

Emerging Role of Corporate in Delivering Sustainable Development Goals

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1. Introduction

In September 2015, world leaders from over 190 countries committed to the Sustainable Development Goals (SDGs) also known as the 'Global Goals', lay out a roadmap to eradicate extreme poverty, reduce inequality, and take action on climate change, among other ambitions by 2030.

The 17 SDGs and 169 specific targets of this 2030 Agenda that came into effect on 1 January 2016, were the result of a comprehensive consultation process with governments, wide range of NGOs, business representatives, and ordinary citizens. Never before, have world leaders addressed the most critical environmental, social and economic issues we face today, and agreed upon such a far-reaching agenda to transform our global society.

Economic growth, ecological balance and social progress, the three pillars of sustainable development have always been on the sustainability agenda, but until recently the third – the social pillar – has received less attention. However far greater emphasis is being placed now on social progress, and specifically on what business is doing to contribute to this goal, and how it is delivering its contribution. This has opened up number of issues.

One is globalization as it is taking place today is increasing the divide between the rich and the poor. It has to be steered so that it serves not only commercial interests but also the social needs of development. Opening up world markets has, without doubt, created unprecedented global economic growth – with the promise of even more prosperity. Unfortunately, the benefits of this have not been shared equally across the globe.

Transparency and accountability are further challenges for business. In today's information-driven, globalised world, the management of reputation is a central element in running a corporation, and this involves communicating, explicitly, the values and principles on which companies base their operations – and, centrally, how they live up to those values and principles. Corporations face increasingly intense scrutiny: to contend with this, they will have to enforce a set of globalised corporate values throughout their operations.

Another major challenge for sustainable development is innovation and technology. Many people are suspicious of new technologies. Yet, new technologies will be a key contribution to sustainable development everywhere. Industry has the innovation and creativity to bring new technologies to the market, and is already engaged in large-sale technology

transfer and cooperation with the developing countries. This is particularly important to help these nations 'leap frog' environmentally damaging manufacturing processes, develop the necessary skills, and introduce innovation into the marketplace.

In the World Economic Forum's Global Risks Report 2016 about 750 experts assessed 29 separate global risks for both impact and likelihood over a 10-year time horizon. The risk with the greatest potential impact in 2016 was found to be a failure of climate change mitigation and adaptation. This year, it was considered to have greater potential damage than weapons of mass destruction (2nd), water crises (3rd), large-scale involuntary migration (4th), and severe energy price shock (5th).

The Business Case for SDGs

All in all therefore, business has much to do to contribute to sustainable development, including engaging in areas with which it previously did not concern or involve itself. Companies need to continue to focus on what to do in their everyday operations to become eco-efficient, to reduce environmental impact and create more value with reduced impact – in short, to "do more with less". Corporations cannot be managed on the basis of philanthropic arguments: they must be able to demonstrate that sustainable development is good business.

Business is indeed starting to step up as ambition around the Global Goals is only set to increase. As per the UN report released in April 2017 found that 82% out of 100 blue chip companies have shown commitment to the SDGs in their 2016 annual reports, either through explicit statements about the goals or implicit actions that support them. SDG 13 (Climate Action), SDG 3 (Good Health) and SDG 10 (Reduced Inequalities) were top priorities, with the key focus varying by sector (SDG Commitment Report 100, April 2017). Few companies have already recognised the need for business to operate in stable economies and that, on the contrary, growing inequality, poverty and climate and water risks are threats to almost any business model.

If SDGs are to achieve their potential, it must be integrated into the planning and measurement systems of business enterprises. And for that to happen, the concept must be articulated in terms that are familiar to business leaders. Sustainable development is good business in itself. It creates opportunities for suppliers of 'green consumers', developers of environmentally safer materials and processes, firms that invest in eco-efficiency, and those that engage themselves in social well-being. These enterprises will generally have a

competitive advantage. They will earn their local community's goodwill and see their efforts reflected in the bottom line.

