



# Reporting on the SDGs: How to get it right

**The six principles to support  
and guide communications  
directors in designing good  
SDG communications**

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**The UN's 17 Sustainable Development Goals (SDGs) set out to solve the greatest economic, environmental and social challenges of our world by the year 2030. While many large companies reference the SDGs in their corporate reporting, there is not yet an established process, benchmark or standard for reporting on the SDGs. Which is why getting it right matters.**

**To support and guide communications directors in designing their SDG communications, KPMG professionals have developed the following six principles of good SDG communications.**



## Principle 1: Show your company understands the business case for taking action on the SDGs

Without a clearly defined business case, there is a risk that your company's action on the SDGs could be limited to philanthropic programs. While helpful in building reputation and relationships, such programs are often separate from core business. Communications around the SDGs will be far more effective and convincing if your company demonstrates that it understands the business opportunities inherent in the SDGs; for example, the opportunity to develop new products and services that help to solve global problems while generating revenues and profits for your company. The lack of an SDG business case, on the other hand, could be a missed opportunity for many companies given the huge potential market for SDG-related products and services.

Communications directors can play a lead role in starting and driving the internal conversation about the business case for SDG action. That conversation would benefit from a senior champion, preferably the CEO, Chair or other board member, and should engage your company's core functions in order to explore how the SDGs can shape investment strategies and risk management, and generate returns to the bottom line.



## Principle 2: Communicate from the top of your organization

Good SDG communications demonstrate leadership commitment to the SDGs as part of your company's long-term strategy. For example, discussing the SDGs in the CEO and/or Chair's annual report gives a clear signal that your company's action on the SDGs is driven from the very top of your organization.

It is important to remember that the SDGs have a 15-year time frame from their launch in 2015 to 2030. Achieving the goals, and reaping the business benefits of doing so, will require consistent and cumulative action over that period. Communications should therefore continue to demonstrate that the SDGs are central to your CEO and/or Chair's vision over the long term. Failure to maintain public commitment to the SDGs from the top of your organization could expose your company to accusations of opportunism, damage your credibility and affect relationships with strategic partners such as governments.

### Reporting the SDGs: How to get it right

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## Principle 3: Identify priority SDGs for your company

Communications should identify the specific SDGs your company considers most relevant to your business and stakeholders, and on which you can have the most impact. Not all the SDGs and their underlying targets are of equal relevance to every company, sector or geography. Companies should focus their actions on the goals on which they have the greatest actual and potential impact, either positive or negative. Moreover, communications should explain the method or process your company has used to identify the most relevant SDGs and prioritize them for action. Doing this provides all stakeholders with a window into how comprehensively and credibly your company has evaluated the SDGs and on what basis you have selected those on which you will take action.

You can even go one step further. The 17 SDGs are broad and topline. Underneath the SDGs sit 169 individual SDG targets. If your company is to be perceived as serious about the SDGs, then you need to show that you understand the SDG targets as well as the 17 goals. While the 169 SDG targets have been designed for governments rather than companies, corporate communications can disclose which of them the business aims to contribute to. Focusing on specific SDG targets helps your company to define and communicate your SDG-related business priorities more clearly and to implement more effective action.



## Principle 4: Make sure to set SMART SDG performance goals

Setting goals demonstrates that your company is serious about growing business value by meeting global needs. As with any corporate target or KPI, SDG performance goals should be SMART, i.e. specific, measurable, achievable, relevant and time-bound. By putting SMART goals in place, your business can measure, monitor and communicate its contribution to achieving the SDGs in a convincing and compelling way. For example, stating that your company aims to lift people out of poverty is not enough. You should set a target for how many people will be lifted out of poverty within what timeframe, and how success will be measured.





### **Principle 5: Take a balanced approach to communicating your company's impact on the SDGs**

Communications should clearly present both the positive and negative impacts your company has on the SDGs, showing how your company is contributing to global problems, as well as helping to solve them.

Transparency leads to trust - if your company does not demonstrate that you fully understand all its impacts, communications can lack credibility. Broad narrative descriptions of impacts are a starting point, but methodologies to quantify corporate impacts are maturing rapidly. Quantifying impacts presents a more sophisticated and convincing picture.



### **Principle 6: Disclose KPIs for SDG performance**

Communications should disclose how your company intends to measure your contributions to the SDGs. By reporting KPIs, you can illustrate how the actions you have taken in the past have improved your performance on the SDGs. When looking ahead, KPIs can inform you on the need to further intensify actions to reach your SDG performance goals. What's more, sharing your KPIs in an open and honest way will strengthen your relationships with business partners such as customers and suppliers.



**Communications directors are the guardians of the company's reputation and relationships. They therefore have a critical role to play in shaping your company's approach to the SDGs rather than simply communicating it. Following the principles above can help you to get it right and avoid the common pitfalls.**

**For more information on how to report on the SDGs please reach out to our expert.**



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