

CREATING MORE VALUE THAN HARM. CASE STUDIES ON ASSESSING SDG PROGRESS



№3

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"Companies should strive to create more good than harm", wrote in his book (1) Paul Polman, the former CEO of Unilever and one of the most prominent proponents of sustainable business transformation. But how can we measure this good and ensure that corporate initiatives are truly making a contribution to solving the significant problems for nature and society?

In practice, companies use different approaches to assessing progress towards in SDG achievement. Some focus on monitoring the programs, activities and associated performance indicators. Others are gradually moving towards assessing the longer-term effects and positive impact on society and the environment.

In this issue, we continue on the topic of assessing the effectiveness of SDG achievement and consider the approaches to assessing the sustainable development progress of two large companies – Unilever and KazMunayGas.

Case study: Unilever

About the company



Unilever is a global company with an annual turnover of €50.5 billion, approximately 96,000 employees and a presence in 190 countries. Four core businesses – *Beauty and Wellbeing*, *Personal Care*, *Home Care* and *Foods* – provide everyday consumer goods to approximately 3.7 billion people worldwide. The company's portfolio includes such brands as Clear, Dove, Sunsilk, Rexona, Cif, Domestos, Hellmann's, Knorr and others.

Setting the sustainable development goals

Unilever views sustainable development not as a separate area of corporate responsibility, but as one of the factors of long-term business value.



(1) Net Positive: How Courageous Companies Thrive by Giving More Than They Take
<https://www.paulpolman.com/net-positive/>

(2) Paul Polman

The *Unilever Compass* (3) , a sustainability strategy adopted in 2020, replaced the *Unilever Sustainable Living Plan 2010–2020* and set a comprehensive agenda across the entire business and value chain. It was based on three program initiatives: Improve the health of the planet, improve people's health, confidence and wellbeing, and Contribute to a fairer, more socially inclusive world. These initiatives included eight priority areas and 33 sustainable development goals.

In April 2024, Unilever announced a refocusing of its sustainability strategy. The company moved to the principle of "fewer things, done better, with greater impact"(4)..

As part of the updated approach, some goals were cut, some were cancelled, and some were transferred from the category of public ESG commitments to the operational activities of brands and business units. Today, Unilever focuses on four priorities: Climate, Nature, Plastics and Livelihoods. Within them, 15 sustainable development goals are formulated (Fig. 1). According to the company, such concentration should ensure more efficient resource allocation and a stronger focus on measurable environmental and social impacts, rather than on expanding the list of commitments.

Fig. 1. Unilever's sustainable development goals



(3) <https://www.unilever.com/files/8f9a3825-2101-411f-9a31-7e6f176393a4/the-unilever-compass.pdf>

(4) англ. fewer things, done better, with greater impact

Achievement evaluation

At the strategic level, the progress is assessed in four priority areas: Climate, Nature, Plastics and Livelihoods. For each area, a basic indicator (KPI), a target value, and a performance range – from

the threshold to the maximum value are established for the reporting period. The results for 2023–2025 are presented in Table 1.

Table 1. Assessment of progress in implementing the Unilever's sustainable development strategy for 2023–2025

Priority area	Basic indicator (KPI)	Target value for 2025	Actual value	Result
Climate	Percentage change in greenhouse gas (GHG) emissions from energy and refrigerant use in our operations for the specified period in 2025 compared to the same period in 2015	76,0%	76,6%	Above target
Nature	The total area of land, forests and oceans (measured by ocean floor area) that Unilever programs help protect and/or restore	700 thousand	931 thousand	Significantly above target
Plastics	Percentage change in total tons of virgin plastic used in packaging our products sold between 2019 (baseline) and 2025	26,0%	29%	Significantly above target
Livelihoods	Percentage of our purchase expenses in the fiscal year on the suppliers that by the end of this financial year signed a commitment to pay the living wage	35,0%	41%	Significantly above target

From a Theory of Change perspective, basic KPIs belong the outcomes category: they reflect not only the taken actions, but also the effects of implementing the initiatives, projects and programs. Such indicators include changes in greenhouse gas emissions, the area of protected or restored natural areas, reduction in use of virgin

plastic, and the share of procurement expenses on suppliers that signed a commitment to pay the living wage.