Companies that understand what their stakeholders want will be able to capitalize on the opportunities presented. Management should incorporate stakeholder expectations into a broad policy statement that sets out the organization's mission with respect to SDGs. This policy statement would guide the planning process and put forward values towards which management, employees and other groups such as suppliers are expected to strive. Many responsible companies have been incorporating it into their strategies for years. Drafting a policy statement that is both inspirational and capable of influencing behavior is a challenging task. The SDGs are raising the bar of what is expected of companies, while introducing a new framework for doing business and common criteria for reporting progress. However, the benefits justify the effort.

Senior management is responsible for formulating a sustainable development policy for its organization, and for establishing specific objectives. Sustainable development means more than just 'the environment'. It has social elements as well, such as the alleviation of poverty and distributional equity. It also takes into account economic considerations that may be absent from a strictly 'environmental' viewpoint.

With the SDGs, expectations of sustainable corporate practice are shifting: from the responsibility of CSR departments to that of the CEO; from stand-alone projects to core business strategy; from self-reported impacts to third-party verified results; from corporate philanthropy to consumer and investor expectation; from risk mitigation to major opportunity. All this calls for a transition away from business as usual. It will take time to get right, but the scale of ambition required means businesses need to move forward now as rapidly as possible. The early movers will be the first to benefit from new opportunities, increased customer loyalty and secure markets in a more climate-secure, prosperous and equitable society.

Taking along the SDGs, the companies that will invest in delivering innovative solutions and transformative change will receive significant economic rewards. According to the report of Business & Sustainable Development Commission, achieving the SDGs could create 380 million jobs and help unlock at least \$12 trillion in opportunities for business by 2030 (Better Business, Better World, 2017). The corporate giant Unilever revealed that in 2017 its most sustainable brands grew 46% faster than the rest of the business and delivered 70% of its turnover growth.

Indian Companies aligning with SDGs

Of the 17 SDGs, companies are adopting majorly SDG 12 at the workplace, which aims to promote responsible consumption and production, resource and energy efficiency, and development of sustainable infrastructure within the workplace, among others (Live Mint, April 23, 2018).

For instance, some companies are managing dry waste and recycling. Eco-actions include promoting the use of

ceramic mugs or glass cups for beverages to save on paper products (Flipkart), recycling office supplies such as discarded paper (Mumbai-based Mahanagar Gas Ltd), purchasing recycled paper, and using refillable pens.

Flipkart has started using ceramic and glass cups in place of paper cups. Employees have been provided with stainless-steel water bottles that can be refilled. It has helped Flipkart save 4,000 litres of potable water every week, and not add 10,000 plastic bottles to landfills every year. Persistent Systems has also stopped the use of disposable plastic paper cups and plates. It runs several programmes to reinforce sustainable consumption practices, such as 'no plastic day' or 'zero food wastage week', and 'no printer days' to save paper.

Even some of the public sector utilities are also coming ahead. At Mahanagar Gas Ltd, a natural gas distribution company, waste papers are recycled into writing pads and envelopes through a waste management enterprise.

Companies are getting associated with non-profits and social enterprises for services, such as, waste audits, designing waste management systems, monitoring waste generation, recycling and collection of paper waste, metallic and plastic materials.

Waste Ventures India, a Hyderabad-based waste-management enterprise has developed software that helps companies to track waste generation, and design green strategies accordingly. "Through this process one of companies realized that it was generating a lot of tetra-pack waste. As a result, the company decided to use 2 litre boxes for its events and meetings rather than the 100-200 ml juice packs. In that way, they reduced tetra pack waste from their premises by 30%," informed Abdul Rahman Janoo, product manager at Waste Ventures India.

The realization of the firms to be seen as a "green company" in order to attract the environmentally conscious consumer is driving this positive change.

2. Objective of the study

The present study aims at understanding the present urgency of sustainable development goals and the role that the corporate houses are playing in the sustainability of the environment.

3. Research Design

Detailed study of available literature (websites, journals, magazines) on sustainable development goals was done to get an understanding of the concept.

A structured survey instrument was developed based upon the extensive literature review on the emerging role of corporate in achieving sustainable development goals. Questionnaire and interviews (wherever possible) were used to collect data from business executives, senior line managers, and junior executives from four major industries: automobile, IT, manufacturing and consumer products, and pharmaceuticals. The aim was to collect data from all the managerial levels.

