

Guide

SDG NAVIGATOR FOR COMPANIES IN THE CHEMICAL INDUSTRY



GUIDE EXPLANATION

This Guide is intended for companies of the chemical industry which want to address the Sustainable Development Goals (SDGs) of the United Nations in a business context or wish to review their existing practice.

In the definition under this Guide, the term “chemical industry” includes the chemical and pharmaceutical industry as well as large parts of the rubber and plastics processing industries. The Guide content was tested in practice in the Chemie³ workshop series “SDGs and the chemical industry”, taking into account the experiences of participating companies.

The Guide primarily targets the concerns of medium-sized enterprises which have little or no experience in integrating SDGs in their business context. However, companies which can resort to existing experiences in this field will find useful suggestions, too.

Chapter 1 describes how the SDGs came about, their relevance for companies in the chemical industry and how they are linked with the guidelines and progress indicators of Chemie³. Chapter 2 describes a possible concrete approach in 5 steps for integrating the SDGs in the business context.

This Guide was published in March 2020. It is available in German and English language. In order to facilitate the practical implementation of the 5 steps, there is a supplementary part with examples from companies (available in German language only). Both documents can be accessed at www.chemiehoch3.de. Members of VCI, IG BCE and BAVC can order further information and models for practical use by e-mail to nachhaltigkeit@chemiehoch3.de. A listing is provided in the Annex to the Guide.

Note on terminology

For simplification, this Guide uses throughout the term “sustainability” to summarise the fields of action of economy, ecology and social affairs. Other terms commonly used in practice are Corporate Responsibility (CR) or Corporate Social Responsibility (CSR). It is recommended to define the overarching term used in the company with the help of relevant topics such as labour standards and occupational health and safety, CO₂ emissions or product safety.

CONTENTS

PAGE

04	THE CHEMIE ³ INITIATIVE
05	FOREWORD

06	CHAPTER 1: THE 17 SUSTAINABLE DEVELOPMENT GOALS
----	---

10	CHAPTER 2: A 5-STEP APPROACH FOR INTEGRATING THE SDGS IN COMPANIES
11	Step 1: Understand the SDGs and their relevance for the chemical industry
14	Step 2: Determine the relevance of the SDGs for the company; identify the need for action and potentials
18	Step 3: Integrate the SDGs in the corporate/sustainability strategy
24	Step 4: Implement the strategy; further develop products and processes
28	Step 5: Communicate progress in a transparent manner
30	Summary

31	ANNEX
32	Chemie ³ guidelines, Chemie ³ progress indicators and the SDGs
36	Sources of further information and practical tools
38	Imprint



Links to practical tools and accompanying documents for members of VCI, IG BCE and BAVC are marked with this symbol.

The Annex gives an overview of available documents.

THE CHEMIE³ INITIATIVE

Chemie³ is a joint sustainability initiative by the German Chemical Industry Association (Verband der Chemischen Industrie, VCI), the Mining, Chemical and Energy Industrial Union (Industriegewerkschaft Bergbau, Chemie, Energie, IG BCE) and the German Federation of Chemical Employers' Associations (Bundesarbeitgeberverband Chemie, BAVC). The three alliance partners work together to promote sustainable development in the chemical industry. Sustainability is understood as a commitment to present and future generations as well as a strategy for the future in which economic success is combined with social justice and environmental responsibility.

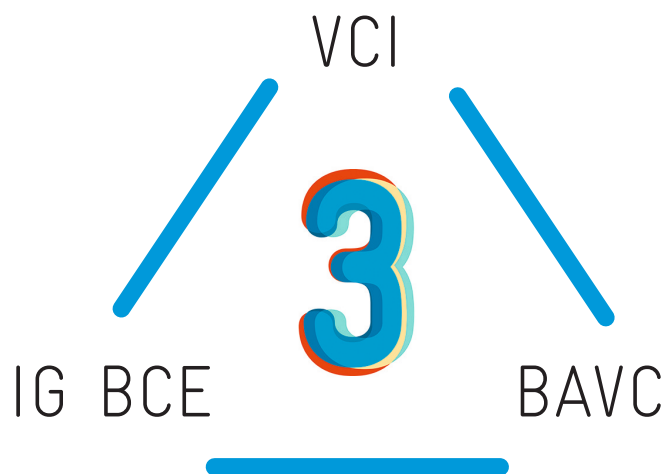
The Chemie³ initiative promotes sustainable action across the chemical industry – from small businesses through to major corporations. After all, shaping a sustainable future requires a commitment from industry. As an innovation driver for German industry, the chemical industry aims to expand its contributions to a healthy future and sustainable development and to sharpen its profile regarding sustainability.

At the core of the initiative are the Guidelines for Sustainability in the German Chemical Industry, which aim to promote sustainability as a guiding principle within the sector. Key requirements of the later adopted SDGs are already incorporated in the Guidelines. Together, the SDGs and the Chemie³ Guidelines provide a framework for sustainable business.

Chemie³ has developed a comprehensive support package to help companies in the industry apply the Guidelines. These include a specially developed sustainability check for sector companies, good practice examples for implementing the Guidelines, a Guide to Basic Sustainability Reporting, to Sustainable Supply Chain Management, to integrate sustainability into education as well as this SDG navigator. Further information can be accessed under www.chemiehoch3.de.

In order to make sustainability progress in the chemical-pharmaceutical industry in Germany measurable and verifiable, Chemie³ developed 40 indicators. These indicators are based on the Chemie³ Guidelines, ranging from the competitiveness of the chemical industry on global markets to greenhouse gas emissions and the percentage of young people who are offered permanent employment after an apprenticeship. The results are available in the Chemie³ Progress Report on the Chemie³ website.

Another pillar of Chemie³ is the dialogue with stakeholders in the spheres of politics, business, science and society. Solutions for sustainable development require an understanding of the concerns of others and identifying conflicts of interest – only then can solutions be found together. Chemie³ therefore continuously enlarges the scope of these dialogues.



FOREWORD

Dear Readers,

Since their adoption in 2015, the colourful symbols of the 17 Sustainable Development Goals (SDGs) are becoming ever more present. These are the global goals of the United Nations within the Agenda 2030; they apply for all countries. Companies are expected to make active contributions to achieving them. At the same time, the SDGs with their 169 targets give directions for the strategic orientation of companies and when assessing the risks and opportunities of their own processes and products.

As the sustainability initiative of the German chemical industry, Chemie³ has been contributing to sustainable development – and thus to the SDGs – since its launch. The “Sustainability Guidelines for the Chemical Industry in Germany” are at the core of Chemie³. Since their publication in 2013, they have been forming a framework for sustainable development in the chemical industry. The Chemie³ progress indicators show how the industry is developing in terms of sustainability. This highlights the chemical industry’s contribution to making the 17 goals a reality.

With this Guide, Chemie³ supports companies in giving more consideration to the SDGs: in their corporate strategy regarding the impacts of products and processes and for credible reporting.

In particular, the Guide is intended for medium-sized enterprises. It gives an overview of the major fundamentals and provides input for incorporating the SDGs in five steps. However, also companies which have already reached an advanced level in this area will find suggestions for reviewing their existing approaches and improving them, if necessary.

We hope that many companies will take up these suggestions and contribute to the 17 SDGs, representing the chemical-pharmaceutical industry.



Berthold Welling
Executive Director
Law and Taxation, Sustainability

German Chemical Industry
Association




Dr. Ralf Bartels
Director
Economic and sustainability
policy

Mining, Chemical and Energy Industrial
Union




Dr. Andreas Ogrinz
Managing Director
Education, Innovation,
Sustainability

German Federation of Chemical
Employers' Associations



01

THE 17 SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) were developed with an involvement of all member states of the United Nations, the civil society, the scientific community and the private sector. They were adopted unanimously by all 193 UN members and became effective on 1 January 2016. The SDGs are to be achieved by 2030.

SUSTAINABLE DEVELOPMENT GOALS



Source: UN

The SDGs cover current challenges to our society in four areas: “planet”, “people”, “peace” and “prosperity”. Thus, they set the priorities for a sustainable development globally within the Agenda 2030, replacing the Millennium Development Goals (MDGs). Unlike the MDGs, the SDGs are not only directed at developing countries but at all member states. This makes them universally applicable.

Although the SDGs are not legally binding, governments are expected to shape national framework conditions for reaching them. All sectors, especially the private sector, are called on to make their contributions.

Each of the 17 SDGs has several sub-goals, the so-called targets. There are 169 targets in total with 232 indicators assigned to them. Based on these indicators, the respective level of achievement can be determined. Both targets and indicators are addressed to governments to measure the progress of sustainable development at national level.

FIGURE 1: SDG STRUCTURE BY WAY OF EXAMPLE

EXAMPLE

17 goals (SDGs)

169 targets

232 indicators

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all



7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

7.2 Increase substantially the share of renewable energy in the global energy mix by 2030

7.3 Double the global rate of improvement in energy efficiency by 2030

...

7.1.1 Proportion of population with access to electricity

7.1.2 Proportion of population with primary reliance on clean fuels and technology

7.2.1 Renewable energy share in the total final energy consumption

7.3.1 Energy intensity measured in terms of primary energy and GDP

...

Source: UN, S&C

Even though the SDGs are primarily aimed at governments, companies are explicitly called upon to make their contributions to achieving the goals:

„Business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results.“

Ban Ki-moon, UN Secretary-General 2007–2016

The goals of the Agenda 2030 are included in national laws and regulations and thus become relevant for companies (see figure 2). Furthermore, customers, staff and the civil society demand that companies make their contributions to sustainable development.

Customers increasingly expect sustainable products. This is felt by companies which are close to end-consumers. The resulting requirements reach suppliers via the value chain. These developments are also evident in major customer sectors of the chemical industry – i.e. transport, consumer goods, nutrition, electrical engineering, housing construction and energy where the dominant megatrends of the next 10 to 20 years across all sectors will be ecology and sustainability as well as compliance with ethical and social standards. This is the outcome of a study on the expectations of customer sectors to the chemical industry „Erwartungen der Kundenbranchen an die Chemieindustrie“ (available in German language only). <http://bit.ly/Studie-Chemiekunden>

The financial market, too, is increasingly oriented towards the SDGs. Moreover, societal challenges such as climate change, scarcity of resources or demographic change highlight the need for action by companies.