Remuneration system connection

The achievement of target indicators directly impacts the long-term remuneration of top management through the Long-Term Performance Share Plan (the Plan). For this purpose, the Sustainability Progress Index (SPI) (the Index) is used as an integrated indicator that aggregates the KPI results across four priority areas. Within the Index, KPIs have equal weights (25%). In 2025, the Index's share in the top management remuneration structure under the Plan amounted to 15%.

Impact projects

To achieve its strategic goals, Unilever implements initiatives, projects and programs linked to specific indicators. One example is a project in Tapanuli Selatan regency in North Sumatra, Indonesia, involving supply of raw materials for a Unilever palm oil processing plant. The project aligns with the company's long-term goal of protecting and restoring 1 million ha of natural ecosystems as part of the Nature priority area.

The project aims to create a sustainable, deforestation-free palm oil supply chain by increasing the productivity of small-scale farmers. The project includes training in sustainable agricultural technologies, introduction of regenerative agriculture practices, improving of soil management, organic composting, rational fertilization and preparation of farmers for RSPO certification.

Assessed outcomes of the project include the number of independent farmers involved in the program, increase of productivity and sustainability of palm oil production, and achievement of RSPO certification.

(10).

Impact metrics focus on longer-term changes: reduction of pressure on forests by increasing the yields from existing plantations, preserving of protected forest areas, and improving the farmers' livelihoods through premiums for certified palm oil.

Participation in impact financing

In 2021, Unilever, Nestlé, PepsiCo and Procter & Gamble, together with Lestari Capital, created the Rimba Collective fund. Its aim is to protect and restore tropical forests in Southeast Asia and Papua New Guinea, as well as improve the livelihoods and support approximately 32,000 people in local communities. Today, the fund's portfolio includes projects with a financing horizon up to 25 years and a total forest area of over 460 thousand ha.



The Rimba Collective mechanism is based on the fact that companies do not finance individual projects directly, but rather direct resources to a fund that supports systemic environmental and social initiatives. An important part of the model is independent verification of projects, confirming their ecosystem and social effects.

To assess progress and results, the Ecosystem Service Outcomes (ESO) system is used, with each project being analyzed according to three blocks of effects (Table 2).

(7) англ. Performance Share Plan (PSP)

(8) англ. Sustainability Progress Index (SPI)

(9) Tapanuli Selatan

(10) RSPO – стандарт устойчивого производства пальмового масла

(11) англ. Ecosystem Service Outcomes (ESO)

Table 2. Criteria for evaluating the Rimba Collective project results

Area	Examples of metrics	Examples of actual results for 2024–2025
Climate	- Prevented and absorbed CO₂ emissions - Preserved forest area	- Financed more than 220 thousand ha of forests and natural areas - Implementing 16-17 projects in Indonesia and the Philippines
Biodiversity	- Number of protected species - Habitat area - Ecosystem quality	Supporting more than 100 endangered animal species
Livelihoods	- Number of households with improved incomes - Women employment - Access to new income sources - Development of social enterprises	More than 10 thousand households felt positive social impact

Rimba Collective can thus be seen as a prime example of the pay-for-impact principle where funding is linked not only to implementation of activities but also to proven results.

In 2025, a unified Monitoring, Evaluation and Learning (MEL) Framework was introduced. It should ensure comparability of results across the entire project portfolio and increase transparency for the investor companies – Unilever, Nestlé, PepsiCo and Procter & Gamble. In particular, the system involves standardization of results measurement and their linkage with the ESO.

Together, application of the Monitoring, Evaluation and Learning Framework and use of Ecosystem Service Outcomes form the impact measurement and management model. This model shifts the focus from company actions to real changes in the state of ecosystems and human wellbeing.

