

Lecture 21

Hello, welcome to the session. So, we have been referring this sustainable development goals from the very first session of our course. Let us understand what is the sustainable development goals, and how it is integrated into the organizational process, organizational activity.

So, sustainable development goal, it is known as transforming our world the 2030 Agenda for the sustainable Development. It provides a shared blueprint of peace and prosperity for people planet, and now and also into the future.

UN has conducted the largest consultation programme in its history to prepare this that is through all the stakeholder NGO, industry, and governments. It defines the global priorities and aspiration for 2030. And it consists of 17 goals with 169 targets and 304 proposed indicators to show the compliance. It supersedes the million Millennium Development Goal for 2015 to 2030.

Now, these are the 17 SDG goals as represented through this picture. And SDG goals as typical this is a urgent call for action by all country both developed and developing in a global partnership. And they recognize the as that ending poverty and other deprivation must go hand-in-hand with strategy to improve health, education, reduce inequalities for economic growth, and also along with this all these things need to be achieved while tackling a tackling climate change and working to preserve our oceans and forests.

So, now so this is what the SDG goals, 17 SDG goals. Now, the next question comes, how it is related to the strategy taken by the company or whatever the strategy taken by the company how it is contributing towards this goal. So, this contribute to the priorities of the society, partnership and collaboration activities, and also as it through this the company they gets incentive in the form of as subsidies, grants, tax break etcetera.

For many company aligning with SDG is next big way to make the positive impact in an organization and attract investment dollar from increasing the climate active investors. Now, as to see that how this SDG and corporate strategy they are interlinked, you will find that these are few of the activity, few of the numbers what came through the different survey, different report that is one is the Global Investor Sustainable Development Alliance that is GISD their commitment to invest in SDG.

And what they have done is that when they are investing in SDGs or investing in any company's activity, they require the company to run the SDG assessment for their business and develop a response strategy. So, it is more like pre requirement before they are investing in a specific company or specific organization.

Then KPMG study on SDG reporting in 2018, it says that 84 percent of the top company have identified the SDG that are most relevant to their businesses. And also there is a strong business case for investing in companies aligned with SDGs because this is shown to secure steady returns as for investor by creating the competitive advantage for their portfolio.

Then as the Business and Sustainable Development Commission through their publication Better Business, Better World, they have given they have identified that business model related to SDGs could open the opportunity worth 12 trillion dollar and also it increase the employment by 380 million job by 2030.

Similarly, few groups in collaboration that is World Bank, BNP Paribas, and Swiss Private Bank in 2018, they in collaboration they offer an equity bond that links investment return to the performance of the company in line with SDGs. And the return of investment of this bond is directly linked to the stock performance of companies included in the Solactive Sustainable Development Goals under World MV Index.

So, they are offering the equity bond which linked to the investment return to the partners of the company in line with SDG, and the return on investment is related to the stock performance of the company. Now, SDG also serve as a universal framework for business to communicate performance, to set targets and actions, engage with various stakeholders, including investor, and gain access to new market opportunity.

Now, let us see how this SDG is aligned with the business strategy or how this SDG framework is aligned with the business strategy. So, here this alignment will try to see through this few pointers that is through defining priorities, set the goals, integrate, innovate and collaborate, report and communicate. And let us see specifically what happens in each of this activity.

So, to start with, we, the first thing is to establishing the link between SDGs and business activity. So, here the company need to understand the SDGs, the focus, goal, targets of the SDGs, and link the relevant targets to the firm's business activity. Like the example of SE connected to business activity to all its 17 goals via 5 megatrend that is climate, circular economy, ethics, health equity and development.

Then the second point is to once the link is being identified between the SDG and business activity possibly, there will be many linkage. Then the second point comes over here is that define the priority that which SDG or which intervention or which target to be prioritized. So, the prioritizing of SDGs should be in term of the where it is making the biggest impact both in the risk and the opportunity in the medium and the long term time horizon.

So, once the SDGs are linked, then prioritizing based on the impact that is in term of risk, in term of the opportunity in the medium term and the long term. And second point is that for defining priority it also need to be checked that which goal the company has the ability to contribute. There may be many more linkage, but where the capability of the company is is there to contribute to which targets of this of which SDGs.

Once it is being prioritized, then set the goals. Link identified SDG to the actual business target and KPIs to monitor and communicate the progress. Leverage the existing target and action while developing the SDG strategy. And here we can take the example of this Science-Based Target that is SBT companies you will that they monitor the performance on SDG 13 that is Climate Action SDG 7 that is through Affordable and Clean Energy.

Similarly, Unilever provide a clear link and details on how carbon positive targets align with various initiatives such as RE100, SBT, and contribute to the relevant SDGs. Now, once we are setting the goal and also see what are the target and action how it can be monitor the performance can be monitor, that the next step comes is integrate. Integrating the targets into the existing strategy, taking into account of the business models, procurement and R and D process, and also the supply chain transformation.

So, here we can take the example of Novo Nordisk, they are partner with the Washington and the Lee University to analyse how some of their existing programs are impacting the SDGs, not about new program whatever they are doing the existing one how it is impacting the SDG because that way they can integrate. And also create a interactive chart showing those connections.

Then coming to the after integrating, then innovate and collaborate. So, since they have to meet the target, what are the different way to or different innovation different changes what need to be done, and also collaborating with the others to achieve those targets. So, identify partners within sectors, across different industry which enable the organization to scale up their efforts and ultimately achieve the goals.

So, here we can take the example of Nokia, SBTs and SDG 13 climate action. This identified that our Radio Access Network results in global energy bill of over 70 billion dollar. So, the company develop an innovative Air Scale radio base station for mobile operator to decouple the data growth for the energy

use. And the BTS consumed 28 percent less power and helped to build the zero, zero-emission network.

Then the last one is to report and communicate. So, company they need to be ready to be communicate their progress in addressing goal linked to the SDGs. And this is crucial to integrate SDG in the core business reporting process to avoid the duplicated efforts, to ensure the transparency and accessibility of their performance to various internal and the external stakeholder.

So, now let us take one of the example one of the SDG and see how it is link to the organization or how it is link to the business organization. So, here if you take SDG 11, the SDG 11 talks about sustainability cities and community. They have 7 targets make cities, human settlement inclusive, safe, resilient and sustainable. And by 2030 ensure access all access for all to adequate, safe affordable housing and basic service, and upgrade slums.

Now, here what is the role of the business? Business can play a vital role not only providing specific infrastructure, technology, services or financing solution, but also contributing to the strategy that will support the optimization of the urban ecosystem to create inclusive, safe, sustainable disaster resilient city.

So, it is the key business theme can be over here is that where the business can contribute business can play a role is access to affordable housing, infrastructure investment, sustainable transportation, access to public place, sustainable building - the typical example is that entire smart city and the role of business over there.

So, in this session, what we have tried to ah see that what is sustainable development goals, and how it is linked to the corporate strategy, or how it is linked to the business strategy of the organization.

Thank you.