Better Business for 2030: Putting the SDGs at the Core

An increasing number of firms recognise that making sense of the Sustainable Development Goals (SDGs) makes business sense. Through its SDG Action Plan, the OECD is committed to leveraging its capacity and expertise in a wide range of areas, from data collection to dialogue and peer-learning. This Policy Note explores ways in which the private sector can contribute to the SDGs while putting them at the centre of decision-making. It builds on the outcomes of the Emerging Markets Network (EMnet) meeting on “Better Business for 2030: Putting the SDGs at the Core”, held on 11 July 2017 at the OECD headquarters in Paris.

Key messages include:

- The private sector can contribute to bring scale and power for effective transformation, through its drive in seeking continuous improvement, its expertise and capacity for innovation, and its means to duplicate success.
- Companies and the public sector across various industries and regions are increasingly finding themselves as partners in working towards the UN 2030 Agenda for Sustainable Development, as shown by the case studies featured in this Policy Note. Nevertheless, before addressing the implementation challenges for MNEs, the first hurdle worth noting is one of awareness about the SDGs.
- The Business and Sustainable Development Commission estimated that working towards the achievement of the SDGs can potentially open up USD 12 trillion in market opportunities. Studies have shown that the large majority of customers are broadly willing to pay a premium for products and services offered by sustainable businesses: up to 66%, and 73% in the case of global millennials.
- Despite this opportunity, challenges remain actively putting the SDGs at the core of business strategies, and balancing sustainable development objectives with profitability. Achieving the SDGs will require a drastic rethinking of doing business throughout the supply chain to have a positive social, environmental and economic impact.
- Companies agreed that embedding sustainability and accountability throughout supply chains is essential to achieving the SDGs. The OECD has been promoting responsible business conduct, through the OECD Guidelines for Multinational Enterprises in line with UN efforts on corporate responsibility.
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OECD EMERGING MARKETS NETWORK

Emerging Markets Network (EMnet) is an OECD-sponsored initiative dedicated to the private sector. Managed by the OECD Development Centre, the Network fosters dialogue and analysis on emerging economies and their impact on global economic, social and environmental issues.

EMnet gathers top executives (chief executive officers, vice presidents, managing directors, chief financial officers, heads of strategy, chief economists) of multinational companies from diverse sectors, willing to engage in debates with high-level policy makers, including heads of state and ministers, and OECD experts.

EMnet events are closed to the public and media and operate under Chatham House rule to encourage open and dynamic discussions on doing business in Africa, Asia and Latin America.

To learn more about EMnet, please see http://www.oecd.org/dev/oecdemnet.htm.
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### ABBREVIATIONS AND ACRONYMS

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<tr>
<td>CLMRS</td>
<td>Child Labour Monitoring and Remediation System</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>ESG</td>
<td>Environmental, Social, and Governance</td>
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<td>ETITC</td>
<td>Escuela Tecnológica Instituto Técnico Central (Colombia)</td>
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<td>EU</td>
<td>European Union</td>
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<td>EV</td>
<td>Electric Vehicle</td>
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<td>ICT</td>
<td>Information and Communications Technologies</td>
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<td>IEA</td>
<td>International Energy Agency</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>LPG</td>
<td>Local Promotion Group</td>
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<td>MBA</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MNE</td>
<td>Multinational Enterprise</td>
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<td>RBC</td>
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<td>SME</td>
<td>Small and Medium-sized Enterprise</td>
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<td>SR4Y</td>
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<td>UN</td>
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LESSONS ON SUSTAINABILITY AND BUSINESS

Introduction

In September 2015, the United Nations adopted the 2030 Agenda for Sustainable Development and established 17 Sustainable Development Goals (SDGs): a roadmap for transformation to end poverty, protect the planet and ensure prosperity for all (UN, 2017). These 17 goals include poverty reduction, gender equality, clean water and sanitation, decent work and economic growth, climate action and partnerships for development (for a full list, see Annex I to this note). Unlike the Millennium Development Goals (MDGs), which were launched in 2000 and centred on addressing basic human needs throughout the developing world, achieving this new set of ambitious goals calls for bolder action from diverse actors across society, whose collective efforts outweigh what they could deliver individually (UN, 2000; UNIDO and UN Global Compact, 2014).

Much more than for the MDGs, the SDGs call for “partnerships between governments, the private sector and civil society” (UN, 2017). Indeed, business-led initiatives, such as research and development partnerships, knowledge-sharing platforms, technology and skills transfer, together with infrastructure investment have the potential to optimise development outcomes, enable productivity gains, generate better quality jobs, strengthen skills and promote technological progress. Furthermore, the private sector is the premier agent of job creation, which contributes to development by boosting living standards, raising productivity, and fostering social cohesion (IFC, 2013; World Bank, 2013).

The Business and Sustainable Development Commission estimated that working towards the achievement of the SDGs can potentially open up USD 12 trillion in market opportunities (Business and Sustainable Development Commission, 2017). The private sector is indeed essential to deliver sustainable development worldwide (OECD, 2016a). Achieving the SDGs will require a drastic rethinking of how to do business throughout the supply chain and when engaging in coalitions to generate profit, while having a positive social, environmental and economic impact. Over 1,500 companies that participated in the UN’s Global Compact realised that a strategic approach to sustainability can drive long-term financial value while improving productivity and growth today (UN Global Compact, 2018). However, while all businesses value the relevance of the sustainability agenda, it sometimes remains a challenge actively putting the SDGs at the core of their strategies, and balancing sustainable development objectives with profitability.
Some efforts to combine business and sustainability pre-date the adoption of the SDGs. Engagements in more responsible business conduct (RBC\(^1\)) have been pivotal to allow companies to proactively minimise the negative impacts of their operations, especially in their supply chains. Beyond operations, issues of social justice, community dialogue and the restoration of trust between citizens, institutions and the private sector have become an essential part of the equation. Furthermore, increasing inequalities in society over the last 30 years have also contributed to a mounting discontent and fragmented social contract, highlighting the need for more inclusive growth and inclusive business (OECD, 2017b).

In this context, the Emerging Markets Network (EMnet) at the OECD’s Development Centre hosted a business roundtable with companies operating in emerging markets as well as in OECD countries. These discussions explored how businesses can take further action to put the SDGs at the core of their activities, together with efforts to act responsibly in line with their RBC commitments, while balancing the demands of their shareholders.

Building on the outcomes of the meeting, this policy note provides an overview of current perceptions, ongoing strategies and suggestions to further optimise the private sector’s contribution to the SDGs. Furthermore, some case studies provide evidence on how businesses are currently contributing to the SDGs and trying to combine sustainability with profitability.

**Figure 1. The 17 Sustainable Development Goals or SDGs (UN, 2017)**

![Figure 1: The 17 Sustainable Development Goals or SDGs (UN, 2017)](image-url)
Opportunities for the private sector

Businesses increasingly see investments in sustainability as business opportunities despite the challenges involved (OECD, 2016a). Individual companies recognise that achieving the SDGs creates market opportunities, even though the SDG agenda has not been mainstreamed by MNEs and does not form an integral plan of strategic planning everywhere (Business & Sustainable Development Commission, 2017). There is therefore consensus that sustainability can indeed allow companies to acquire new clients, penetrate new markets, promote innovation, explore new business models and attract and keep talent.