Sample Breakdown:

Sector wise:	
Automobile	5
IT	5
Manufacturing & Consumer Products	5
Pharmaceuticals	5

Managerial Position:	
CEO	4
Senior Managers	8
Junior Managers	6
Others	2

Over the past few years, as a consequence of rising globalization and pressing ecological issues, the perception of the role of corporate in the broader societal context within which it operates, has altered.

Almost 98 percent of the respondents believed that the importance of sustainability has increased and the issue will be important for the future success of their company.

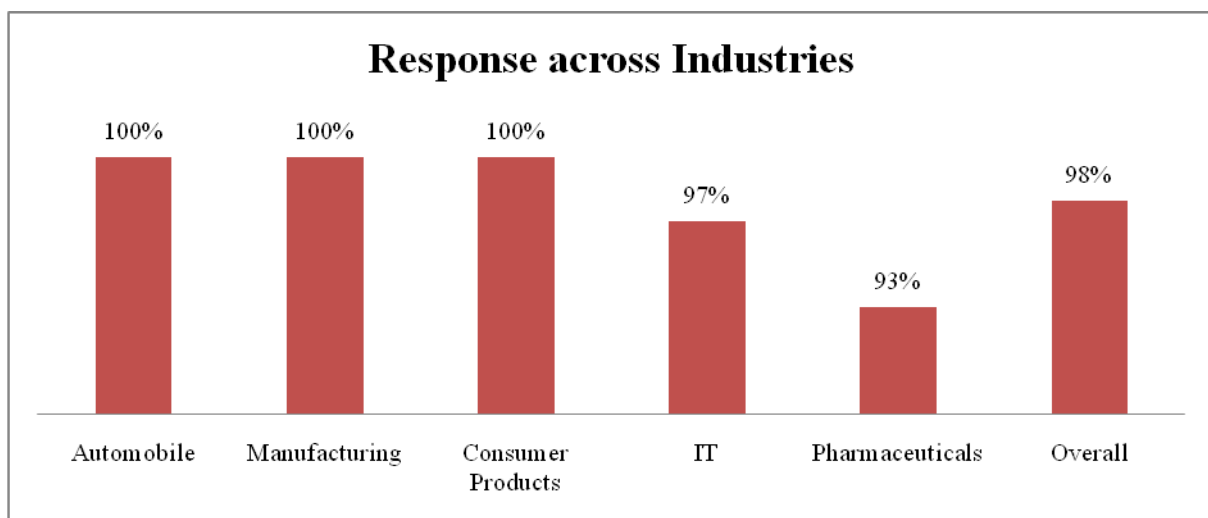
However, the exposure of companies to sustainability rather depends on their product portfolio and their stakeholder environment, and the extent to which sustainability will be important for the success of companies in future varied through industry. Completely 100 percent respondents from automobile, manufacturing, and consumer product industry agreed or strongly agreed to the importance of sustainability issue for achieving hallmarks of successful business in future.

4. Limitations of the study

- Inaccessibility and hesitancy on the part of management in sharing the response.
- The data has not been analyzed across the different sectors due to low sample size.
- The accuracy of the analysis is dependent upon the accuracy of the data reported by selected organizations.

5. Data analysis and interpretation

Response across Industries on Sustainability and its Importance for Success



There are many challenges as well as opportunities that arise from the growing pressure to find sustainable ways of conducting business. As competition in automobile industry is becoming fierce, sustainability is being seen as a top line opportunity for cost reduction, revenue growth, innovation, branding, etc. Manufacturing industry needs to engage new thinking, technologies and practices to meet the new challenges. The consumer today is more informed and aware than before of how the products they purchase will impact the environment. Consumer product industry is increasingly looking for ways to create more environment friendly products, and to bring it to the market with smaller carbon footprints.

The awareness of sustainability as a main issue of performance has considerable grown over the last years in IT and pharmaceutical sectors. 97 and 93 percent respondents of IT and pharmaceutical industry respectively identified sustainable development as being critical to the development of their company.

