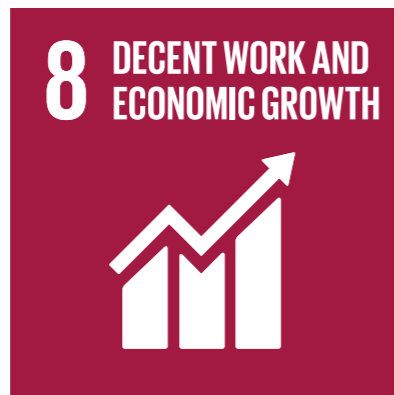




CEO Guide

to the Sustainable
Development Goals



Contents



Foreword

The Sustainable Development Goals (SDGs) are the product of extensive multi-stakeholder negotiations involving a wide range of sectors, including business. They set out a framework of 17 Goals to tackle the world's most pressing social, economic, and environmental challenges in the lead-up to 2030.

Leading businesses have long been engaged in efforts to integrate sustainability at the core of corporate strategy, decision-making and governance.

The SDGs provide us with a new lens through which to translate global needs and ambitions into business solutions.

These solutions will enable companies to better manage their risks, anticipate consumer demand, build positions in growth markets, secure access to needed resources and strengthen their supply chains, while moving the world towards the delivery of the SDGs.





The Business & Sustainable Development Commission's flagship *Better Business, Better World* report, issued earlier this year, points to flaws in our current economic model which stand to significantly undermine the long-term stability and growth the world needs.

The SDGs are positioned as a compelling new framework to reverse this trend.

The goals have the potential to unleash innovation, economic growth, and development at an unprecedented scale and could be worth at least \$12 trillion a year in market opportunities and generate up to 380 million new jobs by 2030.

Through this CEO Guide, we seek to amplify the key messages of the Commission's report and to help you turn them into action in your company. In the following pages, we highlight the key role that business plays with regard to the realization of the SDGs, outline how your organization can engage and recommend key steps for you to take to begin aligning with this critical societal agenda.

At this time of political and economic uncertainty, strong and visionary CEO leadership is essential to achieving the transformation needed to usher in the inclusive and sustainable economic growth that the SDGs represent.

Your company will already have embarked on a sustainability strategy. By reporting your progress against the SDGs, you will join this global movement and by reaching out across sectors and supply chains, we can collectively accelerate this agenda.

Of course, none of this can be accomplished by business alone. Good governance, economic incentives, appropriate and robust legal and institutional framework conditions and public-private partnerships are essential.

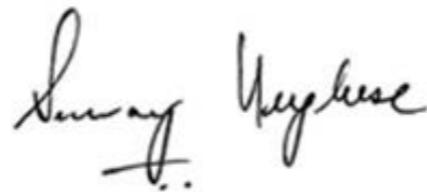
As WBCSD Council Members and Commissioners of the Business & Sustainable Development Commission, we believe that more sustainable businesses are more competitive.

We will leverage the SDGs platform to catalyze collaborative action at scale through dialogue and partnerships across sectors, supply chains, government, international organizations, science and civil society.

We look forward to engaging our peers across the business community in this endeavor, and invite colleagues, partners and stakeholders to work with us to scale up action towards 2030 and beyond.



