

Creating a strategy for a better world

A summary of the Sustainable Development Goals (SDG) Challenge which includes business engagement with the SDGs, integration into strategy and top level support

**PwC SDG Challenge
Malaysia Report**



Introduction to the Sustainable Development Goals (SDGs)



193 governments agreed to deliver 17 global goals tackling major world issues by 2030.

The next 10 years will be critical for action – the 2020s is the decade for delivery. Those that show leadership on the SDGs will win the support of their stakeholders – including investors, regulators, consumers, employees and society in general.

PwC's SDG Challenge 2019

At PwC, we are committed to helping you engage with and embed the SDGs into your strategy and operations. That is why we place immense focus on business engagement with the SDGs - integrating these goals into corporate strategies and encouraging strong leadership towards driving sustainable practices.

In our largest analysis of published reporting on the United Nations' SDGs to date, we explored over 1,000 global company reports to find out how businesses are engaging with the SDGs. To accomplish this, we used natural language processing (NLP) to build an online Artificial Intelligence (AI) data collection tool in assessing what companies published about the SDGs. In 2019, the research included 45 Malaysian based companies.

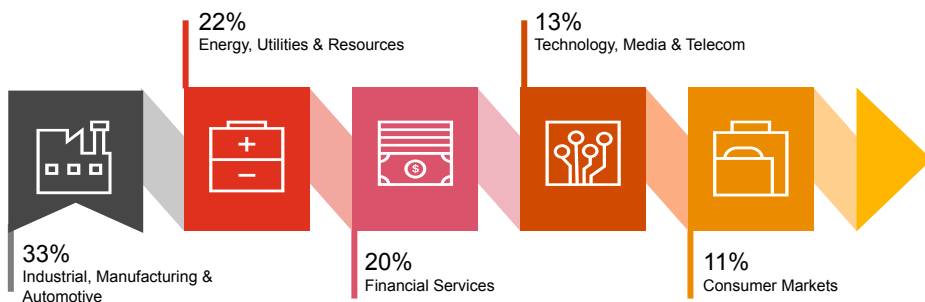
Capturing the sentiments across key industries in Malaysia



45
companies analysed



5
industries



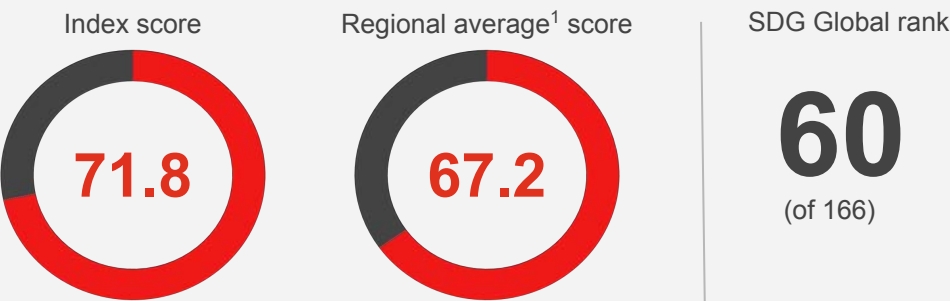
SDG Report 2020: Malaysia is placed at #60

In the latest Sustainable Development Goals Report 2020, Malaysia's ranking moved to 60th this year from 66th in 2019. While this is an improvement, the report showed that major challenges to achieving the SDGs remain.



MALAYSIA

Overall Performance



¹ Regional average for East and South Asian countries

▼ CURRENT ASSESSMENT – SDG DASHBOARD



■ Major challenges ■ Significant challenges ■ Challenges remain ■ SDG achieved ■ Information unavailable

▼ SDG TRENDS



↓ Decreasing → Stagnating ↗ Moderately improving ↑ On track or maintaining SDG achievement ● Information unavailable

Disclosing the SDGs as part of business strategies

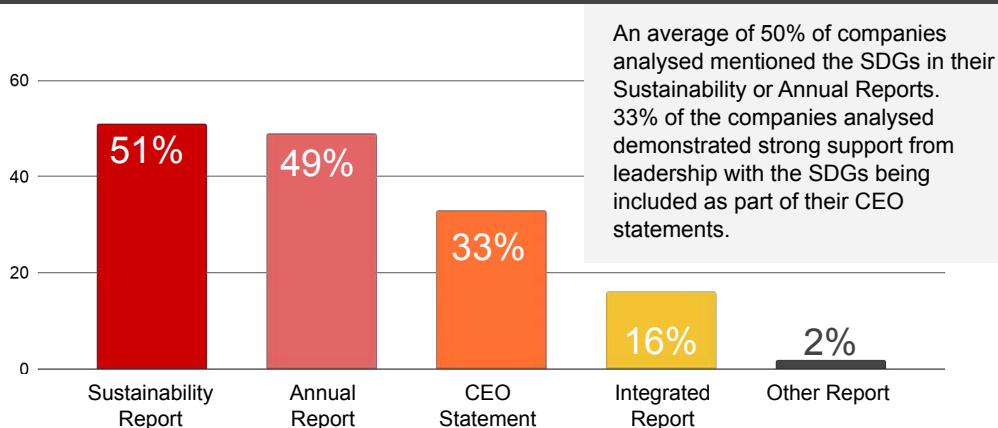
73%

of the Malaysian based companies mentioned the SDGs

20%

of the Malaysian based companies embedded the SDGs into their business strategies

SDG disclosures across multiple platforms with strong tone from the top



Exploring perspectives between global and Malaysian based companies

When comparing with global businesses, the Malaysian based companies demonstrate stronger alignment of the SDGs to their business strategies as well as securing support from leadership.

