



GUIDE FOR LINKING THE ACT 11/2018 WITH THE SDGs



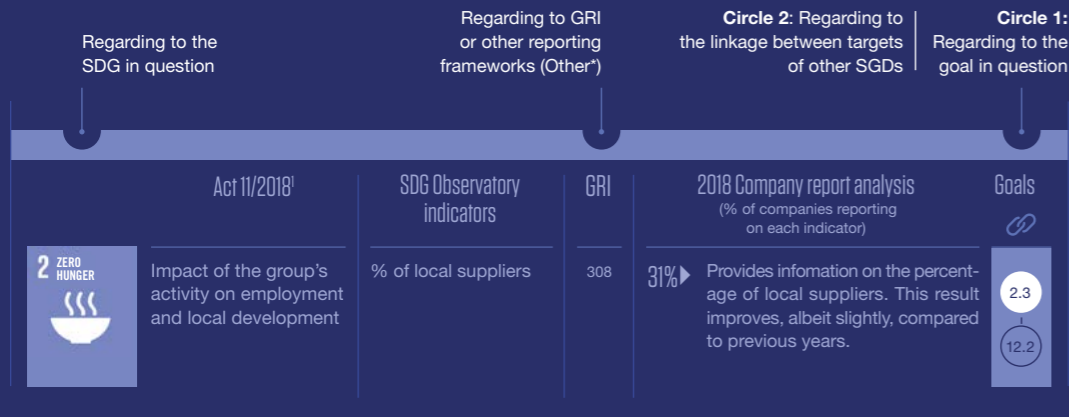


**This document is an independent
annex of the third SDG Observatory report titled
*The Transformational Power of the SDGs.***

The SDG Observatory is an initiative created by la Caixa Foundation with the research team from the ESADE Centre for Leadership. The purpose of the Observatory is to evaluate the contribution to the 2030 Agenda made by Spanish listed companies, based on the reporting and disclosure practices of financial and non-financial information. Since 2017, the Observatory team has been collecting information from annual reports published by a relevant and representative group of companies. All this information has been incorporated into an exhaustive indicator system mainly based on the GRI Standards.

This document is a practical guide to link the SDGs with the new reference framework for reporting non-financial and diversity information in Spain, Act 11/2018. In this analysis, the 17 SDGs of the 2030 Agenda have been aligned with the guidelines and requirements established by the Act, as well as the indicators of the SDG Observatory and the reference to the GRI Standard or other reporting frameworks. Furthermore, information has been incorporated about the main results obtained from the analysis of the reports published by companies for the 2018 financial year. It is important to point out that we contemplate all 17 SDGs, although the indicators are unevenly distributed as the SDG Observatory's conceptual and methodological framework is based on four specific SDGs: 7, 8, 12 and 13, for which the highest number of indicators has been developed. In addition, the indicators of the SDG Observatory have been developed according to the cross-cutting issues of 2030 Agenda and, consequently, are valid for the study of elements present in more than one SDG. This explains the fact that the table includes coincident results for those areas that show a greater interrelationship. Finally, the shaded areas in the table indicate the targets and/or goals of 2030 Agenda that challenge the company, and which are included in the Observatory's indicator matrix, but for which, however, Act 11/2018 does not require reporting.


Reading guide






¹There are indicators of Act 11/2018 that are not incorporated into the analysis of the Observatory due to lack of information from listed Spanish companies.