At the same time, dealing with the SDGs offers potential for companies (see figure 2). A systematic approach to sustainability which takes into account, for example, the above-mentioned societal challenges reduces risks and prepares companies for possibly forthcoming legislation. Examples include the adaptation to climate change or observance of human rights at own locations and along the supply chain. In an overarching picture, a company's reputation and credibility can be enhanced by a systematic consideration of the SDGs – and its “licence to operate” can be safeguarded.



FURTHER INFORMATION

A complete list of the SDGs, targets and indicators is available on the UN website
<https://sdgs.un.org/goals>

(Resource) Efficiency, e.g. through environmentally sound production processes, can cut costs. Furthermore, sustainable processes and products might be a differentiating feature for companies in competition. Addressing the SDGs also brings opportunities in staff recruiting and retention, as societal trends are reflected in work and career. Companies with an orientation to sustainability can be more attractive employers than others.

With the keyword “sustainable finance”, the relevance of sustainability is increasing in the financial sector, too. Systematically dealing with the SDGs and sustainability issues can facilitate access to finance, e.g. through lower interest rates, admission to sustainability-oriented funds or public promotion programmes.

Finally, addressing societal challenges also opens the potential for new business models and markets. Here, the SDGs bring chances for new products, services, innovations and cooperations.

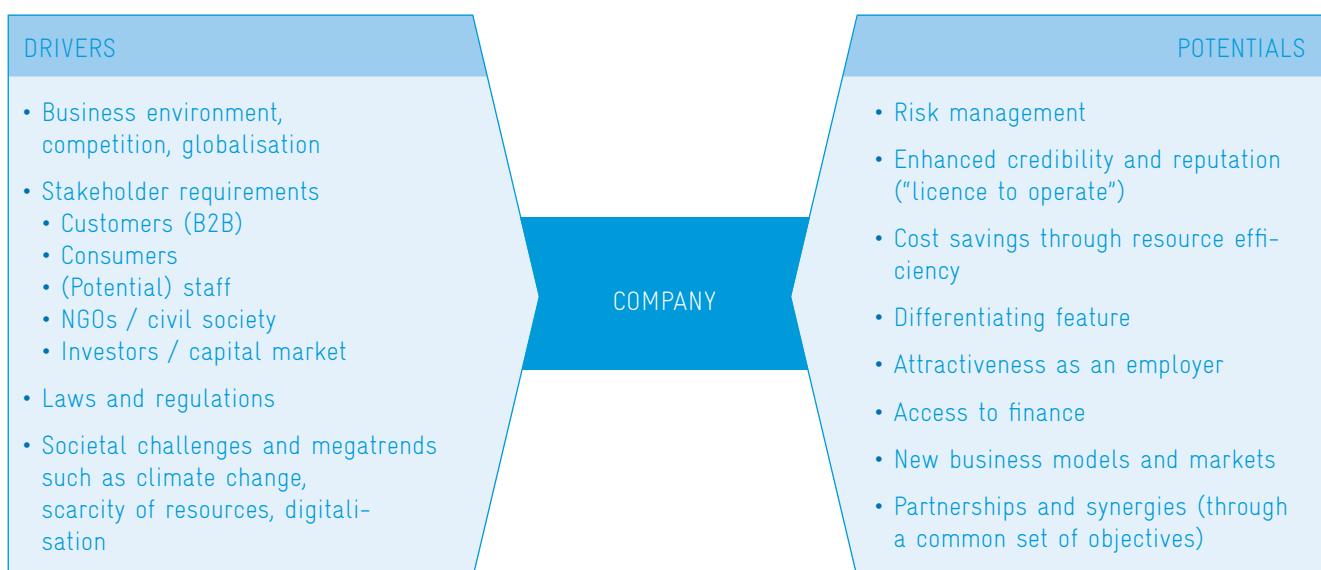
Thus, the SDGs have great potential for the private sector. However, many companies are wondering how they can systematically take into account the SDGs in the business context and use them for their own further development. A possible approach is described in the following chapter.



CHEMIE³ TOOL BOX

By sending an e-mail to nachhaltigkeit@chemiehoch3.de the members of VCI, IG BCE and BAVC can order a listing of goals and targets (in German language, as Excel chart).

FIGURE 2: DRIVERS FOR TAKING INTO ACCOUNT THE SDGS IN THE BUSINESS CONTEXT AND POTENTIALS



Source: Chemie³ referring to the Global Compact Network Germany, S&C

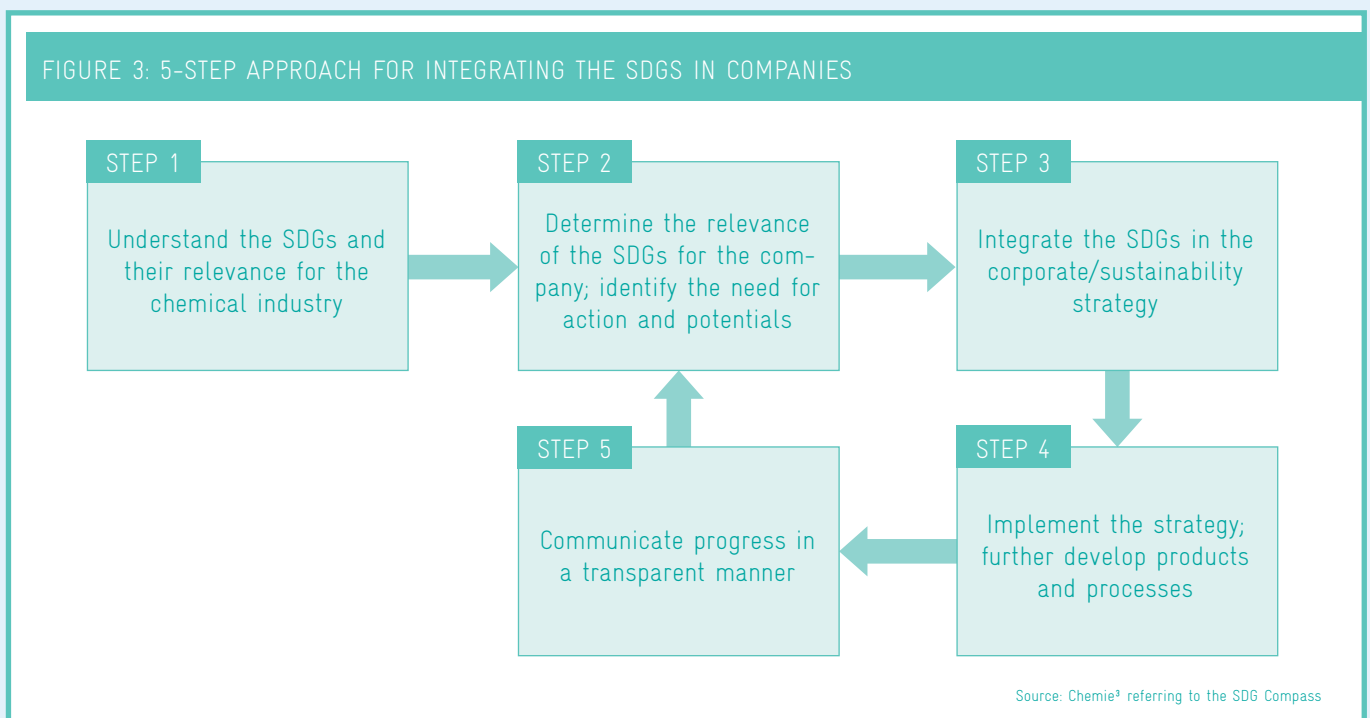
02

5-STEP APPROACH FOR INTEGRATING THE SDGS IN COMPANIES

The approach presented here gives an overview of a possible course of action for integrating the SDGs in companies in 5 steps (see figure 3). It is oriented to the SDG Compass developed by UN Global Compact, the Global Reporting Initiative and the World Business Council for Sustainable Development.

www.sdgcompass.org

This modular approach is suitable for companies of all sizes. Chemie³ recommends working through the 5 steps one after the other, as they build on each other and thus ensure a systematic method. If your company has already taken first steps, e.g. to include the SDGs in a corporate or sustainability strategy, the described approach can help to reflect on and possibly expand your own method.



STEP 1

Understand the SDGs and their relevance for the chemical industry

The basic prerequisite for integrating the SDGs in a business context is to understand their relevance for the chemical-pharmaceutical industry and one's own company.

As the “industry of industries”, the chemical industry can provide solutions to many societal challenges of our time, for example, by contributing to climate protection or food security. In this manner, the industry already makes contributions to numerous SDGs. Today and in the future, the industry can act as a catalyst for sustainable development. Chemie³ actively works for this, too.

However, beside many positive contributions to achieving the SDGs, the chemical-pharmaceutical industry also causes potentially negative effects that should be reduced or prevented in the meaning of the SDGs. Some examples are human rights risks in the supply chain, environmental impacts of the production and use of chemical products, or greenhouse gas emissions.

„The chemical-pharmaceutical industry in Germany wants to make a major contribution to a sustainable development in the sense of the Sustainable Development Goals: with the industry's technical and social solutions and by offering an additional stimulus to politics and society.“

Preamble to the strategy 2018 - 2022

SOME SDG TARGETS FORMULATE AN EXPLICIT MANDATE TO REDUCE THE RELEASE OF CHEMICALS TO AIR, WATER AND SOIL AND THE NEGATIVE EFFECTS OF CHEMICALS ON HUMANS AND ENVIRONMENT TO A MINIMUM:



3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



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



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 the environment

The 12 “Sustainability Guidelines for the Chemical Industry in Germany” of Chemie³ are addressed to chemical companies in this country. Important SDG requirements are already reflected directly or indirectly in these guidelines, such as resource and climate protection, sustainable economic growth, social partnership, environmental and social operating standards in global value chains as well as measures against child and forced labour. Together, the SDGs and the Chemie³ guidelines form the framework for the chemical-pharmaceutical industry in Germany to pursue a sustainable management style with responsibility in economic, ecological and social terms. The Chemie³ progress indicators show where the industry stands regarding sustainability.