Paul Polman
CEO, Unilever and
Chairman, WBCSD



Sunny Verghese
Co-Founder & CEO, Olam



Svein Tore Holsether
CEO, Yara International



Knowledge grows



Peter Bakker
President & CEO, WBCSD

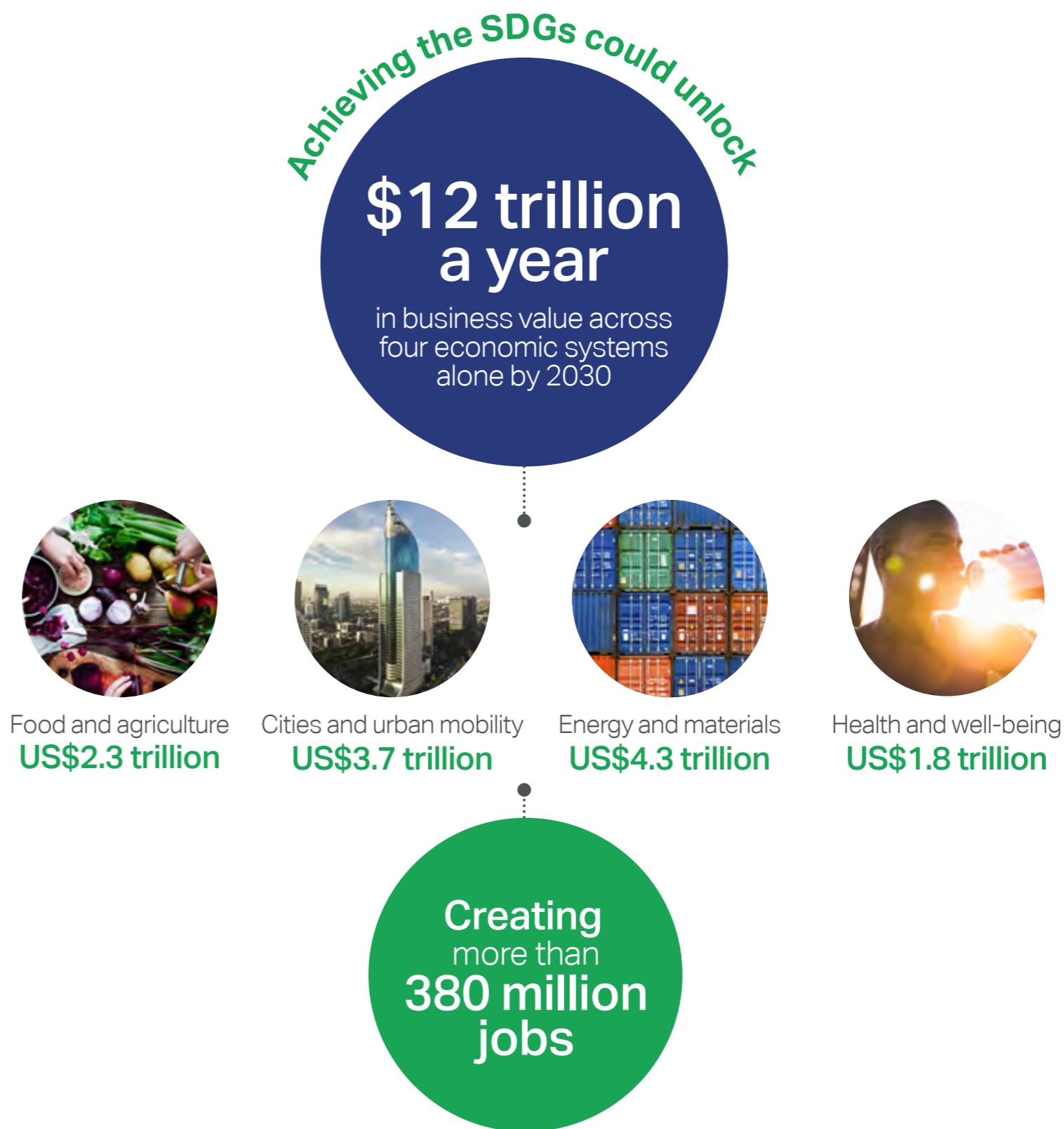


The SDGs provide us with a lens through which to translate global needs and ambitions into business solutions



Business and Sustainable Development Commission

The Business & Sustainable Development Commission brings together three dozen leaders from the private sector and civil society. They have overseen extensive research that maps the economic prize that could be available to business if the SDGs are achieved.



Source: *Better Business, Better World*, Business & Sustainable Development Commission

The Commission makes 6 key recommendations for business leaders



Build support for the SDGs as the right growth strategy in your companies and across the business community



Regain society's trust and secure the license to operate by working with governments, consumers, workers and civil society to achieve the whole range of Global Goals



Incorporate the SDGs into company strategy



Drive the transformation to sustainable markets with sector peers



Push for a financial system oriented towards longer-term sustainable investment



Work with policy-makers to pay the true cost of natural and human resources

The Commission's flagship *Better Business, Better World* report paints a compelling picture for aligning with the SDGs and makes a series of recommendations to business leaders.