Executive leadership	The focus on individual goals	Adopting an SDG target-based approach																		
<table><tr><td><u>Global</u></td><td><u>Malaysia</u></td></tr><tr><td>21%</td><td>33%</td></tr><tr><td colspan="2">of companies included reference to the SDGs in their CEO or Chair statement</td></tr></table>	<u>Global</u>	<u>Malaysia</u>	21%	33%	of companies included reference to the SDGs in their CEO or Chair statement		<table><tr><td><u>Global</u></td><td><u>Malaysia</u></td></tr><tr><td>65%</td><td>69%</td></tr><tr><td colspan="2">of companies referred to specific SDG goals</td></tr></table>	<u>Global</u>	<u>Malaysia</u>	65%	69%	of companies referred to specific SDG goals		<table><tr><td><u>Global</u></td><td><u>Malaysia</u></td></tr><tr><td>14%</td><td>11%</td></tr><tr><td colspan="2">of companies included SDG targets</td></tr></table>	<u>Global</u>	<u>Malaysia</u>	14%	11%	of companies included SDG targets	
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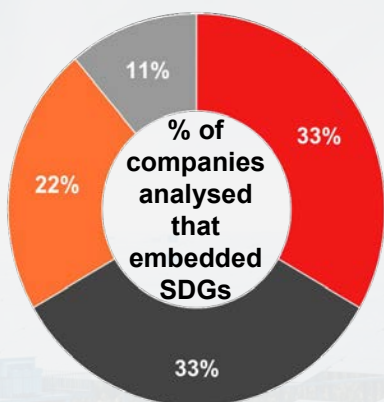
Investors and shareholders now expect greater transparency and accountability from their investee companies, as they take greater interest in the social and environmental impact of their investment decisions.

”

Datuk Muhamad Umar Swift,
CEO, Bursa Malaysia



Are the SDGs mentioned in companies' published business strategy?



Technology, Media & Telecom

Financial Services

Energy, Utilities & Resources

Consumer Markets

66%

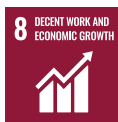
of companies that were analysed who embedded the SDGs were from the Financial Services and Energy, Utilities & Resources industries

Industrial, Manufacturing and Automotive (IM&A) companies analysed did not embed the SDGs into their business strategy

The focus on individual goals

69%

of all companies
analysed
mentioned
specific goals



94%



81%



74%



71%



68%

Adopting a target-based approach

11%

of all companies
analysed mentioned
specific SDG targets

These companies were in the Financial Services, Consumer Markets, and, Energy, Utilities & Resources industries. A total of 32 SDG Targets were mentioned

The top SDG targets mentioned by businesses are



80%



40%



40%



40%



40%

Based on the 11% (5 companies) that mentioned specific SDG targets

SDG reporting: How can businesses report on the SDGs?



Collaborating with UNGC and GRI

We collaborated with UNGC and GRI to enhance the development of a single reporting mechanism for businesses to report on the SDGs.



Understanding your potential contribution/impacts to SDG targets



Integrating the SDGs into Corporate Reporting: A Practical Guide



United Nations
Global Compact

Supported by 

Conducting our own research on SDG reporting

The SDG Reporting Challenge is a global research project analysing in-depth the corporate annual and sustainability reports.



Our SDG Challenge 2019 report
www.pwc.com/sdgchallenge

Suggestions for business leaders to succeed with the SDGs



Creating business buy-in

- Place the SDGs and the sustainability agenda as key business imperatives
- Strong tone from the top
- Make it relevant
- Consider the bigger picture
- Think about the entire value chain



Successful implementation

- Optimise organisational structure to support
- Be adaptable
- Incentivise collaboration and success
- Consistent, seamless and regular communication
- Make it part of the day job



Avoid

- Short-term thinking
- Limiting Sustainability to just Corporate Responsibility (CR)
- Not walking the talk

Supporting businesses on the SDG journey



PwC SDG Selector Tool



PwC Thought Leadership on ESG

1

Awareness raising

Build the business case to engage with the SDGs

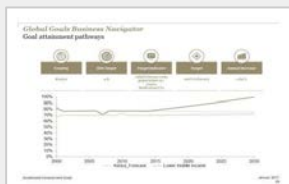
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Prioritisation

Use the Global Goals Business Navigator to understand which SDGs are relevant to your business



PwC Sustainability Framework



PwC Global Business Navigator

3

Strategy and implementation

Define the approach and engage internally to align business activity and practice to the SDGs

4

Measurement (SDG Strategy Analytics)

Measure impact and performance against the SDGs using our Total Impact Measurement and Management framework¹

¹PwC, Total Impact Measurement and Management, www.pwc.com/timm

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Reporting

Align reporting to the SDGs and share progress with stakeholders

Join sessions developed by UNGC, GRI and PwC to learn more on SDG reporting



PwC SDG Reporting Challenge

For more details, please visit

<https://www.pwc.com/gx/en/services/sustainability/sustainable-development-goals.html>

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As the world deals with the COVID-19 pandemic-induced challenges, there is growing recognition that businesses have a larger responsibility to mitigate environmental, social and governance risk.

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Datuk Syed Zaid Albar, Chairman,
Securities Commission Malaysia

Get in touch



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