Companies that are more sustainable are more competitive

Evidence suggests that the business case for the SDGs as at the core of companies’ strategies is getting stronger. The Business and Sustainable Development Commission estimates that the SDGs will open up USD 12 trillion of market opportunities by 2030 in areas ranging from food and agriculture, cities, energy and materials, and health and well-being (Business & Sustainable Development Commission, 2017). Indeed, companies adopting sound environmental, social and governance practices toward clients, suppliers, employees and the environment are said to be more competitive in the long run (Benhamou and Diaye, 2016), create more jobs, and employ more skilled, and female, workers (ILO, 2017). Evidence furthermore suggests that productivity gains generated by sustainable business conducts can outweigh the additional costs and in turn reduce overall unit labour costs. Employers that provide formal training for their employees, for example, pay 14% higher wages, yet are also 20% more productive.

A sustainable reputation can help companies attract and retain clients. In addition to being more competitive, there is evidence that firms would be able to capitalise on their sustainability image through their pricing structure (WBCSD, 2017). A study conducted by Nielsen shows that the large majority of respondents were willing to pay a premium for products and services offered by sustainable businesses: up to 66% of customers, and 73% in the case of global millennials, are willing to pay more for a more sustainable brand (Nielsen, 2015). The analysis is based on a survey involving 30 000 respondents from 60 countries, and shows that consumers across regions, income levels and categories have a preference for businesses that remain loyal to their values and are ready to support them. The report also mentions that consumers in emerging markets, such as Latin America, Asia, Middle East and Africa, are almost 30% more willing to pay a premium for sustainable offerings than consumers in developed economies. The reason, according to researchers, is that consumers in developing markets are physically closer to surrounding communities and more aware of the daily challenges. Other research has shown that customers are willing to pay more for a greener product with similar performance standards: 70% would pay a 5% premium in industries such as automotive, building, electronics, furniture and packaging, according to a survey assessing the sustainability of industry value chains (Miremadi, Musso and Weihe, 2012).
Access to new markets and opportunities

The SDG framework has created an incentive for researchers, entrepreneurs, and creative minds to work toward a more sustainable world. CEOs believe that the 2030 Agenda provides an essential window of opportunity to rethink and test approaches to sustainability; 89% say commitment to sustainability is translating into real impact in their industry (Accenture, 2016). In its Global Opportunity Explorer, for example, the UN Global Compact and partners have taken a systematic approach: by closely studying the intersections between the fields of health, food, water, and energy, and of those four with technology, traditional markets as well as new opportunities for business have been mapped out. After further consultations with 17,000 business leaders, some 55 specific market opportunities were identified (Connect4Climate).

In their Global Opportunity Report, the UN Global Compact and the project partners were able to match specific opportunities to lagging SDGs (DNV GL, 2018). The report highlights that reduced inequalities (SDG 10), responsible consumption and production (SDG 12), climate action (SDG 13), and life below water (SDG 14) are among the ones with the biggest lag. For each of these SDGs the report also highlights new potential business opportunities that may help to address these gaps. Some examples include:

- **Reducing inequalities can be addressed by blockchain technology.** Through its secure encryption, blockchain can be used to secure land titles, which is essential for many small rural and urban entrepreneurs in countries with unclear land registries. Moreover, digitalising supply chains using blockchain and smart contracts\(^2\) can increase their transparency and promote a more even distribution of the value added throughout the chain. Fuller transparency can also help customers to know the origins and history of a product or its components. In Africa, where only about 30% of land has been fully surveyed, drones making information on land ownership more readily available. Clear and transparent land titles enable to more easily borrow with the land as collateral while at the same time allowing governments to levy property taxes more accurately to raise general revenue.

- **Greenhouse emissions can be mitigated by exploring innovating and responsible supply for food sources.** Opportunities can be found in alternative sources such as insects or algae, which emit 100 times less greenhouse gasses than pigs or cattle, but are equally rich in protein. The European Union updated its legislation in 2018 (EU, 2018), creating space for insects as a protein-source for human or animal consumption. Insects have also been processed into palm oils, reducing the need for pesticides or fertilisers (IPIFF, 2018).
- **Sustainable construction techniques are increasingly contributing to reduce the sector’s carbon footprint.** The industry accounts for a large percentage of carbon emissions (25-40% globally) and of solid waste (up to 40% in the United States). Innovative building techniques leverage prefabricated blocks that can be taken apart easily and re-used as well as construction waste that can be transformed into new materials. 3D-printing can also mitigate the use of superfluous materials and reduce transport costs. Increasingly, architects and developers are seeking a carbon neutrality standard for new buildings. Non-profits such as the World Green Building Council work with corporations to reduce energy and carbon emissions as well as water consumption (WorldGBC, 2018). Some companies have joined the cause: in 2017, JP Morgan Chase announced it would source 100% of global energy needs from renewable resources by 2020. The company has since worked to retrofit all its buildings with LED lighting to cut energy consumption by 50%, in line with the WorldGBC’s goal of moving to net zero carbon (JP Morgan Chase, 2017).

- **Life below water addresses the sustainability of ocean resources,** which represent an “asset” worth USD 2.5 trillion per year (WWF, 2015). Ocean resources are currently threatened by the incidence of waste. Some estimates indicate that the ocean will count more plastic than sea by 2050 (MacArthur Foundation, 2016). Consumers’ preferences are increasingly driving sustainable packaging solutions. Global consumer goods companies are closely monitoring this trend. For instance, Unilever pledged in 2017 that 100% of its packaging was to be made out of recyclable plastics by 2025 (Unilever, 2017). Surging demand for fish, coinciding with the world’s population growth, put pressure on fisheries. Aquaculture and ocean farming hold the potential to feed a population that is growing without further impairing the world’s wild fish stocks. The total market for aquaculture is worth USD 176 billion and is expected to grow at 4.6%, making it the fastest growing food industry (DNV GL, 2018). Companies are already applying aquaculture solutions to produce ocean foods at a commercial scale, thus moving towards the realisation of SDG 14.

Opportunities can also be found in other SDGs. The International Energy Agency, in its latest World Energy Outlook, describes opportunities that exist in energy-related aspects of the SDG 7 on affordable and clean energy (IEA, 2017a). In its sustainable development policy scenario, the IEA describes what policies are needed to achieve the objective of universal clean energy access, including a move to achieve peak the level of emissions as soon as possible, to be followed by a substantial decline, and a large reduction of energy-related pollutants. Without policy intervention, 700 million people will still lack energy access by 2030, and 2.3 billion people will still rely on polluting fuels for their basic needs (IEA, 2017b).