FURTHER INFORMATION

The World Business Council for Sustainable Development (WBCSD) has elaborated the Chemical Sector SDG Roadmap. Firstly, it illustrates the references between the chemical industry and the individual SDGs by way of example. Secondly, it derives ten focal SDGs for the industry, based on the chemical industry's potential positive contributions and negative impacts.

www.wbcsd.org

FIGURE 4: LINK BETWEEN THE CHEMIE³ GUIDELINES AND PROGRESS INDICATORS AND THE SDGS (EXAMPLE)

GUIDELINE 4: DRIVING SUSTAINABILITY THROUGH INNOVATION

Enterprises in the chemical industry develop innovative solutions to meet global and national challenges. Through significant investments in research and development they create added value for business and society. When developing new products and processes, they consider sustainability issues at an early stage.

A complete overview of the Chemie³ guidelines and progress indicators and their link to the SDGs are available in the Annex.

Chemie³ progress indicators

- 28 – Expenditure on research and development
- 29 – New patent registrations
- 30 – Number of staff engaged in research and development
- 31 – Companies incorporating sustainability criteria into their innovation and development processes
- 40 – Use of the Chemie³ support offers



Even though the SDGs sometimes appear complex and are primarily addressed to governments, most of the goals and particularly their targets have concrete underlying topics that already play a role for companies – e.g. concerns of staff, environmental effects, circular economy or the sustainable use of chemicals. Therefore, it is worth taking a look at the targets in order to better understand the SDGs and to relate them to the own company. For example, the topics of initial and advanced training or occupational health and safety ensue from the targets of SDG 8 “Decent work and economic growth” (see figure 5).

The website of the SDG Compass www.sdgcompass.org gives an overview of relevant topics from the business context and their link to the SDGs. Topics related to SDGs, examples of measures, indicators and instruments for companies can be found here.

FIGURE 5: THE SDGS AND COMPANY-RELEVANT TOPICS (EXAMPLES)



- Initial and advanced training
- Occupational health and safety
- End to forced labour
- Employment
- No discrimination



- Procurement practices
- Information on products, services and labelling
- Sustainable procurement
- Resource efficiency of products and services
- Recycling of materials



- Energy efficiency
- Risks and opportunities related to climate change
- Greenhouse gas emissions
- Environmental investments



CHEMIE³ TOOL BOX

By sending an e-mail to nachhaltigkeit@chemiehoch3.de the members of VCI, IG BCE and BAVC can order an illustration of the 17 SDGs and their relevant topics for companies (analogously to figure 5; in German language).

STEP 2

Determine the relevance of the SDGs for the company; identify the need for action and potentials

In order to find out about the relevance of SDGs for one's own company, initially existing as well as potential connections between the own business activity and the SDGs should be sought. In this exercise, it is important to carefully consider both positive and negative impacts on the environment and society.

A possible approach for identifying the relevant SDGs and the need for action and potentials could be as follows:

- ① Identify and prioritise sustainability topics along the value chain
- ② Identify those SDGs with the strongest connection to your own sustainability topics
- ③ Determine the impacts
- ④ Derive the need for action and potentials

① Identify and prioritise sustainability topics along the value chain

Start by describing your own value chain in order to understand it as accurately as possible and to determine all the impacts that are potentially linked with your business activity. To identify relevant sustainability topics, it is advisable to carry out, for example, a materiality analysis that takes into account the topics along the entire value chain. All three dimensions of sustainability should be covered, i.e. social topics (e.g. concerns of staff and human rights), environmental topics (e.g. energy use or waste) and economic topics (e.g. anti-corruption, sustainable investment or product quality).



PRACTICE TIPS

If your company has already identified relevant sustainability topics (e.g. in a materiality analysis), the results can serve as a basis for the next steps.

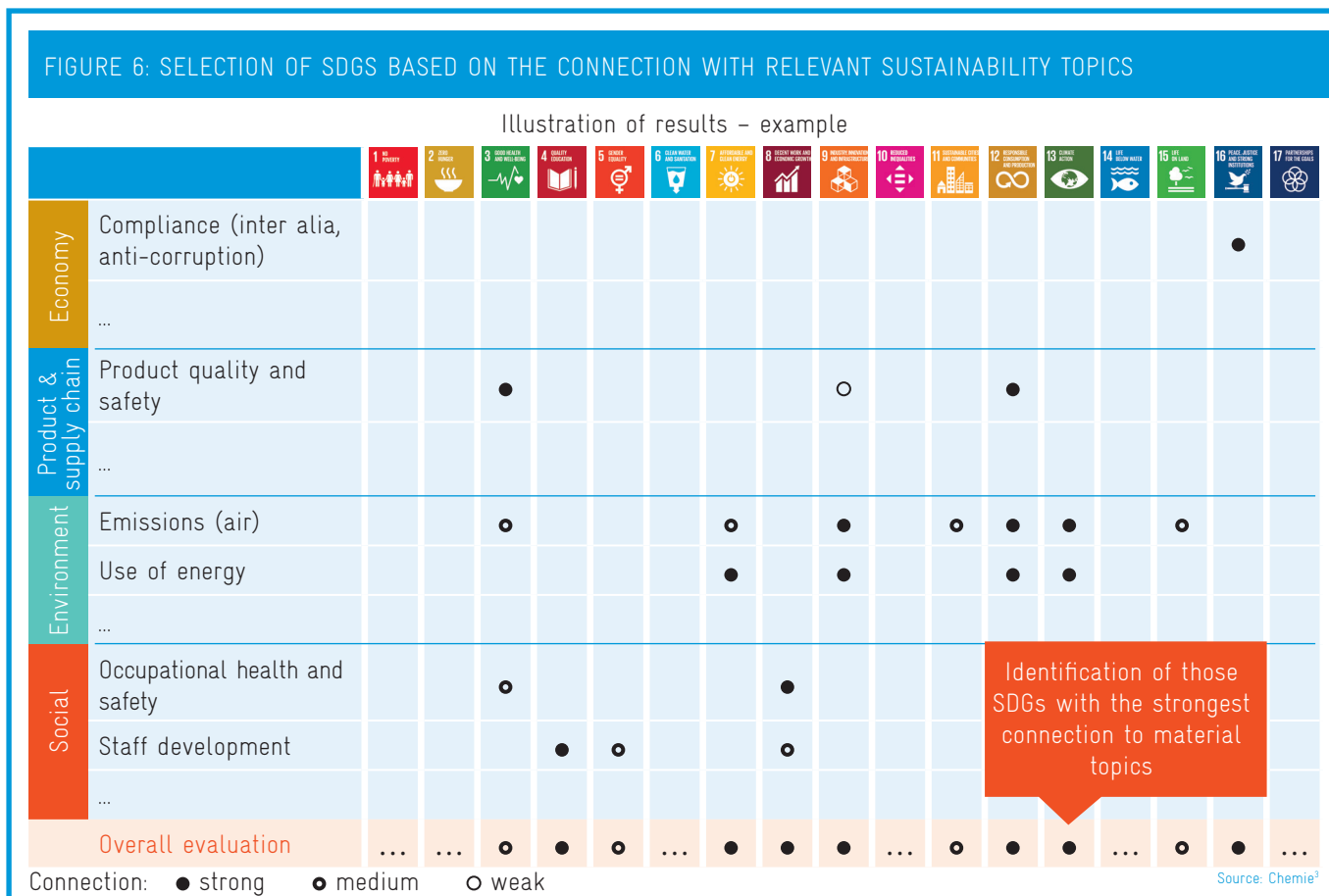
② Identify those SDGs with the strongest connection to your own sustainability topics

For the major sustainability topics, it must be examined next to what extent they can be connected with the SDGs. This can be done, for example, in cross-functional/departmental workshops. If possible, this assessment should be based on targets, as these concretise the content of the SDGs. Here, it should not be forgotten that some targets are addressed exclusively to governments and can be hardly influenced by companies (e.g. SDG 12.7 "promote sustainable practices in public procurement").



CHEMIE³ TOOL BOX

More information about the materiality analysis is given in the Chemie³ guide on sustainability reporting. The Chemie³ sustainability check can be used for a simplified materiality analysis. In order to assess the connection between the SDGs or their targets and the relevant sustainability topics (strong, medium, weak), members of VCI, IG BCE and BAVC can order a list with examples of topics for chemical-pharmaceutical companies and an Excel chart as a template, by e-mail to nachhaltigkeit@chemiehoch3.de.



The following guiding questions might be helpful:

- Is there a content-related connection between the material topic, your organisation and the SDG?
- If so, with which targets of the SDG is there a connection?
- How strong is the connection estimated to be (strong, medium, weak)?

