

# National Responsibility Framework for Sustainable Development: Responsible Business Framework integrating SDGs

A Multi-Stakeholder Consultative Process

By

**Ambreen Waheed**

**Responsible Business Initiative**



© 2019 Planning Commission of Pakistan & Responsible Business Initiative  
All rights vested as defined in the project document.

For references please use the following citation

***Waheed, Ambreen “National Responsibility Framework for Sustainable Development: Responsible Business Framework integrates SDGs”, Framework for enhancing Corporate role for sustainable development in Pakistan. presented to multi-stakeholders through consultative meetings and discussions with institutional Senior representative, supported by UNDP and Planning Commission of Pakistan. Responsible Business Initiative, Lahore-Pakistan (March 2019,***

## NATIONAL RESPONSIBILITY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

**“Playing a positive role in society doesn’t need to be at the cost of financial outcomes. Business that make a genuine commitment to sustainable development outperform the market”<sup>1</sup>**

“The story of CSR in the 21st century is a story of progressive business sensitization to systems and dynamics of governance beyond government, regulation beyond law, and responsiveness beyond responsibility  
-Horrigan, 2007

### EXECUTIVE SUMMARY

Attributing to Global emphasis on Sustainable Growth and role of 21<sup>st</sup> Century Corporations in sustainable development, the Planning Commission of Pakistan has initiated development of a ‘National Responsibility Framework’ to facilitate nation’s Institutional stakeholders to systematically and effectively play their part in enabling corporate sector contributions to sustainable development by positively impacting Sustainable Development Goals (SDGs).

This document presents and explains National Responsibility Framework for Sustainable Development (NRFoSD) developed through a Multi-Stakeholder Involvement process, aimed to guide and facilitate diverse stakeholders to play their part and gain opportunities linked to Responsible Business Practices in current dynamic global market focused at sustainable growth. Sustainable Growth (SG) or Sustainable Development (SD) notion borrows relevant features from different old and upcoming concepts like Green Growth, Green Economy, Corporate Social Responsibility (CSR), Triple Bottom Line (TBL) and will be used alternatively in the document as appropriate.

NRFoSD is a basic structure underlying a system or concept hence it aims to identify mandate, potential roles of, and conceptual linkages between different Institutions to create an enabling environment for responsible actions. The framework sets the ground for exploring opportunities and highlighting potential actions by these institutions towards awareness, policy & process development, implementation, progress mapping and performance evaluation.

The Private sector contributes to SD by directly financing, adding value through shared value, or impacting SDGs by implementing Responsible Business Practices guided by Responsible Business Framework (RBF). 21<sup>st</sup> century Corporations survival is linked to the adoption of Responsible Business Practices hence NRFoSD focuses on encouraging responsible practices through relevant policies, regulation and incentives and institutional support.

Responsible Business Initiative’s (RBI) RBF (2002) was designed considering, past, present and future risks related to Environment, Equity, Ethical and Economic and Global Sustainability. It was mapped with thoughts prevalent in developed and developing world at different institutional and regional level. RBF has global and local recognition and acceptance. RBF systematically integrates different responsible initiatives and actions already in place, identify gaps, and propose future interventions to gain from current best practices. It

---

<sup>1</sup> 2030 purpose: good business and a better future connecting sustainable development with enduring commercial success (January 2017)

enhances Institutional Responsibility for long-term positive impact and payoffs in terms of organizational financial gain and Sustainable Development at National level.

To mainstream responsible business principles in Institutional strategies and national policies we must first understand Pakistan's responsibility context. The existing global and local scenario was considered and entrepreneurial ecosystem was understood through archival search, consultative meetings, and talking to senior and middle management at regulatory bodies, chambers, relevant ministries, educational institutes, representative bodies of SMMEs and Startups.

Public and Private initiatives at global and national level were mapped using RBF. Actions required related to Perception, Policy, Practice, Progression and Performance for 6 Responsibility Pillars are suggested for implementation and defining Institutional roles is presented in Table ( Annex-3 ).

In Private sector varying responsibility levels were noticed, from confusing corporate responsibility with charity and community interventions to good Business practices. Some responsibility aspects were followed as compliance and responsible practices accomplishing positives social & environmental impacts but ethics was missing in most cases.

Public sector has legal requirements and regulations for environment and social compliance but lack, more responsibility focused policies and incentive to encourage business, and stringent processes to ensure implementation of responsible practices. Government institutions also need to follow responsibility pillars e.g. Improve governance to manage; follow principles of transparency, traceability and accountability to build trust; ensure own institutions compliance to environmental and social standards for efficiency, cost effectiveness and role modeling.

An integrated approach for both Public and Private sector focusing each and every responsibility element and following steps in responsibility path are needed to bring conceptual clarity and build capacity through creative collaboration and to attain SDG targets and sustained economic growth cost effectively. Instead of wasting energy on building new policies, guides and practices by discarding old focus, we need to fill the gaps and identify the root cause of inaction. Rather than trying to implement policies by force, create awareness on benefits of integrating Responsible practices into organizational strategic policies. The beneficial and relevant policies, strategies and actions produce positive impact and Impact speaks for itself. It also saves organizations from stress of understanding and following complicated reporting formats as reporting becomes easy and pertinent if actions are planned with long term impact in focus.

To engage business and startups in Responsible Business Practices in order to avail opportunities all stakeholders have to demonstrate their responsibility. For such multidimensional transformation an independent governance structure is a must which will steer all stakeholder towards Creative Constructive Collaborations for Responsible Competitiveness

Proofpoint's are crucial to exponentially accelerate sustainable development. A government institution or a Business entity can be developed on RBF concept to demonstrate benefits.

## INTRODUCTION

Pakistan is one of the first countries to adopt and commit to the United Nations 2030 Agenda for Sustainable Development. The strong interest of global businesses in aligning their practices to the Sustainable Development has helped underline their importance as a critical stakeholder in successfully achieving SDG targets by 2030. A collective process is needed, in which a wide variety of actors contribute according to their strengths and interests. National and local government, private companies (including financial and service sector), civil society organizations, knowledge institutions and young people are partners in implementing SDGs in Pakistan. All partners have welcomed the Agenda 2030 and are dedicated to achieving them through an enabling environment for Responsible Business Practices. It is useful to perceive responsible competitiveness concept and responsible business guide as key structure for guiding and accelerating its own ongoing efforts towards sustainable development ambitions.

The process of developing National Responsibility Framework for Sustainable Development (NRFoSD) aims to mainstream Responsible Business perception and practices and accelerate policy support to create enabling environment for Responsible Business and Global Agenda 2030.

## CONCEPT & CONTEXT

### Definitions

**Framework:** Broad overview, structure or Skelton of interlinked items supporting an approach to a common objective, serves as a guide that can be modified as required by adding and deleting items within structure.

**Corporate Social Responsibility (CSR):** When business ensures; it remains profitable but these profits do not come at an unsustainable cost to **Society, Environment, Government and Values**.

**Responsible Business (RB):** Focuses more on how responsibly businesses make profits than how much and where they (give charity) use its profits. Corporates ensure they remain profitable but these profits do not come at the unsustainable cost of Environment, Society, Values & Government.

Business of Business is Business.  
Responsible Business not only create opportunities for themselves but are instrumental in generating positive image for the country and have the potential to contribute extensively to Sustainable Growth

**Green Economy (GE):** Simultaneously promotes sustainability and economic growth through a variety of institutional reforms and regulatory, tax, and expenditure-based economic policies and tools. promote the transition to economies that are low carbon, resource efficient and socially inclusive.

**Sustainable Growth (SG):** Economic growth that can continue over the long term without exhausting resources and causing environmental problems for themselves and the next generation.

**Sustainable Development (SD):** Economic development that is conducted without depletion of natural and human resources.

**Sustainable Development Goals (SDGs):** Blueprint to achieve a better and more sustainable future for all. SDGs address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and in order to leave no one behind it is important that we achieve each Goal and target by 2030.

**Global 2030 Agenda for Sustainable Development:** is a plan of action for achieving SDGs. The Goals and targets will stimulate action over the next fifteen years in areas (1. **People** 2. **planet** 3. **Prosperity** 4. **Peace** 5. **Partnerships**) of critical importance for humanity and the planet <sup>2</sup>.

**Responsible Business Framework<sup>3</sup>** : Is a Multidimensional integrated framework which enable organizations to achieve sustainable growth by laying its strategy on 6 conceptual pillars and following the Path to responsibility to gain Prosperity/Payoff. Responsible Business stands on 6 core elements (Pillars: 1. **Governance & Management** 2. **Values & Principles**, 3. **Compliance and Disclosure**, 4. **Stakeholder Involvement & Community Investments**, 5. **Product & Production** and 6. **Financial Viability & Economic Impact**), takes business to performance by accelerated responsibility steps (PATH 1. **Perception** 2. **Preparedness** 3. **Policy** 4. **Practice** 5. **Progression** 6. **Performance**)

When the Responsibility pillars of an organization are strong and well grounded into organization's strategy and governance structure and Responsibility Path is efficiently followed, then organization is sure to cut down on its operating cost. It also adds to organizational prosperity, performance and financial stability while positively impacting sustainable development and SDGs. Performance measures for different organizations can be diverse and wide-ranging depending on the its work nature and objectives.

#### PILLARS

**G&M** Serves as **Umbrella** providing protection through strategic guidance

**V&P** Convey organization purpose and direction through clearly stated Principles and Values

**C&D** Follow Legal and Ethical requirements and Compliance to Soc and Env Disclosure of positive and negative impacts transparently.

**S&C** Stakeholder Systematic Involvement for feedback on business impact related to them gives valuable insight and tools for mitigation of future Risks.

**P&P** Product and Process through which product is produced has Respect for people and planet avoid misleading Consumer through deceptive marketing and unethical advertisement

**F&E** is **Foundation** on which Business Stands. Stronger if profits made with long term vision connecting all the RB pillars

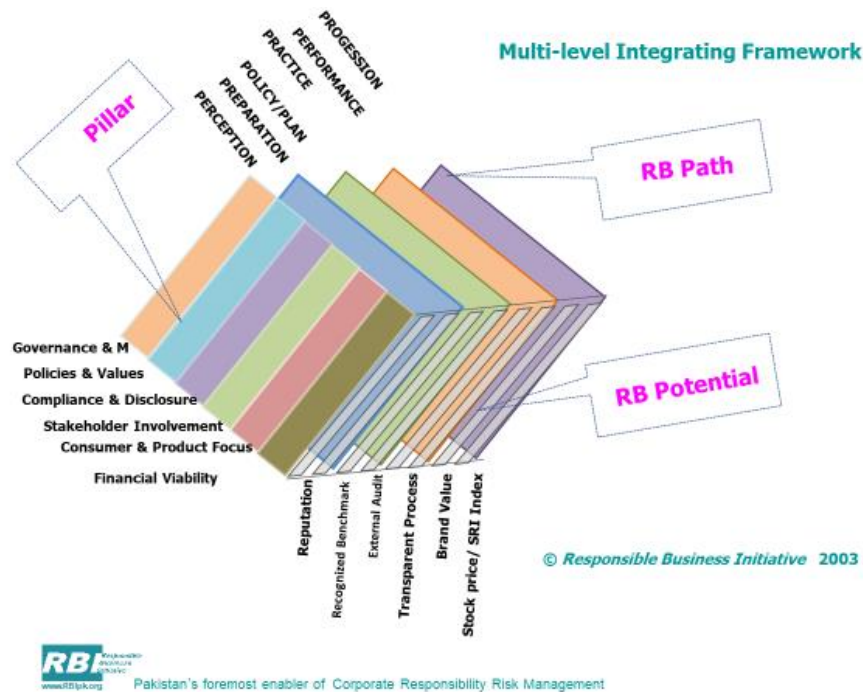
**Timely and Transparent communication is supported by innovative Technology tools**

Responsible Business Framework was developed in 2003 with past Industry experiences, current Global CSR issues, future trends and opportunities for developing countries in consideration, and focus on Islamic precepts of ethics and responsibility. RBF is internationally recognized and has contributed to and covers different upcoming CSR and Sustainability concepts and requirements from different regimes (CSR, Green Economy, Fairtrade, GRI process, UN-Global Compact Principles, OECD, Transparency, Responsible Competitiveness, Anticorruption, Accountability, TBL, SDGs, SRIs)

---

<sup>2</sup> High-level Political Forum on Sustainable Development is the central UN platform for the follow-up and review of the 2030 Agenda for Sustainable Development adopted at the United Nations Sustainable Development Summit on 25 September 2015.

<sup>3</sup> RBI's Responsible Business Framework (RBF); RBF is a conceptual and process framework to help businesses determine direction of Corporate Responsibility and its impact on the bottom-line. RBG Emerged from direct and intensive engagement with its diverse stakeholder universe help map organizational Responsibility Performance



The RBF framework aligns these 6 core aspects within the context of global competitiveness. It offers a set of integrated yet distinct actions called RB Path (Perception, Preparedness/Policy, Process/Procedure. Practice, Performance/Progression) to Responsibility Payoff that any entrepreneur or company (MNC, Large Medium or Small) can take on its own to gain Responsible Profits. RBF was developed keeping in, past present and future Sustainability demands and business EEEE (Ethics, Equity, Environment, Economic) risks in focus. It covers all the current and upcoming concepts and RB path has the potential to integrate and respond to and report on new and upcoming Global Sustainability requirement and regulations from Pakistan related to GSP+. Green economy, Human rights conventions, SDGs and has the potential to attract FDIs, SRIs and Impact Investors.

We can leverage on Corporate Social Responsibility by understanding RBF-Pillars, designing and implementing Responsible Business policies and practices, at public & private Institutional level, following RBF-Path to achieve the SDGs for RBF-Payoff the sustainable economic growth. Sustainable development Agenda 2030 provide extensive opportunity for responsible businesses to align their responsible business practices with SDGs. RBF have tremendous potential to develop an interconnected model for sustainable growth represented as SDGs. There is significant overlap for business in areas of both the SD and RB.

The convergence of corporate resources and knowledge with the passion and expertise of civil society organizations under the guidelines and supervision of government policies are key in achieving the sustainable development goals seamlessly.

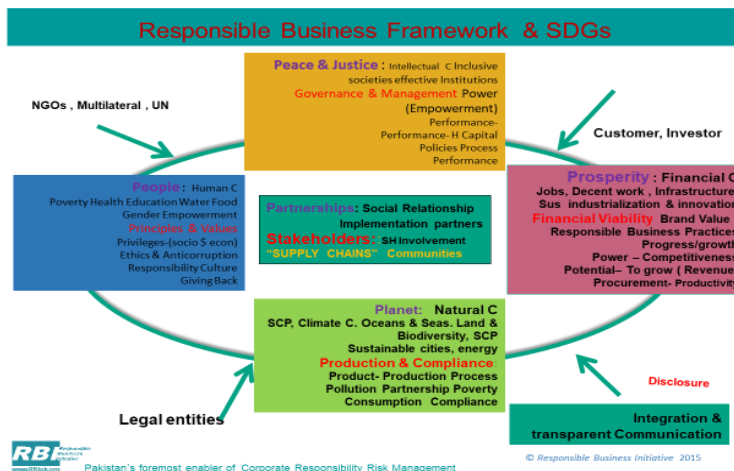
Along with strategic business benefits, RBF also serve as a tool for Business to manage increased scrutiny from various stakeholder groups (investors, Media, Customers, Community, Regulators) over various environmental, equity, ethics and economic issues to achieve sustainable growth.