The investments associated with the IEA’s Sustainable Development Scenario offer opportunities to the private sector. Examples include companies active in delivering energy solutions in decentralised systems far from the main grid (“micro grids”), companies active in the electrical vehicle industry and its supply chain, or in energy transmission and distribution, needed to achieve universal access (IEA, 2017a).
**Sustainability leads to technological innovation**

New technologies are enabling companies to integrate sustainability more easily into their operations. According to a UN Global Compact study, 75% of CEOs in over 100 countries stated that digital technologies are facilitating the adoption of sustainable practices (UN Global Compact, 2017). Mahindra & Mahindra, an Indian multinational automobile manufacturing company, invested in an agriculture-focused venture dedicated to enhancing farmers' productivity and ethical sourcing of food products through an extensive use of innovative technologies (MASL, 2017). This initiative is supporting the goal set by the Indian Council of Food and Agriculture to double farmers’ income by 2022 (Indian Council of Food and Agriculture, 2016). Starting with zero revenue the initiative has grown substantially (see Mahindra & Mahindra Case Study for more information).

**Sustainable companies attract talent**

The generation born between 1980 and 2000, also called “millennials”, is characterised by lower level of loyalty to their employers than previous generations, and higher attention to the alignment with personal and ethical values. This phenomenon is redefining the employer-employee relationship. A study by ManpowerGroup highlights that the majority of people currently entering the workforce say that purpose is a priority in their choice of work (ManpowerGroup, 2016).

With increasing job mobility, only one in five millennials is expected to stay in the same field and progress with one employer; 75% of millennials, interviewed in 2008, said that they expected to have two to five employers throughout their lifetime (PwC, 2011). It is also important to notice that 86% of respondents would consider leaving an employer whose values no longer met their expectations (PwC, 2011).

Taking this into consideration, companies should be more inclined to improve their employees’ working experience and offer fair benefits. Companies that invest in social responsibility and sustainability can potentially create a sense of belonging and be more likely to retain talents, keep employees motivated and improve their productivity.
Challenges for businesses

The SDGs’ awareness gap

Before addressing the implementation challenges for MNEs, the first hurdle worth noting is one of awareness. While the private sector is expected to play a major role in achieving the 2030 Agenda for Sustainable Development, the view from businesses expressed during the EMnet meeting is that this major shift will not happen without a higher level of global SDG awareness among all relevant stakeholders. As the general public’s awareness increases, companies will be able to conduct business more effectively attract and retain better informed customers. Evidence shows that SDG awareness is increasing, but significant hurdles remain. In Japan, for example, research has shown that while SDGs’ awareness is 84% of CSR staff, the figures for top management and middle management are only 28% and 4-5% respectively (GCNJ, 2017).

Evidence shows that customers are more likely to buy goods and services from companies that endorse responsible business conduct (PwC, 2015). Increasing sustainability awareness can therefore be a way to incentivise a positive relationship between customers and businesses, where the importance of the SDGs is recognised and more companies are encouraged to follow the example of industry leaders. According to a large, nearly 1 000-firm global survey conducted by PricewaterhouseCoopers, 71% of business respondents said they had started planning how they will engage with the SDGs, 13% had identified the tools they needed to assess their impact against the SDGs, while 41% said they will embed the SDGs into their strategy within five years (PwC, 2016).

Lastly, it’s important for businesses to note that employees are citizens too. In the Netherlands, the SDG Investing Initiative links 18 financial institutions who collectively manage over EUR 2 800 billion of assets, and who in a statement commit to contribute to the 2030 SDG agenda (IISD, 2017). Various EMnet members also involve their employees in their SDG commitments, whether through re-investing salary-based savings (ENGIE, 2016a and 2016b), by organising an annual CSR event for all employees (Pernod Ricard, 2016), or through corporate foundations like the Walmart Foundation, which aspires to provide 4 billion meals to fight against hunger (USCIB, 2018).

The dilemma of reconciling profitability, risk management and sustainability

In spite of clear incentives to further invest and act sustainably, many operational challenges remain. In developing countries in particular, businesses often work in risky environments, where corruption is widespread, the rule of law is not enforced, and infrastructure and services are poor. These are issues that will tend to receive management attention first. Maintaining profitability and navigating challenges thus become first order priorities, often at the expense of sustainability which is then seen as an overall sunk cost. In addition, keeping up with their commitments to RBC has proven complicated for many companies. The OECD reports that 34 new violation instances were submitted against individual businesses in 2016 under the OECD Guidelines for Multinational Enterprises (OECD, 2016b). Alleged violations span across several sectors involving human rights, due diligence, supply chains, stakeholder engagement and the environment. In this context, leadership is critical to allow profitability to become compatible with sustainable and fair business practices.
Challenge of seeing the SDGs as a strategic part of core business

Participants in the EMnet meeting highlighted the importance of integrating the SDGs in the core business. This requires a major shift towards a more horizontal and strategic approach, and a step away from focusing on a few selected SDG targets. Indeed, whereas only 1% of companies planned to assess their impact on all 17 SDGs, 34% indicated they were planning to select specific targets, according to a survey by PricewaterhouseCoopers on businesses and the SDGs (PwC, 2015). By integrating the SDGs into their core strategy and taking a more systemic approach to sustainability in the actual implementation of these strategic guidelines, MNEs could work in enhancing their contribution to the 2030 agenda.

Siemens, a German industrial manufacturing company, uses a methodology called “Business to Society”. It entails an objective measurement of the impact of operations on local societies (Siemens, “Business-to-Society”) in which the firm operates. The “outside-in” approach focuses on the needs of society and the environment, using the SDGs as a roadmap. The “inside-out” approach analyses how their operations contribute to and add value to those needs. Through this methodology, Siemens considers all of the broader needs of society, including the ones that may not appear to be relevant to the company’s immediate operational goals at first glance (see Siemens Case Study for more information).

Importance of including sustainability in management education

Discussions in the EMnet meeting highlighted the importance of including responsible business practices and sustainability into management education as well. Business schools are the primary source of management education for future corporate leaders. However, even though the number of courses offered on corporate social responsibility and sustainability has increased over the years, they are still very detached from core management disciplines (Kolb, Fröhlich and Schmidpeter, 2017). Furthermore, there is evidence that while the senior management is well aware of the importance of business sustainability, middle management and employees in general do not know the SDGs or do not actively engage with them on a frequent basis (CSR Europe, 2017). In response, some universities have begun to incorporate sustainability as part of the core discipline of their curriculum. The CFA Institute, which trains chartered financial analysts, also has taken note of this trend, and reviewed its curriculum to include sustainability at the core of its curriculum (CFA Institute, 2017). Some have furthermore argued that “sustainability” has actually become a selling point for MBA programmes. MBA accreditation commissions such as the European Quality Improvement System (EQUIS), the Association of MBAs (AMBA), and the Association to Advance Collegiate Schools of Business (AACSB) all added to their criteria that a business programme should contain sustainability as a component of the syllabus (Guardian, 2015b).

Lack of co-ordination across supply chains

Companies discussed during the EMnet meeting the challenge of co-ordinating sustainability efforts within a company’s internal operations, particularly supply chains. According to RBC principles of “do good” while “doing no harm”, companies are also required to look at their suppliers and buyers, and take responsibility for their actions as partners in the value creation process. High-profile cases have shown that non-compliance with RBC standards has had a devastating effect on...
certain brands of sneakers and clothing. Recently, Nike was ranked the most sustainable apparel and footwear company in North America following years of reputational challenges (Business of Fashion, 2016).