What can we learn from the Unilever case

It is noteworthy that Unilever does not indicate a direct link between its sustainable development goals and the UN SDGs, although the Company's strategic priorities in the field of sustainable development are clearly aligned with goals and objectives of the UN SDGs. Thus, to contribute to sustainable development, it is not so critical to demonstrate a formal connection to specific UN SDGs, but rather to understand their purpose and through the SDGs to make a measurable contribution to sustainable development of our world.

Note how a mature Company gradually shifts its focus from operational metrics – emissions, waste, program coverage to assessing the long-term impacts on climate, ecosystems and human wellbeing. An important tool of this approach is the impact assessment of projects and initiatives, as well as participation in funding mechanisms such as Rimba Collective, where project support is tied to proven ecosystem impacts.

(12) [https://rimbacollective.com/assets/rc-progress-report-2025-\(en\).pdf](https://rimbacollective.com/assets/rc-progress-report-2025-(en).pdf)

(13) англ. Monitoring, Evaluation & Learning (MEL) Framework

(14) англ. impact measurement and management (IMM)



Case study: KazMunayGas

About the company

KazMunayGas is a leading vertically integrated oil and gas company in Kazakhstan, with a full value creation cycle from hydrocarbon exploration and production to transportation, refining and sale of oil and petroleum products. By the end of 2025, the volume of oil and gas condensate production amounted to 26,211 thousand tons, and volume of raw hydrocarbons processing by KazMunayGas amounted to 20,980 thousand tons. The personnel headcount amounted to more than 48 thousand people. KazMunayGas Group's structure includes: Ozenmunaigas, Embamunaigas, KazTransOil, KazTransGas Aimak, KMG International (Rompetrol), Pavlodar Petrochemical Plant, Atyrau Oil Refinery and others.

SDGs in strategy and management system

For KazMunayGas, the SDGs serve not only as a guideline for non-financial reporting, but also as a strategic management tool. The Company views the SDGs as a framework for defining the long-term development priorities, managing the ESG risks, and assessing its impact on the economy, environment and society.

Work with the sustainable development agenda has been carried out on a systematic basis since 2006, since joining the UN Global Compact. Today, sustainable development is set among the key strategic goals of the KazMunayGas Development Strategy for 2022–2031.

From essential topics to priority SDGs

Given the importance of all 17 SDGs, the Company is focusing its efforts on 10 priority goals and 23 corresponding objectives. The priority Goals are 3, 5, 7, 8, 9, 11, 12, 13, 15 and 17. This choice allows to focus on those areas where its activities have the most significant actual and potential impact.

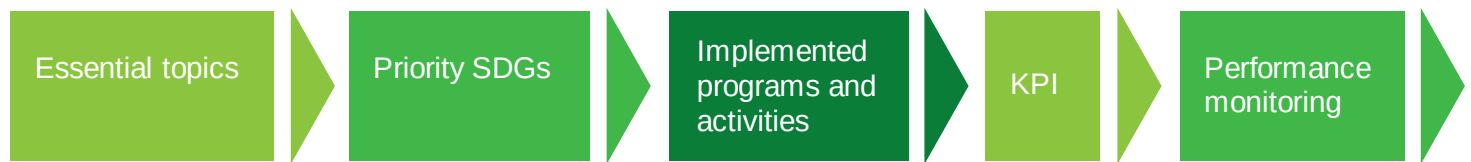
Identification of priority SDGs is based on a comprehensive analysis that takes into account the results of the materiality assessment according to GRI standards, including the GRI 11 industry standard for the oil and gas sector, the scale of impact on the economy, environment and society, its strategic priorities, stakeholder expectations, key ESG risks and opportunities, as well as Kazakhstan's national priorities and international commitments.

The Company therefore uses a three-tiered approach to prioritization, where the global agenda and the UN SDGs set the overall development direction, essential topics determine the focus, and country-specific priorities ensure linkage to the national context.

Managing the contributions to SDG achievement

KazMunayGas's approach to achieving the SDGs is based on a consistent linkage of strategic priorities, program activities and a performance evaluation system. For each priority goal, a unified logic is formed, ensuring connection between essential topics, programs and performance indicators:

Figure 2. Model for Managing Contributions to the SDGs



This approach ensures a consistent transition from setting the priorities to implementing the activities and assessing the achieved results.