## Building on the six pillars

NRFoSD builds on RBI's Responsible Business Framework model. It encompasses the Six Pillars of Responsible Business. Each pillar represents an aspect of business that can be targeted for improvement and made to contribute towards making a company responsible and contribute to achieving any one or multiple SD targets. The following diagram gives an overview of the 6 pillars and how it can translate into SD through NRFoSD framework.

Responsible Companies require 6 distinct steps to progress from thought to action, RBF's 6-Ps: Perception, Policy, Process, Practice, Performance, Progress/Payoff. Arraying the Six Pillars against the 6-Ps, we get a framework that is, based in consolidating the national effort of public and private sector in mutually profitable synergies with the ultimate culmination of achieving SD (see table in annexure). The RBF 6 Pillars when translated into Business Practices impacts one or more of SD targets. Following diagram is an effort to visualize the similarities and connection between the 6 pillars and five major areas of SDGs (**People, Planet, Prosperity, Peace & Justice and partnership**). In practice there is a lot of overlapping among these five areas and SDGs and RBF pillars and its performance indicators.

In the Framework we will benefit from the interconnection between pillars and SDGs 5Ps and build on the RBF path to develop Nation Perception, Policy, Procedure, Practices, performance evaluation tools, and Payoff as SDGs targets to enable positive Corporate role in achieving SDGs. The RBF Pillar-Disclosure encourages transparent communication to relevant stakeholders. The communication formats will be modified based on NR-SDG framework requirement so information from all sources can be easily retrieved and used for collective National disclosure on SDGs in the form of Voluntary National Review (VNR) by the National Institutes.



Responsible Business Framework<sup>4</sup> support & takes Sustainable Development goals to next level

<sup>4</sup> RBI's RBF developed in 2002 is a comprehensive framework development with integration and future demand of dynamic global market



## Global Scenario: Sustainable Development

Responsible competitiveness of nations is essential to achieve sustainable development in today's globalized world.

Responsible Competitiveness means markets where businesses are systematically and comprehensively rewarded for more responsible practices, and penalized for the converse (Accountability 2003).

**Responsible competitiveness is about making sustainable development count in global markets** through public policies, societal norms and citizen actions

Responsible Competitiveness is about making sustainable development count in global and local markets. These markets reward business practices that deliver improved social, environmental, and economic outcomes. It brings economic success and competitiveness for nations that encourage good

business practices through public policies, societal norms, knowledge creation and citizen actions. Sustainable Development Goal 8 “Decent Work and Economic Growth” targets inclusive and sustainable business practices. This requires long term and collaborative approach from both public and private sector.

“The facts of pervasive poverty and inequality suggests that the ‘trickle down’ of undirected economic growth will not deliver sustainable development on its own. What is required is a more responsible form of competitiveness. ”

For Government to align itself with changing Global dynamics and SDGs compliance and convert the chore of compliance into opportunity for sustained economic growth requires inclusion and integration of Private sector into policy development process. For achieving global agenda 2030 through SDGs targets in-collaboration with private sector, the focus needs to be shifted from short term benefits to long-term impact by expecting less of financial resources from private sector and partnering with them to support Responsible Business practices. For companies moving from short-term philanthropic “check-writing” actions to integrating CSR into their business model for long term inclusive economic growth, is not easy, as company decision-makers currently have little understanding and no guidance readily available for developing an integrated CSR strategy. Similarly, for alignment with the SDGs they need rethinking, guidance and support.

**The government needs to facilitate these businesses by not only providing tangible guidelines through tools of public policies, platforms, and incentives but also helping in implementation through regulations and assessment procedures.** Such guidelines with proper implementation systems and institutional structures would help business understand and implement globally recognized principles of responsible business in locally relevant ways.

## Local Scenario and Background

In 2005 SECP-UNDP-RBI carried a mapping research “State of evaluation of CSR in Pakistan and strategy for implementation” using RBI’s Responsible Business Framework. This led to actions toward a National Multi-Stakeholder Platform charged with facilitating open exchange of ideas and experience of Pakistani companies as they compete in a globalized marketplace that increasingly emphasizes corporate social responsibility. The research highlighted trends, gaps, opportunities and recommended actions like a National CSR forum and formulation of the RBI Responsible Business framework (RBF)<sup>5</sup> into easy to follow guidelines/toolkit to assist Companies in adopting Responsible Business practices.

In 2009, the SECP issued the Companies (Corporate Social Responsibility) General Order, applicable to all public companies. According to the said order, every company is required to provide descriptive as well as monetary disclosures of the CSR activities undertaken during each financial year in the directors’ report to

the shareholders annexed to the annual audited accounts. There was no guidelines and format for CSR report. Absence of specific requirement for impact led large companies to adopt disclosure of environment and social spending as public relation exercise. Hence making it difficult for stakeholder to assess the company regarding CSR priority areas, utilization of resources and implementation effects. In 2010 RBI developed “Responsible Business Guide: toolkit for winning Companies” to help companies gain conceptual clarity on and implement Environmentally, Socially and Ethically Responsible Business Practices while evaluating and communicating the Impact to all stakeholders following easy to implement steps.

Following a series of consultations with representatives of the business sector and subject experts, on 5th December, 2012, SECP granted approval for introducing corporate social responsibility (CSR) Reporting Guidelines and in 2013 formally initiated the convening of a National CSR Forum led by Responsible Business Initiative (RBI). In consultative meeting among Heads of PPAF, PCP, IBA and PICG, mandated RBI and PICG to initiate awareness on Responsible Business Guide for Responsible Best Practices leading to a National CSR Framework. With change in governance structure above mentioned forum lost interest and momentum.

The Koran is unequivocal in its condemnation of unfair business dealings. Injunctions governing principles of trade emphasise the concept of *Adl*, wherein a business is encouraged to seek profits but is required to conduct itself with honesty (*Amaanah*), for the good of society (*Ihsaan*) and in the public interest (*Istislaah*). Ancillary principles include spending on social causes (*Infaaq*), faith (*Tawakkal*) and moderation (*Iqtisaaad*). To conform to socially just principles makes profits “preferred” or “favoured” (*Halaal*), whereas greed (*Hirs*), hoarding (*Ihtikaar*), profiteering (*Iktinaaz*), injustice (*Zulm*) or waste (*Israaf*) threaten to render profits “prohibited” (*Haraam*). Fair trade within freemarkets is encouraged and productivity considered a virtue. Through the mandatory obligation to share wealth (*Zakaat*),

---

<sup>5</sup> Responsible Business Guide (RBG-2010) was developed by RBI with support from Centre for International Enterprise (CIPE) through extensive Multi-stakeholder Institutional Involvement using RBI Responsible Business Framework (RBF-2001)

## PRESENT REALITY AND NEED

With emerging need to follow agenda 2030, focused on Sustainable Development Goals (SDGs) and Global Business Interest in supporting SDG, the government has the opportunity to involve Pakistani Private Sector and related Institutions to align with and contribute to National agenda.

To take this National agenda further and in pursuance of the directions of Minister for Planning Development & Reform (MoPD), stakeholders' meetings were held for preparation of a coherent national policy for private sector for achieving SDGs. Based on the initial feedback from the stakeholders, there appears to be a consensus that MoPD may lead the forum in devising and formalizing the implementable National CSR Framework with the involvement of key stakeholder Stakeholders from national institutions in the Public sector (e.g. SECP, PSX, PBR, Commerce and Finance Ministry), Private sector (Multinational, National and SMEs, MSMEs and Startups and their representative bodies) and Academic Institutions (Technology and Management Schools), during consultation agreed the need of a comprehensive National Responsibility Framework for Sustainable development (NRFoSD)

### What does this Framework seek to answer?

This framework seeks to highlight the main stakeholders and actors in the implementation and Reporting of the SDGs. It will formulate and define responsibility areas like who will design the policy and its implementation processes. Who will manage implementation mechanisms, and set targets and Key Performance Indicators (KPIs). Who will measure performance, and more importantly what process is followed to collect and consolidate information from different sources for National level reporting. Furthermore, it seeks to streamline the process of how businesses will communicate their efforts in pursuance of SD to relevant authorities or institutions for consolidation including reporting formats and mechanisms to facilitate MNCs, LN's. SMEs, MSMEs including Startups.

Performance and Impact analysis System with Robust Monitoring and Evaluation (M&E) is crucial for clear and concise communication. This will track progress and performance ensure accountability and map Responsibility payoffs. Sound metrics<sup>6</sup> and data analytics are critical for turning SD into practical tools for problem-solving. Role of IT is very crucial in collecting, storing, retrieving, analyzing, and consolidating data for Reporting in desired format (e.g. SDGs reporting to Global stakeholder communicating significant impact).

The pillar-pathway integration simplifies and streamlines the roles and efforts of all the actors and contributes to focused step wise evaluation of the Corporate understanding of responsibility, policies and practices. It leads to sustainability performance reflected in and impacting multiple Sustainable Development factors termed as Payoffs.. For internal and external communication and timely Reporting to relevant institutions and

---

<sup>6</sup> Standards of measurement by which efficiency, performance, progress, or quality of a plan, process, or product can be assessed.

Stakeholders we can borrow from reporting mechanisms like GRI, Integrated Reporting and Indexes like Global Competitiveness and Responsible Competitiveness Index to distill our own best practices progress and performance evaluation and reporting method. This framework deals with delineating who does what, modalities, recommendations and learning from best global practices translating into easy to adopt practices and most relevant reporting indicators keeping in view local context and realities

The Framework also echo the voice of small and medium-sized enterprise (SME) representatives as well as start-ups within chambers of commerce, business associations, and trade bodies whose member companies want to be able to demonstrate responsible behavior, but find it difficult in the absence of reliable, easy to use guidelines that can help them negotiate an increasingly complex business environment. SMEs and startups may think CSR is a luxury for only big, rich companies but the startups and SMEs themselves are a culmination and embedment of the social inclusion, social responsibility and grassroots nature that is at the heart of the RB paradigm. In fact, the only costs involved in being responsible are costs any far-sighted business would assume any way – unless its owners cut corners on quality, exploit people and natural resources, or keep what was not theirs to keep, such as taxes or payables.

The National Responsibility Framework for SD emerges as a gauge for compliance with the SDGs and other Global EEEE Compliances, consolidating the truly national effort of businesses that seek to adapt good practices and government initiatives that seek to facilitate these efforts. It aims to actively initiate and highlight the structural hierarchy in the state organization, relay stakeholder outlooks, and allow a platform for public-private engagement on the SDGs which can culminate into tangible guidelines in the form of creating awareness, incentives, and policy formulation to encourage businesses to assimilate CR-SDGs. It further seeks to give Businesses in Pakistan, and elsewhere, resources that helps them understand, internalize, implement, and demonstrate corporate citizenship leading to Sustainable development through precepts that are familiar and an approach that is practicable.

### Reporting and Monitoring

It provides framework for methodologies and practices for efficient monitoring and reporting of activities outcomes and impact which uphold transparency, accountability and compliance-both on the part of the government and of businesses and mechanisms to compile, cross-check and relay that information into in SD platforms to map progress. The RB Framework explains, demystifies, and encourages voluntary adoption of best business practices and transparent disclosure. Companies whether big or small can use it in an incremental or piecemeal way within a holistic framework to move towards higher levels of responsibility.

SDGs have immense opportunities for the corporate sector's participation. These goals are bringing private players from various sectors to achieve the common aim of sustainable development by exploring synergies between different stakeholders for cumulative growth. The efforts of such initiatives are multiplied through the interlinked parameters of the SDGs. For example, when an organization defines its **CR focus area on enhancing livelihoods through skill development for women and youth along its supply chain** it contributes to various SDGs like poverty alleviation, zero hunger, quality education, gender equality, decent work and

**economic growth. The SDGs focus to end poverty, protect the planet and ensure prosperity for all**, as part of a new sustainable development agenda. A total of 17 goals and 169 targets are set to be achieved by 2030 and the realization of the same calls for a collective effort from the government, the corporates and the civil society organizations.

While the government initiatives in Pakistan are linked to achieving SDGs, local implementation and data validation becomes a challenge. Pakistan ranks 120 of 157 on the SDG index, thus calling for immediate action through a collaboration between the corporate sector, Academic institutions, civil society organizations and the government. Corporates are being seen as the key drivers of SDGs as they can apply their creativity and innovation in solving the sustainable development challenges and can play a strong role as facilitators to catalyze implementation of the SDGs through their own actions and enabling Responsible practices along their partners, customers and service providers. Companies can contribute towards Global Agenda 2030 by forming professional partnerships to implement innovative RB practices & Initiatives and measure their impact and reporting on it. Many companies have prioritized specific SD targets that lie outside of their direct concerns, and this broadens the horizons of business' potential impact. However small and medium-sized enterprises (SMEs) and MSMEs need capacity building and handholding to adopt sustainable practices and to measure and report their sustainability impact.

MNCs and LNC's have the potential to influence the SDGs priorities of SMEs, MSME's and Startups in their supply chain through transparent and traceable procurement processes. Businesses can understand the SDGs and their business case; set top priorities; disclose impact and performance information; and "socialize" the findings. Companies need to make sure the results reach their target audience at peer companies as well as national governments, where it can have the greatest impact. GRI guidelines, Integrated Reporting Framework and monitoring process used by organizations like IFC and other Ethical and Socially Responsible Investors, aims to encourage reporting for transparency and comparability. Our Experience shows local large National and SMEs find it difficult to follow these guidelines and frameworks in preparation of their Sustainability disclosure. We need to develop easy to use Reporting mechanism in line with National Capacity, understanding and policy requirements.

Governments can build on business' interest in the SDGs through policies to encourage greater monitoring and measuring of business impact, as governments have good reason to invite private sector data: it can yield a fuller picture of their countries' progress towards the SD. If business is not helping to advance certain Goals, the government can respond by developing incentives, and in this way help to ensure that government priorities, not just business opportunities, drive business efforts for the SD. On the positive side, seeing where business is having the greatest impact can **lead governments to direct resources to scaling up the most**

**effective interventions. The information collected by a government's national statistical office<sup>7</sup> may not be enough to inform such policies. Hence other sources and means are required.**

**Using Sustainability reports where SD indicators that are reported by businesses can spark a conversation within a government to realign national priorities.**

Christian Jahn, executive director of Inclusive Business Action Network (IBAN), said that governments and companies need to “get clear on the motivation of measuring and reporting impact.”. Reporting exercise can support business’ self-interest and incorporate learning into its branding and business strategy. Reporting does not only fulfill regulatory requirements but also adds value to an organization. Instead of benefiting from reporting tools for self-evaluation and communication, some companies are using this as green washing tool. Demand of transparency and implementation of reporting through given reporting mechanism can put these companies in trouble. Hence RBF focus is on integrating responsibility concepts and responsible actions into business strategy and action plans.