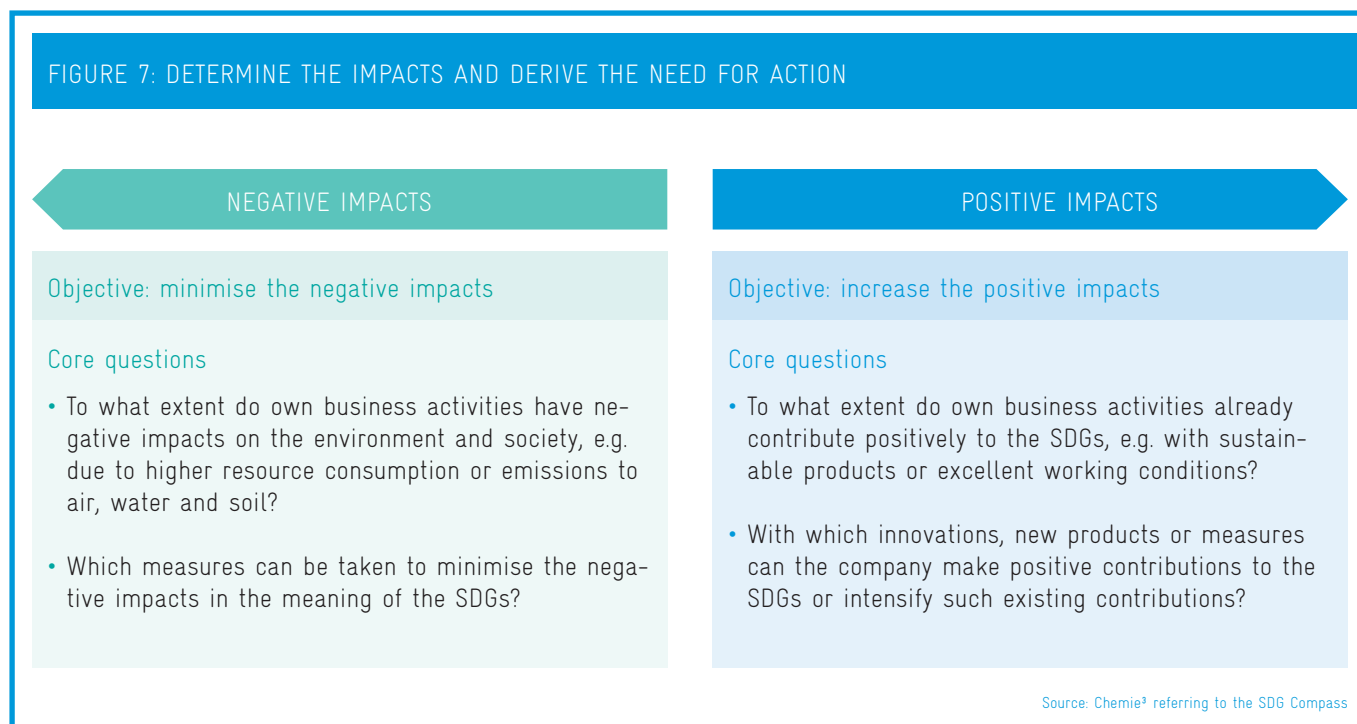
The outcome of this work step is an overview of the relevant sustainability topics and their connection with the 17 SDGs (see figure 6). This allows the selection and prioritisation of those SDGs for which a particularly strong connection was identified.

3 Determine the impacts

Your company might be connected to almost all SDGs. In practice, however, it has proven helpful to (initially) focus on those SDGs where your company has identified the strongest negative impacts or the strongest leverage for positive contributions.

In order to determine these, the impacts of one’s own business activity on the goal and the underlying topics should be assessed for the SDGs with the strongest connection. Here, both the negative and positive impacts must be identified and evaluated (see figure 7). For example, a company can negatively influence the achieving of SDG 13 “Climate Action” by emitting greenhouse gases – while the company makes, at the same time, a positive contribution to climate protection by developing CO₂-filter systems.

FIGURE 7: DETERMINE THE IMPACTS AND DERIVE THE NEED FOR ACTION



The quantitative measuring of the company's impacts (especially the social ones) is a challenge for many companies. Therefore, the impacts can be appraised initially in a qualitative approach, e.g. in a workshop involving key internal experts such as human resources managers, members of works councils, operations managers or environmental engineers. In the most favourable case, quantitative information is already available and can be used, too, e.g. the life cycle analysis of a product or data on greenhouse gas emissions along the supply chain (carbon footprint).

Large companies, which have already experience with such analyses, gather data on the impacts of their business activities for all relevant topics and SDGs. They also try to quantify the social impacts. Just some examples are LANXESS (impact measuring for material SDGs: www.lanxess.com) or BASF (quantifiable impact measuring in the value-to-society approach: www.basf.com).

Further information

The SDG Compass provides a range of different tools for impact measuring, partly with a direct reference to one or several SDGs, such as the Social Hotspots Database, the Human Rights and Business Country Guide, the WBCSD Global Water Tool or the Poverty Footprint Tool. www.sdgcompass.org

Based on potential positive and negative impacts of the chemical industry, the Chemical Sector SDG Roadmap of the World Business Council for Sustainable Development (WBCSD) identifies five key themes with strong impact opportunities: food, water, people & health, energy, infrastructure & cities. www.wbcSD.org

4 Derive the need for action and potentials

The need for action per SDG or topic can be derived based on the defined impacts. There is a great need for action especially where particularly strong negative or positive impacts have been identified or are assumed. The objective is to reduce negative impacts and to use the potential for increasing positive contributions. The following guiding questions can help derive the need for action and potentials:

- **Degree of impact:** In connection with which topics does the company have particularly strong and/or severe negative impacts? Where is a particularly strong and/or scalable potential for positive impacts?
- **Urgency:** Where is an urgent need for action, for example, because of legal requirements or significant stakeholder demands?
- **Possibility to exert influence:** Which topics can the company influence directly, and where can the company directly steer a reduction of negative impacts or an increase of positive impacts?

For example, particularly severe effects – that might put at risk the societal acceptance of the company’s business activity (“licence to operate”) and can be influenced directly by the company – should be prioritised. At the same time, a huge potential for positive impacts or even new business opportunities should not be ignored. Based on these considerations, concrete measures are derived that are taken up and addressed in more depth in the following steps (mainly in steps 3 and 4).

PRACTICE EXAMPLE

The specialty chemicals group LANXESS took a comparable approach and “matched” relevant topics with the SDGs. In this process, connections between the material topics and the SDGs were identified and evaluated according to their strength. Next, LANXESS assessed the impact of business activities on the aspects described in the goals, examining both positive and negative impacts.

“The LANXESS SDG Matrix brings for us a better understanding of our contributions to the SDGs. The matrix can help us comprehend challenges in an overall societal context, so that we can view our objectives and strategies from that perspective. Furthermore, the matrix can identify the opportunities for marketing our products as solutions to central challenges described in the SDGs – and finally, it can point out the risks and conflicting aims, enabling us to tackle these in a systematic manner.”
Sebastian Röhrig, LANXESS  www.lanxess.com

More details and further examples are available in the extension to the SDG Navigator (available in German language only).  www.chemiehoch3.de

STEP 3

Integrate the SDGs in the corporate/ sustainability strategy

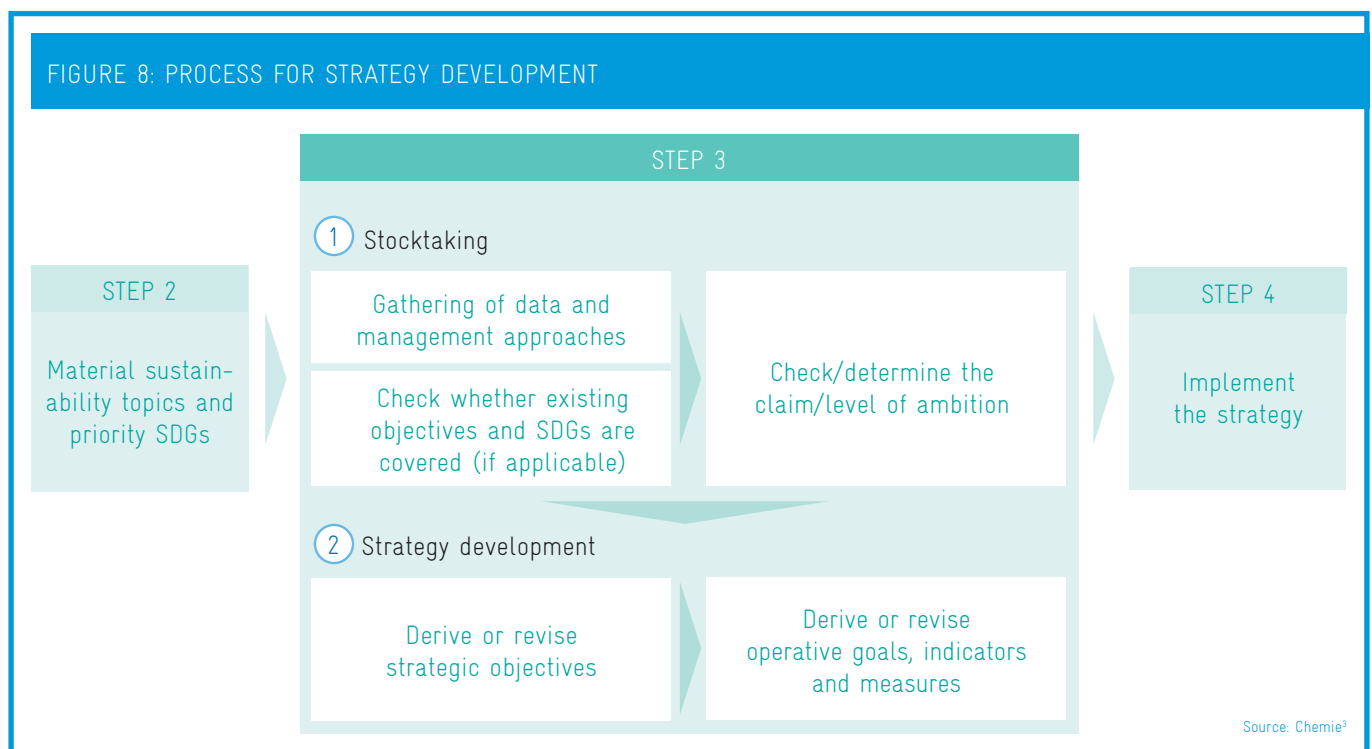
For a credible approach, the SDGs should be systematically integrated into the corporate / sustainability strategy. The foundation for this was laid in the previous steps – where you identified the material topics, linked them with the SDGs, determined the negative and positive impacts on the SDGs and derived the need for action on this basis.

Now a strategic approach needs to be developed for the identified material topics, taking into account the SDGs. This means that strategic and operative goals, including the relevant indicators and measures, have to be defined. A classic process for strategy development includes the stocktaking of existing objectives, indicators and management approaches, followed by the strategy development as such (see figure 8). Implementation is explained in step 4.

The following guiding questions can support this process:

- To what extent do your corporate goals already address the societal requirements or, quite concretely, the SDGs? Where are remaining gaps?