Companies agreed that embedding sustainability and accountability throughout supply chains is essential to achieving the SDGs. The OECD has been supporting these efforts through the OECD Guidelines for Multinational Enterprises. The Guidelines promote responsible business conduct for MNEs, not only in the way they conduct themselves, but also by avoiding harmful impacts caused by their supply chains (Nieuwenkamp, 2014).

The supply chains of a multinational company can be diversified and widespread. For example, approximately 50 different suppliers produce the components for a Dell Computer (World Trade Organization, 2013). Monitoring these complex supply chains can be cumbersome and difficult. During discussions with EMnet members, it was noted that the SDGs could also serve as a roadmap for suppliers and buyers, considering that 75% of the world’s poorest population live in the same rural areas where many supply chains begin (Business & Sustainable Development Commission, 2017). By integrating sustainability across supply chains, companies can protect and create value at the same time (GRI, UN Global Compact and WBCSD, 2015). Many companies have formalised demands on sustainability in specific terms and conditions in contracts with suppliers. A company such as Siemens-Gamesa, for example, organised supplier events to share the company’s challenges and goals with respect to sustainability. Siemens-Gamesa has also undertaken audits of all of its key suppliers in order to align its supply chain with its CSR Master Plan (Siemens-Gamesa).

Addressing SMEs’ engagement with SDGs through multinational corporations

Small and medium-sized enterprises (SMEs) account for more than half of formal employment worldwide and can play a significant role in achieving the SDGs. In emerging economies, SMEs account for 43% of jobs and are estimated to increase to 90% when taking into account the informal sector (Kamal-Chaoui, 2017). However, SMEs can often lack the capacity, capital and incentives to incorporate sustainable practices in their business operations (OECD, 2017e). MNEs can and should play a role by incentivising SMEs in their value chains so that they incorporate an SDGs approach into their operations. MNEs can also lead by example through their market power: by supporting a critical consumer mass that validates a sustainability premium (i.e. a higher price for a product produced in a sustainable manner) MNEs can thus establish an environment that encourages other firms to focus on sustainability.

Successful MNE and SME partnerships were highlighted. Larger enterprises can benefit from investing in SMEs by getting access to new markets. The French multinational energy company ENGIE, for example, has set up a corporate impact venture fund that invests in social enterprises that aim to provide sustainable energy access for vulnerable population groups around the world (ENGIE, 2016a). Through these investments, ENGIE offers finance to SMEs in the energy sector. On the other hand, ENGIE gains access to a new market that it couldn’t reach before.
Internal and external accountability – measuring progress against the SDGs

To achieve the SDGs by 2030, businesses stressed the importance of establishing clear internal and external accountability benchmarks. This can provide MNEs with mechanisms to monitor their progress towards meeting the SDGs. A survey by Accenture found that 86% of CEOs believe that standardised impact metrics will be important in unlocking the potential of business on the SDGs. Furthermore, 73% of respondents believe that business should develop common indicators to measure and communicate impact on the SDGs (Accenture, 2016; WBCSD, 2016).

Discussions during the EMnet meeting addressed how sustainability evaluations should be considered as part of the overall business performance assessment. There was however an agreement that there is no simple way to measure sustainability and compare results. In this regard, Danone, a French multinational food-products company, has designed a programme called “Danone Way”. Danone Way uses a set of guidelines aimed at implementing and monitoring sustainability in each business unit. Through these guidelines, Danone can measure the company’s overall progress towards SDGs through the performance of each business unit. Each unit is therefore internally accountable and responsible to help the company integrate sustainability goals into its business operations.

As a general approach, businesses touched on how MNEs need to be accountable to their clients and to the public on the actions they take, as they work towards becoming more sustainable. In this context, adopting an overall corporate strategy on responsible business conduct is essential to mitigate reputational risks. As sustainability becomes more mainstream, various countries have started publishing information on specific carbon emissions or climate risk by individual companies (EY 2013). “Virtual whistle-blowing” can damage a firm’s reputation, especially when its commitment to sustainability is seen as superficial or disingenuous. Recent examples demonstrate how discovering potentially unlawful working conditions in the value chains can damage the reputation of specific industries, such as the case of the garment industry (Moulds, 2015).
**Conclusion**

The SDGs provide an opportunity to rethink approaches to sustainable value creation. It has therefore become increasingly relevant for businesses to adhere to the SDGs. There are many ways through which companies can integrate sustainability into their operations. Making them a leadership’s priority can ensure that sustainability is built into the underlying corporate culture and that efforts towards achieving SDGs take root over time.

Expectations are that the potential for firms to achieve higher levels of labour productivity over the long run through these efforts will allow MNEs to remain more competitive in meeting the needs of their client base and creating a sense of good will. In undertaking these efforts and ensuring their success, it is important that businesses focus as much on their internal operations as on working across the whole supply chain. Working together and integrating SMEs as part of these efforts should be equally relevant.

It should be understood that both governments and the private sector have a role to play by partnering toward more sustainable and inclusive growth to meet the commitments of the 2030 Agenda for Sustainable Development. The case studies addressed as part of this report help to substantiate some examples of how this co-operation can be beneficial in meeting corporate objectives, while at the same time creating benefits for stakeholders more broadly. The case studies go on to provide recommendations for policy makers from a business perspective on how these partnerships can be supported to underpin further success in meeting the overall SDGs. Common messages across various cases that should be taken into consideration include raising awareness of the SDGs, establishing better measurement and data collection mechanisms to evaluate results, establish a culture of co-operation with the businesses already engaged in SDGs and incorporating SDG considerations into the institutional decision-making and the policy implementation framework, in areas such as funding or public procurement for instance. Finally, these messages underpin once more the importance of creating strong partnerships in order to foster a successful implementation of the broader SDG agenda going forward.
ANNEX I: CASE STUDIES

This Section provides examples of how EMnet member companies are taking action towards achieving the Sustainable Development Goals in emerging markets.

Case Study I: Huawei

Further to SDG 3, on health, in Kenya, Huawei has implemented a project around providing a digital health system, enabling remote consultations for patients, and training for doctors and health workers through video conferencing, using Huawei Matebooks with a local Kenyan social enterprise’s ZiDi™ software used in health facilities. This is used to improve efficiency of reporting and billing, managing commodities and staffing, and managing and communicating with patients. Its business partner Safaricom provides broadband connectivity over both fixed and mobile networks to cover both urban and rural facilities in the country.

The project addresses a number of key challenges regarding healthcare delivery in Kenya including the poor quality of care in certain areas, the lack of health experts, the long distances citizens travel to receive care and inefficiencies in collecting health data. More specifically the project is seeking to provide safe medication; more reliable data on disease trends; earlier, cheaper and better diagnosis and treatment; a better trained healthcare workforce; and in broad terms a more efficient health-care system.

According to Huawei, the programme saves more than 12 hours of travel time and 20 dollars in costs for each patient receiving specialist consultants through live video. Rural medical officers are also receiving video training. More than 15 000 patients have used the digital health system which is ensuring higher quality and faster access to care.