<http://businesscommission.org>



The SDGs and the role of business

The SDGs will not be realized without business

The 17 SDGs and the 169 time-bound targets underpinning them, represent a comprehensive and interconnected framework. It has resounding universal relevance for all stakeholders and nations. Its ambitions effectively transform every country into a developing country.

While business is not being asked to deliver the SDGs alone, this agenda cannot be realized without meaningful engagement by business. The private sector has a critical role to play as a source of finance, as a driver of innovation and technological development and as a key engine of economic growth and employment.

It is also important for business to remain mindful of its core responsibilities. The baseline for any company should be to ensure that its operations do not hinder this agenda. Addressing negative social impacts, in particular in relation to human rights, should be a priority for every company.

In order to drive global progress at the speed required, governments will need to regulate in favor of the disruptive innovation that this agenda demands. But neither business nor government actions alone will be enough to deliver the transformation.

We can only realize our joint goals of long-term growth and shared prosperity by collaborating across all sectors of society.



Implications for **your company**

From a business perspective it is important to understand the **implications of the SDGs across four key pillars**

1 Risks of inaction

Doing nothing is a costly option

2 Capturing opportunities

The prize of aligning business strategies with the SDGs

3 Governance & transparency

Better information = better decisions

4 The need for collaboration

Realizing the SDGs is beyond the reach of one company

1 Risks of inaction

Doing nothing is a costly option

Costs of inaction

Failures in today's economic model are adding to a list of environmental and social burdens that restrain future growth prospects. These burdens represent a mounting business cost and ultimately are turning the world into a less viable place in which to conduct business.

Regulatory risk

The SDGs reflect future policy direction at the international, national and regional levels. Failing to integrate them strategically represents long-term regulatory risk.

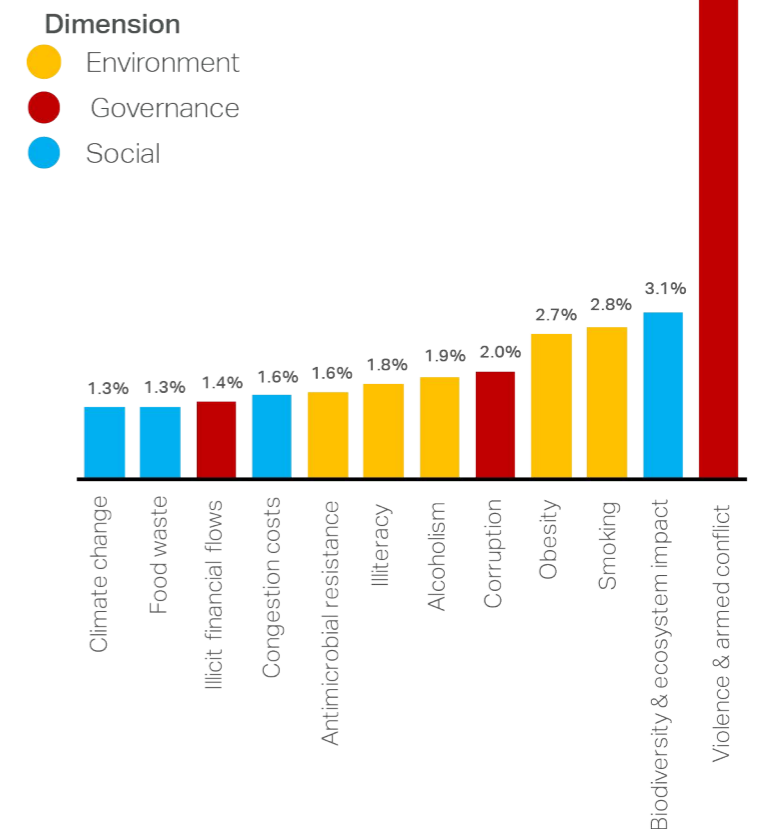
Market disruption

Forward-thinking businesses are forging ahead with disruptive new business models that threaten to radically reshape markets.

Reduced license to operate

The latest global report on trust in business from [Edelman](#) shows a double-digit decline in the credibility of CEOs in 80% of countries over the course of the last year.