- If gaps are identified: Which management approaches and indicators are already available in the company and can be used to develop strategic objectives?
- Which positioning for the relevant sustainability topics should your company pursue in the medium-term? What are your competitors doing? What is your company's claim?
- Which ambitious, realistic and feasible medium- and long-term objectives can and should be defined? How can the SDGs and their targets be included?
- Which concrete measures are needed to achieve the objectives? What resources are required for this?
- Which corporate functions must be involved in the process, so that the results are developed, approved and implemented as efficiently as possible?



1 Stocktaking

Initially, stocktaking is about determining the status quo for each material topic and the connected SDGs:

- Are the material sustainability topics steered sufficiently?
- Which objectives has your company already identified in respect of the material topics?
Which indicators are used to measure progress and impact?
- For which material topics has your company not yet identified any objectives? Where is a need for action?

You should answer the following questions for each material topic:

- Does your company have guidance, concepts or similar with rules for the topic (e.g. staff codes of conduct, environmental or OHS guidelines, labour-management agreements etc.)?
- Which claim is taken up in these documents and which voluntary commitments and objectives has your company laid down for itself regarding the topic?
- How are the responsibilities defined, and who should be involved in the process?
- Which indicators are available for the topic?
- Which concrete measures, projects or initiatives are already being implemented in your company for the topic (e.g. as part of continuous improvement)?

Gathering these items of information helps to get a better understanding of each material topic. Building on this, it is easier to define or review the respective objectives (see next section on strategy development).

If objectives already exist for all or some major topics, these should be reviewed in the next step as regards their degree of maturity and coverage of SDGs. Here, it should be taken into account that previously formulated objectives can influence several SDGs.

CHECKLIST TO REVIEW THE OBJECTIVES

- **Type of objectives:** Are these objectives strategic or operational? Or do they rather have the character of measures after all? Are they quantitative or qualitative, absolute or relative?
- **Completeness:** Have measurables (indicators), an initial value, a base year and a target year been defined for the objectives?
- **Level of ambition:** How can the level of ambition of the objectives be assessed (not ambitious enough, realistic, ambitious, too ambitious)?
- **Reference to the SDGs:** To what extent do the objectives already influence the SDGs and their targets? Are all SDGs relevant to the company covered?
- **Need for action:** Where are remaining gaps, where is a need for action to define a new objective or to review an existing one?



CHEMIE³ TOOL BOX

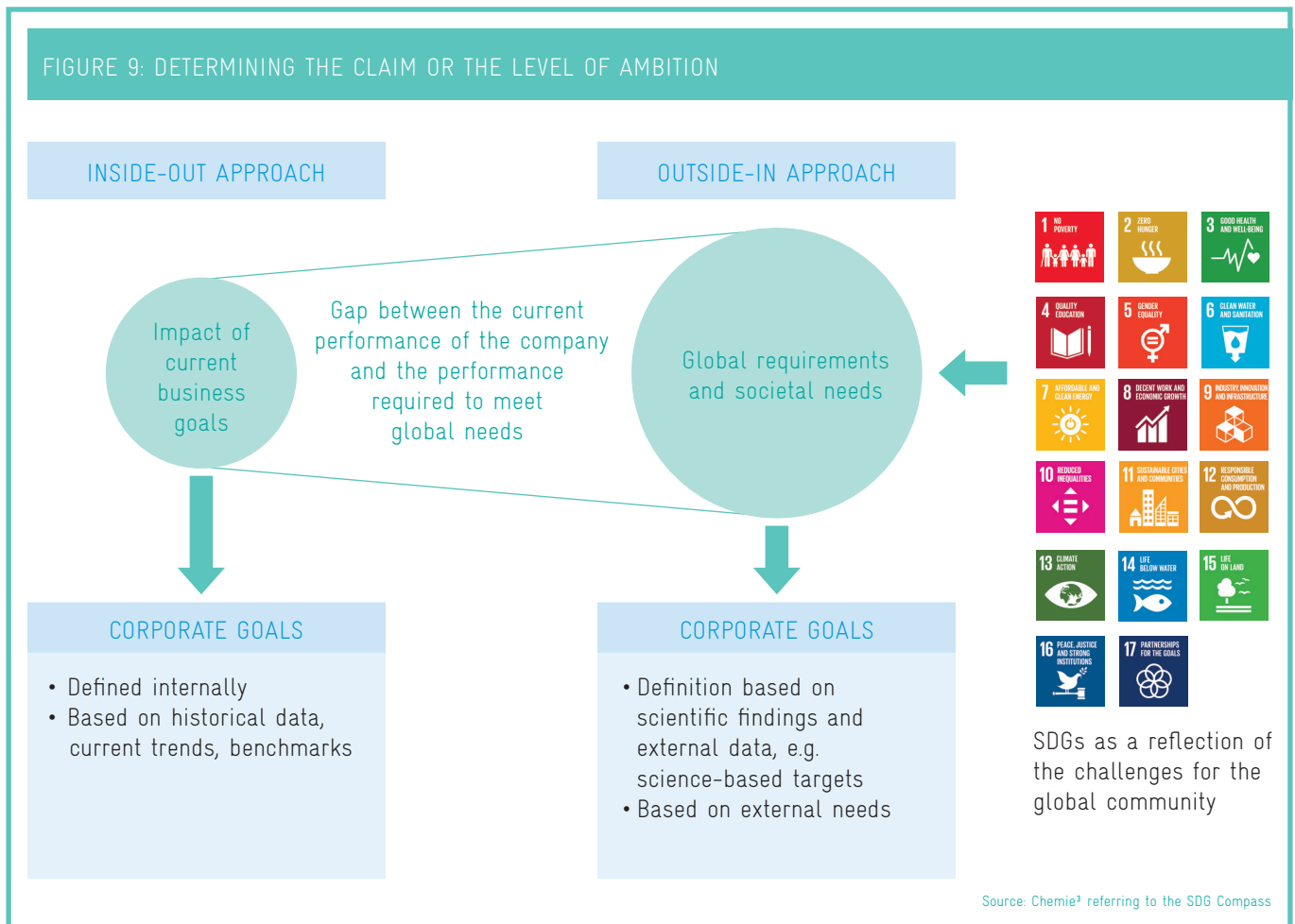
For the members of VCI, IG BCE and BAVC, the Chemie³ guide on sustainability reporting includes an Excel chart with relevant sustainability indicators (available in German language only). This overview can be ordered by e-mail from nachhaltigkeit@chemiehoch3.de.

Next, you should define or review your company’s basic claim or level of ambition per topic (review, if you already have objectives for the topic in question). This makes the starting base for further strategy development. Regarding the topic concerned: Do you want a leadership role for this topic in your industry, follow the average or straggle behind?

Quite often, the claim for a topic or the level of ambition are defined on the basis of internally available historical data, current trends or by comparison with competitors (see figure 9 Inside-out approach).

The SDGs provide a new orientation framework: They show which global societal challenges must be solved by 2030. Therefore, claims and objectives that are oriented towards the external needs of society and scientific findings are often more ambitious and influence the achieving of the SDGs (see figure 9 Inside-out approach). An example are science-based targets to determine greenhouse gas reduction goals.

www.sciencebasedtargets.org



② Strategy development

Regarding material topics, additionally to the previously defined claim or level of ambition now the strategic objectives and key performance indicators (KPIs) need to be defined or existing objectives need to be reviewed. Next, the operative objectives and indicators are derived, e.g. for individual sites and business units or milestones with shorter target horizons and suitable measures (see figure 10).

Where possible and appropriate, it is recommended to formulate quantitative targets, as these are easily measurable and verifiable. Quantitative targets can be measured with an absolute or relative indicator, e.g. as a reduction in absolute water consumption versus a reduction in water consumption per tonne of product. Relative targets are preferable, as achieving such targets is influenced less strongly by external factors (for example, changes in company size, sales, production etc).



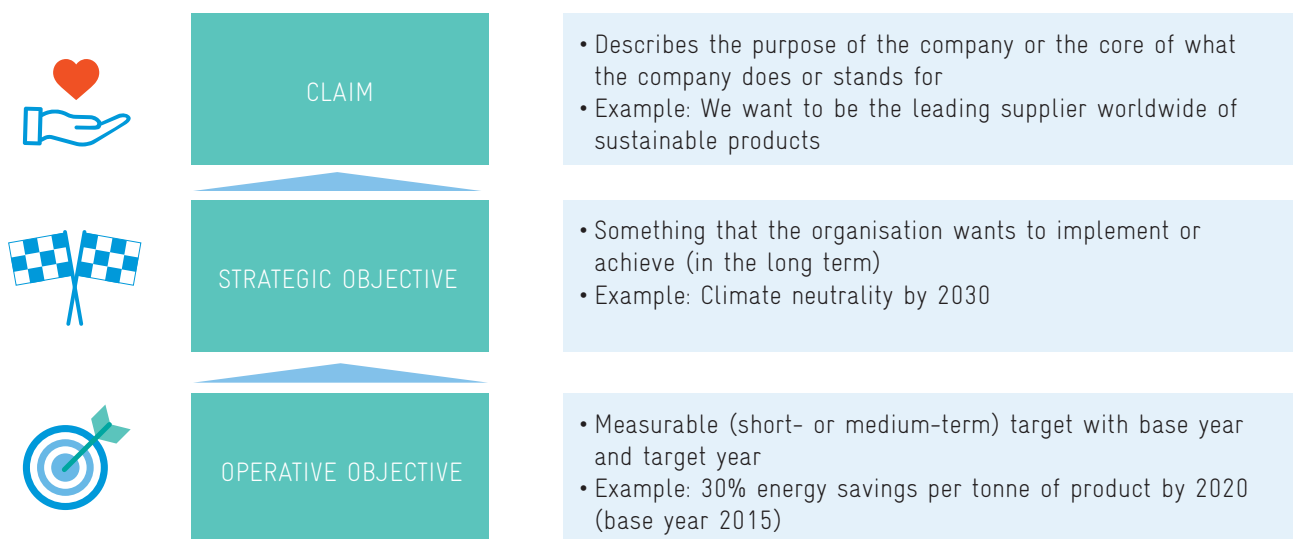
PRACTICE TIP

The 17 SDGs and their targets provide an orientation framework or a level of ambition for defining sustainability objectives. They show which global societal challenges must be solved by 2030. Corporate objectives should be derived based on the specific impacts on SDGs. A literal use of the SDG targets is not helpful, as these are primarily addressed to governments.