#### **The Framework suggest Monitoring & Evaluation process to:**

- focus on impact of the RB pillars and transparency and effectiveness of the path followed and companies should be allowed to progress over a time to improve their reporting.
- Start by prioritizing and reporting on these most relevant and easily informed indicators focusing on the impact.
- Self-monitoring and assessment will be encouraged as businesses will start to appreciate the benefit of this action on their business and reputation.
- MNCs, LMCs are to be encouraged through tax rebate and other incentives and policies to support their own supply chains in reporting on the same format.
- Create Responsibility levels or Grade through public opinion (making use of digital and social, media (Block chains) and Digital reporting platform feeding into one National level Reporting.
- An independent Monitoring and Evaluation Forum needs to be created with members from relevant institutions like Media, FBR, SECP, UN Org, some sectoral experts.

#### **REGULATIONS LAWS & REPORTING MECHNISM**

National Responsibility Framework demands action from organizations, sectors and Institutions with diverse requirements hence no specific implementation and reporting format will serve. The framework aims to highlight the relevant and priority areas and required impact of Responsible Business practices in broader indicators. The more specific work related to sectors geographical areas of priority in phases to cater to dynamic external and internal environment, will continue under National Responsibility Framework Governance structure.

---

<sup>7</sup> Currently SDG Reporting gets data from FBS

Responsibility implementation and Reporting for different organizations can benefit from following global/Local Conventions, Regulations Laws, Codes, Principles and Guides relevant to their sector, size, stakeholder demands reach end goal of sustainable development.

	Economic	Social	Environmental
<b>GOVERNANCE &amp; MANAGEMENT</b>	Code of Corporate Governance <sup>i</sup>  EU Money Laundering Directive <sup>ii</sup>  UN Convention against Corruption <sup>iii</sup>  OECD Convention on Combating Corruption <sup>iv</sup>	ILO Conventions <sup>v</sup>  Factories Act <sup>vi</sup>  International Human Rights Guidelines for Companies <sup>vii</sup>  Convention on the Elimination of All Forms Discrimination against Women <sup>viii</sup>	Environmental Protection Act <sup>ix</sup>  UN Framework Convention on Climate Change <sup>x</sup>  UN Basel Convention on Movement of Hazardous Waste <sup>xi</sup>  Environmental standards in foreign assistance programs <sup>xii</sup>
<b>PRINCIPLES&amp;VALUES</b>	ICCR <sup>xiii</sup> Guidelines  Tax Returns Guidelines <sup>xiv</sup>  OECD Guidelines for MNC <sup>22</sup>  IFC Anti-corruption	UN Global Compact <sup>xv</sup>  OECD Guidelines for MNC <sup>xvi</sup>  Business Principles for Countering Bribery <sup>xvii</sup>  Caux Round table Principales <sup>xviii</sup> Sullivan Principales <sup>xix</sup>	UN Global Compact <sup>xx</sup>  CERES Principales <sup>xxi</sup>  IFC Environmental Impact safeguard policies <sup>xxii</sup>  Principles for Global Corporate Responsibility <sup>xxiii</sup>
<b>DISCLOSURE &amp; COMPLIANCE</b>	GRI <sup>xxiv</sup>  ISAR <sup>xxv</sup>  SECP CSR guidelines <sup>xxvi</sup>	SA8000 <sup>xxvii</sup>  ISO26000 <sup>xxviii</sup>  FLA, WRAP <sup>xxix</sup>	ISO 14000 <sup>xxx</sup>  NEQS <sup>xxxi</sup>  ISO 26000 <sup>xxxii</sup>
<b>STAKEHOLDER INVOLVEMENT&amp; SOCIAL INVESTMENT</b>	AA1000AS <sup>xxxiii</sup>  GRI/G3	AA1000SES <sup>xxxiv</sup>  GRI Guidelines <sup>xxxv</sup>  UN's SDGs <sup>xxxvi</sup>	GRI Guidelines <sup>xxxvii</sup>  IFC Performance Standards
<b>PRODUCT INTEGRITY &amp; CONSUMER FOCUS</b>	ISO 9000 <sup>xxxviii</sup>  SRI Indexes <sup>xxxix</sup>  UN Guidelines for Consumer Protection <sup>xl</sup>  CCP Ordinance 2007 <sup>xli</sup>	FLA <sup>xlii</sup>  Ethical trading Initiative <sup>xliii</sup>  Consumer Protection <sup>xliv</sup>  OECD Guidelines for MNC <sup>22</sup>	Eco-labeling <sup>xlv</sup>  FLO Certification <sup>xlvi</sup>  OECD Guidelines for MNC <sup>22</sup>
<b>FINANCIAL VIABILITY &amp; CAPATILIZATION</b>	Guidance on CSR indicators in Annual Reports <sup>xlvii</sup>  PRI <sup>xlviii</sup>  KLD Domini 400 Index <sup>xlix</sup>  IFC Per Standards	Brand Equity <sup>l</sup>  Equator Principle <sup>li</sup>  FTSE4GOOD 100 Index <sup>lii</sup>  IFC Performance Standards	Cleaner Production <sup>liii</sup>  Equator Principle <sup>liv</sup>  Dow Jones Sustainability index <sup>lv</sup>  IFC Per Standards
<b>Adapted: RBI's Responsible Business Guide: A toolkit for Winning Companies</b>			

## NRF-SD FRAMEWORK FORMALIZATION INITIATIVE PROCESS

Devise a roadmap towards achievement of agenda 2030 with involvement of most relevant stakeholders through:

- Multi Stakeholder Consultative meetings with relevant representatives from Public and Private Institutions in National and Provincial Capitals with participation from nearby trade cities.
- Individual meetings with heads of relevant Public and Private Institutions and associations.
- Archival research on good policies and practices around the world.

## ROLE OF BUSINESS & PRIVATE SECTOR: INTEGRATE SUSTAINABLE DEVELOPMENT

Recently leading companies in Pakistan have started to see the value of integrating CSR into their strategic business goals and taking active part in implementing social and community development strategies. Business sector Interest in linking SD indicators to their Business strategic goals is due to paradigm shift in Global Business thinking and Commitment to Sustainability. While most businesses charity/donations to Non-Profit and Public sector projects/initiatives are focused at one or more of the SDGs, the results remain intangible. Business can speed up and enhance the scope and impact of its contribution towards agenda 2030 through its involvement in at least following 3 capacities:

### 1. Financial contribution (Directly finance)

Donations, Charity, Foundations

Governments aim to raise funds directly from companies, or through their customer base

#### ➤ Business Benefits:

- Image
- Feel good

### 2. Shared Value (Indirect finance)

Generating economic value in a way that also enhances value for the society.

Companies could bring business and society back together if they redefine their purpose as creating shared value.

At its core, CSR is what good businesses have always been about i.e. quality, integrity, honest dealing, and long-term trust, balanced by stewardship of resources, fair profits, and public accountability. RBG addresses these core issues within the context of global competitiveness. It offers a set of integrated yet distinct actions that any entrepreneur or company, big or small, can take on its own and demonstrate behavior that today's society expects from companies.

This RBF emphasizes that while it is laudable for a company to demonstrate compassion or sensitivity to social welfare, there are certain basic social responsibilities that it must fulfill in any case, and for which charity is never a substitute. It is in a company's own interest to go beyond the short-term self-interest that characterizes a "profit-at-all-costs" approach. It is possible that a business really makes a difference. A business can become a partner in sustainable development not by claims or campaigns, but by involving itself in the issues affecting its community. And all this is only possible if a company engages in business responsibly, and makes fair profits.



**Community Intervention & Partnerships:**

- Supporting Social innovation implementation partnerships leveraging the core business competencies (product and services) and efficiencies of companies.
- Directly assist Public Institutions to implement development programs which benefit Education & Health sectors.
- Health and education programs for its neighboring communities

**Value through Value Chains:**

- Involve business partners and Investors to Invest in Supply Chains.
- Design development programs with brands, Exporters and JV partners for Innovative health provision and wellbeing of Supply Chain Communities. Research and Rethink to tackle root causes for long term impact.

**➤ Business Benefits:**

- License to operate
- Good will
- Captures systemic linkages and interdependencies along the value chain
- Partnership save collective long term strategic initiatives from individual impulsive good actions

**3. Responsible Business Practices**

Practicing RB Framework and following RB Guidelines (RBG)

**➤ Businesses benefits:**

- Global Credibility
- Access to New Emerging Global Markets
- Supporting stable societies and markets
- Competitive advantage through Compliance when National policies changes to meet Global Goals
- Catering to socially-conscious consumers.
- Tapping a healthy, more productive labor force
- Growth opportunity
- Strong market incentives
- Lower costs from more efficient resource use
- Reduced risk in securing resilient supply chains and stable markets for future growth
- Fostering long-term value in new markets

**ROLE OF THE PUBLIC SECTOR: ENABLE ECO SYSTEM**

To enable Business to contribute SD Government has to play a vital role in:

- establishing conditions in which Responsible Business can flourish;
- making rules and devise incentives for Responsible Business Practices;
- creating a policy environment that facilitates, provides incentives, encourages or even mandates responsible business activities crucial to building a sustainable and inclusive economy.
- supporting external and internal drivers that collectively generate a “public policy case” for Corporate Responsibility:

### The most common drivers of public CR policy include:

- Addressing social and environmental problems more effectively by tapping the business sector's problem-solving and innovative capacities.
- Minimizing negative externalities in the environment and society associated with corporate activity and establishing a coherent level playing field for companies.
- Closing governance gaps on the national (institutional weaknesses) and international (lack of regulatory bodies) levels, by using voluntary business activities to complement state regulations or interventions.
- Attracting investment and fostering the competitiveness of the national private sector.
- Integrating the local private sector into global markets and value chains.
- Exploring new forms of governance by entering into public-private partnerships designed to reach public goals at the national or international level.
- Standard-setting partnerships, which aim to set change behavior of companies or sectors by setting voluntary standards beyond existing regulation; and
- Advocacy partnerships, which leverage the reach and visibility of companies to help advocate for action on specific global issues.

### Governments instruments that can promote Responsible Practices and build on existing policies while taking national political, economic and societal contexts into account

- For Responsible activities inside companies (Responsible Business Practices), public policy instruments need to be coordinated and implemented coherently to be most effective.
- Understanding public sector roles and policy instruments that support CR is essential if governments are to make the most of corporate responsibility for:
  - Creating Responsible Markets (Institutions Role)
  - Enable Ecosystem (Indirect Role of Institutions ( SECP, FBR, PSX, HEC)
  - Regulatory framework to encourage:
    - Policies & Practices towards SDG
    - Reporting –Transparency
    - Stakeholder Involvement
    - Systems
    - Green Economy
    - Impact Investment (opportunities)
    - Responsible Management Education
  - Tax Reforms
  - Tax Companies on Excessive Resource utilization and effluents:
    - Waste Usage & Water Wastage
    - Carbon Footprint

An increasing number of investors integrate sustainability performance data in their capital allocation decisions integrate sustainability performance data in their capital allocation decisions.

- Encourage:
  - Green Bonds
  - Ethical Stock Exchange
  - Impact Investors
  - Circular Economy (500,000 houses project- focus on circular economy)
- Education System
  - Revamp with curriculum (primary) focus on Responsibility
  - Research on underlying systemic sustainability issues

*The government should be a role model itself for private businesses to be a responsible entity (low carbon foot print, adhering to sustainability practices, etc.)*

## THE FRAMEWORK

The framework aims to provide a structure to inform and organize all the relevant stakeholders in Public and Private Sector to follow a mutually beneficial mechanism, towards promoting and upholding Responsible Business practices in congruence with SDGs. Businesses require a coherent and tangible mechanism of gauging their roles in encouraging responsible behavior and actions under the SD umbrella. Similarly, where the private sector has been encouraged to engage in responsible practices, the onus is also to be placed on the Government apparatus to streamline and foster the opportunity presented by the NRFoSD paradigm. The Government Institutions can turn the chore of compliance with the SDGs into an opportunity, by facilitating local businesses to adopt sustainable practices through an easy to implement Responsibility Framework. This Framework seeks to amalgamate all the stakeholders and streamline their roles in adopting Responsible Business Practices to allow for cumulative growth and positive impact indicators mapping SD.

We are part of a **Dynamic Environment** where global rules and regulations around us are changing fast and **Innovations and Technology Disruptions are happening Continuously** in every sector of our lives.  
**Framework provides a structure and processes** to cater to current Global dynamism and local context focusing on urgently required actions in priority areas

This National Responsibility for SD Framework is presented in the form of a living document which brings conceptual clarity and sets the direction for sustainable growth to achieve Agenda 2030 most effectively and efficiently. We are part of a dynamic environment where global rules and regulations around us are changing fast and innovations and technology disruptions are happening continuously in every sector of our lives.

Framework provides **a structure and processes** to cater to current Global dynamism and local context focusing on most urgently required actions in priority areas. This living document has room for add-ons related to different Business sectors, geographical areas and materiality issues. This document provides a **roadmap with spaces related to governance structure, policy and procedure gaps, Institutional Partnerships opportunities**, ideas for Creative and Constructive Stakeholders Collaborations, tracking tools for impacts and improvement and communication channels. **The framework spaces are filled with Recommendations with broader timelines for policies and actions which will be continuously updated with policies/actions as developed or altered based on assessment feedback or to cater to new global trends, changing scenarios and regulations.**

## FRAMEWORK FEATURES:

Along with its role as a custodian and enabler of Responsibility echo system **government should be a role model for private businesses following and practicing all Responsibility elements & Sustainable development indicators within all Public sector Institutions** (low carbon foot print, Anti-corruption, Cost efficiencies, Resource efficiencies, Stakeholder Involvement, Diversity, Gender Equity etc... )

This Framework provides the blueprint for the CR-SD paradigm in Pakistan, streamlining its Structure, Function and Operational mechanism. Most importantly it provides clear structure, guidance and system to recognize, enhance and connect significant efforts and varied Stakeholders in Pakistan, directly or indirectly impacting or have the potential, to impact Global Agenda 2030. **Framework provides a virtual interconnected space for all the actors to keep filling in, with the aim to improve perceptions, policies, practices and performance evaluations on Path to Peace and Prosperity for People and Planet through Partnerships among Global and Local Public Private**

**institutions.**

## THE FRAMEWORK:

### SALIENT FEATURES & PROCESSES

- Setting up a Multi-Stakeholder NR-SDG Forum
- Implementing CSR /Responsible Business Concept
- Developing a roadmap towards achievement of agenda 2030
- Governance Structure for creating an enabling Environment.
- Creating Policy Structure with inbuilt incentives to encourage, facilitate or mandate Corporate Responsible Behavior and practices, geared towards building a sustainable and inclusive economy to achieve SDGs.
- Designing formats and guidelines for communicating Responsible Business practices to relevant stakeholders in easy to understand way
- Standardization of Reporting Mechanism on Responsible Business Practices and related SDGs.
- Creating Strategic Partnerships for Responsible Business best practices and conforming to internationally recognized standards.
- Adhering to the Responsible Business Path
- Demonstrating CSR/Responsible -SDG Business Impact

Many costs of negative impact created by economic activities resulting in pollution are usually borne by people who did not get the benefits from the economic activity. e.g. When Business pollute and people pay by using dirty air, water, and contaminated soil leading to serious impact on health and quality of life.