Estimated annual global direct economic impact associated with selected global burdens Share of global GDP, 2014



Source: *Better Business, Better World*, Business & Sustainable Development Commission

2

Capturing opportunities

The prize of aligning business strategies with the SDGs

New growth markets

There is a massive market incentive for companies who are able to offer SDG-relevant technologies and solutions through sustainable and inclusive business models. This economic prize is worth at least US\$12 trillion per year by 2030.

SDGs as a policy roadmap

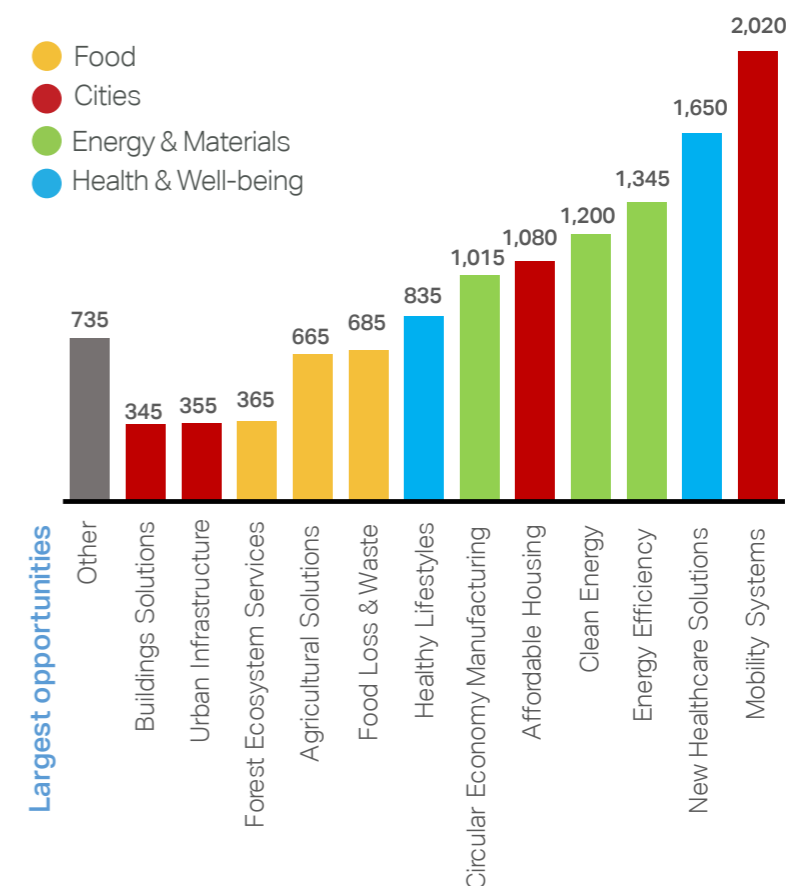
Companies that align themselves with the SDGs and are able to communicate clearly about how

their business helps governments to achieve the SDGs are likely to be able to consolidate a strong license to operate and to differentiate themselves from competitors.

Regaining trust

Through aligning with the common language and shared purpose of the goals, meeting basic needs and protecting human rights, companies will be able to forge a new and improved social contract.

Value of incremental market opportunities in 2030 US \$ billions: 2015 values



Source: *Better Business, Better World*, Business & Sustainable Development Commission

3

Governance & transparency

Better information = better decisions

Corporate governance implications

There is more work to be done in translating the SDGs into the language of corporate governance. It's critical for companies to use mainstream risk disclosure models (such as COSO or ISO enterprise risk management frameworks) to bridge the gap.

By creating strong performance metrics that are compatible with existing financial disclosure requirements, companies can disclose, discuss and compare their risks in a clear and meaningful way.

This will, over time, start to make more sustainable companies more successful.

Pricing and integrating externalities

The ability to price both social and environmental impacts of doing business and integrate them into internal strategy and decision-making will influence performance and reputation. Scenario analysis, such as that recommended by the Task Force on Climate-related Financial Disclosures, will further inform you and your board on sustainability risks and opportunities.

Integrating externalities in this way will inform constructive conversations with governments and other stakeholders about the evolving role of business in society.