Quantitative objectives should aim at reducing the negative impacts and improving the positive ones, thus contributing to SDGs in both respects (see identified impacts from step 2).

Several possible indicators are available to measure the objectives that contribute to the SDGs. For each topic, choose those indicators that are already collected in your company, or collect indicators that best reflect your company's impacts on the respective sustainability topic or SDG and the progress towards the given objective.

FIGURE 10: STRATEGIC APPROACH – CLAIM, STRATEGIC AND OPERATIVE OBJECTIVE



Source: Chemie³

FIGURE 11: PRACTICE EXAMPLES FOR STRATEGIC OBJECTIVES FROM THE CHEMICAL-PHARMACEUTICAL INDUSTRY



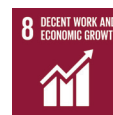
"By 2040, LANXESS intends to become climate-neutral and eliminate its greenhouse gas emissions from around 3.2 million metric tons of CO₂ today."

Source: LANXESS website, LANXESS



"We will reduce the worldwide lost-time injury rate to no more than 0.1 per 200,000 working hours by 2025."

Source: BASF Report 2018, BASF



"Increase in the proportion of women in senior management to 35% (2020); reference value 2010: 21%"

Source: Annual Report 2018, Bayer



Even if your company has not yet explicitly collected sustainability indicators, you do not need to start from scratch. Many indicators are already used in your company, for example:

- Economic indicators (for annual accounts)
- Consumption data (energy, electricity, water, materials)
- Data for employers' liability insurances
- Data for the pollutant register PRTR
- Data for the [German] federal states' statistical offices
- Data for the EMAS environmental statement or ISO certification
- Data for Responsible Care

For one strategic objective, several operative objectives can be defined which either cover various partial aspects of the topic, act as milestones so that they have a shorter time horizon than the strategic objective, or reflect regional or product-specific differences (see figure 12). Operative objectives can be broken down to divisional or departmental levels.

The implementation of the strategy – including an implementation plan, measures, monitoring and reporting – is part of the following steps.

FURTHER INFORMATION

In the Annex, you will find an overview of how to express a contribution to the SDGs with the help of the Chemie³ progress indicators as industry indicators.

The website of the SDG Compass www.sdgcompass.org includes an online directory that links existing business indicators (e.g. from the GRI standards) to the SDGs or their targets. The indicators listed there are explicitly addressed to companies. They should not be confused with the UN indicators for SDGs which measure progress at country level.

The publication "Contributions to the sustainable development strategy: reduction of resource consumption in the chemical sector by instruments of sustainable chemistry" (2017) of the German Environment Agency (UBA) gives an overview of potential topics and sustainability indicators and their reference to the SDG targets – for example, „Pollutant emissions into the air“ (SDG 3.9, 12.4) or "Percentage of women in executive positions" (SDG 5.1). The publication can be accessed on the UBA website. www.umweltbundesamt.de



PRACTICE TIP

Build on what you already have and revise your strategy step by step, if necessary. Include relevant functions in the development or review of the strategy at an early stage, in order to achieve broad consensus in the company and to involve a wide range of internal stakeholder perspectives – for example, the HR department and the works council, officers in charge of environment and safety, purchasing, distribution or corporate development. In any case, the prerequisite for a successful process is the commitment of the top management which should be involved, too.

PRACTICE EXAMPLE

Evonik: "In 2017, we started to record the positive contributions of our products to achieving the SDGs. This was followed in 2018 by the development of a method approach to identify those SDGs that are particularly relevant for the Evonik Group, particularly in view of the targets. An SDG is relevant for us if there is a significant positive or negative impact from or on Evonik. In 2019, we integrated the assessment of the SDG contributions into our sustainability analysis. Furthermore, our sustainability strategy was adopted. It is based, inter alia, on SDG 13 which is highly relevant for us. In the period from 2008 to 2025, we want to reduce our absolute Scope 1 to 3 CO₂ emissions by 50 percent."

www.evonik.com

More details and further examples are available in the extension to the SDG Navigator (in German language only).

www.chemiehoch3.de

FIGURE 12: EXAMPLE OF A STRATEGIC OBJECTIVE, OPERATIVE OBJECTIVES AND THE LINK TO THE SDGS

TOPICS: EMISSIONS INTO AIR, USE OF ENERGY

Strategic objective: becoming climate-neutral by 2050
(KPI: greenhouse gas emissions in tonnes/year)

Operative objective

- Reducing greenhouse gas emissions by 70% by 2030 (base year: 2019)
- Using 100% renewable energy at all sites by 2025
- ...

Indicator

- Greenhouse gas emissions in tonnes/year (base year: 2019)
- Share of renewable energies in %
- ...

Measures (selection)

- Identification and prioritization of energy saving measures at all sites by 2021
- Changing all electricity contracts to green electricity by 2025
- ...



Contribution to SDG 13:
Climate action
13.2 Integrate climate change measures into national policies, strategies and planning



Contribution to SDG 7:
Affordable and clean energy
7.2 Increase substantially the share of renewable energy in the global energy mix by 2030
7.3 Double the global rate of improvement in energy efficiency by 2030

Source: Chemie⁹

STEP 4

IMPLEMENT THE STRATEGY; FURTHER DEVELOP PRODUCTS AND PROCESSES

With the integration of the SDGs in the corporate and sustainability strategy (step 3), you have covered much ground. But this alone is not enough. It is equally important to implement the derived objectives linked with the SDGs and to apply the indicators and measures. As in a normal strategy process, this comprises inter alia the following aspects:

- ① Draw up an implementation plan and involve staff
- ② Further develop processes and products
- ③ Partnerships and cooperations to achieve the SDGs

① Draw up an implementation plan and involve staff

The implementation plan includes the definition of tasks, responsibilities, milestones and deadlines (see figure 13). As part of the detailed implementation plan, it is important to involve various company divisions and departments as well as individual sites, if necessary. Depending on the objectives, e.g. the HR department and the works council, purchasing or production can be responsible for achieving them. Planning should be broken down into concrete measures and sub-tasks.

FIGURE 13: EXAMPLE OF AN IMPLEMENTATION PLAN

2020														RESPONSIBILITIES
MEASURES AND SUB-TASKS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	...	
Ensure that all chemicals that involve risks are identified and that alternatives are found by end 2022	[Red bar from Jan to Dec]												Division: R&D; R&D engineer	
Identify by mid-2020 all chemicals that involve risks and are contained in your company's own products	[Red bar from Jan to Jun]													
By end 2020, find alternatives for all chemicals that involve risks and are contained in your company's own products							[Red bar from Jul to Dec]							Division: R&D; R&D engineer
By end 2020, identify all chemicals that involve risks and are contained in purchased products and components	[Red bar from Jan to Dec]												Division: purchasing, purchaser of components	
...														
...														

Source: Chemie³ referring to the SDG Compass

Comprehensively communicate the developed or revised sustainability strategy and the objectives, measures and implementation plan inside your company, for example, through internal communication media or training activities. Always make clear how the objectives can contribute to the success of the company, and create awareness for responsibilities and deadlines.

At best, provide incentives for the implementation of the defined objectives and measures in your company. A conceivable option is to integrate the achievement of objectives into performance appraisals or make it an element of variable remuneration.

At regular intervals, survey the progress in the implementation of the defined measures and thus the status in the achieving of objectives. This enables you to assess whether you are on schedule. Also measure the impacts of your business activities on the SDGs and environment and society, respectively (cp. step 5 Communicate progress in a transparent manner).

② Further develop processes and products

Process and product innovations can be necessary to reach the objectives of your company and to thus contribute to the relevant SDGs. Innovations offer the opportunity to open up new markets or to differentiate your business from other enterprises and sectors.

For example, new technologies can increase the energy efficiency of production processes many times over. Furthermore, product innovations can reduce negative impacts or make positive contributions to achieving the SDGs. It should always be considered that a positive contribution to one SDG might have negative impacts on another area – e.g. wind energy and solar plants positively influence SDG 7 “Affordable and clean energy” and SDG 13 “Climate action” while it might adversely affect SDG 15 “Life on land”.

FIGURE 14: ADAPTATION OR (FURTHER) DEVELOPMENT OF PROCESSES AND PRODUCTS (EXAMPLES)

ADAPTATION/
FURTHER
DEVELOPMENT
OF PROCESSES

Improving the sustainability performance of processes, e.g.

- Saving resources (energy, electricity, water, fewer rejects/less waste etc.) in production processes
- Utilization of by-products, waste, CO₂
- Sustainable transport through alternative propulsion technologies and regenerative fuels
- ...

(FURTHER)
DEVELOPMENT
OF PRODUCTS

Improving the sustainability performance of products, e.g.

- Better resource efficiency and recyclability
- Reduction / substitution of critical substances harmful to health
- Changeover to certified raw materials
- ...

New development of products with high sustainability performance

Source: Chemie³

Check whether there are already approaches in your company for the development of innovations and consider how to take into account the sustainability criteria and to contribute to the SDGs. Make sure that all relevant departments and colleagues are involved, for example, R&D, purchasing, works council, environment or quality.

PRACTICE EXAMPLES

The chemical company Covestro illustrates the importance of innovations for achieving the SDGs by setting a concrete target: "Our R&D product portfolio is in line with the UN Global Goals. By 2025, 80% of our project spending will focus on R&D in areas that contribute to achieving these goals. They will be reached in partnerships with suitable institutions or recognized by them.