The project underscores how the public sector health systems in developing economies such as Kenya’s can be unstable because of lack of funding and human resources. Huawei says it is working more closely with relevant stakeholders to address these challenges with more intensive training and support, and is trying to show the return on investment and the benefits from using ICT more strategically.
To facilitate its work on the SDGs and remove barriers that limit its actions Huawei recommends that:

- Governments should improve data collection and analysis in order to make better decisions on internal management, programmes and resource allocation as well to provide better public services to citizens.

- Local governments should more proactively engage as well with the private sector and work together to develop the relevant skills sets to support specific sector needs.

- Governments should develop strategic plans and assess all new development projects and opportunities, according to each initiative’s potential, to improve efficiency and reduce costs, generate revenue and create impact – and thus prioritise funding accordingly.

- Ministries beyond information and communications technologies (ICT) from both national and local governments should review their strategies, budgets and procurement processes to target investment in technology to enable effective utilisation and resourcing of both capital and operating expenditures including training, maintenance, support and updates with the aim of deploying ICT as a core part of government strategy.

Case Study II: Pernod Ricard

SAFE ROADS 4 YOUTH (SR4Y) is a five-year action research project introduced by Pernod Ricard. It has been implemented in three emerging countries to demonstrate the relevance of community-based interventions in the prevention of drunk driving and traffic accidents in young people.

This case study focuses on Viet Nam where according to the company half of the youth population has had at least one road accident in the last three years. Preventive interventions at community level were carried out in two cities. Local Promoting Groups were created in each community to ensure the participation of the relevant stakeholders at a local level (high schools, universities, companies, taxis, media, police, hospitals, bars, workers’ unions, youth associations, non-government organisations [NGOs], etc.). A key goal is to provide a direct and daily support to empower young people in designing, planning and implementing programme activities.

A total of 34 000 young people have participated directly in 146 activities developed in the two sites. Activities include: Educational sessions in schools, peer-to-peer programmes, working with parents, awareness campaigns that involve setting up awareness activities in venues selling alcohol as well as establishing links with local law enforcement.
Specific SDGs addressed by this programme include:

- SDG 3 and sub-objectives 3.5 (strengthening the prevention of harmful use of alcohol) and 3.6 (by 2020, halve the number of global deaths and injuries from road traffic incidents) which are directly aligned with the programme’s goal to reduce drunk-driving and traffic accidents.

- Through its focus on prevention, the programme addresses SDG 11 and sub-objective 11.2 (by 2030, provide access to safe, affordable, accessible and sustainable transport for all).

- In its focus on youth, SR4Y is targeting a more vulnerable sector of the population (SDG 1).

- In response to SDG 17, to revitalize the global partnership for sustainable development the SR4Y programme has been developed in partnership with leading NGOs and research centres. It is furthermore financed by a grant based on the commitment of Pernod Ricard’s 18 000 employees and relies on an independent governance committee, showcasing the degree to which the commitment to working with other sectors can achieve positive outcomes towards achieving SDG commitments.

According to Pernod Ricard, a crucial element for achieving the targeted SDG commitments through this programme is the methodological approach based on young people as critical agents of change, and building community awareness and stakeholder consensus through participatory methods.

The project went through a thorough evaluation process, carried out independently. Some of the key findings highlighted that there was indeed a positive difference between intervention and control sites around drunk-driving behaviour and that there were furthermore positive changes in knowledge, attitude and behaviour of the young people who participated. Knowledge and beliefs (about alcohol and traffic safety) improved globally. Moreover the company highlighted decreases in crash rates per inhabitant in the two intervention sites were greater than those of the national average during the period of implementation. As such, Pernod Ricard believes the project has made a direct contribution to the creation of a supportive road safety ecosystem.

According to Pernod Ricard, the project reveals that it is essential to have messages of responsible and safe alcohol consumption and mobility disseminated into the communities, debated and discussed. As a result preparations are currently under way to expand the programme to other communities following and intervention model that can serve as a blueprint for other jurisdictions and countries. The company also highlighted how in Viet Nam, some of the project’s activities will be used to support traffic safety interventions and capacity building at a national level.
Pernod Ricard recommends a number of policies that would facilitate its work on SDGs and remove barriers to action:

- Community and participative approaches, and educational and prevention strategies need an accompaniment by public institutions combined with other strategies such as enforcement and mobility offers.

- Tackling harmful use of alcohol requires changing individuals’ behaviour, and because there is no simple formula to achieve such a task, inclusive multi-stakeholder platforms and public-private partnerships are the approaches most likely to yield results.

- An effective prevention system needs a reliable data collection mechanism and infrastructure at the local or relevant government levels.

- A research-action project cannot substitute for long-lasting interventions and clear guidelines involving all community stakeholders and policy makers. Further to its results the SR4Y objectives should support charting a general path that can be followed by local actors and those facing vulnerabilities with regards to safe and responsible alcohol consumption in different areas.

Case Study III: Siemens

By the summer of 2017, Siemens, in the framework of its Business to Society approach, had completed studies in 18 countries and was working with an additional 14 to inform their market positioning, opportunity development and customer engagement strategies relevant to the local context.

The approach showcases Siemens’ contribution to the SDGs and the local societal priorities. Siemens prioritises working towards the SDGs via four core levers: Siemens portfolio, operations, thought leadership and corporate citizenship. According to these levers, SDGs were categorised by high, medium or low Siemens impact (see Figure below).
In terms of the concrete outcomes of the project and the measurement of success, the core deliverable of a Business to Society project is – among others – the Siemens value map that depicts the company’s quantified contributions at a site, country, and/or global level. For simplicity, the results are structured along six content pillars. A specific example from the global Business to Society project which formed part if this strategy is showcased as follows:

### This selection of the Global Value Map shows Siemens impact into the SDGs along 6 content pillars

<table>
<thead>
<tr>
<th>Strengthen the Economy</th>
<th>Developing local Jobs and Skills</th>
<th>Driving Innovations</th>
<th>Sustaining the Environment</th>
<th>Improving Quality of Life</th>
<th>Shaping Societal Transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contributed to about €250mil in GDP creation¹</td>
<td>• Enabled 4.3mil jobs of which 2.2mil in developing countries¹</td>
<td>• ~60,000 Siemens patents to drive innovations in the field of electrification, automation, digitalization and healthcare</td>
<td>• 521mil metric tons of CO₂ saved at customers through Siemens Environmental Portfolio</td>
<td>• &gt;900mil patients treated using Siemens medical devices and lab tests</td>
<td>• We source from ~90,000 suppliers from &gt;150 countries with the request to comply with our codes of conduct</td>
</tr>
<tr>
<td>• Enabled infra-structure financing of €26bn</td>
<td>• 1mil students in &gt;70 countries enabled to leverage product lifecycle management software</td>
<td>• &gt;2bn guaranteed energy cost savings for our customers through optimized buildings technology</td>
<td></td>
<td>• &gt;50mil people transported daily with smart and sustainable rail systems from Siemens</td>
<td>• Siemens Stiftung reached 640,000 young people with the international STEM education program “Experimento”</td>
</tr>
<tr>
<td>• &gt;730 GW installed capacity for power generation enables access to energy for people around the world</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Siemens identified that success is measured largely by tracking project activities in the identified areas of improvement or in areas of dilemmas. And overall, the Business to Society results are challenged and updated on a regular basis.