Task Force on Climate-related Financial Disclosures



The International Integrated Reporting Framework



4

The need for collaboration

Realizing the SDGs is beyond the reach of one company

Sector approach

Business as usual will not achieve the SDGs, nor will innovation by a few pioneers. A new course is required for entire sectors and industries.

This is beyond the reach of any one company. Realizing the goals means collaboration between a critical mass of companies at the industry level.

Systemic approach

Simultaneous cross-sector cooperation will also be needed in order to move towards the overhaul of entire economic systems.

Public-private partnerships

PPPs will drive innovative solutions to unlock the financing that is required to achieve the SDGs.

Collaboration in action



The Global Agri-Business Alliance

a CEO-led, private sector collaboration committed to harnessing the collective strengths of the sector to tackle the SDGs.



The Low Carbon Technology Partnership initiative (LCTPi)

is a joint public and private initiative to accelerate the development of low-carbon technologies, scale up their deployment and enable the implementation of business solutions.

Action points

There are a number of actions that you can take to align your organization with the SDGs and plot a course towards unlocking the value they represent.

At this time of political and economic uncertainty, strong and visionary CEO leadership is essential



1 Risks of inaction

2 Capturing opportunities

3 Governance & transparency

4 The need for collaboration

Individual-level

Stay informed **1 2**

Make the SDGs your business. Keep up with the sustainable development agenda to ensure that your organization is well placed to capitalize upon opportunities and pre-empt disruptive risks.

Spread the word **4**

Engage your network of peers on this agenda to create a tipping point for business engagement.

Company-level

Understand and measure **3** externalities

Develop a thorough understanding of how your company's business activities translate into economic, environmental and social impacts in the context of the SDGs.

Set goals **1 2**

Plot a course towards enhancing positive and mitigating negative SDG impacts.

Develop business solutions **2**

Apply an SDG lens at the strategic level to harness your organization's potential to engineer business solutions that make your company more successful and sustainable.

Communicate **3**

Consider regular and transparent communication of SDG performance and progress.

Sector-level

Come together **3 4**

Collaborate with peers and other stakeholders to frame the SDGs in the context of your sector.

Roadmaps **4**

Set a collective vision for your industry and collaborate on initiatives to realize sector transformation.

Issue calls to action **4**

Call for all companies in the sector to align, collaborate and report on their progress.

Policy-level

Advocate **1 2 3 4**

Openly advocate for the introduction of key policy and finance enablers that will help to achieve a tipping point.

WBCSD as an enabler for action at scale

The good news is that there are a growing number of resources to support business in transitioning towards growth in line with the SDGs.

WBCSD is pursuing initiatives that promote business action at scale. These are led by our membership of 200 leading companies and supported by strong institutional partnerships, including a Global Network of over 60 business organizations worldwide.

Sector roadmaps

WBCSD is taking steps to leverage our extensive networks across multiple industries to create sector-specific roadmaps which articulate a common vision towards realizing the SDGs.

These roadmaps will:

- Identify the most material ways in which a sector impacts the SDGs;
- Set sector-specific targets and KPIs;
- Flag barriers and explore solutions;
- Lay the foundations to advocate for both finance and policy enablers.





Redefining Value

In order to measure, value and report their true value, true costs and true profits, companies need to go beyond financial capital accounting and incorporate natural and social capital as well.

WBCSD is developing innovative frameworks and resources to advance non-financial capital measurement, valuation and reporting, helping companies improve their decision-making and produce more effective and meaningful external reporting and disclosure.