RELATIONSHIP BETWEEN THE FRAMEWORK OF THE SDG OBSERVATORY AND THE ACT 11/2018 ON REPORTING NON-FINANCIAL AND DIVERSITY INFORMATION


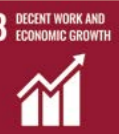
Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
1 NO POVERTY Ways to address local communities	Presence of mechanisms to address communities where operations are carried out	413-1	33% ▶ Report initiatives to address local communities.	1.4
2 ZERO HUNGER Impact of the group's activity on employment and local development	% of local suppliers	308	31% ▶ Provides information on the percentage of local suppliers. This result improves, albeit slightly, compared to previous years.	2.3 12.2
3 GOOD HEALTH AND WELL-BEING Measures to prevent, reduce or repair carbon emissions that seriously affect the environment	Existence of environmental management programmes in relation to the carbon footprint and reduction of emissions	305-5	44% ▶ Refer to environmental management programmes. As a general rule, the companies do not include specific information about said measures.	3.9 13.1
4 QUALITY EDUCATION	Promotion and revitalisation of development by way of scholarships and other subsidies	Other*	71% ▶ Report actions carried out in social projects.	4.B
5 GENDER EQUALITY Existence of policies to prevent all kinds of discrimination and ensure equal treatment and opportunities	Presence of non-discrimination recruitment policies, in terms of pay, diversity and equal opportunities	401-1, 406-1	66% ▶ Include policies for non-discrimination and equal opportunities in their reports. 25% ▶ Report anti-discrimination measures in recruitment procedures and 27% report equal pay practices. As a general rule, the companies give relatively little information: they offer a general description of the measures and do not include quantitative indicators.	5.1 10.3


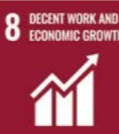
	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
 <p>5 GENDER EQUALITY</p>	Publication of average remuneration and the existing gender pay gap	Communication of data confirming the gender pay gap	405-2	<p>42% ▶ Include quantitative indicators of pay differences.</p> <p>38% ▶ Of the reporting companies only itemise data according to gender, without distinguishing professional categories.</p>	5.1
	Existence of protocols against gender-based sexual harassment	Existence of protocols to prevent sexual harassment and gender-based harassment	405	<p>35% ▶ Refer to the existence of protocols to prevent sexual harassment.</p>	5.2
	Measures aimed towards encouraging work-life balance and fostering both parents' co-responsibility for childcare	Presence of work-life balance policies	401-3	<p>54% ▶ Include measures to promote work-life balance in their reports. Only a few companies give detailed information about the nature of the measures.</p>	
		Number of people taking remunerated parental leave , and the support to workers with children or dependant persons for whom they are responsible		<p>24% ▶ Report quantitative indicators of parental leave. This result is very similar to previous years.</p>	5.4
		Return-to-work rate after parental leave		<p>50% ▶ that report parental leave data include return to work indicators.</p>	
	Description of the diversity policy applied in relation to the board of directors and Management , regarding age, gender, etc.	% of women on the board of directors and holding posts of responsibility	405-1	<p>80% ▶ Provide data on the proportion of female board members and 47% give information about female senior managers.</p>	5.5
		Existence of policies to achieve parity in the board of directors	102-24	<p>45% ▶ Include the measures adopted to achieve parity. As a general rule, the reporting companies provide little information.</p>	



	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
 <p>6 CLEAN WATER AND SANITATION</p>	Water consumption	Total water consumption used for all the companies' operations	306-1	<p>45% ▶ Report water consumption. This result is a significant improvement compared to previous years.</p> <p>The data show a considerable inter and intrasectoral distribution. The explanation is not only due to factors linked to the activity and scale of operations, but also the methods used to record the volume of water consumption.</p>	6.4
		Total consumption of recycled and reused water	303-3	<p>0% ▶ Report the consumption of recycled and reused water. No progress is observed in relation to previous editions of the report.</p>	
	Use of renewable energies	Collaboration with sustainability bodies and the creation of strategic partnerships	Other*	<p>61% ▶ Declare alliances with different actors.</p>	7.A
		Participation in projects, workshops and seminars	Other*	<p>68% ▶ Declare the participation in projects and conferences to contribute in the community. Although the information is mostly exposed in a superficial way</p>	17.17
	Creation of a partnership to obtain human resources and facilities	Other*	<p>61% ▶ Declare alliances with different actors.</p>	7.B	
	% of renewable energy consumption	Other*	<p>44% ▶ Report data on renewable energy consumption. This result is an improvement in relation to previous years.</p> <p>Only a few companies give information about the weight of their renewable energy consumption in relation to the total consumption and investment made.</p>	7.2	