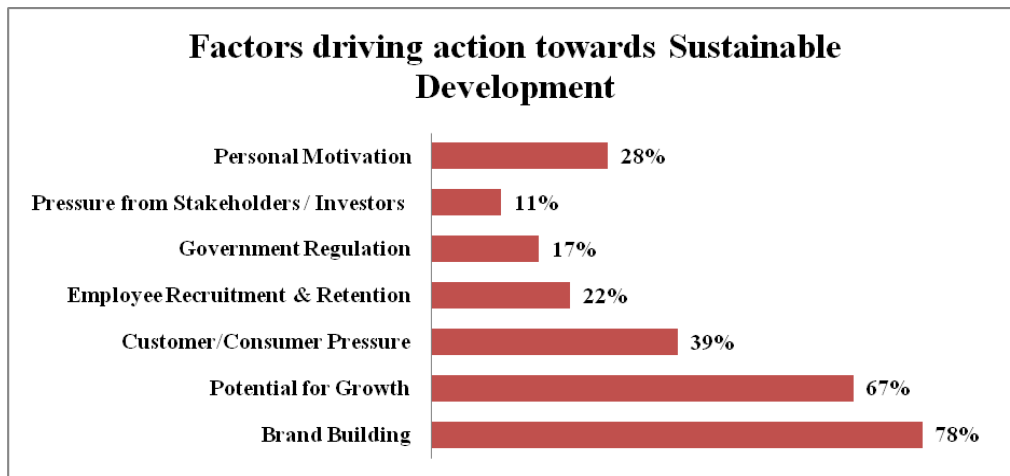
The need is growing for sustainability-oriented IT systems that can capture, manage, and integrate a complex range of economic, ecological, and social information for use in core

business strategy and operations decision-making. Traditionally, in pharmaceuticals the issue of safety, efficacy, and quality has always been at the forefront of every initiative. But now the focus is also shifting to environment friendliness initiatives.

Nowadays, managers see sustainability as being able to bring competitive advantage and a transparent approach into the business functions in the long term.

Factors Driving Integration of Sustainable Development Goals

Creating affirmative brand equity has become the top most priority across various sectors. The study also reflects that 78% of the select sector give due importance towards the sustainability for the purpose of Brand Building. Another important driving factor the executive feels could act is the medium for potential growth. Specifically in the automobile and consumer product sector it is seen that the customer would prefer the product adhering to the norms of sustainability as they themselves do not want to come as a sufferer in the future.



So it would be right to say that the practices driving Sustainable Development Goals have become the mirror image of the Brand and in all ways it adds in building Brand Equity in the market.

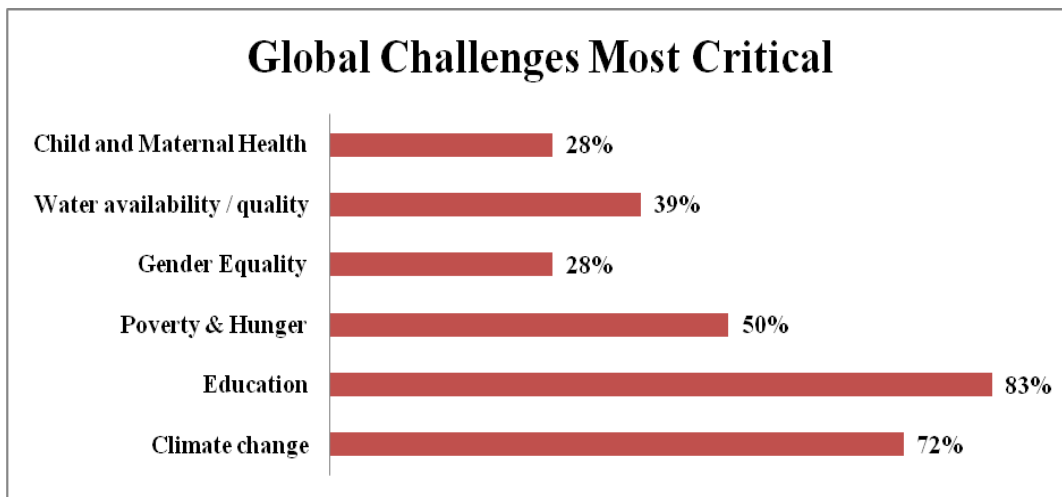
Most Decisive Global Challenges

In all ways the complexity of sustainability issues are increasing, and they are easily associated with the success of business in future.