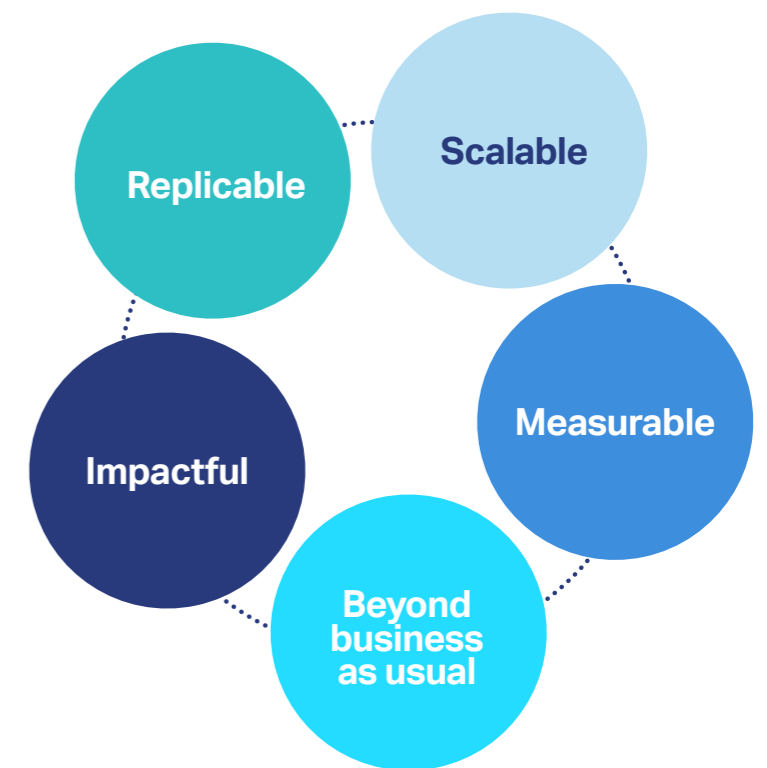
**We invite
colleagues,
partners and
stakeholders to
work with us to
scale up action
towards 2030
and beyond**



WBCSD Business Solutions

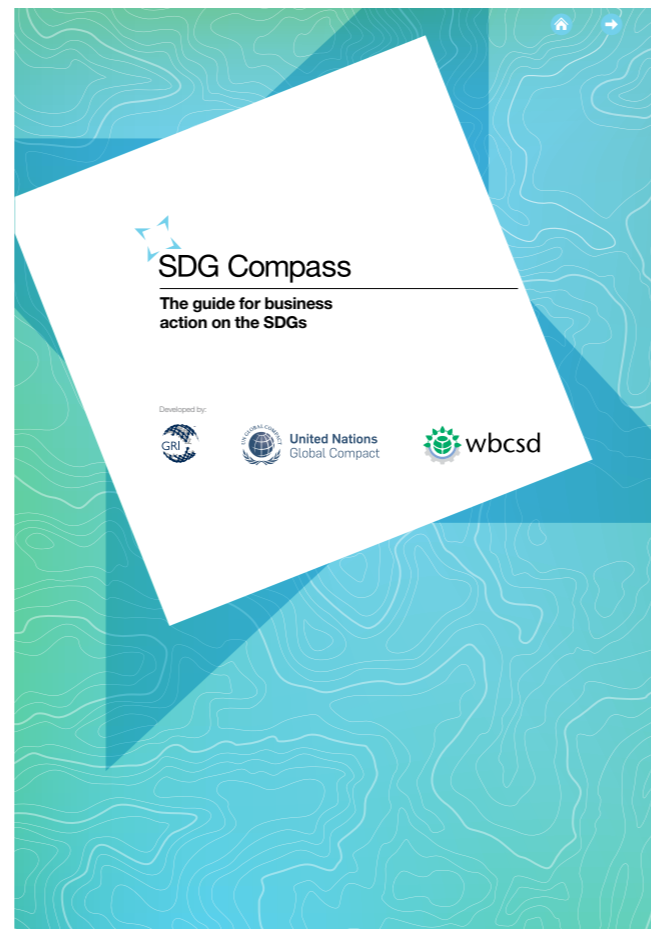
WBCSD has a ready-made suite of over 40 Business Solutions that are being driven forward by our member companies. These solutions can help your company strengthen its competitiveness and resilience whilst contributing to the realization of a wide range of SDGs.

Business Solutions are:



SDG Compass

In collaboration with GRI and the UN Global Compact, WBCSD has developed a step-by-step guide for companies to align their strategies with the SDGs and measure and manage their impacts. It is supported by a live and constantly updated inventory of business indicators and tools. The SDG Compass is available in 12 languages.