	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals 
 7 AFFORDABLE AND CLEAN ENERGY	Direct and indirect energy consumption	Energy consumption	302-1, 302-2	45% ▶ Report energy consumption data. This result is a slight improvement compared to previous years. There is great disparity in the energy consumption data provided by the companies, making comparison impossible. As a general rule, the companies do not give information about the method they use to calculate the indicator.	
	Measures taken to improve energy efficiency	Energy intensity	302-3	24% ▶ Report data on energy efficiency. The result is very similar to previous years. As in the case of the consumption indicator, the data cannot be compared, due to the fact that the companies use different ways to measure the indicator.	7.3
		Reduction of energy consumption	302-4	31% ▶ Mention measures to reduce energy consumption and only a few justify failure to reduce it. The result is very similar to previous years.	
		Economic value generated	201-1	32% ▶ Report the economic value generated	8.1
	Economic value distributed		28% ▶ Inform about the economic value distributed		
	Use of renewable energies and energy efficiency measures in production systems	Other*	47% ▶ Indicate the use of renewable energy in the production of goods and services		
	Inclusion of technological development in the production model	Other*	20% ▶ Incorporate improvements in the production model through the technology	8.4	

	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals 
 8 DECENT WORK AND ECONOMIC GROWTH		Presence of a long-term outlook in the production model	Other*	15% ▶ Include a long-term outlook in the production model	
		Measures to increase electrification of the economy	Other*	20% ▶ Declare that it has electrified the production processes	8.4
		R&D investment in carbon emissions	Other*	23% ▶ Invest in R&D to reduce carbon footprint	
		Sustainable mobility in the value chain	Other*	15% ▶ Report on investments in sustainable mobility	
		% of men on the staff	102-8	72% ▶ Report data on the composition of the staff according to gender. This result is an improvement compared to previous years.	
		% of women on the staff		20% ▶ Report data on the average seniority of their staff. This percentage is very similar in relation to previous years.	
		Average seniority of staff		5% ▶ Report data on the percentage of subcontractors.	
		% of persons sub-contracted by the company		20% ▶ Report subcontracting data. This result is a slight improvement compared to previous years.	8.5
		Rate of new employees and staff turnover , by age group, gender and region	401-1	39% ▶ Report data on general turnover. A smaller number of companies include data of the indicator, breaking them down by age group, gender and region. No progress is observed in the availability of information in respect to previous years.	
		Total number and distribution of types of work contracts	102-8	55% ▶ Report data on the types of contracts. This result is an improvement in respect to previous years.	

	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals 
	Total number and distribution of types of work contracts	% of temporary contracts among staff	102-8	Report data on the types of contracts. This result is an improvement in respect to previous years.	8.5
		% of full-time contracts among staff		35% ▶ Report data on the indicator of the type of employment. This result is a significant improvement compared to previous years.	
		% of part-time contracts among staff			
	Effective abolition of child labour	Identification of business operations and the supply chain with a significant risk of child labour incidents, and measures taken to help abolish it	408-1	38% ▶ Mention measures adopted to abolish child labour and forced labour. This result is an improvement in respect to previous years. However, practically all the companies provide limited data, without including specific information about implemented measures or indicators.	8.7
	Elimination of forced or compulsory labour	Identification of business operations and the supply chain with a significant risk of incidents related to forced or compulsory labour , and measures taken to help eliminate it	409-1		
Construction of a safe and healthy environment in the workplace	Presence of programmes to reduce accidents and injuries in the workplace	403-1	72% ▶ Include measures and occupational health and safety management systems in their reports. This result is an improvement compared to previous years.	8.8 12.2	
Measurement of workrelated accidents , especially frequency and severity	Measurement of accidents that occur in the workplace , as regards frequency and severity	403-2	38% ▶ Report the number of recorded accidents in the workplace. 40% include frequency rates and 45% report the severity.		
				In respect to previous years, there has been an improvement in the availability of information, although it is not possible to compare the data due to the different calculation methods used.	