As Gerard J. Kleisterlee, President and CEO of multinational Royal Philips Electronics told,

“whichever angle you come from, you try to meet a need of a community or an economy, both from an economic perspective and from a development angle.”

The present study indicates that education and climate change is taken as one of the critical issues in the success of businesses in future. As per the executives from varied sectors sufficient and quality education is required in order to assure sustainable development and a steady supply of talent to renew their workforce capabilities. Infact the major challenge faced by the companies is that the employees are not completely sure as to how to integrate Sustainable Development Goals into business.

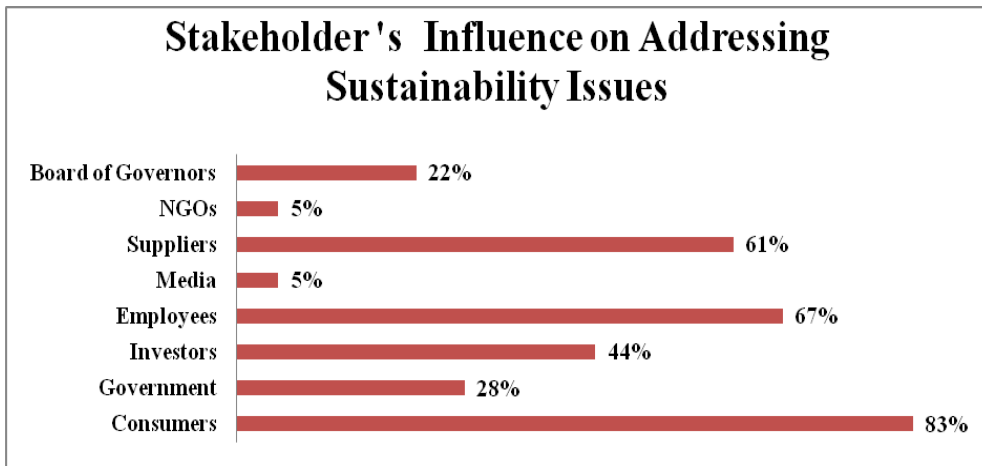


Consumers Increasingly Preferring Sustainability Issues in Business

With the increasing awareness sustainability has emerged as an important driving factor for consumers. Earlier the consumers use to look for High-quality Product at best possible price but now with the increasing awareness the consumers are all the more keen in understanding the measures adopted by companies and their operations for Sustainable Development.

As per many of the executives sustainability started as a moral obligation but is now emerging as a key differentiator for consumers.

Along with consumers the employees are also giving due weight age to sustainability issues and compelling the organization to come with issues in order to contribute for sustainable development. It is found that contribution of Media is trifling which if directed towards it, could be one of the major drivers in addressing sustainability issues.



Train Managers to Integrate Sustainability in Strategies

Training plays an immense role in shaping and molding the roles of employees. Majority of the executives strongly agree with the investment for the purpose of training managers to integrate Sustainable Development Goals into strategies. Although majority of them agree but when enquired, it was found that the training to managers were not actually taking