Contribution to achievement of priority SDGs is made through specific programs and activities. For each priority goal, the company defines areas of action, expected results, implementation time and responsible units. The programs are developed taking into account the ESG risks and opportunities, stakeholder expectations, strategic objectives and an assessment of economic and technological feasibility.

Implementation of such programs is reflected in action plans, corporate and functional key performance indicators of the management. This ensures a traceable link between a priority SDG, a specific program and the company's actual contribution. Achieved results are regularly compared with planned results, which enables adjustment of approaches and strengthening of managerial control.

Integration of SDGs into the corporate governance system ensures that they are taken into account at all decision-making levels from identifying the essential topics and setting the goals to monitoring the results and assessing the effectiveness. The Board of Directors and its relevant committees oversee sustainable development issues, review key performance indicators and results, and the Management Board ensures implementation of relevant programs and activities. This approach enables consolidation of responsibility for achieving the sustainable development goals and ensures systemic monitoring of their implementation.

Approach to assessment

KazMunayGas's key approach to assessing the SDG achievement is through regular monitoring of sustainable development indicators covering economic, environmental and social aspects. The company uses annual monitoring of target indicators and KPIs, quarterly monitoring of significant risks within the corporate risk management system, management review, assessment of maturity of the sustainability management system and corrective actions based on the analysis results.

The Company identifies internal and external audits of non-financial reporting (independent verification of disclosed data) as an important element of the assessment. The company also uses international ratings and disclosure standards, including CDP, MSCI ESG Ratings, GRI, SASB, IFRS S2 and OGMP 2.0, as an external reconciliation tool.

Examples of assessing the progress in achieving the SDGs in 2025 are provided in Table 3.

As can be seen from the example, the Company uses indicators in the outputs and outcomes categories to assess progress in implementing the SDGs.

Table 3. Examples of assessing the progress in achieving the SDGs of KazMunayGas

SDG	Objectives	Initiatives/ programs	Indicator	Planned result	Progress/ Result in 2025
Goal 13. Climate action	13.2. Include response measures against climate change into the policy, strategy and planning	- Work with international partners to manage methane emissions - KazMunayGas is a participant in the UNEP OGMP 2.0 methane initiative - Participant of the Caspian Methane Emissions Reduction Accelerator	Progress on methane	Reduce methane emissions by 32% by 2031 and by 96% by 2060; increase the level of compliance with OGMP 2.0	- Conducted the training sessions and practical measurements of methane leaks; completed the OGMP 2.0 reporting and developed a draft corporate standard for methane emissions management - With support of OGCI, conducting the aerial monitoring of methane leaks and have submitted the proposals for improving the national regulation in the oil and gas industry
		Improving the energy efficiency through modernization of equipment and introduction of automated accounting systems	Energy saving	Improving the energy efficiency and rational use of energy resources	- Implemented 87 measures to modernize process equipment, including replacement of gas burners in furnaces, introduction of energy-saving technologies, optimization of heat production and consumption, modernization of lighting systems and other works - Saving 1,935 thousand GJ of fuel and energy resources - Reduction of greenhouse gas emissions by 128.3 thousand tons of CO₂
Goal 7. Affordable and clean energy	7.b. Expand infrastructure and modernize technologies for modern and sustainable power supply	RES development: WPP projects (1 GW) in partnership with Total Energies Renewables SAS and Qazaq Green Power PLC and a hybrid power plant (247 MW) in partnership with Eni	Commissioning of RES capacities	Use of RES	- Commissioned a 50 MW SPP in the Mangystau region - Continuing construction of a 120 MW gas-fired power plant as part of a hybrid project - Completing the detailed design stage for the Mirny WPP with capacity of 1 GW and an energy storage system
		Purchasing green electricity	Volume of acquired I-REC certificates	15% of the total volume by 2031	Acquired 10,000 green certificates (I-REC)
		Production of sustainable aviation fuel (SAF) based on ethanol.	Local production of SAF	Formation of a new low-carbon product	A framework agreement has been signed with LanzaJet for the SAF production project to move to the FEED stage