## THE FRAMEWORK AIMS TO PROVIDE:

- Transparency to Global organizations/regulators for positive image.
- Visibility to Global Markets, international financial institutions and Global Investors for economic gain.
  - Enabled to see whether their money is being utilized in line with their Purpose and values.

Supporting progress for SD has become one of the main objectives of sustainable finance industry

- The framework targets the beneficiaries of investment-pension funds, insurance companies, family offices, sovereign funds and all other forms of asset owner.
- Compliance to Global standards.
- The integration of all current CSR/Sustainability initiatives and Responsible Business Practices for a larger cumulative Impact.
- A forum for communicating Responsible Business practices to relevant stakeholders in easy to understand way
- Standardization of reporting on Responsible Business Practices and related SDGs.
- Collaboration towards designing a Standardized Assurance mechanism to allow Responsible Business best practices to conform to internationally recognized standards i.e. the SDGs.
- Coherent public participation.
- Relevant and easy to adopt performance indicators.
- Cost effective and efficient measurement process for progress monitoring.
- Policy initiatives in line with National and Global goals.

#### FRAMEWORK SEEKS TO DISSEMINATE:

Knowledge on good practices for Collaborative actions, Scaling, Global sharing & future learning.

#### FRAMEWORK STRUCTURE:

##### **Governance Structure for effective implementation of the framework**

- Governance Body to oversee Process (Relevant and diversified stakeholders)
- Defining a working hierarchy to streamline Facilitation, Implementation and Reporting
- Major Stakeholders and their working structure (Roles and Responsibilities)
- Designing an organizational structure that integrates all key actors:
  - National and local government (Planning, Environment, Human Right, Commerce, Trade ministries)
  - Regulators (SECP, PSX, FBR)
  - Private companies (Industrial, Agri-Business and Service provider) and Business Associations
  - Financial sector (Banks, Investors and Insurers)
  - Civil society organizations (Think tanks, Social & Environmental Right based Actors)
  - Knowledge institutions (Technology, Business, and Art& Design)
  - Youth Representatives (Young Entrepreneurs and Aspiring Leaders)
  - Knowledge expert (local & global experience)

Many initiatives fail because the governance structures are weak. The leadership overseeing certain overall process lack understanding and expertise of the issues at hand, their root causes and global knowledge and experience to identify the future opportunities. Sometimes there are vested interest and conflict of interest among the leaders. People with Integrity and vision and institutions with power and will to improve policies, regulations and implementation are crucial.

## FRAMEWORK FORMATION

### CR Framework Functions and operating Mechanism: RBF Pillars on Path to Sustainability Payoff

#### RESPONSIBLE BUSINESS FRAMEWORK<sup>8</sup>

RBI'S GLOBALLY ACCEPTED RB FRAMEWORK DEFINES CSR AS STANDING ON 6 RESPONSIBLE BUSINESS PILLARS, ACHIEVING IMPLEMENTATION THROUGH 6 PROGRESSION LEVELS REFERRED AS RB PATHWAYS TO ACHIEVE RB PAYOFF.

- The RB Guide allows its users to take tangible actions that will demonstrate that a company is living up to international standards or have responsible business practices beyond compliance.

## PILLARS

Six practical dimensions of demonstrating responsibility as a company.

### Governance & Management

Company governance and management is the “face” of a company. It is an outsider’s window into how ethical and accountable a company’s behavior can be.

- Guarantee responsible Governance and Management through policies of transparency and accountability.

### Principles & Policies

*Business values and principles of a company are central to its CSR strategy. Company claims of good behavior, when not supported by evidence, may actually harm business prospects over the long term.*

- Clearly state Principles and Values and promote them through policies and incentives

### Disclosure & Compliance Regimes

*Allowing a group of persons to conduct business without exposure to individual liability makes the incorporated company a most potent vehicle of economic activity. At the same time, this privilege is regulated by laws requiring companies to demonstrate financial transparency, fiscal prudence, and fiduciary trusteeship through a variety of disclosure mechanisms.*

- Have clear, internationally recognized policies of Disclosure that make improvement and consistency easier for the internal management and verifying Compliance<sup>9</sup> easier for the authorities.

---

<sup>8</sup> Responsible Business Guide: A toolkit for Winning Companies

<sup>9</sup> Compliances to Ethical, Environmental, Economic and Equity standards and regulations.

## Stakeholder Involvement Mechanism

*Talking to stakeholders and seeking their active involvement, from product feedback to social investments, is seen as a major benefit to business because such feedback and resulting empathy from clients as well as the community drive the success of a company's strategic approach.*

➤ Have policies that allow for regular disclosure to, feedback from, and interaction with, Stakeholders, and a clear direction for business services and social investment in their communities and Supply Chains

Stakeholder engagement builds “social capital”, a wealth of networks and support that allows a business to draw strength from its stakeholders. This can be manifested in a number of ways. From the availability of credit in a competitive market or workforce stability, to customer loyalty and investor confidence, a company’s “good name” is often the direct result of its ability to reach out to its stakeholders. This good name is a company’s guarantee of sustainable wealth creating capacity.

## Consumer & Product Focus Strategies

*Company's most visible impact is through its produce or service. They can often build an environmentally friendly product or service in a way that they become symbols of responsible business processes.*

➤ Implement transparent systems that allow, product quality, production process and supply chains to be viewed by stakeholders.

## Financial Viability & Economic Impact

*The primary responsibility of a business is to remain profitable. Yet a company can pursue financial success without necessarily extracting an unfair cost from the environment or workers by making processes and personnel systems more efficient.*

➤ Show that the company makes socially responsible decisions that remain firmly within a framework of prudent financial management.

## PILLARS ON PATH TO PAYOFF: CONCEPT

The Governance and Management serves as an Umbrella for the Organization providing protection through strategic guidance to gear the organization toward responsible practices to gain Responsible Profits. Financial Viability and Economic Impact is the foundation on which a Business stands; the foundation is stronger if profits are made with long term vision connecting all the RB pillars together. The Management conveys organizational purpose and direction through clearly stated principles and values. Business has to follow legal and ethical requirements and compliance to Social & Environmental regulations, certifications and reporting requirements. Disclosure of positive and negative impacts of actions in a transparent way help in its own assessment and building Stakeholder trust. Stakeholder systematic involvement for feedback in issues related to business impact related to them gives organization valuable insight and tools for mitigation of future Risks. Product integrity and Consumer satisfaction are most important pillars of a Business. Product and the process through

### Ecomagination

GE Ecomagination strategy the to build more efficient machines that produce cleaner energy, reduce greenhouse gas emissions and clean water usage generated \$200 Billion in ten years proving Environment Efficiency and Economics Go Hand-in-Hand.

which product is produced should not harm people and planet in any way. Consumer has the right to know the ingredient of the product. Any misconception marketing and unethical advertisement shows irresponsible behavior on part of Business. Timely and transparent communication is supported by innovative Technology tools. Business of Business is Business, Responsible business practices is the only way for a Business to remain profitable and competitive in today's world. Responsible Business not only create opportunities for themselves but are instrumental in **generating positive image of the country and have** the potential to contribute extensively to National SDGs.

Pillars can be implemented in easy steps towards different levels of Responsibility. First and most important step in Responsibility perception is understanding the difference between 'Business Philanthropy' and 'Business Responsibility'. Clarity of perception leads to the preparation in organizing resources and policies in accordance with the responsibility pillars. Policies are implementable only if clear Processors (SOP's) are laid down to guide actions. To measure the impact of these policies and actions a performance evaluation criteria and process is established. The highest level of Responsibility is achieved when Payoffs are visible through progressive indicators.

#### **PAYOFF – SD P'S**

*Peace & Justice*

*Strong Institutions, Inequalities*

*People*

*Food, Education, Health, Gender Equity*

*Planet:*

*Land, Ocean, Water*

*Partnerships:*

*Climate Action, Clean Energy, Revitalize Partnerships*

*Prosperity:*

*SCP, Energy, Decent Work, Poverty*

*Platform:*

*Knowledge Dissemination, Industry Innovation, Sustainable Cities*

The Framework Development : Followed PATH for PAYOFF

#### **PATH TO AGENDA 2030**

The Path for Business to participate and play significant role is impacting SD (Payoffs) through direct financing to Government initiatives, contributing to Shared Values in their supply chains or adopting Responsible Business practices. Responsible Business will follow Responsibility Path in partnership with Public Institutions and other relevant stakeholders:



## PERCEPTION

Formulate Responsibility perception through

- Conceptual clarity on the current, accepted definition of Corporate Social Responsibility / Responsible Business
- Understanding Responsible Business performance linkages with SDG's Payoff.
- Establishing why Systematic approach is important to create opportunity out of compliance or crisis.
- Appreciating Business Constructive Collaboration with other stakeholders for Competitive Advantage.

Role of Business in Society is the 21st century's most important and contentious public policy issue".

Simon Zadek , Executive Board, Sustainable Digital Finance Alliance

Over the next 10 years, sustainability will become as big and disruptive in every sector as digital technology have become over the **past 15 years**. Moreover, within **next 15 years**, these two **disruptive forces will increasingly converge**.

**We can benefit from frontier technologies of 4<sup>th</sup> Industrial revolution which brings speed, ease of use and scale and can fast track multisectoral transformation assisting agenda 2030.**

## PREPAREDNESS

Prepare for strategic planning by:

- Reviewing current RB practices, goals and policies, their limitations and their achievements.
- Prioritizing SDGs (Economic opportunities, seriously below target).
- Identify underperforming sectors and areas (environmentally & socially destructive).
- Identify opportunities (Green Technologies & Social Entrepreneurs effecting SDGs).
- Reviewing SDG indicators and policies (for relevance for priority sectors).
- Joint policy of aid, trade and investment.
- Research for root causes.
- Stakeholder consultation specific sectors (relevant stakeholders' involvement).
- Policy recommendations based upon relevant and reliable data.

Textile  
Agriculture  
Leather  
Cement  
Eco-Tourism  
Transportation  
Tourism

## PLAN/POLICIES

**Strategies & Systems: Designing a 5-10-year Plan for meeting goals by:**

- Drafting policies in support of NRFoSD
- Proposing Tax Reforms
- Resource identification
- Streamlining working mechanisms
- Linking National Budget to the framework
  - Relaxation in Budget for Green and upcoming advance technologies

Solar  
Biomass  
Green Tech  
Biotech  
Waste management  
Circular Economy  
Better Cotton  
Organic Food

- Designing an agenda that restructures a mutually beneficial equation between the Government and Businesses
- Devising action plans

Data driven decisions by government can only be done if good quality, accurate, reliable data exists on key topics (e.g. census data, access to resources, water quality, carbon footprint, etc.). Collecting data is generally an expensive undertaking that governments may not sufficiently prioritize and fund sufficiently. Decision making without authentic and complete data become arbitrary and can impact the effected communities negatively.

*These same communities/people can be empowered to work together with government and private sector to collect data and help monitor impacts of policy choices on the ground, track progress of interventions and identify potential disconnects.*

*Mobile phones and low cost Internet of Things (IoT) devices help in accurate & timely data collection. Academia should be involved for Action Research.*

## PROCESS

To ensure smooth and impactful implementation policies need to be transformed into easy to do actions by:

- Simplification into Standard Operating Procedures (SOPs)
- Configuring framework according to available resources i.e.
  - Human Capital
  - Financial Capital
  - Political Climate
  - Technology Knowledge & Infrastructure
  - Cultural Implications

*Priorities, relevant existing policies, new policy reforms and SOPs for developing performance indications and progress measurement is conveyed through ICT, digital media.*

## PERFORMANCE

To measure performance for evaluation and future improvement on NRFoSDSDGs specific targets with timelines will be set i.e.

- Milestones and Targets
- Measurement Tools and Guidelines
- Highlighting Achievements
- Mechanisms for Reporting performance in each sector
- Results-based planning
- Performance indicators for both companies and government departments

The knowledge creation process made possible by citizen engagement is extended to include those citizens as participants in learning and change that serves them too. The Participative Action Research and big data analysis can help Stakeholders in smooth progression on responsible practices and sustainable development.

Devise Systemic data collection process through defined online reporting mechanism only relevant data from corporate and institutions reports using block chains, AI and other algorithms.

## PROGRESS

Progress of all the actions and initiatives to manage future risks and improvement in procedures and process will be monitored by Expert's groups by:

- Facilitating Monitoring
- Mapping Progress
- Statistical Mapping
- Monitoring tools and process
- Measuring short term Impact
- Mid-term & long-term Impact
- Reviewing current RB practices, goals and policies, their limitations and their achievements
- Reviewing gaps between SDG targets and Policy indicators
- IT enabled Monitoring and Impact assessment tools (Block Chains).

## PAYOFF

For scaling and continuity, recording of Impact of policies is a must. Technology platform to collate and analyze data/information received from all stakeholders in easy to report format is to be set up to provide reflection on areas such as:

- Positive Societal impact (SDGs)
- Business opportunities
- Competitive Advantage
- Trust & Reputation
- Investment flow
- Business Opportunities
- Business & Government understanding (Ease of doing Business)
  - Clean procurement
  - Custom payments
- Sustainability Impact Competitive advantage
  - SDG targets (priority Indicators)

### Responsibility

is not a "nice to have" but a "**must have**" for long-term business success

Constructive Collaboration for supporting Responsible practices along common supply chains saves cost, efforts and improves quality of services especially for exporting Industry.

Factual data through authentic sources and systematic processing analyze risk along the complex supply chains and these risks can be proactively identified and mitigated in time.

## PARTNERSHIPS

**Standard - setting Partnerships** aim to change the behavior of companies or sectors by setting voluntary standards beyond existing regulations.

**Advocacy Partnerships** which leverage the reach and visibility of companies to help advocate for action on specific Global and local issues which need urgent attention by customers, Investors, regulators or policy makers.

### **Implementation Partnerships**

In reality partnerships often have multiple goals and the categories are mutually inclusive. Inclusive partnerships among Public Private and Civil Society Institutions built upon principles and values, a shared vision, and shared goals, at the global, regional, national and local and sectoral level.

*Partnerships are crucial for improved procurement and contract process;*

- Government Certifications /permit
- Conflict of interest
- Transparency
- Improved ethics in work place

## CHALLENGES

1. Lack of Understanding of Responsibility concept
2. Lack of Knowledge experts in Corporate Responsibility arena
3. Lack of understanding & capacity within regulatory agencies
4. Insufficient demand for RB among local investors
5. Lack of supporting regulation
6. Lack of qualified verifiers and auditors
7. Easy to use Reporting framework (blindly following global formats which increases burden of reporting)
8. Insufficient pipeline of eligible assets
9. Long-term investments including foreign direct investment are needed in critical sectors
10. National oversight mechanisms such as supreme audit institutions and oversight functions by legislatures need to be strengthened.