🌐 www.covestro.com

In a publicly supported project, Worlée-Chemie works on building a sustainable supply chain for false flax (gold of pleasure) for the production of environmentally sound wood finishing products. False flax is cultivated together with peas in mixed cultivation; it is a raw material for a binder in the production of alkyd emulsions. This substitution of mineral oil by a renewable raw material is an important step for climate protection, preserving biodiversity as well as sustainable consumption. Thus, Worlée-Chemie contributes to SDGs 9, 12, 13 and 15. 🌐 www.worlee.com

More details and further examples are available in the extension to the SDG Navigator (in German language only). 🌐 www.chemiehoch3.de



FURTHER INFORMATION

More examples of possible innovative business models or process and product innovations in the chemical industry that are linked to the SDGs can be found in the Chemical Sector SDG Roadmap.

🌐 <https://sdgroadmaps.wbcsd.org>

Cross-sector examples are available on the Project Breakthrough platform of UN Global Compact and Volans. 🌐 <http://breakthrough.unglobalcompact.org>

The VCI study with the roadmap chemistry 2050 "Working towards a greenhouse gas neutral chemical industry in Germany" shows how, inter alia, process innovations can considerably reduce or even fully end the chemical industry's greenhouse gas emissions in Germany.

🌐 www.vci.de

3 Partnerships and cooperations to achieve the SDGs

In the meaning of SDG 17, partnerships and cooperations are important aspects for achieving the goals. There are three possibilities for this purpose:

- **Sector initiatives** where delegates from one sector jointly work on common challenges, such as Chemie³ and Together for Sustainability (TfS) in the chemical industry 🌐 www.tfs-initiative.com
- **Cross-sector initiatives of companies** where delegates from different sectors and value levels cooperate, e.g. the Value Balancing Initiative 🌐 www.value-balancing.com or the Alliance to End Plastic Waste 🌐 www.endplasticwaste.org
- **Multi-stakeholder initiatives** where delegates from different sectors (e.g. industry, science and civil society) cooperate – for example, the Initiative Champions 12.3 with the cooperation of various actors to reduce food waste 🌐 www.champions123.org

SDG 17:

Strengthen the means of implementation and revitalize the global partnership for sustainable development



FURTHER INFORMATION

As a global inventory, the UN online platform “Partnerships for SDGs” gives an overview of various initiatives and multi-stakeholder partnerships, sorted by SDGs. 🌐 <https://sdgs.un.org>

At the UN Business Action Hub, companies can find examples of how other businesses cooperate with the United Nations on specific topics to achieve the SDGs. There is also information on cooperation options. 🌐 www.business.un.org

STEP 5

Communicate progress in a transparent manner

In the earlier steps on major topics and SDGs, you developed a strategic approach, broke it down into processes and implemented it, where necessary. The final step 5 is about communicating the approach and the progress achieved – both internally and externally.

In general, the SDGs can contribute to finding a common language for the broad and complex subject area of sustainability. Internally, the reference to the SDGs can help raise awareness of staff for sustainability as an issue and the developed approach, motivate employees and illustrate the contributions to a sustainable development. For external stakeholders, the SDGs create a recognition value and emphasize the company's responsibility for societal challenges. Transparent reporting on sustainability and the SDGs helps to meet stakeholder requirements as described in chapter 1 and to credibly inform about the company's own measures and progress.

The communication on the SDGs should describe the process that has been gone through under this Guide as well as its results. Possible content items in reporting could be:

- Overview of the SDGs identified as relevant, possibly linking them to the material sustainability topics
- Explanation of why and how the respective SDGs were identified as relevant, e.g. process for the identification and prioritization of relevant SDGs together with the necessary involvement of stakeholders, staff etc.
- Significant impacts, whether positive or negative, of your company on the SDGs
- Derived objectives and progress already made, including indicators
- Strategies and approaches for managing the impacts in respect of the material topics and SDGs (e.g. guidelines or ISO standards) and measures implemented accordingly

Advanced companies report not only on the individual indicators, they also inform about the impacts of their activities on the SDGs and the environment and society (keyword: measuring the degree of impact, see page 16).

PRACTICE EXAMPLE

Both internally and externally, Wacker Chemie uses a video to provide interactive information on the SDGs and the company's contribution to those SDGs that are deemed particularly relevant.

<http://reports.wacker.com>



PRACTICE TIP

The SDG target 12.6 explicitly encourages companies to include sustainability information in their reporting. With sustainability reporting, you already meet an important SDG target.

Additionally to content, it is important to select suitable channels for communication on the SDGs and the sustainability approach generally. Possible formats are:

- The company website, perhaps with a separate micro-site on the SDGs
- The (integrated) annual report or the sustainability report
- Media such as company blogs, videos or social media channels
- Internally: intranet or in-house newsletters, magazines etc.

Companies frequently choose their websites or sustainability reports to communicate their sustainability approach and the SDGs.

This 5-step Guide ends with the reporting on the SDGs. However, you should periodically review and update the applied approach as well as the identified issues and priorities, in order to respond to external and internal changes.



FURTHER INFORMATION

In cooperation with other organizations, the Global Reporting Initiative (GRI) and UN Global Compact published a three-part series on SDG reporting. By indicating contact data, the publications are available for download:

- Business Reporting on the SDGs: An Analysis of the Goals and Targets (2017) www.unglobalcompact.org
- Integrating the Sustainable Development Goals into Corporate Reporting: A Practical Guide (2018) www.unglobalcompact.org
- In Focus: Addressing Investor Needs in Business Reporting on the SDGs (2018) – together with the Principles for Responsible Investment www.unglobalcompact.org

The GRI also provides an overview of the SDGs with linkage to GRI standards www.globalreporting.org. An even more detailed, interactive database of GRI indicators and further SDG-relevant indicators is provided on the SDG Compass website. www.sdgcompass.org

The SDG symbols can be used in accordance with the UN guidelines. These and the symbols in the six official languages of the United Nations are available for download on the UN website. www.un.org



CHEMIE³ TOOL BOX

The Chemie³ guide gives good orientation for a first start in sustainability reporting. Beside a possible course of action and templates for “beginners”, there is an overview with a selection of relevant reporting standards. The guide can be accessed on the Chemie³ website (available in German language only).

www.chemiehoch3.de

SUMMARY

Many topics and fields of action addressed in the SDGs are not new. For a long while, some of them have been taken up by companies and included in existing systems, e.g. through ISO standards or social and environmental standards such as the Eco-Management and Audit Scheme (EMAS) or the Standard for Social Accountability (SA8000). This means that companies do not need to start from scratch. Instead, the SDGs bring the opportunity for businesses to step up their existing strategies and communication activities and to arrange existing measures in the right places. We have summed up the following points that should be considered in such efforts:

- Determine to what extent your company's existing activities already contribute to the SDGs and identify further potentials. Involve your staff in this process.
- Take into account both negative and positive impacts.
- When integrating the SDGs in your strategy and core business, pursue a systematic (sound) and well-balanced approach, in order to avoid "SDG washing". This Guide outlines a possible course of action.
- It is more target-oriented and credible to focus (initially) on a smaller number of SDGs than to try to cover all goals at once.
- Evaluate the possibilities for cooperation both within your industry and across sectors.
- Communicate your approach and your progress in a transparent manner and in regular intervals, but also provide information about challenges and adverse effects, if any.
- Use the SDGs to report on your contribution to addressing societal challenges.

FIGURE 15: THE DOS AND DON'TS REGARDING THE SUSTAINABLE DEVELOPMENT GOALS

DOS

- ✓ (Initially) focus on the most relevant SDGs
- ✓ Make the process of identifying and prioritizing the material SDGs transparent
- ✓ Communicate a systematic approach, concrete objectives, measures and indicators
- ✓ Also address the negative impacts of the SDGs or challenges

DON'TS

- ✗ Use the SDG logos without concretely dealing with their content: suspicion of "blue washing"/ "SDG washing"
- ✗ "Cherry picking" (random selection of SDGs)
- ✗ Attach equal importance to all SDGs
- ✗ One-sided reporting exclusively based on SDGs

Source: Chemie³

ANNEX

This Annex provides readers with further information:

- Chemie³ guidelines, Chemie³ progress indicators and the SDGs
- Sources of further information and practical tools

SUSTAINABILITY GUIDELINES

FOR THE CHEMICAL INDUSTRY

IN GERMANY

1 Integrating sustainability into the corporate strategy

Enterprises in the chemical industry make sustainability an integral part of their corporate strategy. Sustainability is relevant to all areas of business. The setting of individual targets prompts each company to adapt to the principles of sustainable development gradually and consistently. The employees are actively involved in this process.

Ideas and suggestions put forward by members of the general public, politicians, the business community and academia are noted and evaluated. Enterprises anchor all three dimensions of sustainability in their strategies – economy, environment, and society:

- Long-term economic targets, global competitiveness and sound financial health of the enterprises are the basis for jobs, innovations and investments. Enduring business success benefits the employees, the owners or shareholders, and the economy.
- The protection of people and the environment and the responsible use of resources are firmly anchored in the companies and are supported and continuously further developed through the implementation of programmes such as Responsible Care.
- The enterprises see themselves as part of society and stand for active social responsibility. In Germany, translates into commitment to the country's social market economy ("Soziale Marktwirtschaft") and their engagement in the unique social partnership within the chemical industry. Chemical industry enterprises respect and uphold human rights worldwide. Compliance with laws and regulations is a basic obligation for all companies and a prerequisite for sustainable business.

Chemie³ progress indicators

- 1 - Companies with clearly defined sustainability targets
- 2 - Companies with compliance processes
- 6 - Companies driven by/committed to the UN Guiding Principles on Business and Human Rights or similar guidelines
- 40 - Use of the Chemie³ support offers



2 Achieving sustainable investments and value creation

The companies in the chemical industry design their business policies for long-term value creation. Maintaining and improving global competitiveness and securing jobs are of paramount importance. The companies actively work to create sound business structures and establish internal incentive systems designed to promote long-term success. When investing, they combine efficiency with safety, environmental protection, optimised energy and resource use with social responsibility, while applying comparable standards all over the world.

Chemie³ progress indicators

- 23 - Gross value creation
- 24 - Gross value creation as a share of all German industrial output
- 25 - Investments
- 40 - Use of the Chemie³ support offers



3 Promoting economic stability and global cooperation

Through their economic success, enterprises in the chemical industry create regional and global development opportunities and thus contribute to the economic stability in the local areas where they operate. They show their commitment on a national and international level as partners for sustainable development and as responsible role models. They work to ensure that high environmental and social standards are applied in their value chains around the world.