SDG	Objectives	Initiatives/ programs	Indicator	Planned result	Progress/ Result in 2025
Goal 3. Good health and well-being	3.6. Reduce the number of deaths and injuries from road traffic accidents	Ensuring safe working conditions and protecting the health of workers	Occupational safety indicators, including FAR and LTIR	Reducing the occupational risks and preventing the accidents	FAR: 1,01 LTIR: 0,21
		Travel Management project - introduction of a system to manage transport with an emphasis on traffic safety.	MVCR road traffic accident rates	Reducing the occupational risks and preventing the accidents	- The Travel Management project has been put into commercial operation at KazMunayGas's oilfield services subsidiaries - In three oilfield service subsidiaries (Oil Services Company LLP, Oil Construction Company LLP, Oil Transport Corporation LLP), the Travel Management project has completed its transition to a digital format - A unified system functionality has been implemented, including planning, analytics and road safety modules 1,592 employees of subsidiaries and 3,410 employees of contractors have completed the Defensive Driving training 20,073 employees of KazMunayGas subsidiaries and 2,321 employees of contractors took part in practical demonstrations on use of seat belts
	3.8. Ensure coverage with health services, including access to high-quality basic medical and sanitary services and access to safe, effective, high-quality and inexpensive basic medicinal products and vaccines	Personnel Wellness Program 2024-2028 - monitoring the condition of employees with chronic diseases, prevention, innovative pre-shift inspection methods, improving the affordability and quality of medical care	Level of implementation of the Employee Wellness Program plan	Reducing the occupational risks for health of employees	- Approved the Action Plan for the KazMunayGas Employee Wellness Program for 2025-2027, which includes 26 activities - The average level of the Plan implementation for 2025 was 77.9% - Installed 69 hardware systems as part of phased introduction of an automated medical examination system

Impact projects and social impact assessment

In addition to corporate programs aimed at achieving the priority SDGs, KazMunayGas implements projects in the regions where it operates, aimed at creating systemic environmental and social impact. An example of such a project is the construction of the Kenderli seawater desalination plant in the Mangistau region.

The project aims to address the region's most pressing issues: providing the population with stable access to high-quality drinking water amid water shortages. The project's implementation also helps to improve reliability of regional water infrastructure and reduce the load on the Astrakhan-Mangyshlak main water pipeline, which is a key source of water supply for several districts in the Atyrau and Mangystau regions.

The project's impact is assessed based on the design and actual capacity, the number of created jobs and the population coverage.

The desalination plant was commissioned in 2025 and has a design capacity up to 50 thousand m³ of drinking water per day. The project created 91 permanent jobs.

The plant was transferred free of charge to the municipal ownership of the Mangystau region Akimat.

Unlike an approach focused primarily on monitoring the project implementation, this approach enables evaluation of infrastructure investments through the prism of their contribution to solving the socially significant problems and the sustainable development of the region.

What can we learn from the KazMunayGas case

Take note of how the Company organizes its work to contribute to implementation of the UN SDGs. Unlike the common practice where companies address the SDGs at the stage of preparing the annual reports and correlate the achieved ESG results with the UN SDGs relevant in terms of meaning/name, KazMunayGas begins the cycle of work with the UN SDGs at the stage of identifying the essential topics for business and strategic goals. This allows the Company not only to demonstrate the connection between its performance and the SDGs, but also to manage its contribution as part of a long-term corporate strategy.





For reference:

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Sustainability Solutions has been working in the management consulting market for over 14 years.

Since 2023, the company has been implementing projects to introduce sustainable development tools and practices (ESG) in Central Asia. Sustainability Solutions team members hold international certificates in corporate governance, ESG risk analysis, climate responsibility and non-financial disclosure standards (GRI, SASB, TCFD, IFRS S1, S2). Industrial experience covers the financial and banking sectors, manufacturing, agriculture, construction and others.

Partner of the Kazakhstan branch of the World Business Council for Sustainable Development (BCSD Kazakhstan), the Academy of Sustainable Development under the Union of Banks of Kyrgyzstan.

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