Some of the goals appear to lie beyond the scope or interest of companies. **Many companies still view sustainable development as a social responsibility (charity or social marketing) which they support through their CSR departments essentially to protect and build their reputation**

11. Government and Private sector mostly:

- Aversion to change (fear of failure).
- Risk assessment based on past issues not future projections
- Strategic plan to handle past and current problem, no proactive planning for future risks
- Copying and replicating other countries frameworks rather innovating our own context
- Compliance and Green Washing no innovative thinking to foresee opportunities
- Responsible practices seen as costs not as compulsory expenditure and Investments
- No holistic comprehensive approach

## STAKEHOLDER CONSULTATION: PROCESS

Suggestions for Corporate involvement in achieving SD, based on comments emerging from Stakeholder Consultative meetings in preparation for SRFoSD Framework.

## BUSINESS BARRIERS; CONCERNS; SUGGESTIONS

1. **Donations & Charity (Direct Finance)**

Clear Priorities on SDGs from Government for utilization of Funds

Transparent mechanism of spending

Efficient Monitoring and Impact system

2. **Shared value & Community Initiatives (Indirect Finance)**

Sharing of Infrastructure and Resources (Policy & System)

Public Private Partnerships (Technical Support)

Sectoral Collaborations (Common Platform)

3. **Responsible Business Practices (Impact on SDGs)**

**Lack of understanding of RB concept and Business Case for Responsible Business Practices**

**Awareness and Capacity building on**

- Business link to National Interest
- Capacity Building on Responsible Business Framework
- Measuring and Reporting Impact on SD
- Reporting & Disclosure
- Report on 3 to 4 priority SDG

**Regulations**

- Environment Ethical & equitable Behavior and Practices
- Awareness and Capacity Building on Regulations understanding
- IPO
- Patent facilitation (encourage Innovation)
- Financial and Business Incentives
  - Appreciations & Reward
  - Tax Incentive on SDGs reduction

- Responsible Markets (Responsibility Culture)
- Encourage Ethical Investors & Impact Investors
- Regulation Implementation process improvement
- Sustainable Ethical Stock exchanges
- Green Bonds
- Compliance Certificates

*Pakistan is to report on Target 12.6.1 which requires companies to submit Sustainability Reports. Reporting on sustainability/EEEE impacts should be mandatory but keeping in mind the current context and level of understanding among the companies a phased process over a period of 5 years is recommended with no obligation of reporting on a specific complicated format. The Reporting format needs to be flexible with focus should be on the objectives and impact of business EEEE Responsibility practices. The Organization should choose from set on International Reporting standards and formats linking business impact to SDGs, using National priority indicators.*

## GLOBAL SCENARIO (SEE ANNEX-4)

### DEVELOPING & DEVELOPED COUNTRIES METHODOLOGIES IN IMPLEMENTING CSR SPECIFIC POLICIES

Developing countries mostly are focusing on awareness through regional workshops, working groups and piloting trainings.

In Costa Rica, CSR is promoted in its tourism Industry, as it is more congruent with a sustainable model of natural, cultural and social resource management. The government has provided assistance for disseminating knowledge and raising awareness.

In Vietnam, the Chamber of commerce relayed CR-support services and announced CSR Award, to encourage Vietnamese companies to integrate CSR standards into business operations. Government also plays a supportive role in propping up alliances between stakeholders.

In Brazil collective action is practiced.

Egypt has formulated a framework for, sharing best practices, facilitating the development of tools and guidelines relevant to the MENA region, designing action plans.

While the developing countries are still forging alliances and forums and are in the initial stages of drawing up action plans, developed countries have moved into a more streamlined phase of facilitation and reporting.

In the case of China, tangible change can be seen in the working conditions of factories and suppliers.

#### Responsible Business Practices

What happens in Patagonia's name in every step of the supply chain, from crop to fabric to finished garment. Measured the environmental impacts of selected articles of clothing and published. Establish the working conditions and pay for every person who sews aour garment. Learned how to make fleece jackets from recycled plastic bottles and then how to make fleece jackets from fleece jackets. Examined use of paper in catalogs, the sources of our electricity, the amount of oil consumed driving to work. Continued to support employees with medical insurance, maternity and paternity leave, subsidized child-care and paid internships with nonprofit environmental groups.

In developing countries, in the arena of soft laws and policies, businesses are governed by less complex and more theoretical legislation like "Certificate of Independent Bid Determination" in Brazil, and "Egypt's Code of Corporate governance" in Egypt. In contrast developed countries have delineated the hierarchical structure and governing policies for practical implementation and practice e.g. in the **UK Sustainable Procurement Task Force produced a "Procuring the Future" action plan detailed a step-by-step evolution toward sustainable procurement, identifying general governmental actions needed to reach these goals.**

In Sweden the policy has been further translated into incentives: **Export Credits Guarantee Board (EKN) has considered environmental and social criteria in its policy, overtaken corruption, promoted sustainable lending** to poor countries, and encourages all companies to commit to OECD Guidelines on Multinational Companies. South Africa is one of the few developing countries who has enhanced its CSR profile in leaps and bounds. The Black Economic Empowerment (BEE) policy combines semi-mandatory and voluntary measures with incentive-based structures and facilitates the work of the Department of Trade and Industry by establishing a legal framework which aims at increasing participation and equitable access for all people these are binding for all public institutions when making economic decisions on procurement, licensing or public-private partnerships, among other activities.

In developed countries CSR policies and practices are applied to all kinds of enterprises and corporate environments, including small scale enterprises, retail, trade, insurance, garment industries.

#### THE KINGDOM OF NETHERLANDS (CASE)

Countries in the Kingdom of Netherlands are at different stage of implementation of their respective CSR frameworks. Aruba and Curacao are more politically and institutionally evolved. Curacao formulated a National Development plan, thus have a more delineated hierarchical structure of stakeholders and overseeing government bodies to facilitate and implement their framework. However, there are challenges in effective reporting and data collection. St Maarten and Netherlands policies are more

#### TAX INCENTIVES

*investment in a new energy-efficient asset may qualify for an additional deduction (EIA) if the amount exceeds EUR 2,500 and the asset satisfies the requirements. The EIA amounts to 54,5 per cent of the qualifying investments. A similar tax incentive is available for investments in new environment-improving assets. Such an investment may qualify for an additional deduction (MIA) if the amount exceeds EUR 2,500 and the asset satisfies the requirements on the Environment List 2018.*

theoretical and the hierarchical structure and partnerships are still tentative. Institutionally they are still building up.

## OPPORTUNITIES FOR NATIONAL RESPONSIBILITY-SD FRAMEWORK: LEARNINGS FROM GLOBALAND NATIONAL SCENARIOS

Beside all above mentioned different CR initiatives and Stakeholder Collaborations for awareness raising, capacity building, policy improvements, regulations for compliances and incentives, and collaborations and partnerships for scale, no major breakthrough or impact is visible. The reason seems to be lack of **long term vision and integrated approach** toward solving Environmental, Ethical and Equity related issues or achieving SD Targets despite the will and commitment.

Best is to build into current best practices and coordinate and combine different initiatives by different stakeholders and knit them into one fabric through systematic process. Hence facilitating innovation, Integration of Indigenous Initiatives, collecting Information for Implementation & Improvement and creating long term Impact. Creating Economic justification for Business to adopt Responsible Practices which generate economic activity and bring environmental equitable and ethical Opportunity to gain from Global demand by building upon following conducive environment in Pakistan

### Global Requirements

- SRI, ESG, Ethical & Impact Investors looking for good business in developing world
- Global Investor demand Responsible Supply Chain
- Globally Growing Interest - Islamic Finance & Islamic Business models <sup>10</sup>
- Brands and MNCs Requirement of Responsible Supply Chain
- World bank/ IFC focus on EEEE Risk assessment
- Reporting on SDGs (VNR)

### Opportunities to build on

- Intent of Government to engage and enable Business
- Government stated commitment to Anti-corruption
- Willingness to improve Tax regime
- Green Pakistan Initiative
- Success story of 1 Billion Trees
- Safe and Clean Pakistan

### SIALKOT MODEL FIG.2

#### **Denial to Development --> Crisis to Opportunity**

*From Export ban on Soccer Ball (from Sialkot) to Sole Distributor Soccer Balls for Nike Ethical Brand  
Pioneer of Fair-traded Soccer Balls in the world.  
Official World Cup Match Ball Producer  
Child Labor Eradication through Public Private Partnership.*

#### **World class manufacturing hub**

*Self financed international airport, dry port, sports industries development center  
, Sialkot Pubic school  
Sialkot tanneries zone, Sialkot export processing zone, and business and commerce center.  
Solved transportation, educational, health, environmental, and other social problem*

#### **SDGs Improved**

*Quality Education for Children, Health & Wellbeing, Gender Equity, Workers Rights, Environment friendly Product and Raw material, Sustainable Production.  
Donors and partners for building Infrastructure  
Attracting Impact Investor & Ethical Brands*

<sup>10</sup> RBI's Responsible Business Framework built on Islamic Business precepts



- Business already involved in social activities targeting SDGs (see table Annex-3)
- Business impacting SDGs through Responsible Business Practices
- Supply Chains of Brands and International JVs in Pakistan
- UNDP supported PCP SDG Unit
- Successful Initiatives and Models (see fig : 2 Sialkot Model)
  - A Public Private Partnership towards Ethical Branding of Soccer Ball to save Soccer Ball export
  - Agriculture Sector (Better Cotton Initiative- success in Pakistan)
- CR Enabling Initiatives by Government & Business (PPP)
  - Pakistan Compliance Initiative (PCI-2004) by Ministry of Commerce supported by RBI.
- SECP Responsible Business Directive to encourage CR reporting
- Globally Growing Interest in Islamic Finance and Islamic Business models
- Fourth Industrial revolution and Tech Savy youth
- Youth Entrepreneurs (potential for disruptive and Sustainable tech)
- Internationally recognized and locally accepted Pakistani CSR Action Model RBF
  - RBI's Responsible Business Framework (6 Pillar, Path & Payoff)
  - Integrating Islamic Business Precepts

#### Humankind a trustee of Nature

Islamic teachings seek to encourage the spirit of entrepreneurship, but define clear moral and societal limits, to prevent exploitation. Social responsibility is central to Islamic business principles, with well-defined responsibilities for entering into contracts, guaranteeing quality, ensuring ethical dealings, and securing accountability.

- "State of Responsible Competitiveness 2007: Can Faith build Competitiveness", Ambreen Waheed & Faiz Shah

## Building on Opportunities

### RESPONSIBLE BUSINESS FRAMEWORK & SD

There is no dearth of Human Capital, Resource Potential and history of good Responsible Business practices in Pakistan. Need to focus on

- the reasons and root causes of why this potential remained untapped.
- Learning from past identifying barriers and borrowing the best from each Innovation, Initiative, Institution, Industry and Information from **past**
- Connecting current realities to create an eco-system which enable Sustainable growth rather than creating barriers to growth.

Technology Including AI, Blockchain and sensors plays a vital role in connecting and can accelerate the adoption of smart manufacturing technologies, autonomous vehicles, precision agriculture and the deployment of smarter electric grid.

Business landscape of 21<sup>st</sup> Century is characterized by an unprecedented, accelerating and complex mix of risks and opportunities. Entire market can be disrupted in a short time by factors like disruptive technology, abrupt scarcity of natural resource, unforeseen natural disasters, social unrest or economic disparity can damage long-term prosperity.

The new policy approaches need proactive innovative experimentation to cater these emerging trends going beyond consumer demands. Consumers and investors require business to take responsibility for the pressure our planet and its people are under. The businesses that act in time to take this challenge will have competitive edge.

We are aware that there are complex interdependencies and the effort to solve one aspect of a problem may reveal or create other problems. Integrating Responsibility across, its operations not restricting it to CSR or sustainability department, but along its Supply chain, may solve this problem a bit. This will also help in responding to customers' demands and global procurement rules.

Keeping in mind the above scenario and learnings from our consultative workshop and for systematically feeding into the Framework I have created a table with Institutions/stakeholders, Past/current situation, opportunities/future actions. Roles in Policy, practice and performance evaluation. All will focus only on roles and responsibility expected from them or have the potential to perform. A Governance Body on Responsibility Implementation will Direct and oversee the whole process from Policy to Payoff.

#### **Governance Body for National Responsibility for effective implementation of the framework**

**What:** Governance Body to Oversee and Endorse Process  
(Working hierarchy to streamline Facilitation, Implementation and Reporting)

**Who:** Major Stakeholders and their working structure  
(Roles and Responsibilities)

**How:** An organizational structure that integrates all  
**Key Actors**

**National and local government**  
(Planning, Env, Human Right, Commerce, Trade ministries)

**Regulators**  
(SECP, PSX, FBR)

**Private companies and Business Associations**  
(Industrial, Agri-Business and Service provider)

**Financial sector**  
(Banks, Investors and Insurers)

**Civil society organizations**  
(Think tanks, Social & Environmental Right based Actors)

**Knowledge institutions**  
(Technology, Business, and Art & Design)

**Youth Representatives**  
(Young Entrepreneurs and Aspiring Leaders)

**Subject Expert**  
(local & global experience)

#### **Governance Body for National Responsibility Governance Structure Salient Features**

Oversee continuous implementation of Framework  
Representation from Major Stakeholder Constituencies  
Mandate to Oversee and Ensure:

- Continuous Action on recommendations by SHs
- Policy formulation
- Effective mechanisms for Implementation
- Performance evaluations and analysis
- Improvement and impact

#### **CRISIS Vs. OPPORTUNITY**

- Green Washing Vs. Green Economy
- Corporate Compliance for Crisis mitigation Vs. Constructive Collaboration for Competitiveness
- Policing Vs. Partnership (Enabling Environment for EEEE)
- Economic Growth Vs. Sustainable Growth
- Haphazard Vs. Systemic approach
- Reactive reflexive mitigation Vs. Proactive Planning
- short-term profits Vs. long-term prosperity
- Corporate Finance Vs. Corporate Responsibility
- Corporate Compliance Vs Constructive Collaboration

