparency: problems could be identified along the supply chain which reflect badly on the company, but how does the company respond? How can the company be a leader? What do they do when the problem has been identified?

Opportunities

- ❖ Adopting a circular system for waste by recovering the value of resources which are currently going to the sewer or landfill.
- ❖ Businesses who are early to adopt the SDG's will be seen as leaders in sustainable practices. Making changes now will mean companies are ahead of the curve particularly if new regulations are introduced to govern some of these areas.
- ❖ Businesses who are aligned with the SDGs will appeal to clients who are environmentally and socially aware. There is increasing pressure from consumers to be more environmentally and socially responsible.
- ❖ Businesses sharing their expectations and high standards will influence other areas of the supply chain.
- ❖ Smaller supply chains: responsible consumption and the adoption of a circular economy could result in less exporting and more local supply chains.

How would you sell this to the board?

- ❖ Mapping the opportunities created by the SDGs will help businesses to prioritise action and future direction.
- ❖ Addressing all of the SDGs can be overwhelming, and so it is beneficial to target those most relevant to your business.
- ❖ Build in resilience: have a clear action plan which not only outlines opportunities but also identifies and addresses the potential risks.
- ❖ Businesses don't have to be perfect from the outset but it is important to be upfront and show a willingness for change. It is preferable to acknowledge issues within your business early on to prevent reputational damage.

Next steps

The next meeting of the Scottish SDG Reporting Working Group meeting will take place in September or October 2019 and will focus on SDGs relevant to the climate change emergency. Further details will be sent to all working group members in advance of the meeting.

In the meantime, work on implementing practical action including bringing together simple SDG tools and guidance for Scottish business, will continue over the summer:

- ❖ If you would like to volunteer to take part in the SDG tools sub-group please get in touch with [Anne Adrain](#).

Annex 1: Attendees and apologies

Name	Organisation
Alan Thornburrow**	Business in the Community Scotland
Alex Jones	Scotch Whisky Association
Alister Bull**	Hope for Justice
Andrew Nelson**	Superglass
Anita Brown	Climate Justice Scotland
Anne Adrain**	Institute of Chartered Accountants Scotland
Anne Conrad	Scottish Environment Protection Agency
Arlene Goode**	Arup
Bethan May Freire	Scottish and Southern Energy
Caroline De Rouffignac	Scotland Food and Drink
Catherine Garner	Scotland's International Development Alliance
Catherine Preston*	Scottish Environment Protection Agency
Cynthia Marks	Business in the Community Scotland
Emma Waddell	Scottish Environment Protection Agency
Ewan MacDonald-Russell	Scottish Retail Consortium
Franceska van Dijk	Ethical Finance Hub
Howard Dryden**	Dryden Aqua
Ian Carstairs	Scottish Enterprise
Laura Gillan	Scottish Environment Protection Agency
Lee Preston	AVIVA
Linda White	Scottish Power
Marissa Lippiatt**	Zero Waste Scotland
Mark Williams**	Scottish Water
Michael Alexander**	Diageo
Mike Kelly	Financial Services Expert
Morag Garden	Scotch Whisky Association
Nicola Melville	Scottish Environment Protection Agency
Rory Morrison**	Scottish Government
Rosie Towe	Institute of Corporate Responsibility and Sustainability
Sandy Macdonald**	Standard Life Aberdeen
Sefton Laing	Royal Bank of Scotland Sustainable Finance
Siobhan Dunn	Sustainable Scotland Network (SSN)

* chaired the panel session

** presented or participated in the panel session

Apologies from	
Strathclyde University	Baillie Gifford
Crown Estate Scotland	Institute of Directors Scotland
NHS Health Scotland	UN House Scotland
Community Energy Scotland	Aurora Consulting
OXFAM Scotland	UN Global Compact Network UK
SCVO, Scottish SDG Network	

Annex 2: Interactive panel session

The panellists answered the following questions:

1. What do you consider to be the biggest success you have had in getting the SDGs in front of ‘the boss’ and what were the critical factors to making that happen?
2. Who have been your greatest allies inside the business to make this happen and which external stakeholders have been key? As a follow up what were the biggest barriers and what did you do to address or overcome these?
3. Looking forward over the next 12 months how do use see the agenda developing? Are there any particular opportunities that you can see for your business; or business generally?

Annex 3: SDG Compass framework

The workshop tried out the [SDG Compass framework](#), the guide for business action on the SDGs. The objective of the SDG Compass is for businesses to align their strategies as well as measure and manage their contribution to the SDGs. The guide has five steps but for the purposes of the workshop we focused on the first three steps.

The five steps of the SDG Compass rest on the recognition of the responsibility of all companies to comply with all relevant legislation, respect international minimum standards and address as a priority all negative human rights impacts. The steps are as follows:



Figure 1: Five steps of the SDG Compass

Annex 4: Planet Workshop Outputs

The SDGs considered in the Planet workshop in March 2019 were as follows:



The following tables present the discussion points and ideas of meeting attendees.

