

Why should Sustainable Development Goals be part of every business plan?

The better the question. The better the answer.
The better the world works.

In 2015, the 193 United Nations (UN) Member States adopted 17 global Sustainable Development Goals¹ (SDGs). The SDGs cover a broad set of challenges such as economic inclusion, diminishing natural resources, geopolitical instability, environmental degradation and the multi-faceted impacts of climate change. They define the agenda for inclusive economic growth through to 2030 and were developed with inputs from business, academia and nonprofit organizations globally.

The SDGs provide a universal and visionary framework to address the challenges of global cooperation and action, bringing stakeholders together to proactively address these challenges. But they are also complex and interconnected, and could be daunting for companies trying to understand the potential impacts, dependencies and opportunities when considering the SDGs.

Business will play a critical role in achieving the SDGs. Many companies have been working to address environmental, social and economic issues and leading companies have begun to recognize that they may best address the complex sustainability challenges by scaling up their efforts through collaboration with peers, industry and sector organizations, customers, governments, nonprofit organizations and society. Businesses can support the SDGs through contributions to economic growth and employment, and as a source of finance, technology and innovation.

Based on our engagements with clients globally, we believe there is a strong business case for companies to commit, engage, invest, innovate, collaborate and communicate their efforts related to SDGs in four key areas:

- ▶ **Driving growth:** by creating shared value, companies can help to secure their ability to generate capital and shareholder value over the long-term
- ▶ **Addressing risk:** by linking strategic priorities to the SDGs, companies send a message to investors about their capabilities to manage environmental, social and governance (ESG) risks.
- ▶ **Attracting capital:** by aligning their business models to SDGs, companies may benefit from new sources of capital such as green bonds
- ▶ **Focusing purpose:** by defining and activating a company's aspirational purpose as a foundation for its strategy, it may help increase stakeholder value over the long term

1. "Sustainable development goals," United Nations, <http://www.un.org/sustainabledevelopment/>, accessed 17 May 2017.

Finding the right way forward for your organization

Companies are facing complex sustainability challenges, such as scarcity of resources, opposition from local communities, human rights issues, lack of supply chain transparency and eroding trust in business. The SDGs offer a lens for companies to address these challenges while also proactively working with their stakeholders toward achieving the SDGs.

What actions should companies consider?

- Identify the SDGs that could have the biggest impact on the company in terms of risk as well as opportunity over the long term
- Map relevant markets that could be impacted by community response to the SDGs
- Identify where the company could have the most significant contribution to progress toward the goals
- Publically commit to the SDGs
- Develop targets and key performance indicators (KPIs) that are closely aligned with the relevant SDGs
- Develop systems to integrate the management of SDG issues into everyday business decision-making
- Align disclosures' language where possible with the language of the SDGs to help establish a common dialogue among stakeholders
- Identify how business models can be adjusted, new products or services developed, supply chains transformed, innovation and R&D re-focused and sustainability strategies re-aligned to achieve both corporate goals and the SDGs
- Invest in education, capacity building and work opportunities to help stimulate the local economy to increase local economic power while preserving the environment
- Reduce the link between economic growth and intense use of natural resources and materials through energy and water efficiency, lower carbon and circular economy ideas
- Participate in collaborations that can lead to mutually beneficial solutions, leverage networks, achieve scale and share responsibility
- Collaborate with governments, cities and civil society, where possible, to deploy the financial, technological and human resources of business to help promote development, stability and trade

How can EY help?

Sustainability is a key component of EY's purpose of building a better working world. We support companies around the globe embracing the SDGs by providing a wide range of services, by helping:

- Draft the business case to adopt the SDGs
- Assess business, environmental, social and governance risks across the company's value chain
- Align the company strategy, goals and targets with the 17 SDGs and the supporting targets
- Identify growth opportunities related to underserved geographies and segments of society, which could benefit from innovative products and services developed in a sustainable way
- Measure outcomes and impacts to understand company's contributions to the SDGs
- Develop innovative financing mechanisms
- Create clear communication and credible reporting related to the company's progress related to the SDGs
- Provide assurance over publicly disclosed commitments

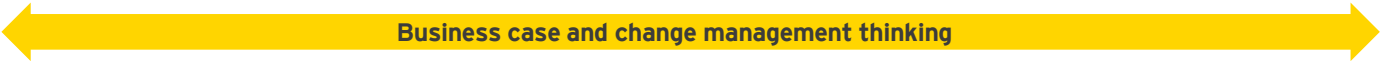
Our methodologies and tools

EY has developed numerous methodologies and tools to help companies embed sustainability across their value chains. Our sustainable transformation methodology, for example, helps align purpose and strategy, analyze material impacts, map stakeholder experience, set goals, prioritize and launch initiatives, develop effective metrics, measure impacts, monitor and improve performance. This modular methodology can be adapted to assist your company with alignment between your sustainability aspirations and goals and the SDGs.

EY's holistic methodology to sustainable transformation

	Discover	Navigate	Activate	Measure
	<ul style="list-style-type: none"> ▸ Analyze external context ▸ Conduct stakeholder engagement and materiality assessment ▸ Analyze impacts ▸ Perform maturity assessment ▸ Identify existing initiatives 	<ul style="list-style-type: none"> ▸ Develop sustainability platform ▸ Map stakeholder experience ▸ Set goals and targets ▸ Prioritize initiatives ▸ Build the business case ▸ Assist leadership as it commits to activate platform 	<ul style="list-style-type: none"> ▸ Initiate and launch sprints ▸ Conduct sprints ▸ Scorecard and measure sprints ▸ Scale sprints 	<ul style="list-style-type: none"> ▸ Define measurement scope ▸ Develop effective methods and metrics ▸ Measure impacts ▸ Monitor performance and improve results
Outcomes	Foundational analysis to make strategic investment decisions	Sustainability vision and executive support	Sustainable initiatives based on sprint outcomes	Measured performance outcomes for reinvestment

Innovate
<ul style="list-style-type: none"> ▸ Enhance sustainability attributes of products and services ▸ Launch new products and services ▸ Develop new business models ▸ Create new business platforms to redesign business



Benefits to you

Our business-orientated approach to sustainability and experience in core business functions such as finance, tax, procurement, supply chain and HR, combined with our sustainability capabilities can help you engage with a broad range of internal stakeholders. We can help you translate the SDGs' language, which is focused on international development, not commercial markets, to your leadership teams.

Our work with governments, nongovernmental organizations, business, industry and cross-industry collaborations globally enable us to advocate for and promote the sustainability agenda and shape policy and regulations. We can help you engage in meaningful ways with external stakeholders who can influence, contribute and assess your progress toward the SDGs.

Why EY?

- ▶ The global EY network consists of over 600 sustainability professionals in 40 countries. Our multidisciplinary teams have science, engineering, accounting and business backgrounds, and offer broad experience in environmental, social and health and safety services.
- ▶ EY member firms are committed to addressing social and environmental issues through their work in the marketplace and their own workplace, by supporting communities and managing their environmental impact.
- ▶ EY collaborates with global sustainability organizations and standard setters to stay on top of the latest developments in sustainability, including the SDGs. For example, EY actively participates in the United Nations Global Compact and the Sustainable Development Goals Fund (SDGF).
- ▶ Our innovative approaches to sustainability in areas like tax, transaction, advisory and audit, can help address your sustainability challenges globally.

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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EYG no. 01527-173Gbl

BMC Agency
GA 1005683

ED None.



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