#### **National Responsibility for SD**

# ANNEX-1

RESPONSIBLE BUSINESS FRAMEWORK & SDGs							
		Perception	Preparation	Policy	Performance	Progression	Payoff
	Institutions	People Planet Prosperity Awareness	Partnerships	Peace & Institutions	Process	Platform - Digital	SDGs
Governance & Management							
Audit Conflict of Interest Diversity	SECP ICAP/PICG	Director Training to Inclusion of Ethics Environment Equity Technology platform intro Linkage to SD Governance & Islam	Code of CG reviewed with EEEE/SDG lens In collaboration with Stakeholders	SECP regulation Islamic Finance Institutions building	Meeting minutes Electronic Dash Board Women on Board Islamic Financial instruments	Ethical decisions taken Code of CG compliance	Credibility 10,16,5
Principle & Values							
Code of conduct Value & Purpose Tax Bribery Corruption	Academic Institutes NA HEC FBR	Anticorruption Ethics & Value Teaching & Trainings Business will not fudge books when tax regime is business friendly. Business is not harassed or policed	Review curriculum to include Ethics subjects. Tax policing to tax facilitating. National Responsibility Index (multisectoral	Integrating SDGs into National Devlp Plan. Policies on Anticorruption, Whistleblower protection and Tax break for ethical companies (leaders) Different tax schedules and rules for Startups	HEC criteria include teaching on Ethical Entrepreneurship, Anticorruption and related courses Corruption Complaints	Courses run Business awarded tax break for fair business practices	Anticorruption Resource saved due to Whistleblowing 16 ,4
Compliance & Disclosure							
Environment Human Rights Labour & Child Rights Transparent and Timely communication	EPA M of Labor M of Commerce Industry M of Climate Change SMEDA NIC's Chambers	Awareness on Environment & Social Global Compliances and their benefit to Business growth And benefits of Transparent reporting	Built H Capital for EEEE Audits (Ethics, Equity, Environment, Economic) Audit s Enabling Ecosystem for digital security & innovation ICT adoption for disclosure	Review EPA standard for different Sectors and different geographical areas Eco-Labeling Fairtrade Policy to facilitate Digital Transformation AI , Block Chain , Big Data) for product traceability, monitoring and Impact Analysis Policies to encourage Startups using Digital transformation	Simple Voluntary Guidelines for reporting on EEEE (Ethics, Equity, Environment, Economic) By MNCs, LNCs, SMEs, MSME and Startups Tools for Integrated Compliance on EEEE and impact linkage with SD fed into different Indexes ( e.g. Responsible Competitiveness / Global Competitiveness/SDGs	Relevant bodies receive compliance report from their members. Data from different departments and Business associations in a connected form to be fed into different Indexes and used for Reporting to Different Global and Local Stakeholders	Transparency Stakeholder & shareholder confidence Planet Climate Change Clean Energy Decent Work Gender Eq 16,6,7 ,5, 9 (Industry innovation) Impactful Communication

Stakeholder Involvement & Community Interventions							
Donations to Gov & NGO's Community Interventions Shared Value Investment in SC Creative Collaborations with Customers and SR, Ethical Impact 4s Responsible Procurement	Media Supply Chain Communities Global Investor & Regulators Young entrepreneurs Local government NGOs UN agencies Embassy missions	Society, government, private sector, Youth Integrated high-priority SDGs into National Development Plan Collaboration with Media on awareness through proper communication Business sponsor programs on RB/SD awareness Partnerships benefits & Criteri Embassy Missions awareness on Green products and Responsible supply chains	Built Business confidence on proper use of their financial contributions Integrate high-priority SDGs into National Development strategy Bill on Media Ethics Embassy missions Encourage traceability	Priorities issues & Geographical location need direct financial support for uplift at National Level and share with Business Clear policies/regulations for transparent use of financial and other resources Policies/laws for smooth collaborations and handling (partners) conflicts Policy to easy use of blockchains Encourage Startup using AI & big Data <sup>11</sup>	Transparent and easy to understand Reports on Initiatives /Intervention/ Investment Successful Partnerships Action plan with performance indicators, responsible institutions for Data collection for High Priority DGs Special talk shows, plays , documentary's on electronic media	Award impactful stakeholder collaborations Media Ethics Index Happiness Index Trade Shows highlight PK products as Responsible and traceable Products	Poverty Alleviation People Partnerships Prosperity Peace <sup>12</sup> Better managed and Impact Initiatives attracting SRIs , Ethical Investors and Impact Expanding Exports
Customer & Product (Production Process)							
Sustainable Product Customer sustainability sensitivities Production process Ethical Advertising Misconception Marketing	IPO M of Commerce Trade Bodies Advertisement Media CCP PEPA PPRA <sup>13</sup>	Awareness & Capacity building of Product Supply Chains on H&S and System and cost-effective mechanism for product innovation based on EEE concerns of Customer Economic Zones sharing resources and collective creativity for Compliance IKEA (Better Cotton Initiative)	Plan & processes for Integrating Responsibility Culture into Supply Chains Strategy for Sustainability Sensitive Customer and Investors Develop own supply chain through Mechanism for product innovation focus on environmental concerns	Eco- Tourism/ Green Bonds Tax levy on Environment waste/pollution Unethical advertising and Marketing Misguided labeling Agri-Supply chains Policies and regulation on Sustainable Procurement <sup>15</sup> Enable Green Tech and Socially Res innovative Entrepreneurs. Strict EEEE regulation for CPEC EZ	Environment friendly product produced through ethical and equitable processes to achieve economic gains. Follow rules on Circular economy Focus on Product life cycle.  Technology to explain green product life cycle stages. Recognize and Reward Green Products	Environment friendly and safe products Carbon footprint Zero waste Industrial production waste recycles, reused	SCP Innovation Partnerships Decent Work EG Expanding Export Items Sustainability Brands

<sup>11</sup> Big data analysis useful to forecast outbreak of deadly diseases / track epidemics. 3D printers for cheap custom-built prosthetic limbs. AI to accurately read digital scans without human touch.

<sup>12</sup> Waheed Ambreen , PBPP Peace and Responsible Business

<sup>13</sup> Public Procurement Regulatory Authority's to include Responsible Procurement

<sup>15</sup> Public Procurement give Preference to Responsible Suppliers by simplifying the process and criteria for Entrepreneurs and suppliers with record of responsible practices

		Fair-traded Soccer Balls Interloop <sup>14</sup>					
Financial Viability & Economic Growth							
Listed on SRIndex manage risks through creation of liquidity mechanisms, assets, and social capital	KSE SECP ICAP BOI SBP <sup>16</sup> PSX	Move from Charity to Investing in small informal business Invest in Human capital for long term financial gains Avoid losing Brand image and Huge fines and Link to BOI Ease of doing Business	Social compliances mechanism for evaluating performance /financial benefits of Social and Environmental Investment and Ethical Marketing Labor Market Efficiency Invest in local Entrepreneurship Responsibility Index Responsible Economic Zones Responsible Stock Exchange <sup>17</sup>	Allow formation of Socially Responsible Index Tax break for RB Practices Ease of doing Business: Preferred treatment to Responsible Business, 'Responsible Entrepreneurs' <sup>18</sup> i.e. Process timelines, preferred markets, invitation & special spaces on foreign Trade Shows Institutionalize Ethical Investment (Ease & Tax Timelines facilitation for EEEE PK-Investors)	Impact Investing Fund – Based Investment criteria include EEEE Risk System Exist and work for avoiding potential damaging events (before occurrence) and mitigating the effect of crisis (after occurrence). Common facilities- Waste Management, water treatment & Reuse Green spaces, Pollution capture & Human Capital	Top companies on SRIndex Sustainable wealth creating capacity Carbon footprint of EZ Saving Resource	Economic Growth. FDIs. International & Local Investment in Startup. Ethical Entrepreneurs Growth. Carbon Credits

<sup>14</sup> “Interloop is realizing and owning the responsibility based on personal ethics and values. Interloop is not doing it as a legal demand like its counter parts rather it owns the responsibility to make the environment and society more sustainable.” –Damen, EUSox

<sup>16</sup> Legalization of crowd funding by SBP/SECP will create Opportunities for ‘Responsible Entrepreneurship

<sup>17</sup> Sustainable Stock Exchanges Initiative (SSE) – a PRI, UNCTAD and UNEP-FI Collaboration

<sup>18</sup> ‘Responsible Entrepreneur’ term coined by RBI (2005) to refer to Business Startups/Social Entrepreneurs who have Responsible practices built into their strategic action

## ANNEX-2

SDGs: Overview of Progress and challenges in Pakistan		
Area	Accomplishments	Challenges
Assessing priorities	SDGs Parliamentary Task Force SDGs established at national and Provincial levels NEC approved 2018 National SDGs Priority Framework	Provincial and Local priorities and SDG targets have yet to be prepared
	Govt-UNDP initiated project mainstreaming existing policies, targets, advocacy, implementation, monitoring & reporting	Alignment of SDGs and PSDP and ADPS has yet to be initiated
	Parliamentary Task force also set up and Prov and National levels. Steering committees also notified	CSOs, academia, media, sexual and ethnic minorities parliamentarian and local governments not aware of efforts on SDGs and not included in Sector/cluster committees
Institutional Coordination	PC/P&D/SDG units have good hold of SDGs and other ministries and departments are raising awareness	Institutions/inter-department coordination weak. PC/P&D/SDG units have to play key role
	SDG and targets published translated in Urdu for sensitization	Indicators not yet translated or disseminated
	Focal Persons nominated in every Department in Punjab, District SDG committees established headed by DCs, Dedicated website to be launched	Most stakeholder, parliamentarian and govt authorities only consider PC/P&D as solely responsible for implementation and compliance
Policy to Action	Gov political will. Process of policy level reforms already initiated; ministries and depts.	Most parliamentarians lack awareness of SDG implementation mechanisms and govt initiatives
	National Steering Committee notified with reps of 27 ministries. Provincial advisory council/sector/Technical/ Thematic Committees already notified in Punjab	No other provincial level stakeholders engaged, except government officials. P&D working in silos
	Data gap analysis have been carried out	Pak/provincial/local govt specific targets and indicators yet to be developed
Integrating SDGS into Budgets	Prov. Govts. Get ample resources from NFC award and National PSDP and PMSDGP	Govts do not publish accessible and open data on SDG related budget
	Priority areas selected; <b>poverty eradication and equity, education, health and population, gender equality, energy, water and sanitation, structure and human settlements.</b>	Little to <b>no financing for SDG and targets on basic infrastructure, health, water, sanitation at grassroots level</b>
	Annual Development plans (ADPs) being reviewed	CSOs and stakeholders not engaged in budget making processes. Wider participation needed
Data, Monitoring and Reporting	Data available at various departmental levels and with CSOs	No centralized/provincial level data available.
	Departments have internal monitoring mechanisms and processes of redressals	Few functionaries know about voluntary national review-VNR, reporting requirements. No monitoring & reporting mechanism
	Data gap analysis carried out	No CSO stakeholder engaged in any VNR process
Advocacy and Partnerships	UNDO & GoP established successful Partnerships with academics, think tanks and CSOs and created a pool fund for joint ventures and advocacy	Most CSOs and other stakeholders including Private sector unaware of all these efforts

	Govt Partnership process initiated at Federal Govt & Punjab. Open Budget Index & Budget Transparency review underway	No civic spaces or funding. Regulations discouraging partnerships
	Women Parliamentary Caucus, PCSW, PIC, NCHR and Youth Caucus are available platforms	No collaboration or awareness between these and Commission/SDG units/task force
<b>Private Sector(PS) Engagement and SDGs</b>	PS focusing on Goals , 8, 11 (poverty, economic growth, sustainable communities)	No collaboration or engagement with CCIs or WCCIs or other private stakeholders
	PS has CSR funds and will to contribute Public private partnership Cell set up at P&D dept, Punjab	No gov org/CSOs collaborate for joint ventures or resource finding
<b>Local Govts, and SDGS</b>	Local Gvnts, engaged under ADP and PSDP (Bhakkar and Rajan pur Districts models for SDGS)	Delay in release of local govt funds
	More funds available to village/ward/union councils in KP	No policy/plan for engagement of local govts for SDG implementation at local level.
	Local govt. owned projects properly monitored by mayor/deputy mayor technical experts	Many local gov. officials not aware of SDGs
<b>Indicators and initiatives for Goal 16</b>	Strong RTI commission in KP. None in Baluchistan and Sindh	Weak implementation of RTI across all other three provinces
	NCHR provincial offices functional at provincial level Directorate of human resources in KP	No gender de-segregated data available on human rights
	PCSW and women development data department collects data on violence against women in Punjab. CSWs in KP. Balochistan and Sindh have no resources	Implementation of laws regarding protection of women, sexual harassment etc are extremely weak.
<b>CSOs engagement with Govt and Stakeholders</b>	Pakistan Development Alliance, PHFs Working Group on SDGs and other CSOs active from platforms	Majority of CSOs unaware of SDG initiatives
	Universities like FCU,GCU, ITU engaged to initiate SDGs research courses	CSOs have difficulties in aligning own development initiatives with SDG targets
	CSOs have mandates to collaborate with Govt and Ps for SDGs	Majority of CSOs rarely engaged in joint ventures/forums/coalitions to do advocacy for SDGS

## ANNEX- 3

### National: Examples of CR-SD models implemented by Private sectors:

Company	Perception/plan	Policy/Practice	Partnerships	Impact on SD	Reporting/communication
EBM					
RBP	implementing the triple-bottom-line principle of people planet and profits, Enhance EBM’s own in-house capabilities invested <b>Rs. 1.6 billion</b> (capital investments) for facility upgrade	Development of ew, eco-friendly packaging. re-engineering processes and developing innovative new technologies -increase cost efficiency but also minimize the env. impact of production.	<b>WORLD FOOD PROGRAM</b>  EBM- WFP	Partnership Health Hunger Poverty Education <b>Innovation &amp; Tech Climate Change</b>	Annual Sustainability Report Follows GRI Guidelines
SV	lending institutionalized support to various healthcare facilities. creating awareness at grassroots level invest in research and development to address the health and wellbeing issues. invested in research towards the reduction of malnourishment.	Dedicates over one percent of its production capacity to the World Food Program. <b>PROJECT HOPE</b> EBM - Reckitt Benckiser (RB) to eradicate diarrhea in the rural communities empowerment plan: baskets of products at a highly subsidized rate	Reckitt Benckiser (RB)		
CI	contributions exceeding <b>Rs. 9 million</b>	contributions for <b>education</b> addressing food emergencies in natural disasters			
ENGRO					
RBP	WELD program (women empowerment through livestock development)	maintains a policy of provision of information Compliance to regulation on CSR Supply Chain Communities	PPAF,SRRO, TCF, Government of the Punjab (GOP) USAID.	Partnership Health Hunger Poverty Education Innovation Sustainable cities	financial statements online GRI based Sustainability Reporting
SV	WELD to train a team of 300 FLEW and 300 FVMC who deliver services at doorstep to livestock owners for increasing production and linking their produce with relevant business providers.	These programs contribute to women empowerment, on the one hand, and deliver services at doorstep to livestock owners for increasing production, on the other.			
CL & P	1% of its profit before ta\x to its CSR initiatives 2011, Engro foundation invested around Rs.186 million on social investment				
PTCL					
RBP	Environment Health & Safety Structured employee volunteer program Inclusion	Razakaar – employees activities in areas of need. Box of Happiness campaign and the magnanimous Agreement with CBA Etisalat	Worker Union Own Employees	Partnership Health/Hunger/Poverty Equality/Decent Work Environment Education Innovation	
SV	Youth Development PTCL employees children nurtured to be more responsible, creative and tolerant.	Eco-hike and tree plantation drive to preserve environment.			
CL & P	Blood <b>Donation</b> Drive & Disaster Response				