As for the lessons learned through this project and the plans for the future, the company claims the transparency and solid understanding of its impacts provide the foundation for informed action. So far, it says, Business to Society projects have proved beneficial for communication and market positioning, for example with customers and the public.

For the future it aims proactively to drive business development in support of the SDGs and/or work towards more in-depth strategy alignment.

Siemens has a number of recommendations to governments that could facilitate its work on the SDGs or remove barriers that limit its actions. They include:

- Governments should work to increasing public awareness for SDGs and facilitate dialogue between government and the private sector to set concrete expectations from business.
• The intent of the SDGs should be reflected in public tenders, such as requiring information on the total cost of ownership plus information on key externalities to enable decision making oriented towards the long term impact.

• Ensuring reliable and stable regulatory conditions, for the trading CO₂ certificates for instance, to facilitate the translation of SDGs into specific national policy objectives.

• Supporting collective action movements across various sectors and stakeholders.

**Case Study IV: Johnson & Johnson**

Through its “Our 2030 Promise” initiative Johnson & Johnson has established a strategic programme, responding, and committing resources, to help achieve some of the Sustainable Development Goals. It aims to contribute to good health and well-being (SDG 3), to gender equality (SDG 5) and to strengthening partnerships furthering the SDG goals (SDG 17).
Johnson and Johnson, which employs 127,000 people in more than 60 countries, claims that by “galvanising partners, mobilising employees and engaging communities” it will “dedicate its expertise, ideas and ingenuity to ignite partnerships and catalyse efforts” in five areas where it can “create sustainable and scalable impact”. These areas are environmental health, workforce health, women’s and children’s health, global disease challenges and essential surgery.

The “Our 2030 Promise” programme documents for each of these areas a set of measurable goals for the company, worldwide, that fit with the United Nations’ broader SDG goals.

According to Johnson & Johnson, better, more structured and more intense partnerships between international bodies (such as the UN and the OECD), governments, the private sector and civil society are essential for progress, and are a formidable force if they work together towards clear goals. “Legislation and policy development can support the mobilisation of public and private equity to deliver solutions for the challenges that face our global population,” Johnson & Johnson indicated their commitment furthermore to being a “loyal partner in those processes”.

**Case Study V: ManpowerGroup**

According to ManpowerGroup’s sustainability plan, it supports four of the SGDs including more specifically 4, 5, 8 and 10, for education, gender equality, decent work and inclusive growth respectively. The company indicated its “Hire-Train-Deploy” programme in India for instance is addressing relevant skills shortages and helping people from diverse backgrounds to enhance their skills and position themselves for success.

ManpowerGroup states that work and jobs have a transformative impact on individuals and families, and that in the current skills revolution environment, where new skills emerge as fast as others become obsolete, its plan focuses on enabling all to develop the skills-set that they need for meaningful and sustainable employment.

The company believes talent shortages are a global challenge for employers, and with India being one of the world’s leading sources of information technology (IT) professionals, the country is under incredible pressure to keep up with a growing demand. All too often the available talent lacks the technical training and soft skills that employers need now, and one estimate provided by the company is that up to 48% of IT jobs in India go unfilled. Manpower developed Hire-Train-Deploy in partnership with an Indian IT service provider. The programme is based on an intensive 40-day boot camp to give ambitious but “not quite qualified” job-seekers the skills to succeed. It provides hands-on training for the most sought-after skills – including Java, Oracle, CICS, C++, Informatica and Blue Prism platforms.

In 2017, the programme enrolled more than 1,500 participants from all over India and placed more than 97% of the graduates. According to the company, “remarkably in a country where only a small percentage of women work; more than 700 of these talented people were female.” In this regard, “helping young professionals move into some of India’s highest-paying, growth-oriented jobs is seen as a triumph in and of itself, but such steps toward gender parity and wage equality, too, can be inspiring, to employers and individuals alike.”
According to the company, increasing people’s skills for jobs in growth sectors, including IT and engineering, is critical to address the divide between those with skills and those without. Furthermore, throughout the world women are under-represented in the sectors where the greatest growth is expected. The company sees partnering with employers and intermediaries such as ManpowerGroup to develop training focused on real vacancies is essential. It also points out that training programmes which involve employers and specific vacancies have placement rates up to 90% higher than programmes run solely by government.

**Case Study VI: Nestlé**

The Nestlé Cocoa Plan launched in 2009 tackles child labour throughout its cocoa supply chain, and aims to improve the lives of farmers and their communities through what the company sees as three areas of activity: better farming, better lives and better cocoa. The aim is to train farmers in better agricultural practices, distribute higher-yielding cocoa trees, promote gender equality, address child labour issues and develop long-term relationships with farmer groups.

Through the Nestlé Cocoa Plan, the company sources cocoa from tens of thousands of small-scale producers through supply chain intermediaries, such as co-operatives and large multinational suppliers. In the key sourcing origins of Côte d’Ivoire and Ghana, child labour remains a systemic issue within the supply chain. This is an issue the company indicates it is committed to tackling. Its primary focus to date has been to identify accurately all these producers and their children, using the Nestlé Cocoa Plan’s Child Labour Monitoring and Remediation System (CLMRS). Thanks to this identification work, Nestlé and the International Cocoa Initiative (ICI) have been able to uncover which children are involved in (or at risk of) child labour and to begin remediation work directly with them and the responsible stakeholders.

The company describes the process as being extremely challenging, but the initial results are promising. Thanks to the CLMRS community-based approach, farmers have had the confidence to share accurate and reliable information on the numbers of children potentially working in the sector. This has enabled Nestlé and ICI to understand better the full scale of the problem and learn more about the causes of individual cases of child labour, allowing for more focused and effective remediation activities to take place.

Currently according to company estimates, 40,728 young people (5-17 year-olds) are being monitored by the CLMRS. To date the plan has helped 5,232 children in the upstream supply chain through the provision of remedial actions.

Nevertheless, more broadly Nestlé mentions that although child labour has decreased by a third since 2000, 168 million children are still affected worldwide with an estimated 85 million involved in hazardous work. Of relevance to the company, almost 60% of all child labourers work in the agricultural sector.

Nestlé believes successfully eliminating child labour requires not only excluding children from the workforce, but also addressing the root causes of child labour, including poverty and limited access to good-quality education. Low-income families, including farmers, struggling to meet their basic needs, often turn to children for help and if schools are not accessible or non-existent, there are limited alternatives. Nestlé sees formal birth registration as an important tool, both to ensure that children are legally guaranteed school places and to allow employers reliably to identify potential child workers.
A number of the Sustainable Development Goals are directly and indirectly relevant to addressing the issue of child labour, and therefore to the CLMRS. These include:

- **SDG 1** - Focuses on ending poverty through ensuring that no one lives on less than USD 1.25 a day by 2030 (1.1). This target is particularly relevant in the context of eradicating child labour, as poverty is considered one of the root causes of child labour.