Sustainable Development Goal 6: Ensure availability and sustainable management of water and sanitation for all

Targets considered relevant to Scottish business	Risks related to all targets	Current/Future	Opportunities related to all targets	Current/Future
<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	No source control of what goes to sewer (such as micro pollutants, medicines, day to day chemicals & cosmetics). Treatment is a carbon intensive process.	Current	Recovering the value of what is currently going to sewer e.g. chromium (links to SDG 12)	Current
	Attitudes to water/valuing water are hard to change. People do not perceive there is a water shortage.	Current	Hydro nation: Scotland may have more water than rest of UK in future, how do we manage that? National grid for water?	Current/ Future
	Short term water reserves are dependent on rain cycles and patchiness across Scotland. Managing interconnections of supply is very important which includes balancing of abstraction.	Current	Local education in marginalised countries. Involving communities in decision making.	Current/ Future
	Extra costs in a project for water efficiency, e.g. short term set up costs vs long term gain	Current	R&D investment in new technologies: export market for new technology, reduces cost of treatment, reduces freshwater lost, work with big producers, processed water for community benefit	Future
	Engineering capabilities not up to date with innovation	Current	Client alignment – SDGs part of their decision making (include in bidding), customer having the SDG framework (same language)	Current/ Future
				Current

Targets considered relevant to Scottish business	Risks related to all targets	Current/ Future	Opportunities related to all targets	Current/ Future
6.B Support and strengthen the participation of local communities in improving water and sanitation management	Pollution associated with criminality, social issue associated, sub-contracting	Current/ Future	Target communities via community benefit framework and developing soft skills to engage communities – whole picture on water, wider than just the engineering solution	
	Short life cycles of decision makers (e.g. Governments have short terms which are not long enough to make long term changes) so need to make it achievable in the short term and make a long term plan of actions to be taken to solve the issue	Current	Bottle design – easily recyclable and easy labels to remove and to raise awareness to get better quality material (bottle return systems)	Current
	Important to get the public on board using influential people/ companies: like David Attenborough, Meghan Markle, Ellen MacArthur, Ellie Goulding, etc.	Future	Influence procurement. Avoid plastic use. Lobbying – decision makers (Scottish Government, UK Government). Climate - Task Force on Climate-related Financial Disclosures is giving a regulatory push	Current/ Future Current
			Investment – linking/making connections back to what it could mean for investors and making it urgent (10 years)	Current/ Future

Sustainable Development Goal 12: Ensure sustainable consumption and production patterns

Targets considered relevant to Scottish business	Risks related to all targets	Current/ Future	Opportunities related to all targets	Current/ Future
12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	“Green wash”	Current	EU working group has been set up - Taxonomy of “Green Finance”	Current
	There may be unintended consequences of some of the targets unless cross checks are made with other policy areas	Current/ Future	Cultural change – reward less “materiality”	Future
	Pressure on raw materials that are essential for the business (cost, supply etc.)	Current	Other new sources that could be ‘new’ raw material	Future
	Cost of energy could go up substantially.	Current	Alternative sources of water for processes. Rain water could be recycled in process. Closed loop system for water.	Future

Targets considered relevant to Scottish business	Risks related to all targets	Current/ Future	Opportunities related to all targets	Current/ Future
<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	<p>Maintaining competitiveness: A business' priority will always be to remain competitive and make money so implementing measures will have to be cost effective.</p> <p>Narrow view of supply chain: What are the social circumstances of people employed in these businesses?</p> <p>Increasing regulation could result if businesses do not embrace the SDGs and the opportunities that come with them themselves!</p>	<p>Current/ Future</p> <p>Current/ Future</p> <p>Current/ Future</p>	<p>New products; R&D on using alternatives. Finding other sources of material.</p> <p>Tracing insulation material to ensure that it can be recycled. Company takes on that responsibility (almost like a leasing scheme or buy-back scheme)</p> <p>Circular system for waste; could you re-use old demolition waste?</p> <p>Sharing sustainable practices with the rest of your supply chain. Making it an expectation on them.</p> <p>Holistic understanding of environmental/ social/ economic impacts e.g. a company having an understanding of the circumstances which affect those in their supply chain and how they could have a positive impact in this area.</p> <p>Smaller supply chains: More responsible consumption and a circular economy could mean less exporting and more local supply chains.</p> <p>There is increasing pressure from consumers to be more sustainable and be environmentally and socially responsible.</p> <p>Ahead of regulation: Making these changes now will mean the company is ahead when more regulations come in to place to govern these areas. They will have had more time to adapt.</p>	<p>Current/ Future</p> <p>Future</p> <p>Current/ Future</p> <p>Future</p> <p>Future</p> <p>Future</p> <p>Current/ Future</p> <p>Current/ Future</p>

Annex 5: SDG working group information

The scale of environmental, social and economic challenge facing humanity is enormous, with a real urgency to act. Scotland was one of the first countries to adopt the global targets of Sustainable Development Goals (SDGs) and our businesses have a critical role to play in leading Scotland's contribution to achieving them while also realising the economic benefit of increased resource efficiency, innovation and resilience. This vision is underpinned by SEPA's own regulatory strategy [One Planet Prosperity](#).

The UN Global Sustainable Development Goals (SDGs) are a universal call to action to tackle poverty and inequality, protect the planet and ensure peace and prosperity for all.

On Friday 22nd March 2019, the Scottish SDG Reporting Working Group held its second working meeting. This was in recognition of World Water Day which is celebrated each year as a means of focusing attention on the importance of freshwater and advocating for the sustainable management of freshwater resources.

The event was co-hosted by the Scottish Environment Protection Agency (SEPA), ICAS (Institute of Chartered Accountants of Scotland), Standard Life Aberdeen and Diageo, and was attended by Scotland's leading businesses, institutions and most influential representative bodies.

Bringing together a pool of leading thinkers, the Scottish SDG Reporting Working Group is focusing on two key challenges:

- How can the Scottish approach to One Planet Prosperity and SDGs create transformational impact across the UK and globally?
- How can businesses seize the opportunities of SDGs by building them into their business models and also benefit the Scottish economy, environment and most importantly, our people?

The Scottish SDG Reporting Working Group meeting in March 2019 explored how businesses can use the SDGs and tools such as the [UN Global Compass](#) to inform practical action in an organisation.

Following the People and Prosperity workshop in December 2018 the group's Terms of Reference was updated with feedback from the group. It was presented at the meeting and has been accepted by members.