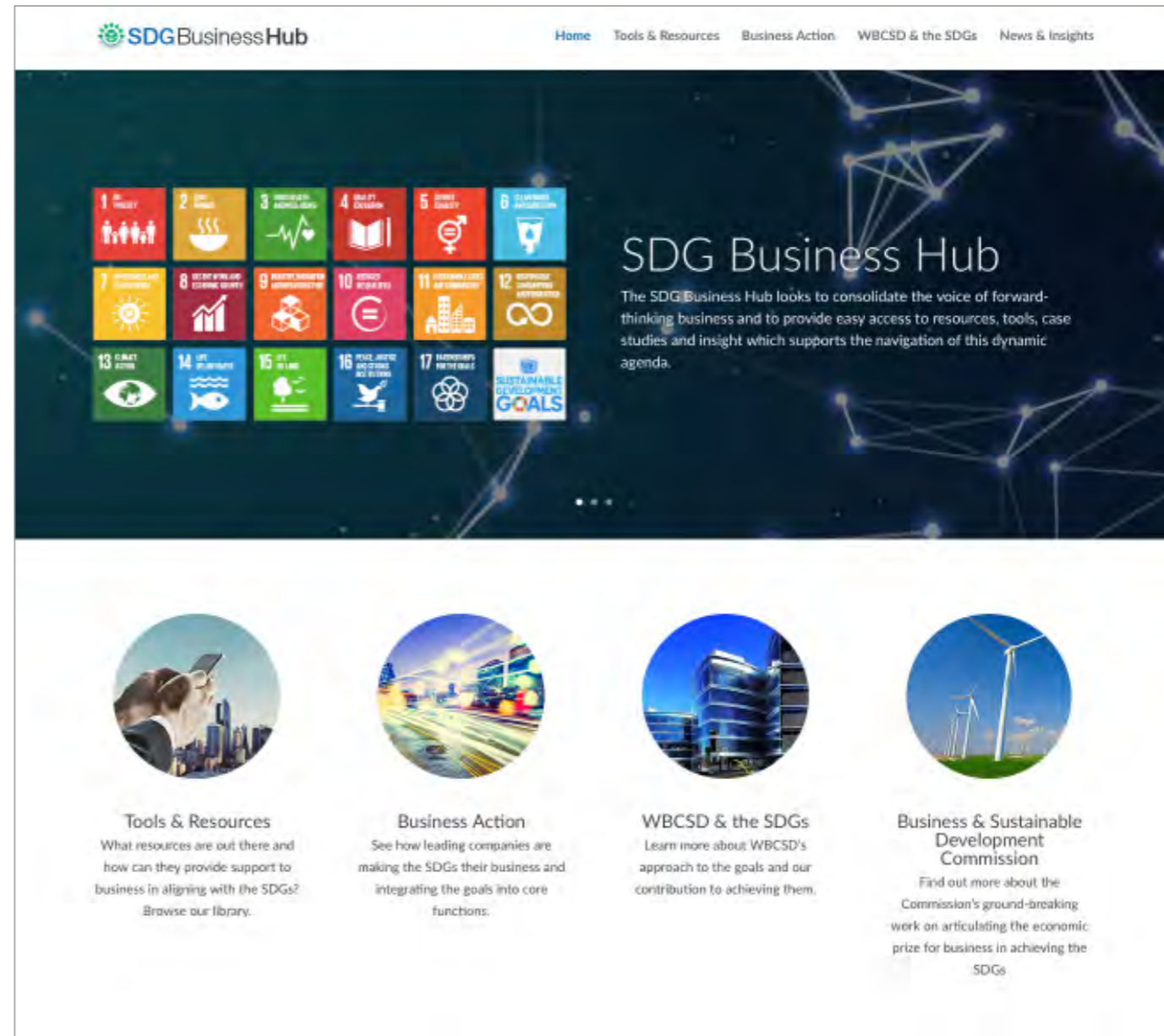
www.sdgcompass.org/



Stay informed

The SDG Business Hub consolidates the voice of forward-thinking business. It provides easy access to resources, tools, case studies and insights that support you in the navigation of this dynamic agenda.

www.sdghub.com





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