	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals 
		Implementation of corrective measures in regard to accidents in the workplace	403-2	20% ▶ Provide data on the corrective measures taken.	8.8 12.2
	Percentage of employees covered by a collective agreement	% of employees covered by a collective agreement	403-4, 407-1	42% ▶ Report data on the degree of coverage of the collective agreement. This result is an improvement in comparison to previous editions of the report.	
	Social assessment of suppliers and subcontractors	Mapping of the value chain as regards social liability	414-1, 414-2	35% ▶ State that they map the value chain. The majority of companies give little information.	8.8 12.2
		Presence of an active supplier screening policy , in relation to social aspects		72% ▶ Include supplier screening policies. As a general rule, the companies provide little information.	
		Training in human rights matters for the entire value chain		18% ▶ Report training initiatives for the staff and value chain. This result is very similar in respect to previous years.	
Inclusion of social matters in procurement policies	Existence of a procurement policy that includes social aspects		42% ▶ Include references to their procurement policy, although the majority only provide general information.	8.8 12.2	
Prevention of the risks of violating human rights , and, if applicable, measures for mitigating, managing and repairing possible abuses	Prevention of the risks of violating human rights based on a risk management policy to address this matter	410	52% ▶ Include measures to prevent violating human rights. The majority of these companies do not specify the measures adopted to address this matter.		
Due diligence mechanisms for matters related to human rights	Suppliers' adherence to frameworks and standards related to human rights		74% ▶ State that their suppliers have adhered to frameworks and standards.		

	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
		Company's degree of digital maturity	other*	The degree of digital maturity advances at different rates depending on the digital transformation indicator.	
		Use of sensors to monitor processes , use of IoT, use of big data and algorithmic decision-making	Other*	40%▶ 40% Have tools to monitor your processes.	
		Availability of customer contact points	Other*	27%▶ Have established new forms of customer contact.	
		Design of new services based on digitalisation	Other*	37%▶ Have created new services related to digitization.	9.4
		New business models based on digitalisation	Other*	24%▶ Have generated new business models.	
		Improvements of efficiency and productivity between production and means used	Other*	37%▶ Have meant an improvement in terms of energy efficiency based on digitalization.	
	Investment in R&D	Other*	23%▶ Invests in R&D to reduce carbon footprint	9.5	
		Existence of policies to prevent all kinds of discrimination and ensure equal treatment and opportunities	401-1, 406-1	66%▶ Include policies for non-discrimination and equal opportunities in their reports.	10.3 5.1
		Publication of average remuneration and the existing gender pay gap	405-2	25%▶ Report anti-discrimination measures in recruitment procedures and 27% report equal pay practices.	



	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
		Publication of average remuneration and the existing gender pay gap			
					
		Environmental assessment of suppliers and subcontractors			
		Mapping of the value chain in relation to environmental liability	308	35%▶ State that they map their value chain. Most of the companies give very little information.	
		Presence of an active supplier screening policy to address environmental aspects		72%▶ Include their supplier screening policy.	
		% of local suppliers		31%▶ Report data on the percentage of local suppliers. This result has improved slightly in comparison to previous years.	12.2
	Inclusion of social and environmental matters, and gender equality in procurement policies		9%▶ Refer to measures to improve transport sustainability.	8.8	
	Due diligence procedures for matters related to human rights		42%▶ Include references to their procurement policy in their reports. The majority of these give general information.		
		Integration of sustainable transport of goods in the value chain		74%▶ Mention that they assess their suppliers' adherence to frameworks and standards.	
		Existence of a procurement policy related to environmental aspects			
		Suppliers' adherence to frameworks and standards			