- **SDG 4** - Concerns access to education for all. Together with poverty, lack of access to education is considered one of the root causes of child labour. There are numerous reasons why children do not attend school. The cost of transport, school fees, uniforms and books may be too high for some families (4.1), girls may find it especially difficult to attend school through lack of sanitation facilities (4.5), or schools might be inaccessible because they are so far away or simply non-existent (4.a).

- **SDG 8** - Promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Target 8.5 specifically concerns labour rights and Target 8.8 concerns the protection of labour rights, which includes focus on the International Labour Organization Core Conventions, including child labour. Target 8.7 explicitly concerns the eradication of the worst forms of child labour and child labour in all its forms.

- **SDG 16** - Working children are particularly vulnerable to abuse and exploitation (16.2), so companies should make efforts to end this practice. Birth registration (16.9) is relevant in the context of child labour, as a valid birth certificate allows children to enrol in schools and employers can more readily identify child workers.

According to Nestlé, the main success of the programme to date has been to work with over 48 000 farmers and their children to identify which of them are at risk and to put in place measures to improve their situations. Allowing people to open up about the issue has been a significant factor in this, and a notable success in its own right.

Nestlé has tightened the definition of what it means to be “taken out of child labour” so it is too early in most cases to state categorically that a child has been completely removed from child labour without risk of a relapse. However, ICI statistical evaluations show that a significant impact across a representative sample. The company indicates remediation efforts are already improving the lives of over 5 000 children, in over 1 500 communities.

Although it is necessary to wait for the long-term trends to emerge, it is believed that the system is beginning to have an impact in tackling the problem. Having established a baseline of statistical evidence since 2012, Nestlé says it can now start to comprehensively report on ongoing progress.

The company plans to expand the Nestlé Cocoa Plan, and to make the programme more sustainable. It intends to ingrain it into the supply chain more deeply and hand over more responsibility to the co-operatives. These already manage the certification system, the costs of which are paid through the certification premium.
For the future, Nestlé says action by governments can facilitate its work on the SDGs and remove a number of barriers. While many stakeholders from across business, civil society and government have taken measures to address child labour, it recommends more needs to be done collaboratively to address this systemic issue. By joining forces, sharing knowledge and co-ordinating actions, the duplication of efforts can be avoided and the best solutions brought to scale.

In situations where the government is unable to provide sufficient access to education for children, especially in the context of agricultural food and beverage value chains, Nestlé recommends the government should look to facilitate the coming together of companies (buyers, manufacturers and producers) and other industry players including civil society, to support access to education. By convening a critical mass of the right players, solutions to address the issue of child labour can be delivered. The company views other areas of support for this initiative specifically could include a combination of improving and modernising the provision of birth certificates that enable children to enrol in schools, and or providing direct financial support to improve school infrastructure and teacher development.

Case Study VII: Microsoft

Microsoft’s entry point for putting Sustainable Development Goals at the core of its business is SDG 17, in regards to partnerships towards the SDGs. Microsoft, a partner-led company, stated it is focused on bringing innovative technology and practical solutions to meet the sustainable development needs of multi-sector stakeholders, organisations and individuals.

Each of the United Nations’ goals, it says, presents challenges bigger than any one organisation can accomplish alone so it seeks to apply what in its view are the unique assets that a technology company of its scope and scale possesses toward the global, multi-sector effort needed to achieve the SDGs.

It argues that its efforts are helping advance progress towards meeting issues covered by all 17 SDGs. For example, using Microsoft Azure Solutions, the WorldPop research team at the University of Southampton, in the UK, provides critical data for tracking the UN SDGs by counting every person on Earth, where they are and who they are. The team does this using novel data science techniques and cloud computing to combine large datasets drawn from census, surveys, satellite, GIS and other sources to provide governments and NGOs with extremely detailed spatial and temporal mappings – some with resolutions down to 100 meters square.

Microsoft has nonetheless prioritised eight SDGs to leverage its transformative digital technology where the company sees that it can have the greatest impact. Some examples include:

• **SDG 3 - Good Health and Well-being**: The goal is to transform the health industry to enable “health care without walls” so that institutions become less about “sick care” and more of a health-care and preventative care industry. With more than 37 000 contributors working in 130 countries, the Cochrane Transform Project applies artificial intelligence and machine learning to assist systemic reviews by text, mining thousands of research reports and clinical trial data.
• **SDG 4 - Quality Education:** Support is given to programmes and initiatives designed to leverage technology to support teachers in transforming education, inspiring learning anywhere, and unlocking the potential of all young people to prepare them for the jobs of the future. Modernisation of the study environment by increasing the accessibility of modern technologies to students as well as the academic and administrative staff, creates an opportunity for the Riga Technical University (RTU) in Latvia to implement its vision in becoming a digitised university in partnership with the company.

• **SDG 5 - Gender Equality:** To reach gender parity women must fill more computer science-based job roles and not be discriminated against. The aim is to empower girls and women to move from the classroom to the boardroom in high tech. Partnering with GC4women.org and using Microsoft Skype, OneNote and Sway technology, Microsoft Innovator Educators, experts learn how to teach gender equality in the classroom to achieve this goal.

• **SDG 8 - Decent Work and Economic Growth:** According to the company, it empowers the next generation of innovators with the tools, skills and opportunities they need to unleash future opportunity and solve local and global challenges. Microsoft is one of the founding launch partners of the Digital Development Partnership (DDP), a partnership with the World Bank designed to address the findings of the World Development Report by closing the digital economy divide for emerging economies.

• **SDG 9 - Industry, Innovation and Infrastructure:** Microsoft works with governments around the world to deliver next-generation models of citizen engagement, drive efficiency and transparency and empower government workforces to work in a mobile world. Connecting people to markets and markets to people. Diamond Bank is one of the 22 financial institutions operating in Nigeria, with a mission to “Go beyond banking, connect people and markets and markets to people”. This mission is brought to life through leveraging innovative Microsoft technologies like Modern Workplace and Azure Solutions to empower the bank to reach more people in a cost-effective way.

• **SDG 11 - Sustainable Cities and Communities:** According to Microsoft, its CityNext platform provides an integrated, flexible, trustworthy approach to help cities engage their citizens, empower their employees, optimise their operations and infrastructure, and transform and accelerate innovation and opportunity.

• **SDG 13 - Climate Action:** The company works with partners to develop innovative solutions and support research efforts by leading environmental groups to help people around the world address climate change. A 2016 drought threatened the livelihood of a huge part of Morocco’s rural population. Morocco needed to rapidly deploy an assistance programme to parts of the country with very limited IT infrastructure to gather data, accurately and at scale, on a mobile basis but which could deliver highly detailed information to managers so as to maximise the efficiency of the subsidy scheme. The crisis was successfully dealt with thanks to a special subsidy system delivered nationally through Microsoft technology.
- **SDG 16 - Peace, Justice and Strong Institutions**: From online safety and cybersecurity to emergency response and effective policing, Microsoft has stated committed to helping governments proactively meet these challenges to keep their citizens and communities safe. The Microsoft Call Centre and Dispatch solution connects isolated emergency management systems and enables citizens to report suspicious activities through online and mobile experiences.