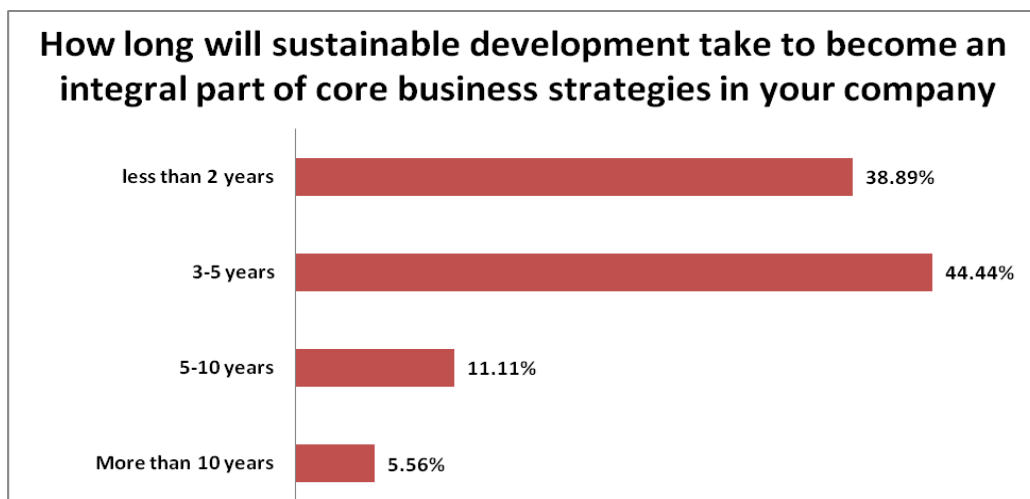
place as in manner expected nor that much investments are made for the same. Hence the need of the hour is that companies should not only talk but come forward for models and investments which would effectively help Managers to consider and incorporate sustainability issues while framing strategies.



Time Sustainability Development Goals would take to become integral part of Core Business Strategies in Your Company:

It is very evident from the study that majority of the executive are sure that Sustainability will become the integral

part of their companies in the coming 5 years. This reflects the rising awareness among the companies, and a stronger commitment towards Sustainability issues.



6. Conclusion

The growing pressure to find sustainable ways of conducting Business is leading towards both challenges and opportunities. Today there is increasing awareness among the consumer and it is immensely dominating their decision to choose product. The Retailers are also prompting environmental friendly ways of packaging and selling product. Consumers have become all the more aware and conscious when they look for products based on how these products are affecting environment. The study also shows that the consumers are major driving factor for companies especially the consumer goods company to comply with the sustainability issues.

Since IT industry are well established and enjoying the boom, they are more focused on financial position of a company as well in strong position to measure and address ecological performance of business. The study is also supported by producing the data, indicating IT companies understanding the relevance of sustainability issues and integrating more of it in their strategies and policies.

Although sustainability has emerged to be a challenge in the manufacturing sector, and on the other side manufacturing area is of great requisite as it influences the environment to a great extent. Here the role of manufactures comes which is yet at developing stage in India, and the requirement of adhering to international standards and protocols, and increased compliance requirement which means the manufacturer has to improve upon the measures and their environmental performance.

Automotive Executives see the sustainability issues form an environmental perspective but it is captivatingly seen that in a way it has become opportunity for the automobile sector. The study indicates that the executives see the sustainability as the top line priority and which helps them in reducing cost, increasing innovation and brand value.

In pharmaceuticals always the crucial concern has been the Safety and quality, however not environmental friendly but

with the increasing competition when the consumers are going for sustainability they have started to add it in the agenda.

Many of the companies are today well advanced towards eco- efficiency or towards sustainable development, especially the MNC's but the major lacking area is Small and Medium Scale industries which are still quite behind and still driven by the profit motive., the major challenge that has come after the study is the executives studied for the purpose are showing that sustainability is very much a part of their policies and company but on visiting their company website it is found that they are lacking in it still, and they are looking for the changes in the direction but still to become a integral part.

Multi-national enterprises, Fortune 500 companies and other big industries can contribute significantly towards realization of each of the SDGs by utilizing their power, reach, resources, technology, research, knowledge development, management skills and innovation. They need to pick up appropriate goals and targets, considering their business impact, area of expertise, infrastructure, experience and opportunities for contributing in their own ways. For this purpose the companies need to shed mere philanthropic attitude and adopt the principles of sustainability. It is desirable that they integrate the essence of SDGs in their operations and strategies, and make shift from shareholder approach to stakeholder approach. Goals prioritized by the stakeholders ought to be given consideration. The 'shared value' approach, focused on people, should be the key.

SDGs are going to create new market opportunities for private sector. They can be game changers for the businesses. Involvement in the process of accomplishing SDGs will bring them long-term and sustainable mileage. Companies can find 'business case' in this endeavour.

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