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
Measures for prevention, recycling, reuse , other recovery methods and waste disposal	Use of consumables made of recycled materials	301-2	55% ▶ Refer to the use of recycled consumables and 45% refer to reused consumables. These results are an improvement compared to previous years, especially in the case of the second indicator.	12.5 8.8
Incorporation of circular economy criteria	Implementation of waste management and hazardous waste policies	301-3, 306-2	64% ▶ Mention waste management measures, whereas roughly 40% comment on hazardous waste.	
Measures for prevention, recycling, reuse , other recovery methods and waste disposal	Design of new business models based on circular economy criteria	Other*	59% ▶ Report on the principles of the circular economy.	
	Policy for extending the product's life	Other*	25% ▶ Report practices for extending the product's life.	
	Repair policy	Other*	The information about repair practices is residual.	
	Reuse policy	301-2	47% ▶ Give information about their reuse practices	
	Remanufacturing policy	Other*	There is no information about remanufacturing practices.	
	Recycling policy	301-2	56% ▶ Give information about their recycling practices.	
	Publication of sustainability reports and other non-financial information	Other*	70% ▶ Publish non-financial information	
Existence of supervision and auditing systems and submission of their results	Presence of external verification of the business reporting	Other*	37% ▶ Verified all or the majority of content included in the reports.	

13 CLIMATE ACTION

Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals	
Measures taken to preserve or restore biodiversity and measure the impacts caused by activities or operations in protected areas	Direct GHG emissions. Scope 1 (tn CO ₂ eq)	305-1	47% ▶ Report data on scope 1 emissions; 41% on scope 2 emissions; 26% on scope 3 emissions; nearly 25% give information about other types of emissions such as sulphur and nitrogen oxides. In reporting terms, these results have improved slightly in respect to previous years.	13.1 3.9	
	Indirect GHG emissions. Scope 2 (tn CO ₂ eq)	305-2			
	Other significant atmospheric emissions: NO _x , SO ₂ and SAO	305-6, 305-7			
	Other GHG emissions. Scope 3 (tn CO ₂ eq)	305-3			
	Purchase of certificates	Other*			12% ▶ Refer to the purchase of certificates.
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment	Existence of environmental management programmes in relation to the carbon footprint and reduction of emissions	305-5			44% ▶ Refer to environmental management programmes. As a general rule, the companies do not include specific information about said measures.
					* No direct indicator of this SDG has been incorporated; however, it is related to biodiversity protection.
Measures taken to preserve or restore biodiversity and measure the impacts caused by activities or operations in protected areas	Presence of policies to help protect biodiversity	304-2			39% ▶ Include references to measures aimed towards protecting biodiversity. Most of these companies provide general information, without specifying the adopted measures.

	Act 11/2018 ¹	SDG Observatory indicators	GRI	2018 Company report analysis (% of companies reporting on each indicator)	Goals
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Measures adopted to prevent bribery and corruption, and money laundering	Existence of procedures and rules to prevent bribery, corruption and money laundering	102-16, 102-17, 205-1, 205-2, 205-3	52% ▶ Give information about the implementation of procedures and rules to prevent bribery and corruption.	
		Mechanisms for including financial information	415-1	87% ▶ Declare that it has a tax strategy.	16.5
	Profits obtained, by country	Profits obtained, by country	201	26% ▶ Report data on profits obtained broken down by country.	
	Tax paid on profits	Tax paid on profits		52% ▶ Declare paid tax with broken down figures.	
	Received public subsidies	Received public subsidies	201-4	29% ▶ Include data on received public subsidies.	
		Company's adherence to sustainability frameworks and standards	Other*	74% ▶ Refer to the assignment of suppliers to frameworks and standards.	16.6
	Procedures for social dialogue , to inform and consult staff and negotiate with them	Existence of procedures to inform, consult and negotiate with staff	Other*	42% ▶ Refer to procedures and instruments for organising social dialogue.	16.7
17 PARTNERSHIPS FOR THE GOALS 		Collaboration with sustainability bodies and creation of strategic partnerships	Other*	61% ▶ Declare alliances with different actors.	17.7 7.A
		Creation of a partnership to obtain human resources and facilities	Other*		17.7 7.B