Fauji Founda					
RBP	Initiatives Contributing to R&D, to ensure production safety to limit impact of manufacturing operations on the health, safety and environment (HSE)	Waste Heat Recovery and Balancing, Modernization, Rehabilitation and Expansion at Askari Cement plant Waste Heat Recovery Plant at Fauji Cement plant Solar power plant at FFC energy, wind farms Low BTU fired gas power plant	Pakistan Poverty Alleviation Fund and National Rural Support	Good Health , Well-being Quality Education Partnership Health/Hunger/Poverty Education Innovation Sustainable cities Climate Change	
SV					
CL & P	voluntary initiatives in the areas of economic, environment and social management	contributed over Rs 1.5 billion			
Samsung					
RBP				Health Partnership Health	took a ‘quality over quantity’ approach in sustainability management goals. ‘True Value’ method of KPMG that quantifies social and environmental indicators
SV		United Nations Volunteers (UNV) program			
CL & P	Public Health and Safety initiatives 0.3% of profits donated to social causes	donation of 2 hi-tech Echocardiography units and one Ultrasound Color Doppler machine to Jinnah Hospital			
PSO					
RBP	Supply Chain Capacity, Women empowerment, Env		PHA WWF	Partnership Health Hunger Poverty Education Innovation	
SV	Trackers	PSO-CNS International Squash Championship 2007			
CL & Pn	financial contributions supporting several national health educational institutes. Sports development and Relief Activities	over Rs 1.5 Institutes: cardio Vascular Diseases, Marie Adelaide Leprosy center. Special children welfare			
Unilever					
RBP	Carbon positive in manufacturing Reducing GHG from washing through reformulation Fair business practices, Opportunities for Women, Inclusive business, Product Integrity	Source all energy renewably, Eliminate coal from energy mix Surplus energy available to communities New factories Nutritional standards on global dietary guideline		Partnership Health Hunger Poverty Education Innovation	Sustainability Report: Supplements Annual financial report. Annual progressson UNGC goals and UN Water Mandate. Under GRI standards and UN GP Frame Work (United Nations Guiding Principles Framework) Indicators; Environment Portfolio Reporting Principles Independent Assurance Review through Ernst and Young
SV	Sustainable Living Plan	helping billion+ people improve health & hygiene reducing life-threatening diseases. 601 million people reached by end 2017			
CL & P	Financial and food support	Rs. 2.43 M towards Flood relief and rehabilitation 82,608 meals provided to WFP			
BSP					
	Responsible Supply chains Health & safety, Human Rights Anti -Corruption Biomass plant Recycling	Workers & employees: Training/awareness HR,, whistleblowing, Env, H&S, anti-Corruption, Diversity, Equity, code of conduct, labor Rights, gender harassment policies and trainings Transportation +BioMass - Carbon Foot print	ILO	Partnership Health Hunger Poverty Education Innovation	IFC
	Responsible Value Chains Encourage Entrepreneurship Skills Development Informal Suppliers	School for children from Waste suppliers Self-respect, acceptance in society Skill development to enhance alternate income Training – market opportunities			

## ANNEX- 4

### Global: Examples of CR-SD models implemented by Private sectors:

Global Corporation		RESPONSIBLE BUSINESS FRAMEWORK & SDGs				
		Perception	Preparation	Policy	Performance	Progression
Country	Institution		Partnerships	Government Initiative		
Aruba	-National SDG Commission Ministry of General Affairs Department of Economic Affairs, Commerce and Industry (DEACI)	High-level training courses on SD roadmaps	Platform for South-South cooperation & knowledge exchange Carbon War Room and the associated Rocky Mountain Institute	National SDG Commission to coordinate SDG implementation.	UN's Mainstreaming, Acceleration and Policy Support (MAPS) approach to ensure full engagement with the 2030 Agenda. Aruban National SDG Commission conducted a survey of stakeholder involvement -Indicators WG to assess relevance and localize SDG indicators  Draft roadmap for SDG implementation with existing policies addressing over 80% of SDG indicators	In-country technical assistance, with a virtual platform for knowledge products and learning tools. Involved private sector, trade unions and civil society organizations in consensus-based decision-making Website Facebook and a twitter account to share information with the public UN DESA Mainstreaming, Acceleration and Policy Support (MAPS) approach National SDG commission works closely with government ministries NGOs private sector to ensure mainstreaming of the SDG approach <b>CHALLENGES</b> Effects of current national policies on future generations and communities Need for clarity about the indicators, roles of collaborating countries
St Marten	"Think and Act" commission representing 3 ministries	Awareness on human development, good governance, environmental protection and preservation of cultural heritage. Including SDGs in the school curriculum. Communication for npublic.	Curaçao and St Maarten working together with UN system in mapping the SDGs	Integrating SDGs into National Development Plan,	Information and communication campaign  Using a bottom-up approach  St. Maarten-Info database to compile development data, and user portal for policy development initiatives	National Development Plan currently being drafted. <b>CHALLENGES</b> Still making constitutional changes and building institutions. Progress needed in further reducing poverty among vulnerable groups, env protection of water and land, effectiveness and accountability of the country's institutions. Specific initiatives building affordable housing, ensuring sustainable spatial development, providing physical and social foundations for long-term SDGs
Curaçao	Central Bureau of Statistics	Businesses and trade unions discuss policy paths in line with ILO principles, Social dialogue.  All parts of society, government, private sector, Youth Integrated high-priority SDGs into its National Development Plan	National dialogue on the 'Curaçao is Advancing' National SDG review Youth reps actively involved Established democratically elected National Youth Council National Action Prog for Youth Devlp is also linked to the SDGs	NDP includes various aspects of nation building and capacity development. Integrated 4 SDGs local challenges; Quality Education; Affordable & Clean Energy; Decent Work & Economic Growth; and Life Below Water. Multi-year budgets for policy programs on youth, safety and economic growth	Central Bureau of Statistics monitoring SDG implementation National Socio- economic Database monitors SDG indicators <b>CHALLENGES</b> Gathering usable Up-to-date data Exchange of lessons learned between different orgs, stakeholders and sectors. General public and many of the Kingdom's orgs -not yet embraced the SDGs framework Policy coherence Institutions and support structures still mono-disciplinary	Voluntary National Review process to encourage key SH & ministries on awareness of the 2030 Agenda and SDGs.  HLPF report process to consolidate networks and improve existing relationships across the Kingdom. SDG implementation must be further aligned with existing policies.  SDGs will be key part of the new government's policies and will be integrated into its program for 2017-2020
Netherlands	Minister for Foreign Trade & Devp Cooperation Co-chairs of the GPEDC . EU Minister Foreign Trade & Dev Coop SDG	Awareness Campaigns, Youth mobilization Surveys in charge of overall coordination between ministries coordinate countries joint report to UN Political Forum	Partnerships bet country's river delta communities Different SH undertake collective action at consumer end of value chains	R B Conduct Agreements National Energy Agreement, private power & env org, knowledge insts and gov bodies Initiatives to boost investment e.g. Community Life Centres in Africa, Human Cities	Eighth worldwide among countries on track to achieve the SDGs. Conducted a baseline survey of national efforts to achieve the SDGs. 'Measuring the SDGs: An Initial Picture for the Netherlands', published in November 2016. Over 100 orgs signed up to the Netherlands' SDG Charter	Building on established partnerships Enhancing monitoring and reporting- provide guidance on accelerating progress with scope for improvements Statistics Netherlands provided statistical overview of the SDGs <b>CHALLENGES</b> High per capita greenhouse gas emissions. Low share of renewable Food production systems are not fully sustainable. Low quality of groundwater, surface water and coastal waters

	Association of Municipalities		Multi-stakeholder coalitions GAVI and the Scaling SUN	Coalition, Financial sector initiatives		Natural habitats under considerable pressure.
--	-------------------------------	--	-------------------------------------------------------	-----------------------------------------	--	-----------------------------------------------

## ANNEX-5

### Government: Examples of CSR-SD models implemented by Governments and Private sectors:

RESPONSIBLE BUSINESS FRAMEWORK & SDGs							
Country	Institution	Perception	Preparation	Policy/ Government Initiative	Performance	Progression	Payoff/SDGs
Bangladesh	Urban Partnerships for Poverty Reduction, government prog supported by UNDP,	Bangladesh Urban Forum-allowed people from governments and communities to exchange views and experiences	Community Housing Development Fund	<b>Empowering Slum Dwellers to End Poverty</b> Teaching leadership skills in community forums national prog will coordinate national and local actions to reduce poverty	<b>empowering community itself</b> Committees -federations to interact with the municipal governments. Apprenticeship grants	<b>Managing and updating Settlement land maps</b> <b>Maintaining records of infrastructure and services in slums,</b> <b>a community contracting model</b>	250,000 households had better water supplies; around 190,000 had improved latrines.
China	Joint initiative of the Chinese Government, UNDP and the Global Environment Facility National Development and Reform Commission joined UNDP and private companies	Light and Love Tour- <b>27 rural areas in 22 provinces</b> , distributed over 2.6 million energy-saving light bulbs to over 2,500 schools and 600,000 households.	setting up over 2,000 sales outlets across 22 provinces, particularly in smaller rural towns	<b>Green Lights Project</b> Policy framework in line with recent national five-year plan objectives; two-phase prog replaced 100,000 inefficient incandescent light bulbs with CFLs. <b>Subsidies of around 30 percent</b> eased the conversion. national plan for manufacturing approved for state lighting program- <b>public institutions used energy management contract mechanisms</b> Businesses, universities and gov. -sponsored 21 Green Lighting Education and Demonstration Centers <b>Incentives for conversion among both consumers and producers established,</b>	<b>Brought light bulb manufacturers on board</b> -helping 10 of the largest incandescent bulb manufacturers develop conversion strategies. <b>Co-financing from the Government and private sector</b> <b>Nascent corporate social responsibility initiatives.</b> <b>Businesses invested towards training</b> employees, changing production lines, sponsoring pilot initiatives and research, and establishing new sales outlets. <b>Project donations</b> of 100,000 energy saving bulbs sponsored by investment	Manufacturers invested nearly \$60 million in expanded manufacturing of energy-saving bulbs. Nine companies performed <b>production audits</b> aimed at <b>identifying improvements in terms of better resource use and lower pollution.</b> <b>Five facilities for recycling</b> energy-saving lights set up for the end-stage of the product lifecycle, <b>New national quality criteria-establishment of quality control systems,</b> <b>120 manufactures had gained ISO 9000 Quality Control Certifications.</b> <b>National visibility</b> - retrofitting seven of China's most iconic buildings	By 2016, incandescent lights of 15 watts or above had been banned for sale in China. Over 50 manufacturers learned cleaner production processes, measures to minimize the amount of mercury in energy-saving lights- production of 358 million safer bulbs 237,000,000 FEWER TONS OF EMISSIONS
India	National AIDS Control Organization and UNDP	conducted a groundbreaking study	developed partnerships with CSOs; experiment to connect people with HIV to the full range of services they need; Workshops and campaigns	<b>Protection for People with HIV</b> 100 <b>state and central social assistance schemes.</b> Benefits have included pensions, scholarships, travel allowances and subsidies for food and shelter,; single-window service centers . <b>Supreme Court issued landmark decision</b> that every individual has the right to choose their identity as male, female or a third gender.	<b>close consultations</b> with people living with HIV and <b>state and local officials,</b> minimum package of essential services. easily available in one location reduces barriers to access.	<b>special national and state "mainstreaming" units.</b>	extension of an existing nutrition prog to all people living with HIV and their children. State also lowered the pension age for widows from 45 to 18
Mongolia	Ministry of Justice national secretariat UNDP prog that scaled up a pilot project by the Open Society Forum	numerous training workshops -prominent lawyers and judges exchange experiences; developing outreach strategies		Legal Aid Protects Rights, Reduces Risks for The Poor network of new services nationwide on the foundation of a UNDP program <b>Partly Gov. financed program with the share growing each year;</b> Led to fully nationalized system of legal aid funded through the national budget; passed its first Law on Legal Aid.	Each center supplied with basic furniture and equipment, admin support.	The Ministry of Justice established a head office for legal aid charged with managing 31 legal aid centers Offering services by 59 public defenders and staff. National secretariat to manage the centres. national training process Series of templates help attorneys with reporting cases and interviewing clients.	legal services provided to 40,000 people: protections of human rights, assistance with civil issues on diverse topics, such as pensions, labor and land relations, contracts and trade-related activities.
Iran	project with Iran's Forest, Range and Watershed Org, the Global Environment Facility and UNDP.	local discussions around options for more sustainable livelihoods	vocational training ;information on topics such as legal rights and insurance	Village development plans that identify common priorities; access to potable water, availability of employment and protection from dust storms. <b>national model for rural development.</b>	Organized community members ; planting and irrigating saplings and shrubs. microcredit mechanisms, contributions from UNDP, the Government and other	a village development group in each village to start tackling environmental and economic challenges	21,000 days of employment for local people, while shaving operational costs for the Government by about half.

				Central government improved infrastructure; constructing water reservoirs, improving schools and health care facilities. installation of solar water heaters and facilities to desalinate water. Resource from the central Government, loans to invest in equipment.	organizations all <b>under the management of specially created cooperatives.</b>		
Nepal	UNDP Government of Nepal's Alternative Energy Pro-motion Centre Nepal Electricity Authority		training the community on how to use and maintain it, building new skills in planning and managing local resources.	harnessing energy with micro-hydro power plants situated on local streams and rivers ripple from high elevations. plants constructed with accessible, locally available tech, easy to install and maintain.  <b>2016 Renewable Energy Subsidy Policy, drafted in part with UNDP assistance Nepal Electricity Authority; set technical standards to open grid connections to micro-hydro plants</b>	Central Renewable Energy Fund, banks and financial institutions -funding projects. Manufacturers and installers of mini-hydro and large solar photovoltaic systems.	support for managing supply, monitoring and demand and avoiding duplication comes from local planning authorities.	Climate Change Sustainable cities Innovation Renewable Energy
Pakistan	KP government and UNDP			UNDP programme to extend access to justice to poor and marginalized people in KP; emphasis on engaging women both as within the judicial system and social equity	KP Judicial Academy; training hub with over 2,000 graduates. Regional Training Center for Police, introduce community policing to bolster public confidence in services, forensic lab-improves the processing of evidence.	Consultations with community members in 10 districts of Malakand-platforms to discuss community policing needs.	supported 2,668 legal aid clinics in different areas. 136,000 people serviced-over half women. Twenty-two institutionalized legal aid desks serve over 17,000 community members..
Examples of Good Implementation Practices from Developed Countries							
Denmark	The national statistical bureau, Statistic Denmark	two information-meetings about its process and the role of partners, and second through an open hearing on their draft material.	inviting different kind of people with different interest, but with expertise on monitoring, data and statistic within their own area of work, CSOs, private sector, municipalities, academia	Mandate to monitor the implementation Realization of the SDGs in Denmark-provide data on UN's 232 global indicators to the UN global monitoring mechanism.		interested actor to join a statistic and monitoring partnership on the SDGs to gain expert knowledge to measure the indicators Quality of the data to follow the work a public online platform has been launched.	Statistic Denmark has within three months created new data and brought in even more quality in the data, which has lifted the number of indicators that Statistic Denmark are now able to report on.
Germany	International Peer Review of the German Sustainability Strategy by Government	International peers chaired by Helen Clark, former head of UNDP and former New Zealand prime minister, civil society, trade unions and businesses		Sustainability Strategy (GSS) - high-level international Peer Review. Group of international former politicians, scientists and civil society representatives reviewed the strategy.	review gave some good recommendations	Feedback form outside expert- pointing at blind spots and slowing progress in a cooperative way. facilitate peer learning as an essential element for improving the implementation of the 2030 Agenda on the national level.	
Austria	Austrian Court of Audit (ACA)	different stakeholders, CSOs		audit on the implementation of the 2030 Agenda in Austria. assessing the legal framework conditions, responsibilities of the Fedl Government, coordination across all levels of government, implementation plan and monitoring of progress	included critique on the lack of ambition for Voluntary National Review at the High Level Political Forum, audit shows contributions of individual ministries varied in terms of quality and scope regarding how the SDGs were addressed.	an independent and critical evaluation; mirror to the gov. and provides concrete recommendations 25 concrete recommendations for what could be done to improve the Austrian implementation of the 2030 Agenda	useful tool for stakeholders to put pressure on their government Role of Supreme Audit Institutions (SAIs- holding governments accountable