Chemie³ progress indicators

- 3 - Companies applying sustainability criteria to their selection of suppliers
- 26 - World trade share
- 27 - Trade balance
- 40 - Use of the Chemie³ support offers



4 Driving sustainability through innovation

Enterprises in the chemical industry develop innovative solutions to meet global and national challenges. Through significant investments in research and development they create added value for business and society. When developing new products and processes, they consider sustainability issues at an early stage.

Chemie³ progress indicators

- 28 - Expenditure on research & development
- 29 - New patent registrations
- 30 - Research and development staff
- 31 - Companies incorporating sustainability criteria into their innovation and development processes
- 40 - Use of the Chemie³ support offers



5 Implementing sustainability in operational processes

Enterprises in the chemical industry establish their own individual procedures and structures to ensure clear allocation of responsibilities for implementing their sustainability measures and continuously improving their processes and products. They integrate measures in their corporate processes to abolish child and forced labour as well as to fight corruption.

Chemie³ progress indicator

- 40 - Use of the Chemie³ support offers



6 Securing decent work and an active social partnership

Enterprises and employees in the chemical industry believe in collaborating as social partners and in decent working conditions as a prerequisite for sustainable development. They see the unique chemical industry social partnership as the best way to balance the interests of employers and employees to their mutual benefit. This is also achieved by applying these principles and collaborating as partners on the enterprise level. Through collective agreements and commitment to such agreements, social partner agreements, co-determination and other forms of collaboration, employers' associations, trade unions, corporate management and works councils establish an atmosphere of security, participation and transparency, while ensuring decent and competitive working conditions in Germany. The enterprises actively include their employees and encourage them to become involved and assume responsibility. They shape sustainable development in a spirit of partnership and endeavour to promote good social standards nationally as well as internationally.

Chemie³ progress indicators

- 7 - Cooperative working relations between the social partners
- 8 - Average income per employee
- 9 - Companies covered by collective agreements
- 10 - Employees covered by industry-wide collective agreements
- 11 - Companies with a works council
- 12 - Employees represented by a works council
- 40 - Use of the Chemie³ support offers



7 Managing demographic change and securing skills

Enterprises and employees in the chemical industry see managing demographic change as a shared responsibility. Social partners, management and works councils are further developing their collective agreements and socio-political activities in this area. Enterprises and their employees are committed to promoting professional and vocational training, life-long learning, and assuring the availability of skilled employees as well as establishing work arrangements that are compatible with different phases in life and are family friendly. Employers and employees rely on a good education, a high skill level, and reaching the full potential offered by diversity in the workforce.

Chemie³ progress indicators

- 11 - Companies with a works council
- 12 - Employees represented by a works council
- 13 - Companies offering collectively negotiated/ company pension schemes
- 14 - Companies with collective agreements regarding an old-aged and aging workforce
- 15 - Companies offering preventive healthcare and health counseling
- 16 - Companies offering flexible working time models
- 17 - Trainee positions offered
- 18 - Trainees taken on into regular employment
- 19 - Places for pre-vocational-training measures
- 20 - Investments in continuous training
- 21 - Companies offering continuous training opportunities
- 22 - Diversity and equal opportunities (percentage of women/average age/share of foreign employees)
- 40 - Use of the Chemie³ support offers



8 Protecting people, the environment and biodiversity

Enterprises and employees in the chemical industry are committed to protecting people, the environment and biodiversity around the world. In a continuous improvement process, they take into consideration not only their own processes but the entire life cycle of their products. They place a high priority on product and plant safety as well as continuous process optimisation and act according to the principles of the Responsible Care initiative. By assessing risks at an early stage, the companies help to ensure that potential safety risks relating to their products and processes will be detected and can be avoided. Companies seek ways to strike a balance between economic, environmental and social impacts when using biological diversity for purposes of biotechnological and pharmaceutical innovation.

Chemie³ progress indicators

- 32 - Companies with management systems for updating or quality-assuring their REACH dossiers
- 40 - Use of the Chemie³ support offers



9 Promoting resource efficiency and climate protection

With highly energy-efficient production facilities, resource-friendly processes and innovative products for their customers, enterprises in the chemical industry make a significant and indispensable contribution to global climate protection. They continuously improve efficiency with regard to feedstocks and energy use, for economic as well as environmental reasons. In doing so, they consider the overall product life cycle.

The businesses utilise renewable and recyclable raw materials wherever this is technically feasible and economically, environmentally and socially useful or desirable to do so.

Respect for natural habitats when sourcing raw materials is of major importance.

Chemie³ progress indicators

- 34 - Absolute greenhouse gas emissions (Scope 1 and 2)
- 35 - Specific greenhouse gas emissions (greenhouse gas emissions per production unit, index 2000 = 100)
- 36 - Companies collecting data on Scope 3 greenhouse gas emissions
- 37 - Companies with efficiency targets for the usage of raw materials and amount of produced waste
- 38 - Specific use of raw materials
- 40 - Use of the Chemie³ support offers



10 Engaging with communities as good citizens

As good citizens, enterprises and their employees promote sustainable development in the local communities where they do business at national and international level. They are active partners to the regional actors, engaging in activities and encouraging volunteering so that people in their region can live well. In particular, they help to create educational and other opportunities to empower young people.

Chemie³ progress indicator

- 40 - Use of the Chemie³ support offers



11 Creating transparency and showing integrity

Enterprises in the chemical industry ensure that their efforts to promote sustainability are communicated in a transparent and understandable way to employees, customers, and the general public. When doing so, they use recognised standards and indicators as an orientation. Companies and their employees behave with openness, credibility and integrity in their dealings with policy-makers and the general public.

Chemie³ progress indicators

- 4 - Companies with public sustainability communication
- 40 - Use of the Chemie³ support offers



12 Fostering a dialogue and enhancing participation

Enterprises of the chemical industry seek a dialogue with their stakeholders in politics, society, academia and the business community in order to include their knowledge, values and interests in their business decision processes. In addition, they encourage involvement and participation of their employees in the decision-making process and maintain a dialogue with the communities they operate in.

Chemie³ progress indicators

- 5 - Companies entering into regular dialogue with stakeholders on sustainability topics
- 40 - Use of the Chemie³ support offers



ADDITIONAL LINKS

GUIDELINES

GRI/UN Global Compact/WBCSD:

SDG Compass
www.sdgcompass.org

Linking the SDGs and GRI
https://www.globalreporting.org/resourcelibrary/SDG_GRI_G4_Linkage.pdf

GRI/UN Global Compact:

Integrating the SDGs into Corporate Reporting
 A Practical Guide
https://www.globalreporting.org/resourcelibrary/GRI_UNGC_Reporting-on-SDGs_Practical_Guide.pdf

Business Reporting on the SDGs
 An Analysis of the Goals and Targets
https://www.globalreporting.org/resourcelibrary/GRI_UNGC_Business-Reporting-on-SDGs_Analysis-of-Goals-and-Targets.pdf

UN Global Compact:
 Blueprint for Business Leadership on the SDGs
www.unglobalcompact.org/docs/publications/Blueprint-for-Business-Leadership-on-the-SDGs.pdf

SECTOR SPECIFICS

UN Global Compact/KPMG:
 SDG Industry Matrix
www.unglobalcompact.org/docs/issues_doc/development/SDG-industry-matrix-enrc.pdf

WBCSD:
 Chemical Sector SDG Roadmap
docs.wbcsd.org/2018/07/Chemical_Sector_SDG_Roadmap.pdf

International Council of Chemical Associations:
 Global Chemical Industry Contributions to the Sustainable Development Goals
<https://www.icca-chem.org/wp-content/uploads/2017/02/Global-Chemical-Industry-Contributions-to-the-UN-Sustainable-Development-Goals.pdf>

Federal Environment Agency:
 Contributions to the sustainable development strategy:
 reduction of resource consumption in the chemical sector
 by instruments of sustainable chemistry
www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2017-06-14_texte_38-2017_nachhaltige-chemie-en.pdf

CHEMIE³ ALLIANCE PARTNERS

BAVC
www.bavc.de

IG BCE
www.igbce.de


VCI
www.vci.de



SUPPORT OFFERS

CHEMIE³ SUPPORT OFFERS

This Guide was published in March 2020 and can be accessed at www.chemiehoch3.de.

It is supplemented by an online extension with practice examples from the industry and a  **tool box** with the following content (available in German language only):

- List with examples of topics for chemical companies
- The 17 SDGs and connected corporate topics
- Template for determining the relevant SDGs, including objectives and
- targets (Excel chart in German language)
- Template for the definition of objectives

The above tools are available free-of-charge for members of VCI, IG BCE and BAVC. They can be ordered by e-mail from nachhaltigkeit@chemiehoch3.de.

Chemie³ provides further support offers to get companies started on sustainability topics. These include, inter alia

- Chemie³ webinar series “Sustainability in corporate practice”
- Workshops and expert events
- Chemie³ series of guidance documents
 - Sustainability reporting for medium-sized companies in the chemical industry
 - Sustainable supply chain management for medium-sized companies in the chemical industry
 - Training enhances sustainability in chemical companies
 - SDG Navigator for chemical companies
- Chemie³ sustainability check
- Good Practice examples

IMPRINT

PUBLISHER

Verband der Chemischen
Industrie e.V.

Mainzer Landstraße 55
60329 Frankfurt am Main
www.vci.de

IG BCE Industriegewerkschaft
Bergbau, Chemie, Energie

Königsworther Platz 6
30167 Hanover
www.igbce.de

Bundesarbeitgeberverband Chemie e.V.

Abraham-Lincoln-Straße 24
65189 Wiesbaden
www.bavc.de

Concept, contents and design
Schlange & Co. GmbH, Hamburg



Status
March 2020

Source title: UN



CHEMIE³

THE SUSTAINABILITY INITIATIVE OF THE
GERMAN CHEMICAL INDUSTRY