In terms of recommendations, Microsoft recognised that with every country’s digital transformation, it has learned new lessons. For instance, countries must have a culture that lets collaborators work “boundary-less” across silos; create a data strategy that ties together all data sources to achieve a goal; and pilot solutions quickly to stay ahead of micro-revolutions that are changing the digital world every 12 to 18 months.

Microsoft recognises governments and industry have had to build trust and share some sensitive information. That information has to be collected, cleaned and analysed to form the basis for understanding, which is ultimately what the Microsoft digital benchmark is: a way of collecting data into a framework to understand the maturity of digital nations. By having an informed data strategy, Microsoft believes countries will be in a better position to get ahead of micro-revolutions.

Microsoft offered more specific recommendations in particular areas where building this trust between government and business is essential:

- **Security**: The future of cybersecurity on the Internet will require many steps by many people. It will be necessary to continue to look to tech companies to act proactively to strengthen defences and work closely with customers. Governments need to act together, both to adhere to current international norms and create new laws to fill in the gaps. The world needs a Digital Geneva Convention, as well as many additional steps to become more secure.

- **Connectivity**: More countries need to adopt TV white space regulations for a technology ecosystem to emerge. New technologies, business models and partnerships are needed to deliver affordable and robust Internet access to people around the world yet to be online.

- **Education**: Computer science education should be made available at schools to help ensure every young person gets access to these critical skills for success in their future.

- **Partnerships**: To tackle the enormous challenges of connected societies, coalitions must be developed of interested organisations from across the entire ecosystem of governments, companies, universities and non-profit institutions.

- **Strategy**: Forming a data strategy will prepare nations to more effectively use advanced artificial intelligence and machine-learning capabilities to propel their societies into the future.
Case Study VIII: Mahindra & Mahindra

Mahindra & Mahindra Ltd initiated a public-private partnership with the government of Madhya Pradesh in India, under the Integrated Watershed Management Programme (IWMP), covering 32 villages of Damoh, Madhya Pradesh and a population of more than 20,000. Through its watershed management, Mahindra is investing in farmers and agriculture with the objective of increasing agricultural productivity and enhancing farmers’ incomes in a sustainable manner. The project is aligned with its vision to “Deliver farm tech prosperity” and the philosophy of “Rise”, and the team has the objective of doubling per capita income as a measure of success for the programme.

Eight of the 17 Sustainable Development Goals are addressed by the Mahindra project, including SDG 1 (no poverty), SDG 2 (end hunger), SDG 3 (health), SDG 6 (water and sanitation), SDG 8 (decent work for all), SDG 9 (industrialisation and innovation) and SDG 16 (peaceful and inclusive societies).

The impact of the four core pillars of an IWMP programme (water and soil conservation structures, agriculture productivity, micro-enterprises and plantation) has been enhanced by a series of supportive actions such as soil testing, agriculture innovations (Grameen fridge, high-tech cattle manger, azolla as a nutritional supplement for cattle, etc.), IT-enabled monitoring of the implementation of agri-practices, drip irrigation, household sanitation, dairy, bio-gas, health interventions, solar lighting of a village, innovation in household water transportation, etc.

The programme has achieved a number of successful results, including higher and regular access to water, reduction of waste deposits and increased agricultural yield. Furthermore, the set-up of a new milk collection centre has helped farmers earn additional money for their households. The Mahindra team created 397 self-help groups covering 1,985 families who met regularly, opened bank accounts, saved money, learned accounting and started a new business. Commercial vegetable cultivation, poultry, goat-rearing, dairying, basket-weaving, pottery, carpentry, tent house rentals and tailoring are some of the businesses that started using the INR 25,000 (Indian rupees, equivalent to USD 383) revolving fund provided by the project. People earn around INR 3,000 (USD 45) per month through their micro-enterprises. INR 10,425 million (USD 160 million) have been disbursed as a revolving fund, and more than INR 3.8 million (USD 58,255) have come back as repayments and lent out again. 508 families contributed to building individual toilet units in addition to Mahindra’s contribution and this enabled progress towards eliminating an open defecation area. The dung collected from the cattle managers was used in bio-gas plants and chimneys were provided in some households so 90 household kitchens became smokeless. Finally, Mahindra estimates that the per capita income in the region rose 2.35 times during the period.

The project revealed that community participation was the key success factor and has actively engaged cross sections of the population as part of this work. According to Mahindra, they have enabled community participation and ensured all representative community bodies are elected through representative gram sabhas.

Following the experiences of the Damoh IWMP, two other projects in 38 villages in Bhopal and 13 villages in the Hatta tehsil in Damoh are being implemented in partnership with the government of Madhya Pradesh and the National Bank for Agriculture and Rural Development respectively. Through these projects Mahindra is working on reaching 16,653 hectares touching 8,679 farming households.
Mahindra stressed part of the outcome has been derived from the project engaging closely with the district administration and the relevant state-level Nodal Agency, which gave it access to relevant local information. It stressed this type of private-public engagement is vital to enabled the project's overall success. As such the approach could serve as a benchmark for public policy makers in their efforts to address SDG commitments.
ANNEX II: THE SUSTAINABLE DEVELOPMENT GOALS

17 Sustainable Development Goals

SDG 1 End poverty in all its forms everywhere
SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
SDG 3 Ensure healthy lives and promote well-being for all at all ages
SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
SDG 5 Achieve gender equality and empower all women and girls
SDG 6 Ensure availability and sustainable management of water and sanitation for all
SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all
SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
SDG 10 Reduce inequality within and among countries
SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable
SDG 12 Ensure sustainable consumption and production patterns
SDG 13 Take urgent action to combat climate change and its impacts
SDG 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development
SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification, halt and reverse land degradation and halt biodiversity loss
SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
SDG 17 Strengthen the means of implementation and revitalise the global partnership for sustainable development
Notes

1 Responsible business conduct (RBC) entails above all compliance with laws, such as those on respecting human rights, environmental protection, labour relations and financial accountability, even where these are poorly enforced. It also involves responding to societal expectations communicated by channels other than the law, e.g. inter-governmental organisations, within the workplace, by local communities and trade unions, or via the press. Private voluntary initiatives addressing this latter aspect of RBC are often referred to as corporate social responsibility (CSR).

2 Smart contracts are trusted transactions directly between parties without the need for a central authority, registry, legal system, or enforcement mechanism. The contract is written in lines code and distributed over a decentralised network accessible via the web. The term was first coined in 1997 by the American computer scientist Nick Szabo.

3 Gram Sabha are Indian community governance bodies consisting of all persons whose names are included in the electoral rolls relating to a village comprised within the area of Panchayat at the village level.

References


EY (2013), Sustainability reporting - the time is now, http://www.ey.com/Publication/vwLUAssets/EY_Sustainabilityreporting_-_the_time_is_now/$FILE/EY-Sustainability-reporting-the-time-is-now.pdf.


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