## ANNEX-6 A CASE STUDY OF CSR-SDG FRAMEWORK

RESPONSIBLE BUSINESS FRAMEWORK & SDGs							
Country	Institution	Perception	Preparation	Policy	Performance	Progression	Payoff
Aruba	-National SDG Commission Ministry of General Affairs Department of Economic Affairs, Commerce and Industry (DEACI)	High-level training courses on SD roadmaps	Partnerships Platform for South-South cooperation & knowledge exchange Carbon War Room and the associated Rocky Mountain Institute	Government Initiative National SDG Commission to coordinate SDG implementation.	UN's Mainstreaming, Acceleration and Policy Support (MAPS) approach to ensure full engagement with the 2030 Agenda. Aruban National SDG Commission conducted a survey of stakeholder involvement  -Indicators WG to assess relevance and localize SDG indicators  Draft roadmap for SDG implementation with existing policies addressing over 80% of SDG indicators	In-country technical assistance, with a virtual platform for knowledge products and learning tools. Involved private sector, trade unions and civil society organizations in consensus-based decision-making  Website Facebook and a twitter account to share information with the public  UN DESA Mainstreaming, Acceleration and Policy Support (MAPS) approach  National SDG commission works closely with government ministries NGOs private sector to ensure mainstreaming of the SDG approach <b>CHALLENGES</b> Effects of current national policies on future generations and communities in other parts of the world.  Need for clarity about the indicators, roles of collaborating countries	SDGs 7.1 million small-scale farmers raised their income and productivity through training, advice, inputs, infrastructure and the adoption of robust production techniques, increasing their resilience to droughts, floods and storms.  24.3 million people gained access to improved sanitation  More and better-quality food made available to 18.1 million people through domestic crop cultivation, drought-resistant water supplies, the availability of enriched food and targeted provision of food supplements.  9 million people benefited from infrastructure projects, access to markets, electricity and water and strengthening their financial position.
St Marten	"Think and Act" commission representing 3 ministries	Awareness on human development, good governance, environmental protection and the preservation of cultural heritage. Including SDGs in the school curriculum. Communication plan to inform the public.	Curaçao and St Maarten working together with UN system in mapping the SDGs	Integrating SDGs into National Development Plan,	Information and communication campaign  Using a bottom-up approach  St. Maarten-Info database to compile development data, and user portal for policy development initiatives	National Development Plan currently being drafted. <b>CHALLENGES</b> Still making constitutional changes and building institutions. Progress needed in further reducing poverty among vulnerable groups, env protection of water and land, effectiveness and accountability of the country's institutions. Specific initiatives building affordable housing, ensuring sustainable spatial development, providing physical and social foundations for long-term SDGs	70,631 people in conflict-affected states found jobs or improved their income.  2 million people gained access to renewable energy, reducing their reliance on traditional biomass cooking such as 'three-stone' wood res.
Curaçao	Central Bureau of Statistics	Businesses and trade unions discuss policy paths in line with ILO principles, Social dialogue.  All parts of society, government, private sector, Youth Integrated high-priority SDGs into its National Development Plan	Curaçao's national dialogue on the 'Curaçao is Advancing' National SDG review  Youth representatives actively involved  Established democratically elected National Youth Council National Action Prog for Youth Devlp is also linked to the SDGs	National Development plan includes various aspects of nation building and capacity development. Integrated 4 SDGs representing local challenges; Quality Education; Affordable and Clean Energy; Decent Work and Economic Growth; and Life Below Water. Multi-year budgets for policy programs on youth, safety and economic growth	Central Bureau of Statistics monitoring SDG implementation National Socio- economic Database monitors SDG indicators <b>CHALLENGES</b> Gathering usable Up-to-date data Exchange of lessons learned between different orgs, stakeholders and sectors. General public and many of the Kingdom's orgs -not yet embraced the SDGs framework Policy coherence Institutions & support structures still mono-disciplinary	Voluntary National Review process to encourage key SH & ministries on awareness of the 2030 Agenda and SDGs.  HLPF report process to consolidate networks and improve existing relationships across the Kingdom. SDG implementation must be further aligned with existing policies.  SDGs will be key part of the new government's policies and will be integrated into its program for 2017-2020	Millions of people struck by humanitarian crises received shelter, food, water and sanitation through contributions channeled via UNHCR, the WFP, UNICEF and the International Red Cross.  Support to women's rights organisations helped strengthen the leadership capacities of more than 60,000 women
Netherlands	the Minister for Foreign Trade and Development Cooperation in charge of overall coordination between ministries Co-chairs of the GPEDC EU is a major partnership. Minister Foreign Trade & Dev Coop coordinate	Awareness Campaigns, Youth mobilization Surveys	Partnerships between country's river delta communities Different stakeholders undertake collective action at consumer end of value chains Multi-stakeholder coalitions GAVI and the Scaling SUN	Responsible Business Conduct Agreements National Energy Agreement, private power companies, environmental org, knowledge insts and gov bodies Initiatives to boost investment e.g. Community	Eighth worldwide among countries on track to achieve the SDGs. Conducted a baseline survey of national efforts to achieve the SDGs. 'Measuring the SDGs: An Initial Picture for the Netherlands', published in November 2016.	Building on established partnerships Enhancing monitoring and reporting- provide guidance on accelerating progress with scope for improvements Statistics Netherlands provided statistical overview of the SDGs <b>CHALLENGES</b> High per capita greenhouse gas emissions. Low share of renewable Food production systems are not fully sustainable. Low quality of groundwater, surface water and coastal waters	

	countries joint report to UN Political Forum SDG network with reps from each ministry and Association of Municipalities			Life Centres in Africa, Human Cities Coalition, Financial sector initiatives	Over 100 orgs signed up to the Netherlands' SDG Charter	Natural habitats under considerable pressure.	

## REFERENCES

1. Minh, Nguyen & Bensemann, Jo & Kelly, Stephen. (2018). Corporate social responsibility (CSR) in Vietnam: a conceptual framework. *International Journal of Corporate Social Responsibility*. 3. 10.1186/s40991-018-0032-5.
2. Steurer, Reinhard. "The role of governments in corporate social responsibility: Characterising public policies on CSR in Europe." *Policy sciences* 43.1 (2010): 49-72.
3. Stiftung, B. (2010) The Role of Governments in Promoting Corporate Responsibility and Private Sector Engagement in Development. Accessed
4. Bhave, A. (2009). Experiences of the Role of Government in promoting Corporate Social Responsibility initiatives in the private sector. Recommendations to the Indian state of Gujarat.
5. Warhurst, A. (2001). Corporate citizenship and corporate social investment. *Journal of corporate citizenship*, 1(1), 57-73.
6. Nidasio, C. (2004). Implementing CSR on a large scale: The role of government.
7. Mazurkiewicz, P. (2004). Corporate environmental responsibility: Is a common CSR framework possible. *World Bank*, 2.
8. Bori, S. Accountability mechanisms for SDG6 in the Netherlands.
9. Tanveer, Muhammad & Malik, Sumaira & Tul-Habib, Atia & Rizvi, Syed. (2012). Sialkot Chamber of Commerce & Industries: a prestigious example of CSR. 4.
10. Fayyaz, A., Lund-Thomsen, P. & Lindgreen, A. J *Bus Ethics* (2017) 146: 619.
11. Waheed, Ambreen "Business as a Bridge to Peacebuilding: Voices from Pakistan" funded by European Union implemented by International Alert UK, December 2012, Responsible Business Initiative, Pakistan

- 
- i The Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan aims to “stimulate the performance of companies, limit insider’s abuse of power and monitors manager behaviour to ensure corporate accountability and protection of interest of investors and society.” A comparable initiative is the Combined Code issued by the London Stock Exchange, itself modelled on the Sarbannes-Oxley Act of the United States, which calls for greater personal responsibility on the part of company leadership in disclosing compliance information accurately, within the requirements of law, with punitive penalties in case of non-compliance or concealment.
  - ii Money laundering: Preventing of the use of the financial system for the purpose of money laundering.
  - iii The UNCAC is the first legally binding international anti-corruption instrument. These measures aim to promote the prevention, criminalization and law enforcement, international cooperation, asset recovery, technical assistance and information exchange, and mechanisms for implementation.
  - iv The OECD Convention was signed in December 1997 to create a new multilateral agreement to criminalize the bribery of foreign public officials. The Convention is one of many initiatives and instruments in regional and international aimed at fighting corruption.
  - v The International Labour Organization (ILO) is a specialized agency of the United Nations that deals with all the labour issues.
  - vi The Factories Act is an Act of the Parliament of the United Kingdom. The Act consolidated much legislation on workplace health, safety and welfare.
  - vii International Human Rights Guidelines for Companies is a code of conduct for companies based on human rights standards.
  - viii The CEDAW, adopted in 1979 by the UN General Assembly, is an international bill of rights for women, defines what constitutes discrimination against women, and sets up an agenda for national action to end such discrimination.
  - ix The Environmental Protection Act 1990 (EPA) is an Act of the Parliament of the United Kingdom that deals with the fundamental structure and authority for waste management and control of emissions into the environment.
  - x The United Nations Framework Convention on Climate Change is an international environmental treaty to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.
  - xi The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries
  - xii Environmental standards in foreign assistance programs deal with issues of a global nature, such as climate change, biodiversity loss, and HIV/AIDS.
  - xiii Interfaith Center on Corporate Responsibility (ICCR) has been a leader of the corporate social responsibility movement. ICCR's membership is an association of 275 faith-based institutional investors.
  - xiv These are the guidelines for tax refunds.
  - xv The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment, and anti-corruption.
  - xvi OECD Guidelines for Multinational Enterprises are recommendations providing voluntary principles and standards for responsible business conduct for multinational corporations operating in or from countries adhered to the Declaration.
  - xvii Transparency International Business Principles for Countering Bribery are the principles are intended to be a comprehensive reference for companies on good practices to counter bribery.



- 
- xviii CRT Principles for Business embody the aspiration of principled business leadership. The principles are a worldwide vision for ethical and responsible corporate behavior and serve as a foundation for action for business leaders worldwide.
- xix Sullivan (member of Board of Directors, General Motors) Principles applied economic pressure to end apartheid. The principles became the blueprint for ending an unjust system.
- xx The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment, and anti-corruption.
- xxi CERES, founded in 1989, is a non-profit, national network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change.
- xxii These policies focus on environmental and social sustainability.
- xxiii Bench Marks is one of the most comprehensive sets of social and environmental criteria and business performance indicators that are useful for developing and monitoring corporate codes of conduct.
- xxiv The Global Reporting Initiative (GRI) produces one of the world's most prevalent standards for sustainability reporting as routine as, and comparable to, financial reporting.
- xxv International Standards of Accounting and Reporting is the only intergovernmental expert body focused on corporate transparency and accounting issues.
- xxvi Voluntary guidelines for listed companies
- xxvii SA8000 is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI).
- xxviii ISO launched the development of an International Standard providing guidelines for social responsibility (SR) named ISO 26000.
- xxix Worldwide Responsible Accredited Production (WRAP) is a not-for-profit organization dedicated to promoting ethical, humane, and lawful conditions and practices in manufacturing facilities all around the world.
- xxx The ISO 14000 is a standard for environmental management systems that is applicable to any business, regardless of size, location or income. The aim of the standard is to reduce the environmental footprint of a business and to decrease the pollution and waste a business produces.
- xxxi National Environmental Quality Standards (NEQS) were first promulgated under Pakistan Environmental Protection Ordinance 1983.
- xxxii ISO launched the development of an international standard providing guidelines for social responsibility named ISO 26000.
- xxxiii AA1000 Assurance Standard (AA1000AS) is the first sustainable assurance standard developed to ensure the credibility and quality of organizations' public reporting on social, environmental and economic performance as demanded by campaigners and the public and, increasingly, by investors and regulators.
- xxxiv The AA1000SES is the first international standard for stakeholder engagement and the revision process aims to make the next edition more accessible, practical and strategically applicable, demonstrating the value of robust engagement and articulating how this can be achieved.
- xxxv GRI Guidelines are regarded to be widely used to produce sustainability reports. GRI Guidelines apply to corporate businesses, public agencies, smaller enterprises, NGOs, industry groups and others.
- xxxvi SDGs
- xxxvii GRI Guidelines are regarded to be widely used to produce sustainability reports. GRI Guidelines apply to corporate businesses, public agencies, smaller enterprises, NGOs, industry groups and others.

- 
- xxxviii ISO 9000 is a standard that provides a structure (a quality management system) to help organizations develop products and services that consistently ensure customer satisfaction and continuously improve their products, services and process.
- xxxix SRI index refers to an index for social responsibility investment, whose key criteria for investment decisions include not only the financial performance of a company, but also its CSR.
- xl UN guidelines for consumer protection takes into account the interests and needs of consumers, recognizing that consumers often face imbalances in economic terms, educational levels, bargaining power, and bearing in mind that consumers should have the right of access to non-hazardous products, as well as importance of promoting sustainable economic and social development.
- xli Competition Commission of Pakistan Ordinance, 2007 is part of the broader competition policy framework of the Government of Pakistan through which it endeavors to engender free competition in all spheres of commercial and economic activity.
- xlii Fair Labour Association (FLA) is a non-profit organization dedicated to ending sweatshop conditions in factories worldwide by protecting workers' rights and improving working conditions worldwide.
- xliii The Ethical Trading Initiative is a ground-breaking alliance of companies, trade unions and voluntary organizations to improve the working lives of people across the globe that make or grow consumer goods.
- xliv Consumer protection laws are designed to ensure fair competition and the free flow of truthful information in the marketplace to prevent businesses that engage in fraud or specified unfair practices from gaining an advantage over competitors.
- xlv Eco-labeling is a voluntary method of environmental performance certification and labeling that is practiced around the world.
- xlvi FLO-CERT is the inspection and certification body for labelled Fair trade that inspects and certifies producer organizations.
- xlvii It was prepared by UNACTD and its intergovernmental working group of experts on ISAR in 2008.
- xlviii Principles for Responsible Investment (PRI) were coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact.
- xlix KLD Domini 400 Social Index is the first benchmark index constructed using environmental, social and governance (ESG) factors. It is a widely recognized benchmark for measuring the impact of social and environmental screening on investment portfolios.
- l Brand Equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name.
- li The Equator Principles are a framework for financial institutions to manage environmental and social issues in project financing.
- lii The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognized corporate responsibility standards, and to facilitate investment in those companies.
- liii Cleaner Production is a preventive, company-specific environmental protection initiative intended to minimize waste and emissions and maximize product output.
- liv The Equator Principles are a framework for financial institutions to manage environmental and social issues in project financing.
- lv Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide.